

LGPC Bulletin 231 – November 2022

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [SAB statement on employer contributions](#) (England and Wales)
- [Further education reclassification](#) (England)
- [Consultation on tax rules for the McCloud remedy](#)
- [Pensions dashboards regulations](#)
- [Updated pensions dashboards standards](#)
- Last chance to book to attend the [January 2023 Governance Conference](#) in person

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
SAB statement on employer contributions	3
SAB responds to climate risk reporting consultation	3
2021/22 annual reports	4
SAB update	4
LGPS England & Wales	4
New LGPS minister	4
Further education reclassification	5
HMRC	5
Pension schemes newsletter 144	5
Consultation on tax rules for the McCloud remedy	5
Public service pensions remedy newsletter	7

HMT	7
Autumn Statement 2022	7
Pensions dashboards	8
TPR consultation on dashboard enforcement	8
The Pensions Dashboards Regulations 2022	9
Pensions Dashboards Programme (PDP) publishes updated standards	9
PDP Webinars	9
TPO	10
TPO factsheets	10
TPR	10
Regulators issue scam warning to pension schemes and savers	10
TPR blogs	10
Other news and updates	11
New pensions minister	11
Investment management consultancy services framework.....	11
Training	11
Training programme 2023.....	11
LGPS Governance Conference 2023.....	12
Fundamentals 2022	12
Wider landscape	13
GAD blog on public service pension schemes	13
Legislation	13
Statutory Instruments	13
Northern Ireland Statutory Rules.....	13
Useful links	13
LGPS pensions section contact details	14
Further information	15
Copyright.....	15
Disclaimer	15

LGPS England & Wales Scheme Advisory Board (SAB)

SAB statement on employer contributions

At its meeting on 10 October 2022, the SAB discussed emerging results from the current round of triennial local fund valuations. The Board understands and recognises the extremely challenging position for local government finance. However, it asks administering authorities and other Scheme employers to have regard to the desirability of long-term stability in pension contributions when considering whether reductions in employer contributions are desirable as a result of an improved funding position.

The [SAB statement on employer contributions](#) gives more detail about the Board's discussions and the reasons behind making the statement.

Action for administering authorities

Discuss the SAB statement with your actuary and have regard to it when setting primary contribution rates for employers.

SAB responds to climate risk reporting consultation

The SAB has submitted its response to the Department for Levelling Up, Housing and Community's (DLUHC) climate risk reporting consultation. The consultation closed on 24 November 2022. The response included:

- some over-arching observations on the role of pension funds, as well as their limitations
- the production of climate risk reports
- responses to DLUHC's specific questions on governance, scenario analysis, metrics and risk management.

The Board welcomed the opportunity to engage with DLUHC's proposals and believes that pension funds should be able to make a positive contribution by supporting the just transition to a sustainable future.

You can read [SAB's response to the climate risk reporting consultation](#) in full. You can find links to the original consultation on the [Scheme consultations](#) page of www.lgpsregs.org.

2021/22 annual reports

The Board is aware that some pension fund audits are likely to be delayed again this year, largely due to issues with auditing the host authority's accounts. There is a statutory duty under regulation 57 of the LGPS Regulations 2013 for administering authorities to publish an annual report 'on or before 1 December'.

The Board has written to the minister with proposals to help improve the timely completion of audit. In the meantime, the SAB urges administering authorities to publish their 2021/22 annual reports based on the best data available to them by the statutory deadline.

Ideally, the report would be based on audited data. But if that is likely to result in a significant delay, the SAB asks funds to produce and publish reports based on unaudited data (labelled as draft), and to re-publish an amended annual report with the external auditor's opinion and revised data after audit, where necessary.

Action for administering authorities

Produce and publish the 2021/22 annual report based on unaudited data by 1 December 2022, if audited data will not be available by that date.

SAB update

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#)
- [news items](#).

LGPS England & Wales

New LGPS minister

[Lee Rowley MP](#) was appointed Parliamentary Under Secretary of State in the Department for Levelling Up, Housing and Communities on 7 September 2022. It has now been confirmed that he has taken over ministerial responsibility for the LGPS.

[Michael Gove MP](#) was re-appointed Secretary of State for Levelling Up, Housing and Communities on 25 October 2022. He previously held this role between 15 September 2021 and 6 July 2022.

Further education reclassification

Following a review into the classification of further education sector, the Office for National Statistics has reclassified colleges and their subsidiaries in England into the central government sector. You can read more about [Further education reclassification](#) on the Government's website.

Thank you to all administering authorities that provided additional data on colleges. We reported this request for data in [Bulletin 229](#). The Department for Education is considering offering additional covenant assurances for colleges and will use the data supplied when making their decision. We will let you know as soon as a decision has been made.

HMRC

Pension schemes newsletter 144

HMRC published [Pension schemes newsletter 144](#) on 3 November 2022. The newsletter includes articles about:

- Requesting a refund from the Managing Pension Schemes Service. You can find out more information on how to [Request a pension scheme refund or reallocation](#) online.
- Migrating from the Pension Schemes Online service to the Managing Pension Schemes service.
- AFT returns for any quarter from 1 April 2020 onwards can only be submitted on the Managing Pension Schemes service.
- The Accounting for Tax (AFT) return for 1 July to 30 September 2022 must have been submitted through the Managing Pension Scheme Service by 14 November 2022 to avoid interest and penalties.
- The [Managing Pension Schemes user panel](#) that gives feedback on the service and helps to inform future developments.

Consultation on tax rules for the McCloud remedy

On 24 November 2022, HMRC launched a [consultation on how pension tax will apply to members protected by the McCloud remedy](#). HMRC is seeking views on draft legislation: The Public Services Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023. The legislation is planned to take effect from 6 April 2023. Some provisions will have retrospective effect.

