

LGPC Bulletin 210 – May 2021

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

Foreword

This bulletin contains important updates for administering authorities, scheme employers and software suppliers. It also provides a general update for all LGPS stakeholders.

This bulletin contains important articles on:

- [Written Ministerial Statement on McCloud](#)
- [DWP consultation on pension scams](#)
- [Providing information about the distribution of a death grant](#)
- [Review of your Tell Us Once users](#)
- [Pension Dashboards Programme call for input on staging](#)

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

Index

LGPS England & Wales Scheme Advisory Board (SAB)	3
2020 LGPS Scheme Annual Report	3
SAB statement on local pension board meetings – a reminder.....	3
LGPS England & Wales	4
Written Ministerial Statement on McCloud	4
GAD guidance published	4
Request for exit payment data	5
LGPS Scotland	5

Scheme Advisory Board publishes April 2021 bulletin	5
Minutes from the February and April Scheme Advisory Board meetings	6
HMRC	6
Pension schemes newsletter 129	6
HMT	6
Managing public money guidance does not apply to local government	6
DWP	7
Consultation on pension scams	7
Consultation on simpler annual benefit statements.....	8
TPR	8
Call for input on improving the pensions journey	8
Single code of practice consultation.....	8
Corporate Plan 2021 to 2024	9
Other news and updates	9
Club transfer arrangements and CARE added pension	9
Providing information about the distribution of a death grant	9
The Queen’s Speech	10
Review of your Tell Us Once users.....	11
Pensions Dashboard Programme (PDP) call for input on staging.....	12
PDP progress update.....	12
PLSA launches LGPS research project	12
Training	13
Fundamentals training programme	13
Annual governance conference	14
Useful links	14
LGPS pensions section contact details.....	15
Further information.....	16
Copyright.....	16
Disclaimer	16

LGPS England & Wales Scheme Advisory Board (SAB)

2020 LGPS Scheme Annual Report

On 18 May 2021, Councillor Roger Phillips, the SAB Chair, launched [the 2020 LGPS England and Wales Scheme Annual Report](#). Highlights from the report include:

- Total membership up by 4.2% to 6.1 million members compared with 2019.
- Total assets decreased by 4.9% to £276 billion. These assets were invested in:
 - 68% pooled investment vehicles
 - 14% public equities
 - 6% bonds
 - 3% direct property
 - 9% other asset classes.
- The Local Authority return on investment over 2019/20 was -4.8%. This was reflective of the market conditions during the year and set against the UK return of -28.3%.
- The Scheme maintained a positive cash-flow position overall, including investment income.
- Over 1.8 million pensioners paid in the year.
- LGPS liabilities estimated at £291 billion on 31 March 2019. This indicates an overall funding level of 98%. The next triennial valuation of the LGPS will be as at 31 March 2022.

SAB statement on local pension board meetings – a reminder

We let you know in [Bulletin 208](#) that legislation allowing remote council meetings would not be extended beyond 6 May 2021. The SAB is satisfied that this does not affect local pension board meetings. Having taken legal advice, the SAB's view is that:

- arranging a virtual meeting of a local pension board would facilitate the discharge of a local pension board's duty to conduct business during the pandemic, and
- a local pension board therefore has the power to hold virtual meetings by virtue of regulation 106(8) of the LGPS Regulations 2013.

In July 2020, the SAB encouraged reviewing and amending a local pension board's terms of reference to allow virtual meetings in emergency situations.

You can read the [SAB statement on virtual local pension board meetings](#) issued in 2020 on the SAB website www.lgpsboard.org.

LGPS England & Wales

Written Ministerial Statement on McCloud

On 13 May 2021, Luke Hall, Minister for Regional Growth and Local Government, made a [Written Ministerial Statement on McCloud and the LGPS](#). The statement confirms the key changes that the Government will make to the LGPS regulations to remove the unlawful age discrimination. The statement confirms that:

- the age requirement for underpin protection will be removed
- a member will not need to leave with an immediate entitlement to benefits to qualify for underpin protection
- the remedy period will end on 31 March 2022
- the underpin calculation will be based on final pay at the underpin date, even when this is after 31 March 2022
- there will be two stages to the underpin calculation:
 - the first on the underpin date – the date of leaving or on the normal pension age in the 2008 Scheme, if earlier
 - the second when the benefits are paid
- the regulations will be retrospective to 1 April 2014.

