

Pensions Matters

Autumn 2022



LGPS Employers' Newsletter

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



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Summary of Key Actions covered in this edition

Page 4	Any outstanding 2022 annual return queries should be responded to as a priority
Page 5	For any employers requested to undertake a data validation exercise, the declaration should be returned to Hampshire Pensions by 15 th December 2022
Page 5	<p>2023 annual return preparation actions to be undertaken</p> <ul style="list-style-type: none"> • Ensure any outstanding 2022 annual return queries are urgently resolved • Ensure you are up to date with starter and leaver notifications • Liaise with your payroll provider (if applicable) to ensure they understand the requirements and deadline to submit to you for sign off and submission to Hampshire Pensions
Page 8	<p>Please can you ensure you tell us about new starters to the scheme either by: A bulk starter notification spreadsheet (10 or more starters) - to be sent no more than once a month or Individual Starter notification via the Employer Hub – the word document of the form will not be accepted from January 2023</p>
Page 9	<p>Outstanding McCloud Data Collection templates should be sent to pensions.eoy@hants.gov.uk asap</p>
Page 10	<p>If you make any backdated payments following the Supreme Court decision on term time workers, you will need to ensure pension contributions are paid over to the Pension Fund in your next monthly remittance.</p> <p>You will also need to report to Hampshire Pension Services details of the additional pensionable pay and when this was due, as well as details of revised service – before you do this, please contact pensions.employer@hants.gov.uk and we will work with Employers on the most efficient way of doing this.</p>
Page 12	Consider booking on to the next Employer Focus Group on Wednesday 23 rd Nov 2022
Page 14	Book on to the Employer training bitesize sessions in December 2022

Administration update

One of the key areas of focus for this year, is the 2022 Valuation, the team have been working in the background to ensure that this is delivered on time, with clear communication with Employers.

Business as Usual (BAU)

BAU work has been continuing, with excellent service being maintained whilst meeting all SLAs.

More information on how we are doing can be found on the [Hampshire Pension Services website](#).

Pensions Roadmap – Progress so far

We continue to make progress on our Pensions Roadmap, and have provided an update below on some of the areas we have worked on through the year:



- ✓ Task runner used to produce annual benefit statements
- ✓ Dynamic homepage launched on Member Portal and used for death grant expression of wish prompts
- ✓ Document upload facility live on Portal and due on Hub by the end of the year
- ✓ Online ID&V piloted with overseas pensioners

If you would like to know more about any of the above or you have any comments or feedback, do let us know by emailing pensions.employer@hants.gov.uk

Valuation update

We are making good progress to complete the 2022 Actuarial Valuation. This is a key health check of the Pension Fund's performance and will determine contribution rates from 1 April 2023 until 31 March 2026.

The whole fund reported funding level at 31 March 2022 is 125%. The steady increase in funding levels over recent valuations has allowed the Pension Fund to reduce contribution rates for most employers where appropriate, with more than 30% of employers reaching the Fund's target contribution rate of 18% of pay by the end of this valuation cycle (31 March 2026).

We track each employer separately and it is important to ensure that you are clear on the approach taken to value your liabilities, how much you need to pay into the Scheme, and what your funding level and contribution rate is. The team will be contacting employers over the next few weeks with their Schedule of Results. I would invite you to discuss any issues, clarifications or concerns with the team as soon as possible. The intention is to have rates confirmed by 31 December 2022 where possible.

The team will also share an updated Funding Strategy Statement, supplementary information on ill health early retirement cost charges and insurance and the strain cost factors, which are used to assess the cost of early retirements.

If you have any questions in the interim, please contact Rachel Wood (rachel.wood@westsussex.gov.uk).

Annual returns and Employer Performance 2022/23

The deadline for the completed and signed annual returns was 30 April 2022.

By this date we received 71% of all returns (compared to 85% last year). Thank you to all Employers who sent these on time – we are aiming in 2023 for these to be much closer to 100%

As a result of employers providing information and responding to queries on time, we were able to produce 99.36% of the Annual Benefit Statements (ABSs) by the statutory deadline. We continue to work with employers for information to allow us to produce the remaining ABSs.

Outstanding queries

If you do have any queries to still respond to, please ensure that these are dealt with **as a priority** to ensure that members records can be updated and there is no impact to your 2023 return preparation.

