

Pensions Matters

Summer 2024



City of Westminster

Working in partnership with



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY



LGPS Employers' Newsletter

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



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Administration Update

The team have continued to ensure all Service Levels are met, details of these are published regularly on the Hampshire Pension Services (HPS) [website](#).

In addition to the day-to-day work, and since our last update we have:

- Uploaded employer annual return data.
- Delivered employer bitesize training workshops.
- Issued the annual pensioner newsletter, P60 and payslip communications.
- Produced and published annual benefit statements ahead of the statutory deadline.
- Introduced acknowledgement emails for updates made via the Member Portal including document uploads.
- Introduced acknowledgement emails for all document uploads to the Employer Hub, following Employer feedback.

Over the next quarter we will focus on continuous online service developments and ongoing implementation of the McCloud remedy. We will also be writing to employers with outcomes of Employer Performance benchmarking following the 2024 annual returns and working with employers to support in any improvements needed to ensure timely and accurate submission of data.

2024 Annual return

The deadline for the completed and signed annual returns was 30 April 2024.

By this date we received 71% of all returns (compared to 62% last year). Thank you to all Employers who sent these on time.

As part of the process, we identified 75 missing starter and 27 missing leaver notifications from employers across the Fund. Although the number of queries we have needed to raise this year has reduced, missing notifications remain unacceptable, and Pension Administration Strategy (PAS) penalties will be sent to employers who fail to send these.

For employers who use a third-party payroll provider it is imperative that you engage closely to ensure that they are achieving this on your behalf. As a reminder, employers can check on the Employer Hub that records have been set up. If you would like more information on this, please email pensions.employer@hants.gov.uk

Outstanding queries

We have been regularly chasing employers on responses to outstanding annual return queries. If you do have any still to respond to, please ensure that these are dealt with **as a priority** to ensure that members records can be updated, and annual benefit statements produced where appropriate.

Employer benchmarking and penalties

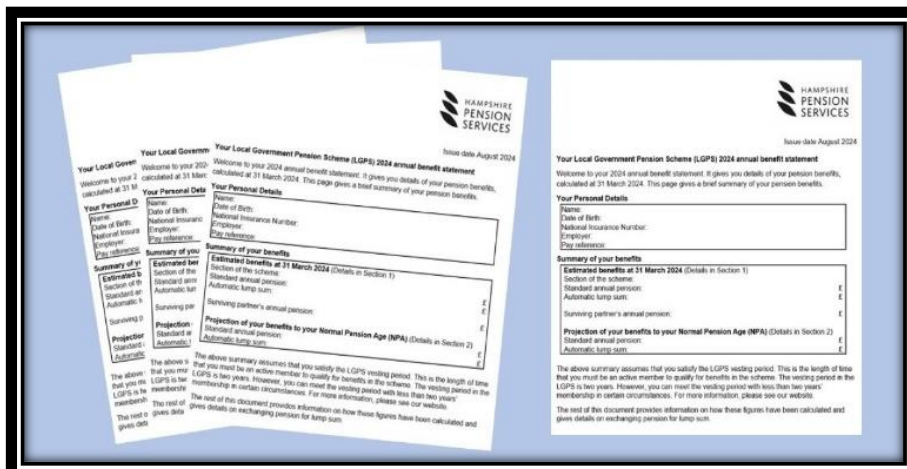
As a key part of the Pension Funds strategy and commitment to ensure accuracy of member records, employer performance following the annual return exercise is benchmarked.

By the end of September 2024, we will write to employers to let them know how they have been assessed and any follow up actions required.



Most employers provide timely and accurate data, however where there are issues identified a penalty will be applied – information on PAS charges are outlined in the Funds [Administration Strategy](#). The Fund will write separately to any employers affected by this.

Annual Benefit Statements



Annual Benefit Statements for 2024 are now available to members via their Hampshire Pensions Member Portal account.

