

Pensions Matters

Spring 2023



Working in partnership with

LGPS Employers' Newsletter

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



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Administration Update

Following the start of 2023, the team have continued to ensure all areas of Service Levels are met, which are published regularly on the Hampshire Pension Services (HPS) [website](#).



In January 2023, HPS had its third-year assessment for Customer Service Excellence (CSE).

We are delighted to advise that we have been assessed as fully compliant in all areas required under CSE and have also been awarded compliance plus in 6 areas.

Over the next quarter the team will continue to focus on McCloud remedy and the requirements for data uploading, as well as working with Employers to ensure a smooth 2023 Annual returns process, allowing the publication of annual benefit and pension savings statements. We will also be undertaking background work to continue developing both our member and employer online platforms, with the implementation of text messages to send one time passcodes in the near future.

Changes to Lifetime and Annual allowances

Following the 2023 Spring budget, the Chancellor announced significant changes to pension tax rules. The main measures which come into effect from 6 April 2023 are:



- the removal of the lifetime allowance (LTA) charge
- an increase in the annual allowance (AA) from £40,000 to £60,000
- an increase in the money purchase annual allowance (MPAA) from £4,000 to £10,000
- an increase in the tapered annual allowance from £4,000 to £10,000, plus an increase in the adjusted income at which it starts to apply.

The government intends to totally remove the lifetime allowance framework, through a future Finance Bill.

For more details see: [Pensions schemes newsletter 148 - March 2023 - GOV.UK](#)

LGPS regulation change – annual revaluation

On 9 March 2023, the Department for Levelling Up, Housing and Communities (DLUHC) laid the LGPS (Amendment) Regulations 2023 ('the regulations'). The regulations move the annual revaluation date from 1 April to 6 April. The regulations are effective from 31 March 2023.

The regulations remove the impact of inflation on the annual allowance calculation.

The Scheme year is not changing, it remains 1 April to 31 March. The revaluation that applies on 6 April applies on the CARE balance on 31 March in the previous Scheme year.

More information on these changes can be found on the [LGPC Bulletin 234A – annual revaluation](#)

Employee Contribution banding changes

As a reminder the contribution bandings for employees change with effect from 1 April 2023, please review the [STOP PRESS](#) we sent out in February 2023 for more information.

Valuation and Employer Contribution rates



The 2022 Actuarial Valuation exercise is now complete and the full valuation report can be linked to directly [here](#).

The Funding Strategy Statement has also been [published](#), which is unchanged from the version sent to all employers early this year. The Funding Strategy Statement is available [here](#), and the team would be happy to discuss its contents with employers (please email rachel.wood@westsussex.gov.uk).

On 31 March 2022, the funding position had improved for most employers, and as a result, there has been a decrease in employer contributions for 88% of employers with 7% of employer contribution rates frozen. If you require confirmation of your contribution rate payable from 1 April 2023 then please review the full valuation report, or contact the team (contributions.lgps@westsussex.gov.uk).

Please note as part of concluding the Actuarial Valuation work, a review of strain cost factors has been completed. This is to ensure that the liability for any retirement decisions align with the approach taken by the Fund Actuary.

If you have already received a strain cost estimate from the team for a case, then the cost estimate will still be applied.

We will advise employers when the new strain cost factors have been updated, and these will be applied for all new cases.

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

2022/23 Annual returns

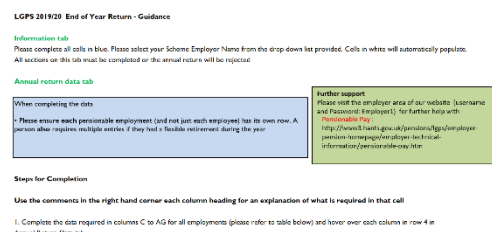
Workshops

Throughout February and March 2023, we have been running Annual Return workshops for employers and payroll providers ahead of the 2023 Annual return submission.

We hope everyone that attended found these useful. As we come to the end of this year's sessions, we will be reviewing all feedback given, to enable us to continue to evolve future workshops. If you have not already provided feedback and/or have something additional you wish to feed back on, please email pensions.eoy@hants.gov.uk

2022/23 Annual returns

The final annual return templates were issued to all employers at the end of March 2023, with the deadline for submission of your completed and signed 22/23 return being **30 April 2023**.



If you have a third-party payroll provider who completes the return for you, you should make sure the template is passed to them, allowing time for you to sign off and submit to Hampshire Pension Services by the deadline.