Employer Performance

As part of our ongoing commitment to improve the quality of data held, we benchmark scheme employers on the timeliness, financial control and data quality from annual returns. Below is a summary of some of the outcomes:

Measure	2021/22	2020/21
Total data queries as % of membership	4.49%	4.62%
Employers rated red in one or more area	49	36
Employers rated green across all criteria	60	65

Overall, the quality of data across the Fund is positive with the Fund Actuary commenting on notable improvements during the 2022 valuation. Thank you to all employers who have worked hard to resolve outstanding data issues over the last few years.

Data Validation Exercise

For those employers who were rated as red for data quality, you have been asked to complete a data validation declaration and return to us by 15th December 2022.

As part of this exercise, you should check that you (or your payroll provider on your behalf), have sent all appropriate starter and leaver notifications for members since 1st April 2022.

2023 Annual Return preparation

Around mid-December, we will send out a draft annual return template to help with your planning for the submission of your 2023 annual return. In addition, we wanted to remind you of some other actions you should be taking to help put you in the best position and ensure a smooth 2023 annual return process:

- Ensure any outstanding 2022 annual return queries are urgently resolved
- Ensure you are up to date with starter and leaver notifications
- Liaise with your payroll provider (if applicable) to ensure they understand the requirements and deadline to submit to you for sign off and submission to Hampshire Pensions

If you have any questions or concerns regarding either data validation exercise or annual returns, please email pensions.eoy@hants.gov.uk

Employer Hub – Online Services

Most Employers are now registered to use the Employer Hub.

As a reminder, you can use the Hub to:

- ✓ View member pension records
- ✓ Submit new starters forms
- ✓ Submit leaver forms
- ✓ Submit changes
- ✓ Run basic reports



Day-to-day support

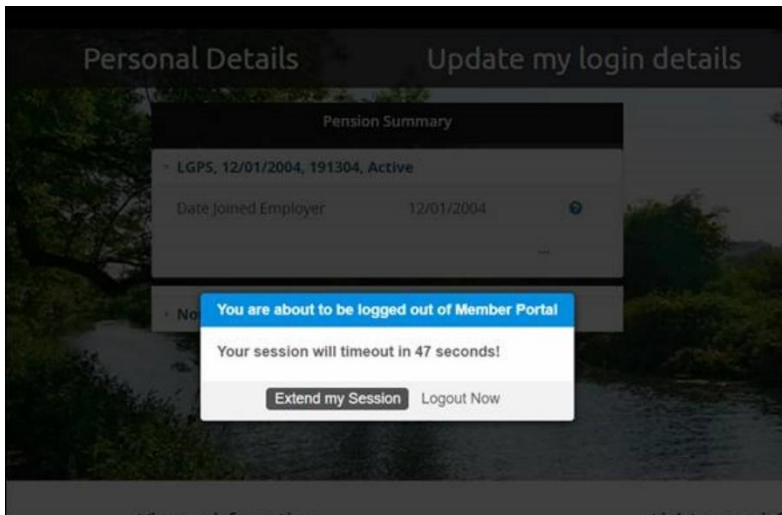
If you have any issues in logging in to your account or encounter any errors, you can now contact our Pension Customer Support Team for more immediate help. You can call us on 01962 845588 or email pensions@hants.gov.uk

Keeping your login information secure

For data security purposes, your Hub account should *only* be used by you, as accepted in the Hub User Agreement on activation of your account. If you have additional members of staff who need access to member records, please request these accounts via pensions.employer@hants.gov.uk. If you change roles and someone will be stepping into your role, we also need to know so that we can deactivate your account and set up a new one for your replacement.

