

We hope you find it informative, as always we welcome any feedback you may have.

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## Administration Strategy - Changes

Following consultation with Scheme Employers a revised Administration Strategy, which sets out the roles and responsibilities of both the Hampshire Pension Fund and Scheme Employers has now been approved by the Pensions Fund Panel and Board. The revised document is available on our [website](#).

The key changes are:

- Changes in the timescales by which employers need to notify Pensions of leavers, to allow for the difficulties of identifying when casual employees leave and the inclusion of payments after leaving in CARE pay
- Introduction of the requirement for employers to carry out a data cleanse, if issues are identified with the quality or timeliness of data
- Timescales for employers to provide information regarding outsourcing or changes of payroll
- A reduction in the timescales by which Pensions will produce estimates or process retirements from 20 days to 15 days
- Recharge of administration costs associated with outsourcing, changes to legal status or creation of new organisations
- Approval of death grants from Team Manager to Head of Pensions, Investments and Borrowing

## Dying to Work Voluntary Charter

The Hampshire Pension Fund was recently approached by a local authority council for views on a proposed 'Dying to Work Voluntary Charter' by Trade Union Congress (TUC). This would allow any staff diagnosed with a terminal illness to have the option to continue in employment until death (so that their families are eligible for death in service benefits) rather than their employment being terminated (and they apply for ill-health benefits, for which they require 2 years vesting) when their health is failing.

As Death in Service and ill-health retirement costs are spread across all Employers in the Fund this was passed to the Pensions Fund Panel and Board to review at their December meeting. Although the Board have no strong objections to the Charter being adopted and used by Scheme Employers, this is something that will be kept under review by the actuary who can certify additional contributions if a particular employer's experience is materially out of line with the rest of the Fund.

## Ill-health Retirement - Reminder



LGPS | Disclaimer | New member | Current member | Past member | Pens

### Employer information

Employer policy and service standards

Becoming a Hampshire Pension Fund employer?

Auto enrolment

Training and guidance

Change of payroll provider

Update employer contact details

Useful links

Employer A - Z

Employer feedback

Employer forms, news and finance

### Ill health retirement

#### Active members

There are three tiers of ill health retirement based on the member's likely capacity for 30 hours a week for at least year.

If you decide that an employee can take ill health retirement they will receive:

#### Tier 1

- Has no reasonable prospect of being capable of gainful employment before normal pension age.
- Will receive accrued pension plus 100% of what they could have accrued between the leaving date and normal pension age.

As outlined in the LGPC Bulletin 163, The Pensions Ombudsman (TPOS) has asked the LGPC Secretariat to alert employers to a trend they have identified whilst dealing with LGPS ill health retirement complaints.

If a member appeals a Tier 3 decision under IDRP two separate opinions should be sought if this coincides with the 18 month review – one at the start and one for the 18 month review – this is to avoid an improper decision being made.

The decision on ill-health including the tier being awarded is an employer decision based on all information available; this is including but not exclusive to the medical advice.

The TPOS have therefore asked us to highlight the importance of scheme employers obtaining narrative reports which outline the reasoning behind the medical opinions from independent registered medical practitioners (IRMPs) in dealing with ill-health retirement cases. This will be important in minimising the risk of the employer making a poor or flawed decision, potentially resulting in a mal-administration claim from the member.

### Further information and support

Further information on ill-health retirement can be found on our [website](#).

## Early retirement – Strain charges

In the last edition of Pensions Matters we advised that the early retirement factors were shortly due to change and a separate STOP PRESS would be sent to employers to confirm the effective date.

Although the factors will be changing, there is further work that needs to be completed before this will happen and we cannot give a timescale at the moment. When the change comes in, we will honour existing estimates (excluding bulk estimates) which have been run before this date.

## GDPR requirements

We have had contact recently from some employers asking about Hampshire Pension Fund's plans for compliance with the GDPR requirements due in May 2018 and requesting a data sharing contract with us.