We expect MHCLG to issue a full response to the consultation and to publish draft regulations later this year.

GAD guidance published

On 13 May 2021, Rachel Abbey contacted all administering authorities to let them know about updated GAD guidance. MHCLG asked us to circulate updated versions of the following guidance:

- Annual allowance charges: Calculation of scheme pays offset
- Conversion of AVCs to transfer credits
- Purchase of additional pension (elections April 2012 to March 2014)
- Purchase of additional pension (elections before April 2012)
- Application of a pension credit (pre 2014 leaver)
- Purchase of additional survivor benefits
- Conversion of lump sum into pension – Regulation 58
- Early payment of pension
- Late retirement.

Each new set of guidance is dated 5 May 2021 and comes into force from 11 May 2021, in accordance with the [covering letter issued by MHCLG](#).

GAD has issued new factors for use in the LGPS since the reduction of the SCAPE discount rate was announced in October 2018. The new guidance incorporates the factors that have been published since that date, it does not include any new factors. GAD has updated the supporting guidance to reflect changes in the Scheme and wider pension rules since previous versions of the guidance were published.

You can find the factors currently in operation in the [Factor spreadsheet](#) which GAD will continue to update when any new factors are published.

You can find current and past GAD guidance and a link to the factor spreadsheet on the [Actuarial guidance](#) page of www.lgpsregs.org.

Action for administering authorities

Review and update processes to ensure that they refer to the latest version of the relevant GAD guidance.

Request for exit payment data

We understand that MHCLG wrote to Chief Financial Officers on 27 May 2021 to request historical exit payment data. You can find out more about the new requirement to supply exit payment data in [Bulletin 209](#). Deadlines for supplying the data are:

- 14 June 2021: data for 2019-20 and 2020-21
- 30 June 2021: data for 2014-15 to 2018-19.

LGPS Scotland

Scheme Advisory Board publishes April 2021 bulletin

The Scottish LGPS Advisory Board has recently published its [April 2021 bulletin](#). The bulletin covers:

- an update on the working group's report on cessation issues
- the appointment of a strategic programme manager, who will lead the work producing business cases for the four options for fund structures – status quo, enhanced cooperation, pooling and merger
- the Cost Transparency Portal
- an update on the cost cap process.

Minutes from the February and April Scheme Advisory Board meetings

The Scottish LGPS Advisory Board has recently published [the minutes of their meeting held on 17 February 2021](#). At the meeting, the Board discussed:

- structure review procurement process
- transparency update
- report from the working group on employer cessations.

At the meeting, the Board also discussed the cost cap valuation. As part of which, it was agreed that the Government Actuary's Department should give a presentation at a special meeting on 14 April 2021. [The minutes of this meeting](#) have also been published.

HMRC

Pension schemes newsletter 129

On 30 April 2021, HMRC published [Pension schemes newsletter 129](#). The newsletter includes articles on:

- the requirement to submit a Pension Scheme Return only if you have received a notice to do so from HMRC
 - how to enrol on to the Managing Pension Schemes service ahead of the migration of pension schemes to that service
 - deletion of unused Government Gateway credentials
 - the annual allowance calculator which has now been updated to include the 2021/22 tax year, and
 - The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021 (see [Bulletin 209](#)).
-

HMT

Managing public money guidance does not apply to local government

HMT updated its [Managing public money guidance](#) on 21 May 2021. The guidance includes a requirement for certain payments, including special severance payments, to be signed off by HMT. This guidance applies to central government bodies only. It does not apply to local government. We expect MHCLG to issue corresponding guidance for local government in the coming months.

DWP

Consultation on pension scams

On 14 May 2021, the DWP launched a [consultation on pension scams: empowering trustees and protecting members](#). The consultation proposes new requirements on trustees and scheme managers before a pension transfer can be completed.