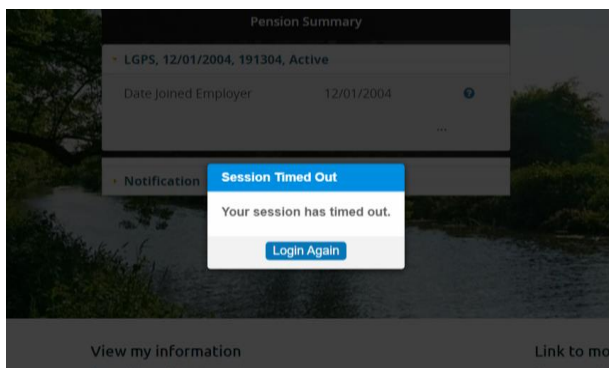
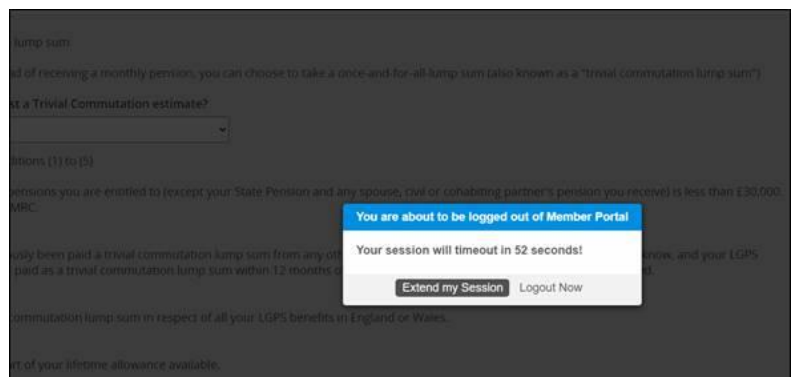
****New** Member Portal timeout feature**

We have recently implemented a new Timeout feature on the Portal, this will give the member a better idea of when their session is about to time out and the ability to stay in the same session.



Members will see a Timeout message (below) after 19 minutes if their session is idle, the member has 60 seconds to decide if they want to extend the session or log out.

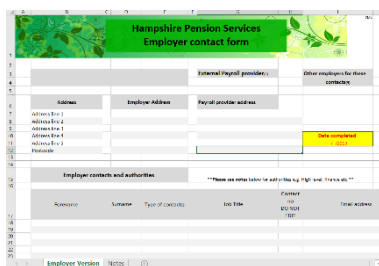
This new feature will help when completing a long form like the Online Retirement form as they will be able to extend the session and continue from where they left off or they can choose to log out.



If they do nothing after the 60 second countdown, the below message will be displayed, and they can then select 'Login Again' which takes them back to the login page.

Currently this feature is **only available on our Member Portal platform**, however we are working towards this also available in the Employer Hub in the future, **so watch this space!**

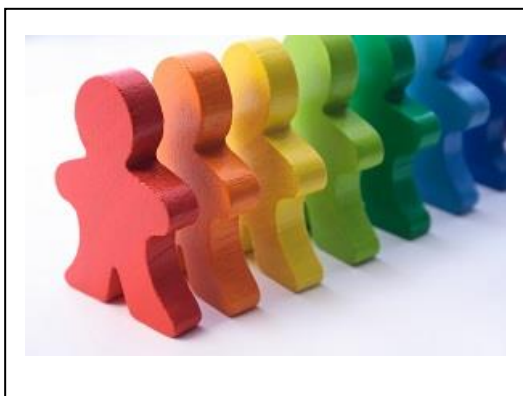
Contact Forms and Updates

A screenshot of a spreadsheet titled "Hampshire Pension Services Employer contact form". The spreadsheet is divided into several sections: "External payroll providers", "Other employers for whom contacts", "Address" (with sub-sections for Address B+1, B+2, B+3, B+4, B+5, and B+6), "Employer Address", "Payroll provider address", "Employer contacts and authorisation", and "Notes". The "Employer contacts and authorisation" section contains a table with columns for "Name", "Surname", "Type of contact", "Job title", "Phone", "Fax", and "Email address".

As always, we just want to remind you that 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 for you as a Scheme Employer.

It is an employer responsibility to ensure we are kept up to date with any changes, so please keep us updated by emailing pensions.employer@hants.gov.uk and we will send you a copy of your Contact Form to review.

Employer Starter Notifications – Removal of the word form



This is a reminder that we will shortly be removing the word version of the starter notification. Employers will be able to tell us about new starters to the scheme either by:

- A bulk starter notification spreadsheet (10 or more starters) - to be sent no more than once a month
- or
- Individual Starter notification via the Employer Hub

If you have any questions or concerns about this, or would like us to make sure you have access to the Employer Hub, then please email pensions.employer@hants.gov.uk

If you would like any further support in completing either the Bulk Starter Spreadsheet or individual starter form please also let us know.

Changes to Payroll Provider

Over the last 12 months, we have seen an increase in employers changing their payroll provider, so we wanted to highlight our 'Change of Payroll Provider Factsheet' to Employers with the steps which will need to be followed to ensure a smooth transition in relation to the LGPS. You will find this information available on our website.