As always, this is an important project in our calendar as it provides us with the opportunity to check that we have the right members set up on the system, with the right status, and provides us with the information needed to update our records with key information – such as pensionable pay – which is essential to calculate a member's benefits, produce annual benefit and pension saving statements, and provide information to the Fund Actuary.

To help prepare, 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 are having any problems submitting your return or have any further questions, please email pensions.eoy@hants.gov.uk

Employer Starter Notifications



Employers or their payroll provider should advise HPS of new starters into 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

* for payroll providers who undertake services for more than one Fund, this should be per Fund

Providing accurate information

Over recent months, we have seen an increase in members contacting us as they are unable to login to the Member Portal once their pension record has been set up, due to incorrect National Insurance Numbers being provided on a starter notification. Please can we remind employers and payroll providers of the importance of submitting accurate data.

Timescales for submission

Notification of new starters should be sent **at least 10 working days following the month** that an employee has been brought into the scheme. Delays in sending a starter notification can lead to confusion for members who opt out, reduced timescales for a member to submit a transfer request and/or elect for joining of previous LGPS pension records.

Once HPS have received all the required information to set up the starter, the pension record will be set up within 20 working days. If you would like any further support in completing either the Bulk Starter Spreadsheet or individual starter form, please let us know.

Flexible Retirements



Employers under their discretions policy, can have a discretion to allow employees to take their pension under Flexible Retirement. This is an employer decision, which does require a published discretions policy and employer approval.

For members who take their pension under Flexible retirement between the ages of 55 and 60, **there may be a cost to the employer.** This is typically the case where a member meets the 85-year rule between these ages, regardless of whether you approve 'the switching on' of the rule or not.

We would always recommend before approving any Flexible retirement requests, an employer estimate is sought. If you need further guidance on this or have additional questions, please email pensions.employer@hants.gov.uk

Ex-employee Ill-health retirements

We just wanted to remind Employers of the responsibility to make decisions and consider ill-health retirements for ex-employees.

A former employee may apply to you to have their pension paid, unreduced, on ill health grounds. You must follow the process as you would for an active employee. The only differences are that:

- The LGPS regulations which apply will depend on when the employee left the scheme. You will need to use the relevant certificate so that it refers to the relevant regulations.
- You will not need to allocate the member to one of the three tiers because pensions paid to deferred members are not enhanced.
- You will not need to send leaver information as you will have sent it in the past.

It is important that as a former Employer you are following the correct procedures to consider ill-health retirements as any complaints made to the Pensions Ombudsman could be upheld for not following processes, regardless of whether the right decision was made.

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

If you do have any questions including the process which should be followed, please email

pensions.employer@hants.gov.uk

April 2023

McCloud

New LGPS regulations are expected to come into force from October 2023. Between now and October, the team are working to ensure data submitted is reflected on member records. Without this data on records, we will be unable to comply with the regulations.

Data Collection



Data upload queries

As we process your data, we will send queries in stages, due to the complexity of the upload of data, we may send you data queries at the following points:

- Initial checking of your submitted data – formatting, spreadsheet completed as expected.
- Initial validation against our records – dates not matching, unable to match records etc.
- Queries identified on service break data.
- Reviewing of any records where we have an unexpected service gap as part of service reviews.

Actions:

- If your return remains outstanding, please ensure these are urgently sent to pensions.eoy@hants.gov.uk – please note if you use a third-party payroll provider, the legal responsibility for submission still is retained by employers.
- Please respond to any queries promptly, if you do have any concerns on timescales set for a response, please contact us.

The current position on McCloud data returns is as follows:

- 79% of scheme employer McCloud Data Collection returns that **were due on 30th June 2021** (for the period 1st April 2014 to 31st March 2021) have been received and
- 80% of scheme employer returns for 21/22 which **were due on 30th June 2022** have been received.

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



As a reminder, the Employer Hub is designed to log you out after a period of inactivity, for security purposes. Therefore, users should refresh their screen before beginning a process, as well as having all relevant information to hand. If you click ‘Submit’ and are returned to the login screen, you will need to log back in and re-enter the information.

We are however, currently working on some new replacement forms, which will offer a solution to Employers who find themselves logged out whilst in the middle of completing a form. The new form will enable users to save progress at sections throughout, as well as enabling a refresh of session timers. We have completed initial testing and will be piloting with employers for further feedback and improvement.

Employer Hub Demos

We are keen to work with Employers and payroll providers to ensure that the Employer online service is being used to its potential. We are therefore pleased to be offering a number of Employer Hub Demonstrations throughout May. We will then offer this workshop at various times throughout the year, along with other bitesize training sessions on offer.