- No additional checks will be needed if the transfer is to a low-risk scheme.
- If the transfer is to an occupational scheme (including a QROPS) the member must demonstrate an employment link before the transfer can be completed.
- If the transfer is to a QROPS and the member cannot demonstrate an employment link (where the QROPS is an occupational scheme), they must prove residency in the same financial jurisdiction as the potential receiving scheme.
- Before any other transfer can be completed, the trustee or scheme manager must decide if there are any 'red flags' that would prevent a transfer. Red flags include:
 - the member was given financial advice by a firm or individual without regulatory permissions
 - the member was contacted out of the blue
 - the member was offered incentives to transfer, and/or
 - the member was pressured to complete the transfer quickly.
- If there are no 'red flags', the trustee or scheme manager must also establish whether there are any 'amber flags'. Amber flags include:
 - high risk or unregulated investments in the receiving scheme
 - high or unclear fees in the receiving scheme
 - complicated or unorthodox investment structures
 - overseas investments or advisers based overseas, and/or
 - a high volume of transfers to a single receiving scheme or involving a single adviser or firm.
- If the trustee or scheme manager identifies that 'amber flags' are present, the transfer can only proceed if the member takes scam advice from the Money and Pension Service.
- The member must provide the information needed for the trustees or scheme manager to assess the red and amber flags. If the member does not provide this information, the transfer cannot proceed.
- DWP has produced a set of standard questions for trustees and scheme managers to use to gather information from the member that they will need to decide whether there are any 'red flags' or 'amber flags'.

The consultation applies in England, Wales and Scotland. The Government expects the Department for Communities to make corresponding legislation for Northern Ireland.

We will respond to the consultation before it closes on 10 June 2021. You can find the consultation document and links to the gov.uk webpage on the:

- [Non-scheme consultations](#) page of www.lgpsregs.org and the
- [Non-scheme consultations](#) page of www.scotlgpsregs.org.

Action for administering authorities

Read the consultation and submit a response before 10 June 2021 if you would like to comment on the proposals.

Consultation on simpler annual benefit statements

On 17 May 2021, DWP launched a [consultation on simpler annual benefit statements: draft regulations and statutory guidance](#). Public sector pension schemes are not in scope of the proposed legislation. The experience in the defined contribution sector may be used to learn lessons that could be applied to other schemes in the future.

TPR

Call for input on improving the pensions journey

TPR and the Financial Conduct Authority have [launched a call for input on improving the consumer pensions journey](#). They are seeking views from interested parties such as pension providers and employers on how consumers make decisions about their pension at key points throughout their working lives. The responses to the call for input will be used to find better ways to support individuals and help them to achieve better pensions outcomes.

The [Pensions consumer journey: Call for input](#) closes on 29 June 2021.

Single code of practice consultation

The LGPC has responded to the consultation on the single code of practice. The LGPC response covers the following sections of the new code:

- administration
- communications and disclosure
- reporting to TPR.

You can read our response and find links to the consultation documents on the:

- [Non-scheme consultations](#) page of www.lgpsregs.org and
- [Non-scheme consultations](#) page of www.scotlgpsregs.org.

TPR has confirmed that it will accept responses to the consultation until 6 June 2021. The SAB (England and Wales) will submit a response that covers the governance and funding, and investment sections of the new code before that date.

Corporate Plan 2021 to 2024

TPR has published its [Corporate Plan for the next three years](#). The Plan sets out TPR's direction for 2021 to 2024. It is closely aligned with the five strategic priorities set out in [TPR's Corporate Strategy](#).

Other news and updates

Club transfer arrangements and CARE added pension

The Cabinet Office has confirmed that added pension attached to CARE benefits cannot be transferred under Club arrangements. The Cabinet Office is responsible for the Club transfer rules.

We previously set out the position of the Cabinet Office in [Bulletin 199](#). Please see that bulletin for further information about this issue. We understand that some members of the Club have not been operating in accordance with the Cabinet Office's guidance.

Any added pension, whether attached to final salary or CARE benefits must be transferred on non-Club terms when the main scheme benefits are transferred from one Club scheme to another.

Providing information about the distribution of a death grant

We have recently responded to a query concerning the information that an administering authority must provide when paying a death grant. In our view, those receiving a death grant should be told:

- the total death grant and how it is calculated
- what proportion of the death grant has been awarded to them.

Anyone who has made a claim against the death grant but has not been awarded any payment must be told of that decision.

The requirement to notify potential beneficiaries is covered by regulation 73 of the LGPS Regulations 2013 and regulation 68 of the LGPS (Scotland) Regulations 2018. An extract from the 2013 regulations is below. The corresponding regulatory references for the LGPS (Scotland) Regulations 2018 are shown in italics.