[Change of payroll provider | Hampshire County Council \(hants.gov.uk\)](#)

If you do have any questions or concerns, then please email pensions.employer@hants.gov.uk and someone from the team will get in touch.

McCloud

New regulations are expected to come into force from October 2023. We are expecting draft regulations and an outcome to the consultation to be published late 2022, early 2023.

Data Collection

The current position on McCloud data returns is as follows:

- 97.6% of scheme employer McCloud Data Collection returns that were due on 30th June 2021 (for the period 1st April 2014 to 31st March 2021) and
- 88.7% of scheme employer returns for 21/22 which **were due on 30th June 2022.**



Action:

If your return remains outstanding, please ensure these are sent to pensions.eoy@hants.gov.uk

We are now starting to upload McCloud data to records, with queries being sent in several stages, due to the complexity of the process.

How can you as an employer help?

- Respond urgently to any outstanding queries on the initial checks of data templates submitted
- Queries sent to Employers should be resolved promptly (within 2 weeks). It is important to note, any service queries outstanding may impact a member's ability to be able to run their own online member portal estimate.

Supreme Court Decision on Term-time workers

The Supreme Court has ruled in favour of a zero hours contract worker who works on a term-time only contract in a school. The case concerned how to calculate their holiday pay. It also has implications for workers who work varying hours during only certain weeks of the year but have a continuing contract.

LGPS Scheme employers may be reviewing their policy on calculating holiday pay for members in this category considering this judgment. They may wish to seek specialist legal advice to establish whether to change their current practices and whether any backdated payments are due.

If you do make any backdated payments, you will need to ensure pension contributions are paid over to the Pension Fund in your next monthly remittance.

You will also need to report to us details of the additional pensionable pay and when this was due, as well as details of revised service – before you do this, please contact pensions.employer@hants.gov.uk and we will work with Employers on the most efficient way of doing this.

You can read more about the [Harpur Trust v Brazel case](#), including a useful summary of the judgment on the Supreme Court's website.

Pensions Dashboard Programme

The PDP is a national initiative which will require engagement from all pension schemes (public and private), including the State Pension.

Data quality underpins the success of the project and over the next year we will continue working on improving data quality to ensure we are 'Dashboard ready' – the data we hold is underpinned by the data we are provided from you as the Employer; therefore, it continues to be important that accurate and timely data is always provided.

Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place, thereby supporting better planning for retirement and growing financial wellbeing.

Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help them to reconnect with any lost pension pots.

The link below is to a short video which provides a good overview of what Pension Dashboards do and how they will operate.

<https://www.pensionsdashboardsprogramme.org.uk/2020/10/28/introduction-pensions-dashboards-ecosystem/>

The PDP provides regular updates on the national programme and progress; their latest update for the period April 2022 – October 22 can be accessed via the link below:

<https://www.pensionsdashboardsprogramme.org.uk/pur/>

At present, only active and deferred member benefits are in scope; pensioners and members with preserved/unclaimed refunds will not be included in the data set being provided to the pensions dashboard.

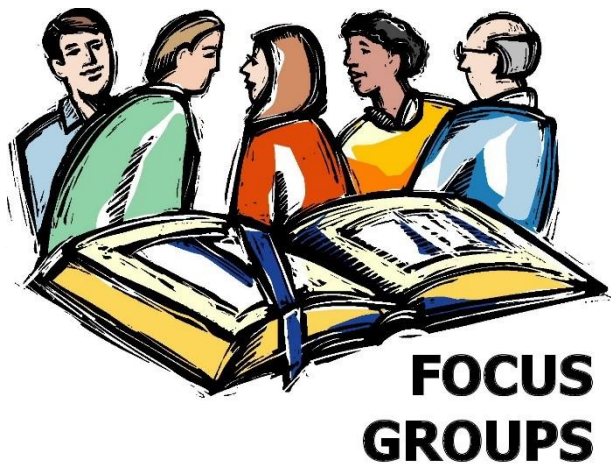
The legislation sets out significant roles for The Pensions Regulator (TPR) who will regulate the compliance of public-sector pension providers and schemes in providing data to individuals via their chosen dashboard – they will have powers to issue penalty notices to schemes and third parties.

Each pension scheme has its own staging date, and public sector schemes including the LGPS must onboard (either directly or using an ISP) by 30 September 2024. Pension benefit information must be made available via the pension dashboard by 1 April 2025 and cover both benefit options, to reflect McCloud remedy.