2 May 2023	11:00 to 12:00	Sign up here
10 May 2023	10:00 to 11:00	Sign up here
18 May 2023	15:00 to 16:00	Sign up here
26 May 2023	14:00 to 15:00	Sign up here

There is no charge for attendance at these sessions.

Employer Hub Downtime

As we need to update UPM to reflect the changes needed for McCloud Remedy; to prepare for the implementation of Pensions Dashboards; and keep up with BAU upgrades to our software, there are more deliveries/upgrades scheduled between now and February 2024.

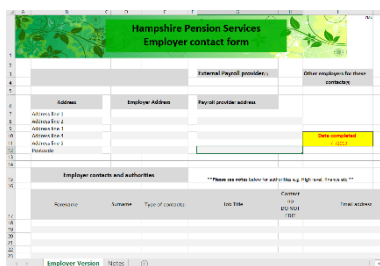
We don't have all delivery dates set in stone yet, as the processes we and our software provider must follow when updating UPM, result in us arranging deliveries approximately a month in advance; but we will keep you and members informed, with as much notice as possible of any downtime.

For your information, we will always avoid pensioner pay day and if we have any bulk communications scheduled, we will work around those dates or slightly adjust the communication plan, so we aren't asking members to register or log in to our member portal on days that we know the website will be unavailable.

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

Contact Forms and Updates



The image shows a spreadsheet titled "Hampshire Pension Services Employer contact form". It is divided into several sections: "External payroll providers", "Other employers for whom contacts", "Addresses", "Employer Address", "Payroll provider address", "Employer contacts and authorisation", and "Notes". The "Addresses" section includes fields for Address B (1-3) and Name. The "Employer contacts and authorisation" section includes a table with columns for Name, Surname, Type of contact, Job title, Contact no., and Email address. A yellow box highlights the "Date completed" field in the "Addresses" section.

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.

Changes to Payroll Provider

If you change your payroll provider, it is important to make Hampshire Pension Services aware of these changes as soon as possible. HPS will guide you through the actions required from an LGPS perspective, to ensure there are no impacts to your employee's LGPS pension.

More information on the steps which will need to be followed to ensure a smooth transition can be found on our '[Change of Payroll Provider Factsheet](#)' available on our website.

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.

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	1 st June 2023	11am – 12pm
Leavers and Retirements, including Starter, Leaver and Estimate Forms	7 th June 2023	2pm – 3pm
APC's, Absences, paying in more, Paying in less – 50:50	12 th June 2023	3pm – 4pm
Organisational changes (Outsourcing, Mergers, Change of Payroll)	22 nd June 2023	10am – 11am
Discretions and disputes	27 th June 2023	2pm – 3pm
Employer Online Services 'Employer Hub'	30 th June 2023	11am – 12pm

Please note that **there is no charge** for attendance at any of the sessions above.

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

If you are unable to book a place on a course, email pensions.employer@hants.gov.uk with details of the course you would like to attend, including how many places you require. We will keep a waiting list and will consider running additional training if the demand is high enough.

LGA Employer Role training events

In addition to the bitesize employer training sessions which Hampshire Pension Services run, the LGA have several dates throughout 2023 where they are running 'Employer role' training events. There is a small charge for these sessions.

For more information and to book a space, please use this link:

[Events | Local Government Association](#)

National LGPS Frameworks – Call for founders

The National LGPS frameworks are currently looking for employers to volunteer for a Member Data Services and Additional Voluntary Contributions (AVCs) framework which is due to launch this year.

This is because the framework will include salary sacrifice AVCs.

Employers can find out more by contacting:

- Leon Thorpe (leon.thorpe@norfolk.gov.uk / 01603 495922)
- Jo Quarterman (jo.quarterman@norfolk.gov.uk / 01603 223950)

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 234 – February 2023

- Consultation on annual revaluation date change
- Confirmation of annual revaluation, earnings and pensions increase
- Pensions dashboard
- AVC Framework volunteers

Bulletin 233 – January 2023

- 2023/24 employee contribution bands
- Automatic enrolment trigger remains the same
- Pensions dashboard – consumer protection video
- Employer role training
- Consultation on holiday entitlement for part time and irregular hours

Bulletin 232 – December 2022

- TPS McCloud remedy and the LGPS
- Treasury Direction – McCloud
- Pensions Dashboards

Bulletin 231 – November 2022

- Further education reclassification
- Autumn statement 2022
- Pension Dashboards Regulations 2022

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.