73. -(1) Every person whose rights or liabilities are affected by a decision under **regulation 72 (first instance decisions)** [*regulation 67 LGPS (Scotland)*] must be notified of it in writing by the body which made it as soon as is reasonably practicable after the decision is made.

(2) A notification of a decision that the person is not entitled to a benefit must contain the grounds for the decision.

(3) A notification of a decision about the amount of a benefit must contain a statement showing how it is calculated.

(4) Every notification must contain a conspicuous statement giving the address from which further information about the decision may be obtained.

(5) Every notification must also-

(a) specify the rights available under regulations **74 (applications for adjudication of disagreements)** [*regulation 69 LGPS (Scotland)*] and **76 (references of adjudications to administering authority)** [*regulation 71 LGPS (Scotland)*];

(b) specify the time limits within which the rights under those regulations may be exercised; and

(c) specify the job title and the address of the person appointed under **regulation 74(1)** [*regulation 69 LGPS (Scotland)*] to whom an application may be made.

Action for administering authorities

Review and update your processes and standard correspondence to ensure that you provide the correct information to those receiving a share of a death grant, and those who have made a claim but do not receive a share of the death grant.

The Queen's Speech

The Government's legislative programme was laid out in the Queen's Speech delivered on 11 May 2021. The Government announced:

- a Public Service Pensions and Judicial Offices Bill that will introduce amendments to incorporate the McCloud judgment into public service pension schemes including the LGPS, and
- a Boycotts, Divestment and Sanctions Bill which aims to stop public bodies imposing their own views about international relations by preventing boycott, divestments or sanctions against foreign countries.

You can read more in the [Queen's Speech – full report](#) and the [background briefing notes](#).

The Scheme Advisory Board plans to update its summary of the Supreme Court Boycotts case next month to reflect the contents of the Bill. You can find a link to the current version of the summary on the [Legal opinions and summaries](#) page of the Board website www.lgpsboard.org.

Review of your Tell Us Once users

Good housekeeping is vital. It is the responsibility of each administering authority to give access to the Tell Us Once system appropriately and to remove that access promptly when it is no longer required. This ensures that security and compliance is maintained.

We let you know in [Bulletin 203](#) that an automatic deletion function had been introduced to the EAS system in November 2020. Accounts that have been inactive for three months are closed automatically. As a result, many administering authorities no longer have anyone to undertake the Organisational Administrator (OA) role. Administering authorities without an OA cannot create or maintain the accounts of users. They are not able to:

- provide access for new end users
- manage permissions of existing end users
- replace tokens
- close accounts using the EAS Admin Portal.

You can open a closed account easily. Contact your relationship manager by emailing emma.moralee2@dp.gov.uk or tellusonce.relationshipmanager@dp.gov.uk. You can also contact the TUO Helpdesk TELL-US-ONCE.SERVICEDESK@DWP.GOV.UK.

All users, including Organisational Administrators, should access the TUO system at least once a month to ensure continued access. If a user has Local Admin **and** Tell Us Once roles, they need to log in to both Local Admin and Tell Us Once if they wish to retain access to both. Users with linked accounts to multiple

organisations will need to log on to each organisation they are linked to, including the services they access in each organisation.

The Tell Us Once team thanks all users for their ongoing support.

Action for administering authorities

Ensure that all users access the TUO system at least once a month. Contact your relationship manager if you wish to open a closed account.

Pensions Dashboard Programme (PDP) call for input on staging

On 27 May 2021, the PDP launched a [Call for input on staging](#). The purpose of the call for input is to gather feedback and insight from pension schemes that will inform Government policy on staging. The PDP is recommending that all public service pension schemes should be onboarded in the initial wave – a two-year period starting from April 2023. Questions 22 and 23 of the call for input relate specifically to public service pension schemes and the impact the McCloud judgment may have on their dashboard readiness.

The call for input closes on 9 July 2021.

The PDP has published [a blog about the staging proposals](#) and [an architecture brief for suppliers](#). The brief contains detailed information on the digital architecture that may be useful to data providers.

Action for administering authorities

Read the consultation and submit a response by 9 July 2021 if you wish to express your views about the proposals for staging. In particular, you may wish to respond to the questions that cover the administrative and resource impact of McCloud.

PDP progress update

The [PDP April 2021 progress update report](#) includes information updates on the programme achievements over the last six months. You can read more about the PDP timetable for delivering pensions dashboards in the [Programme timeline](#).