Please refer to the recent [STOP PRESS communication](#) issued to employers with suggested wording and support documents including:

- A short PowerPoint presentation [Your pension – your future. Your Annual Benefit Statement explained.](#)
- A poster that can be placed around the workplace [Annual Benefit Statement poster 2024](#)

Changes to your payroll provider

If you change your payroll provider, it is important to make Hampshire Pension Services (HPS) 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.

Outsourcing of services – action needed

Scheme employers who are looking to outsource services (e.g. catering, cleaning) will need to be aware of possible pension implications for any staff transferring who have LGPS entitlement, regardless of whether you, as an employer, directly employ the individual(s) concerned.

If you are in the process of, or are thinking of outsourcing a service, please get in touch with our Employer Services team – pensions.employer@hants.gov.uk as soon as possible so we can provide you with further information and guidance as appropriate.

LGPS Infographic

KEY FEATURES OF THE LGPS

The Local Government Pension scheme, a defined benefit scheme, works differently to defined contribution schemes. Here are just a few of the many benefits it offers:

- GUARANTEED PENSION**
Your pension is not based on the return on investments or the amount you have paid into the scheme. Your benefits are **guaranteed**, based on Career Average Pay and how long you have been a member of the scheme.
- TAX FREE LUMP SUM**
The option to give up pension to receive a tax-free lump sum at retirement.
- VOLUNTARY RETIREMENT**
From age 55
- DEATH IN SERVICE LUMP SUM**
3x Annual Pay
- ANNUAL ADJUSTED BENEFITS**
In line with the cost of living
- ILL-HEALTH PENSION**
From any age
- INCREASE YOUR BENEFITS**
The ability to increase your pension by paying extra contributions.
- SURVIVOR PENSIONS**
Including children's pension

*All information accurate as of 17/05/2024. Subject to changes.

HAMPSHIRE PENSION SERVICES

Hampshire Pension Services have recently created an LGPS Infographic, which has been provided as a separate PDF attachment to the Pensions Matters communication.

Employers may find it useful to explain the scheme

Starter notifications



Employers or their payroll provider should advise HPS of new starters into the scheme either by:

- A bulk starter notification spreadsheet - 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.

As this process has been in place for some time, **we no longer accept starters in any other format** and will ask employers to resubmit any starter notifications sent in via a word/PDF form.

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, at which point you will be able to view the record via the Employer Hub.

If you would like any further support in completing either the Bulk Starter Spreadsheet or individual starter form, please let us know, or sign up to our short [‘Bulk Starter’ bitesize workshop](#), where we will be running through the requirements of your submission.

50/50 and Main section forms

Please can we remind employers that when a member changes section of the scheme that this must be notified to us, so we can reflect this on a member's pension record. **This includes when moving a member back to main section following any auto-enrolment exercise.**

How should I notify of the change?

The easiest way to notify of the change is via the Employer Hub and the 'Hub 5050 Section Membership' process. More information can be found on our [Employer Hub guidance](#).

If you do send us a copy of the member form, please can you ensure that you or your payroll provider complete the 'For Official Use Only' section of the form, so we have all the information we need.

For Official Use Only				Date
Action				/ /
Form received by Employer/HR/Payroll				/ /
Notification sent to payroll / actioned				/ /
Notification of move to 50/50 section issued to the Fund?	Yes / No		If yes, enter date sent	/ /
Date of 50/50 section commencement	/ /	50/50 Contribution rate	%	
Authorised Signature				/ /

Backdated Pay Award

LGA have published new versions of the employer FAQs on backdated pay awards.

A new question has been added in relation to whether assumed pensionable pay (APP) should be re-calculated when a member later receives a backdated pay award. The FAQs confirm that APP for a current or past reduced/nil pay period should not be re-calculated

You can find the employer FAQs on the:

[Employer guides and documents \(England and Wales\) page of \[www.lgpsregs.org\]\(http://www.lgpsregs.org\)](#)

Notifying of backdated pay for leavers

As a reminder, please ensure that where you have paid backdated pay to an ex-employee and had previously provided an LGPS leaver notification you advise Hampshire Pension Services of the amended CARE and final pay figures on the '[revised pay spreadsheet](#)'. This should be sent to pensions@hants.gov.uk



Without this notification we will not be able to re-calculate additional pension benefits the member is entitled to.