The LGA are currently working on a memorandum of understanding document for employers in the LGPS. The document will set out that participating employers in the LGPS are able to share data with the LGPS administering authority without a data sharing agreement in place. This is on the basis that both the employer and administering authority are data controllers. Once this document is available we will share it with employers.

### Employer requirements for pension record keeping

We have been approached by a number of Scheme Employers requesting guidance on record keeping of Pensions information under GDPR. The decision on how long to keep records is for the employer to determine, the requirement for providing information to the Fund has not changed and is set out in the administration strategy

## Monthly Remittance Forms

### March 2018 remittance Forms

Due to tight deadlines for the 2017/2018 Final Accounts, we will require your remittance form for the March 2018 contributions by **11th April 2018**. Please send this to our Finance Team by email using [pensions.finance@hants.gov.uk](mailto:pensions.finance@hants.gov.uk). This does not affect the payment due date, which remains at 19th April.

### 2018/19 Remittance Forms

Monthly remittance forms for use during the scheme year 2018/19 will be sent to Scheme Employers during March and will include any changes to Employer contribution rates as set out in the Employer Contribution rate letter sent in early 2017.

## Data Validation Exercise

To reduce the number of queries we may need to raise as part of 2017/18 annual return process, we asked 70 employers who we assessed as having 'Major Data Quality issues and/or slow to respond' from their 2016/17 annual return submission to undertake a 'Data Validation Exercise' by 31<sup>st</sup> December 2017. There were 2 parts to this exercise:

- The Fund provided these employers with details of members who we have recorded as contributing to the scheme since 1<sup>st</sup> April 2017 to 30<sup>th</sup> September 2017. This was to allow them to verify this information with what was held on their own records – identifying any starters and leavers still to be notified to the Fund.
- Employers were then asked to complete a declaration to either confirm that they have fulfilled all of their employer responsibilities (e.g. that starters and leavers are up to date) and/or provide HPF with details of the actions they intend to take to ensure that a correct and complete annual return will be submitted by 30 April 2018.

### Key information

- **53** declarations received setting actions being undertaken by employers
- **66** Starter notifications identified by employers outstanding
- **181** leaver notifications identified by employers as outstanding

This is a process which we will look to undertake in future years and is now reflected in our administration strategy. As this is the first year we have undertaken this exercise we are keen to do a full review of this process and welcome any feedback or suggestions you have – please email these to: [eoy.pensions@hants.gov.uk](mailto:eoy.pensions@hants.gov.uk)

## 2017/18 LGPS Annual returns

EDV Return 2017/18												
Employer name		Employer number			Employer contribution rate		Prest Amount (Past Service / Deficit)					
National Insurance Number	Surname	Forenames	Gender	DOB	Payroll no	Date joined scheme	Pensionable pay date	Scheme section (1 = Main Section, 2 = SSIS Section)	Employee Contribution rate	Pension		

During February 2018 we will start to issue the 2017 Annual returns template to all scheme employers. These will be sent to the 'Annual Return' and 'High Level' contact we have detailed for your organisation. If you do not think we hold the correct contact details for your organisation please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

The annual returns will include pre-populated lists of the members that we hold as active and leavers from the year 2017/2018. As the employer it is your responsibility to ensure the pre-populated information is checked thoroughly against the information you hold. Having a pre-populated list should make it easier for you to identify discrepancies between the information you hold and what we have on our records.

**The deadline for the completed and signed annual return will be 30 April 2018.**

## Employer performance



Since January 2016 we have monitored employer performance and written to employers. We have also reported this to the Pensions Funding Panel and Board for employers who breach the expected timescales in the following key areas:

- Death of an active member
- Active members retiring
- Active members leaving the LGPS

This is something that the Fund will continue to do and any employer included in the report will be invited to provide a short statement of the actions they are taking to address any issues with providing timely information to the Fund. This will be included in the information to the Pension Fund Panel and Board.