However, neither of the dates above are when the pensions dashboard will be available to the public. This date hasn't been confirmed yet, but we have received confirmation that the 'dashboard available point' (DAP) will be communicated 6 months in advance to allow schemes to prepare.

Employer Focus Group

Our next virtual Employer Focus Group' is to be held on Wednesday 23rd November 2022.



During the session, we are keen to discuss and hear feedback on the following:

- The annual return process
- Employer performance benchmarking
- The data validation exercise

In addition, we would be keen to hear what you like about the focus group sessions, and what you would like to see in the future.

We have run these focus groups over the last few years, with the purpose to primarily help create and improve communications and processes, feedback to help with administration policy setting and review of documents for both members and employers. We have had some great feedback in the past, which we form part of our considerations before implementing changes

If you are interested in being part of this Focus Group, please email pensions.employer@hants.gov.uk.

Pre-retirement Course provided by Affinity Connect



We wanted to let you know about spaces available for your employees at several Pre-retirement courses. This course is run by Affinity Connect, a retirement specialist.

These workshops are designed to raise awareness of the key issues your employees will need to consider, and decisions they will need to make, as they begin to approach this stage in their life. They are suitable for those employees who think they might like to retire within the next couple of years or so, and are just as valuable for those who are not sure at what age they wish to retire, as well as those who have a definite age in mind.

Up and Coming dates

17 January 2023	09:30 to 12:00	Online
23 March 2023	13:00 to 15:30	Online

More information on these courses can be found on our website (along with booking information):

<https://www.hants.gov.uk/hampshire-services/pensions/local-government/resources/pre-retirement-courses>

Employer training bitesize sessions



We currently run several virtual bitesize training sessions for Employers on various areas of the LGPS to help them with their administration and regulatory responsibilities. Each session is between 45 minutes and two hours long.

The next available sessions are detailed below:

Employers in the LGPS, Starters and Opt Outs	2 nd Dec 2022	9.30am to 10.30am
Leavers and Retirements, including Starter, Leaver and Estimate Forms	2 nd Dec 2022	11.00am to 12pm
Pensionable Pay Workshop	2 nd Dec 2022	2pm to 3.30pm
APC's, Absences, paying in more, Paying in less – 50:50	9 th Dec 2022	11am to 12pm
Organisational changes (Outsourcing, Mergers, Change of Payroll)	9 th Dec 2022	2pm to 3pm
Discretions and disputes	9 th Dec 2022	3.15pm to 4pm

For more information and to book your space please visit the [Hampshire Pensions Employer area](#) of our website.

Pensionable Pay online training module



In addition to the pensionable pay sessions Hampshire Pension Services run, the LGA have a free interactive training modules on both [Assumed Pensionable Pay](#) and [Final Pay](#).

These are aimed at employers and payroll providers.

Contractual enrolment, safeguards and auto enrolment

Complying with auto enrolment duties

The Pensions Regulator (TPR) has recently warned employers to ensure they are complying with their ongoing automatic enrolment duties, which comes after recent inspections revealed a number of common errors. TPRs press release can be found [here](#).

More information and guidance on auto-enrolment can be found on the TPR website below.

Queries relating to auto-enrolment should also be directed to TPR, who will be able to help further.

[Employers | The Pensions Regulator](#)

Recruitment practices and pension safeguards

We have been made aware of a recent council job advert offering an additional cash allowance if staff opt out of the Local Government Pension Scheme (LGPS). We would like to remind all employers that it is unlawful to:

- induce a member to opt out of their workplace pension scheme
- make any suggestion that success in applying for a job may be conditional on opting out of the pension scheme.

See the [Pensions Regulator's website](#) for more information.

Other news

LGPC bulletins

The LGA have released the following pension bulletins on their website

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

Bulletin 230 – October 2022

- Academy guarantee information
- TPR enforcement and prosecution policies
- Pensions Dashboards

Bulletin 229 – September 2022

- Calculating protected final pay
- Governance and reporting of climate change risk consultation
- Hymans LGPS knowledge assessment

Bulletin 228 – August 2022

- HMT consultation on public sector exit payments
- Pension awareness campaigns

If you have any topics, you would specifically like covered, please let us know for consideration by emailing pensions.employer@hants.gov.uk

We hope you find this edition of *Pensions matters* helpful. If you have any comments or queries, please email pensions.employer@hants.gov.uk and we'll be glad to help.