PLSA launches LGPS research project

On 18 May 2021, the Pensions and Lifetime Savings Association (PLSA) announced an [LGPS research project](#) at its Local Authority Conference. The research will look at areas of best practice, the future challenges faced by the LGPS and identify areas where additional clarity is needed.

Training

Fundamentals training programme

We are pleased to announce that our Fundamentals training programme will resume this year. As usual, the training will take place in three locations: London, Leeds and Cardiff. The London sessions will be hybrid, so delegates will have the choice of attending in person or virtually. The sessions in Leeds and Cardiff will be face to face only. Use the links below to book your place now.

Fundamentals is a bespoke three-day training course aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trade union representatives, member and employer representatives, a variety of officers who attend or support committees and representatives of private sector organisations that provide services to administering authorities. The course delivers a scheme overview and covers current issues relating to administration, investment and governance in the LGPS.

Attending all three days will assist delegates in meeting the requirement for knowledge, skills and understanding that is either required in statute or encouraged by relevant guidance.

Each day has a different theme and will include sessions delivered by experts in their field. The events also provide delegates with valuable networking opportunities. Each day's programme will start at 10am, with registration and coffee from 9:30am, and close by 4pm with refreshments and lunch provided. For full details see the [Fundamentals training programme](#).

Cost and booking

The cost of each session is:

- £270 plus VAT for face to face training. The cost includes lunch, refreshments and all delegate materials
- £220 plus VAT for virtual attendance (London only). Please use the promotional code **HYB** on the booking page to activate the reduced rate.

We recommend early booking because places are limited. You can only book through the [LGA events page](#). We have provided links to each event below for your convenience.

[12 October: Day 1 London](#)

Etc Venues – also Hybrid (use code HYB)

[21 October: Day 1 Leeds](#)

Park Plaza Hotel

26 October: Day 1 Cardiff	Marriott Hotel
9 November: Day 2 London	Etc Venues – also Hybrid (use code HYB)
18 November: Day 2 Leeds	Park Plaza Hotel
23 November: Day 2 Cardiff	Marriott Hotel
2 December: Day 3 London	Etc Venues – also Hybrid (use code HYB)
8 December: Day 3 Leeds	Park Plaza Hotel
15 December: Day 3 Cardiff	Marriott Hotel.

Annual governance conference

We hope that you can join us in person for the 2022 Annual governance conference. We will be returning to the Marriott Highcliffe Hotel in Bournemouth. The conference will have its popular lunchtime to lunchtime timetable from Thursday 20 to Friday 21 January 2022.

We are currently working on the final programme and speakers. Booking will open in June. If you would like to be notified when booking opens, please email your expression of interest to elaine.english@local.gov.uk.

Useful links

[LGA Pensions page](#)

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland 2015\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section contact details

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you.

Jeff Houston (Head of Pensions)

Telephone: 07786 681936

Email: jeff.houston@local.gov.uk

Lorraine Bennett (Senior Pensions Adviser – LGPC Secretariat)

Telephone: 07766 252847

Email: lorraine.bennett@local.gov.uk

Jayne Wiberg (Pensions Adviser – LGPC Secretariat)

Telephone: 07979 715825

Email: jayne.wiberg@local.gov.uk

Rachel Abbey (Pensions Adviser – LGPC Secretariat)

Telephone: 07827 307003

Email: rachel.abbey@local.gov.uk

Steven Moseley (Pensions Adviser – LGPC Secretariat)

Telephone: 07780 227059

Email: steven.moseley@local.gov.uk

Karl White (Pensions Adviser (Training) – LGPC Secretariat)

Telephone: 07464 652886

Email: karl.white@local.gov.uk

Joanne Donnelly (Senior Pensions Secretary – LGPS Scheme Advisory Board (E&W))

Telephone: 07464 532613

Email: joanne.donnelly@local.gov.uk

Bob Holloway (Pensions Secretary – LGPS Scheme Advisory Board (E&W))

Telephone: 07919 562847

Email: robert.holloway@local.gov.uk

Elaine English (LGPS Executive Officer)

Telephone: 07909 988968

Email: elaine.english@local.gov.uk

Further information

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the LGPC Secretariat, a part of the Local Government Association (LGA). It represents the views of the Secretariat and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring to the attention of the Secretariat any perceived errors or omissions by emailing query.lgps@local.gov.uk.