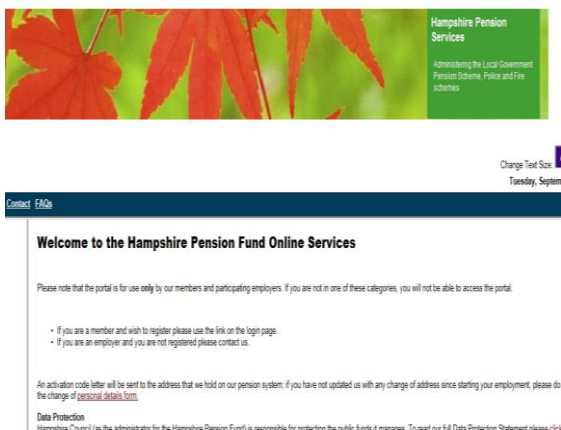
## Changes to Quarter 3 and Quarter 4 2017/18 reports

Following recent changes to the SLAs that employers have to notify the fund of active members leaving the LGPS we are currently reviewing our reports to ensure that these remain meaningful and reflect an employer's performance. We will therefore exclude reporting on 'Active members leaving the LGPS' during Q3 and Q4 of this scheme year.

## Do you have a payroll provider?

If you outsource all or some of your LGPS administration responsibilities to a third party payroll provider, Scheme Employers are still legally responsible for ensuring timely, accurate notifications are received by the fund.

## Member Self Service - Update



We currently have over 25,000 deferred and active members registered for Member Self Service.

Employees can:

- View annual benefit statements
- View service history including transfers in
- View death grant nominations
- Report change of name and/or address

\*paper statements are only sent to members who have opted out of the online service

If you would like a report of which employees have registered to do your own internal promotion, please email [pensions.system.team@hants.gov.uk](mailto:pensions.system.team@hants.gov.uk)

## Employee Contribution Changes 2018/19

We have had a number of Scheme Employers contact us in relation to employee contribution rates which will be applicable from 1 April 2018. These are not normally confirmed to us until later in March. A 'STOP PRESS' will be issued once these are known.

# Change of Payroll and other legal changes

## Change of Payroll

Please let us know if you have or are planning on changing your payroll provider by emailing [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk), we will then let you know what actions we need to take to ensure members are not affected by this change.

## Other legal changes

If you are making any legal changes to your organisation e.g. mergers, name changes, transfers please let us know, so we can advise if there will be any LGPS impacts or requirements.

**Change of Payroll provider**  
 Employer Factsheet

Hampshire Pension Fund  
 administered by  
**Hampshire County Council**

From time to time an employer may outsource their payroll and/or change their provider. To ensure that members of the LGPS are unaffected by this change and protect employee data, scheme employers must inform the Hampshire Pension Fund as soon as possible of any pending change.

There are a number of steps that need to be completed to ensure a smooth transition from an LGPS perspective. These are detailed in the flowchart below:

- Scheme employer to notify Hampshire Pension Fund of change of payroll provider by completing Employer Change of Payroll Provider Form.
- Scheme employer should ensure that their new payroll provider is aware what pension responsibilities are being delegated and provide a copy of the 'administration strategy' which details employer tasks.
- Scheme employer should make their old and new payroll provider aware that individual employee 'Change of payroll form' will need to be completed after the transfer. This should be returned to HPS within 10 working days after transfer.
- At the date of transfer Hampshire Pension Fund will update your employer records to reflect the change of payroll and issue a 'Contacts and authorisation form' for you to check.
- On receipt of the Change of payroll provider forms, Hampshire Pension Fund will check that all forms have been received, and will notify any employers where a form has not been provided.
- Hampshire Pension Fund will update member records with information provided on individual change of payroll provider form and log the form on the member record in order to pay future pension benefits.

Note – If change of payroll happens on a date other than 1 April, a part year end of year will be required and should be provided to Hampshire Pension Fund within 10 working days of transfer date.

# Employer contacts, authorisations – Review

We can only accept and release information to those named on the contacts and authorisation form in the areas that they are named as being able to deal with.