Employer Hub – Online Services

Hub Developments

Over the last few months, the following enhancements to the Employer Hub have taken place to improve functionality and support users:



- Document upload for opt outs, estimate and CETV requests.
- Automatic email acknowledgements to users when a document has been successfully uploaded to the Hub.
- Users can now search on the Employer Hub using payroll reference.
- The active membership report now includes payroll numbers, and has been a great benefit to those employers as part of preparation for submission of annual returns.

If you do have any feedback on the Hub, including suggestions for future development, please email pensions.employer@hants.gov.uk

Employer Hub Demos

As always, 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 the following monthly Employer Hub Demonstrations:

1 November 2024	11am
29 November 2024	2pm

There is no charge for attendance at these sessions – you can sign up for these via our [Employer training web page](#)

To find out more information on the Employer Hub or to access this, please use the link below:

[Link to Employer Hub](#) or email pensions.employer@hants.gov.uk

Member Portal – Update and developments

Portal Developments

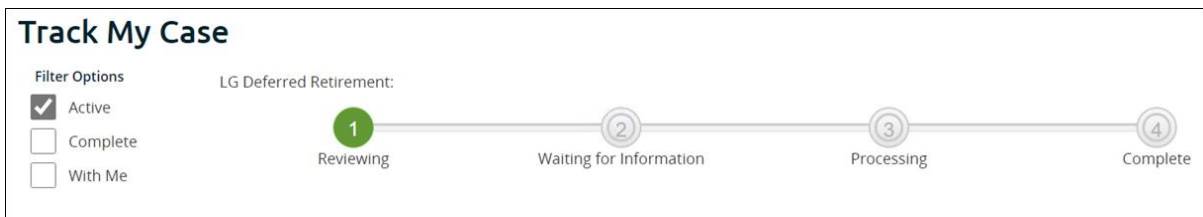
Improving member engagement with their pension, continues to be a key focus. Over the last few months, the following developments have been implemented:



- Automatic email confirmation emails to members when they make a change to their personal details via the Member Portal. Highlighting to members that they should contact us if they have not made the change.
- For preserved refund members, we have added a refund value to the homescreen to help with claims for refunds.
- Active member retirements – An automated email communication to notify members that their retirement has been processed.
- Improvements to the member portal registration wording, following member feedback.

Current planned and future developments include:

- Track my case, allowing members to see the progress of the retirement process. We are aiming for this to go live in the next couple of months. Example below of what a member will see:



- Improvements to the My Message facility to allow a thread of messages to be viewed rather than multiple views.
- Standard confirmation emails to members when deferments or deferred retirements have been processed.

Employer Action

Please continue to encourage members to engage with their pension by registering and using the Member Portal. The availability of the 2024 annual benefit statements is a great time to do this.

Pensionable pay

Assumed Pensionable Pay

Please ensure that in the event a member is on reduced or nil pay for a sickness absence that employer contributions continue to be paid on the Assumed Pensionable Pay (APP).

Employee contributions should however only be paid on the pay that is received, although the employee contribution rate should be determined on the APP.

The APP should be provided on annual returns, leaver or estimate forms where appropriate.

Useful Links

[LGA online APP bitesize training](#)

[LGA online Final Pay bitesize training](#)

[HPS Employer Manual](#)

[HPS Pensionable Pay examples](#)

Final Pay



Final pay should be provided on annual returns, leaver and estimate forms for all members. This is required even if an employee you are providing this information only joined the LGPS after 1 April 2014 – this is because employees may have other LGPS or public sector service which is final salary related.

Many queries we send relate to the final pay that has been provided. Final pay should be based on:

- The average full time equivalent (FTE) pay of the final 12 months of active membership.
- Pensionable pay items under the LGPS 2008 rules, excluding non-contractual overtime which only became pensionable in the 2014 scheme rules.
- For members who have had a pay reduction in the final three years', you should use the highest annual average. For example, if an employee leaves on 31 October 2024, check the years ending 31 October 2023 and 2022 as well.

Where an employee has not been in your employment for 12 months, this should be proportioned to an annual figure.

Further training and support

Further support can be found on the links above. Alternatively, please book on to one of our [Pensionable Pay workshops](#) or email our Employer Services team pensions.employer@hants.gov.uk

Casual workers in the LGPS

Employees should only be brought into the scheme if they have a contract of 3 months or more.

Casual staff who have no mutuality of obligation are only deemed to be employed on the days they actually work and therefore unlikely to work 3 months consecutively, although employees with contracts of less than 3 months can opt in to the scheme.

More information on eligibility to the LGPS can be found in the [LGA HR guide](#).

Ill-health retirement – Employer responsibilities

We have continued to receive regular queries from both Members and Employers around employer responsibilities for ill-health retirement, and therefore wanted to continue to highlight the process for both existing and ex-employees when considering requests:

- If dismissal of an active member is on the grounds of ill-health and they meet the two-year vesting period, employers must consider ill-health retirement. You should seek to make a decision on whether the member meets the criteria for early payment of pension from the LGPS after seeking a completed certificate from an Independent Registered Medical Practitioner (IRMP).
- Employers must consider ill-health retirement requests for ex-employees. The process is primarily the same as for active members, except no further leaver form is required, nor is a decision on the tier for ill-health.



It is important that as an 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](#). There is also a '[ill-health retirement for deferred members](#)' bitesize online training available via the [LGA website](#).

If you do have any questions on the process, please email pensions.employer@hants.gov.uk

Employer Focus Group

Our next Employer Focus Group will take place virtually on

6 November 2024, between 10am and 12pm.

We are looking to engage with employers and seek feedback around:

- Employer training
- Monthly returns

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 or making changes.

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



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:

Employer Hub Demo	01 November 2024	11am
Employers in the LGPS, Starters and Opt Outs	11 November 2024	2pm
Leavers and Retirements, including Starter, Leaver and Estimate Forms	13 November 2024	2pm
APC's, Absences, paying in more, Paying in less – 50:50	14 November 2024	3pm
Discretions and Disputes (IDRPs)	20 November 2024	10am
Organisational changes (Outsourcing, Mergers, Change of Payroll)	21 November 2024	2pm
Bulk Starters – completing bulk joiner spreadsheet	22 November 2024	10am
Pensionable Pay workshop	25 November 2024	2pm
Employer Hub Demo	29 November 2024	2pm

Please note that **there is no charge** for attendance at any of the sessions above, we do however ask if you are no longer able to attend, that you cancel your space at least 72 hrs in advance.

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

In addition to the Employer training offered by Hampshire Pension Services the LGA also offer training to support Employers understand the scheme and their roles/responsibilities. Please note charges apply for these sessions. You can review the session details and book using the links below:

- [7 November 2024 – online](#)
- [6 December 2024 - online](#)

If you have any questions with regards to the above training, please email the LGA training team directly: training.lgps@local.gov.uk

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 253 – July 2024

- DLUHC reverts to MHCLG
- Government launches pensions review
- The Kings Speech 2024
- Backdated pay award FAQ

Bulletin 252 – June 2024

- McCloud ABS consultation
- LGPS informer document
- Guidance on data presence and accuracy

Bulletin 251 – May 2024

- Gender pensions gap research – call for volunteers
- Academy LGPS guidance updated
- Updates to LGA member and employer guides

Bulletin 250 – April 2024

- Audit information note
- Cost Control assessment complete
- LGPS guidance for academies

Other Key dates

31 August 2024	Statutory deadline for Annual Benefit Statements to be issued
6 November 2024	Employer Focus Group

Useful links

[LGPS member website](#)

[LGPS Advisory Board website](#)

[LGPS regulations and guidance website](#)

[Hampshire Pension Services website](#)

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.