Over the last few months we have launched a new contacts and authorities form, streamlining the number of authorities we need a named contact for as well as making the document more user friendly. To date we have received a complete form from 2/3rds of Employers.

## Outstanding Contact and Authorisation Forms

Please can we urgently request that if you are still to submit your organisations form that you do this as soon as possible. If we do not hold this information, delays can occur in processing members pension benefits.

If you have any questions in relation to this please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)



## Pensionable Pay Workshops

In 2017 we ran some 'Pensionable Pay Workshops' to support employers in day to day calculations of pensionable pay in the LGPS. Due to the success of these sessions and to support Employers through the 2017/18 annual return process, we are offering further sessions over the next few months – **there is no charge** for attendance of this workshop.

The session covers:

- Full Time Equivalent Final Pay (2008 regs)
- Calculating pensionable pay for forms including starters, leavers and estimates
- Assumed pensionable pay and absences
- Cumulative Pensionable Pay (post 2014)

### Further support on Pensionable Pay

[Employer manual](#)

[Pensionable pay examples](#)

[LGA HR Guide](#)

[LGA Payroll Guide](#)

Available dates with limited spaces:

- Wednesday 7<sup>th</sup> March 2018 (am)
- Tuesday 13<sup>th</sup> March 2018 (pm)
- Tuesday 27<sup>th</sup> March 2018 (am)
- Thursday 5<sup>th</sup> April 2018 (pm)
- Monday 16<sup>th</sup> April 2018 (am)

**If you would like to book a place** please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

### Employer Web Clinics

On the above dates between **12.30pm and 1pm**, we will also be holding some clinics for employers who have access to 'Employer Web' or would be interested in finding out more. If you are not booked on to the Pensionable pay workshops but would be interested, please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

## Other news

### DCLG bulletins

Since the last Pensions Matters the DCLG have released the following bulletins on their website

<http://www.lgpsregs.org/index.php/resources/news-updates>

#### Bulletin 163 – October 2017

- Clarification re: Ill health
- Assistant Coroners and eligibility for LGPS
- Automatic Enrolment and Transitional Delay

#### Bulletin 164 – November 2017

- Ill health retirements and obtaining narrative reports from IRMPs

#### Bulletin 165 – December 2017

- Automatic enrolment review 2017
- University of Sunderland vs Drossou
  - Potential impacts on employers for calculating a week's pay for unfair dismissal

#### Updated automatic enrolment brief guide – version 8.0

- <http://lgpsregs.org/resources/guidesetc.php>

## Dates for your diary

### Annual Employer Meeting (AEM)

The AEM will take place on Friday 12<sup>th</sup> October 2018, this has changed since the last Pensions Matters was sent. Please update your diaries accordingly.

Held in Winchester (Invites sent to high level contacts, although open to all Scheme Employer representatives)

### Employer training days 2018

If you are new to the LGPS, either as a new employer in the scheme or if you have recently taken on a role that involves LGPS administration for the first time, this is an ideal opportunity to come along to a session aimed at helping you understand some of the complexities of the employer role in the LGPS. The sessions could also be used as a refresher for existing staff.

Following feedback from employers, we will now run the day in two halves, covering the following:

- 22<sup>nd</sup> June 2018 – 9.30 to 4.30pm  
Morning – LGPS overview 9.30 – 12.30  
Afternoon – Pensionable pay workshop 1.30 – 4.30
- 28<sup>th</sup> September 2018 – 9.30 to 4.30pm  
Morning – LGPS overview 9.30 – 12.30  
Afternoon – Pensionable pay workshop 1.30 – 4.30
- 30<sup>th</sup> November 2017 – 9.30 to 4.30pm  
Morning – LGPS overview 9.30 – 12.30  
Afternoon – Pensionable pay workshop 1.30 – 4.30

If you would like to register your interest or book a place on the full or partial day, please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk)

All sessions are held in Winchester.

**We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries please email [servdev.pensions@hants.gov.uk](mailto:servdev.pensions@hants.gov.uk) and we'll be glad to help.**