The remedy that will apply in the LGPS is very different from the remedy that will apply in the unfunded schemes. As the draft legislation will cover all public service pension schemes, not all provisions are relevant to the LGPS. The draft regulations in Part 2 that will apply to the LGPS are:

- 14: how any underpin increase is treated for annual allowance purposes
- 17 and 23: whether any additional pension commencement lump sum paid after the normal deadline is an authorised payment
- 18,19 and 24: how an underpin increase affects a past trivial commutation payment and whether any additional amount due is an authorised payment
- 20, 21 and 25: serious ill health lump sums
- 22: whether arrears of pension payments in respect of a deceased Scheme member are authorised payments
- 26: whether a pension remains authorised where it is reduced due to a retrospective lifetime allowance debit
- 27 and 28: whether overpaid pensions and lump sums which are not recovered are authorised payments
- 30: whether additional amounts of death grants paid after the normal two-year time limit are taxable payments
- 37 and 38: valuing benefits for individual protection 2016
- 40: the impact of an underpin increase on fixed protection 2016.

Some of these provisions will have no effect or limited effect on LGPS members due to the Scheme rules and the design of the remedy. For example, it is not possible to pay a serious ill health lump sum to a member in scope of remedy. We will outline our views on whether the draft regulations will be effective for LGPS members in our response to the consultation.

The consultation documents also include an explanatory memorandum and guidance for administrators on the draft regulations.

We will respond to the consultation and share our response before the consultation closes on 6 January 2023. You can find links to the consultation on the:

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

Action for administering authorities

Read the consultation documents and submit your consultation response by 6 January 2023.

Public service pensions remedy newsletter

On 25 November 2022, HMRC published a [Public service pensions remedy newsletter](#). The newsletter summarises the draft regulations and guidance that they are currently consulting on (see previous article) and confirms that HMRC is not able to respond to member queries related to the remedy.

HMT

Autumn Statement 2022

The Chancellor of the Exchequer delivered his Autumn Statement to Parliament on 17 November 2022. Pensions policies rumoured in advance of the statement such as changes to tax relief and the removal or suspension of the State Pension triple lock did not emerge. The statement confirmed the following policies that have a direct or indirect impact on LGPS members:

- The State Pension triple lock was maintained and working age benefits will increase in line with inflation in April 2023. Next year's increase will be 10.1 percent.
- [The DWP review of the State Pension age](#) will be published early in 2023. The review is currently underway to consider whether the existing timetable to increase the State Pension age remains appropriate. The Government must publish the review by 7 May 2023.
- No changes to the annual allowance, tapered annual allowance or Money Purchase Annual Allowance in 2023/24.
- No changes to the Lifetime Allowance which will remain at its current level of £1,073,100 until the end of the 2025/26 year.
- Current personal tax thresholds for income tax and national insurance (in England and Wales) will be frozen until April 2028. Increases to wages, benefits and pensions at a time of high inflation will mean that more of the lowest earners will start to pay tax and more people will be drawn into the 40 percent tax band.
- The additional rate threshold (in England and Wales) will reduce from £150,000 to £125,140 from April 2023. This is the threshold beyond which individuals pay income tax at 45 percent.

You can find the [Autumn Statement 2022 documents](#) on the Government's website. The lifetime allowance and annual allowance figures are confirmed in the [Autumn Statement 2022: Policy Costings](#).

HM Treasury (HMT) also published an [Autumn Statement 2022: Cost of living support factsheet](#) that provides information on support to help households meet the rising cost of living.

Pensions dashboards

TPR consultation on dashboard enforcement

On 24 November 2022, the Pensions Regulator (TPR) launched a consultation on its draft dashboards compliance and enforcement policy.

TPR is responsible for ensuring that occupational pension schemes comply with their dashboard duties. The draft policy sets out how it intends to do so. The policy covers:

- the key risk areas it will focus on
- what it expects schemes to do when complying with their dashboard duties
- how it will monitor compliance
- how it will approach non-compliance.

The policy reiterates the powers TPR has to deal with non-compliance. This includes compliance notices and penalty notices. These can also be issued to third parties, such as employers, administrators and Integrated Service Providers (ISPs).

The policy also includes illustrative scenarios, setting out how it may approach particular examples of non-compliance.

The consultation closes on 24 February 2023. You can find links to the consultation on the:

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

Action for administering authorities

Submit a response to the consultation before 24 February 2023 if you have comments to make about the proposed compliance and enforcement policy.

The Pensions Dashboards Regulations 2022

On 21 November 2022, the Department for Work and Pensions made [The Pensions Dashboards Regulations 2022](#) – the Regulations. They come into force on 12 December 2022.

The Regulations set out requirements for relevant occupational pension schemes to connect to pensions dashboards, and what organisations must do to provide a qualifying pensions dashboard service.

The regulations apply to England, Scotland and Wales. Different [Pensions Dashboards Regulations for Northern Ireland](#) have been made.

To help administering authorities implement pensions dashboards, we intend to publish an LGPS specific guide to connection early in 2023.

Pensions Dashboards Programme (PDP) publishes updated standards

On 16 November 2022, the [PDP published its revised standards](#) for connecting to the dashboards ecosystem. They cover the technical and operational detail that underpins dashboards legislation. The revised standards incorporate feedback from the consultation published in July 2022 – see [bulletin 228](#) for more information.

Although the revised standards are pending final approval by the Secretary of State for Work and Pensions, they have been published to give schemes advance notice of the duties that they will need to comply with.

PDP also confirmed the process for updating the standards going forward, including the principles for decision-making and the notice period for industry.

A consultation on the draft design standards for qualifying pensions dashboards will take place in the winter.

Action for administering authorities

Administering authorities should consider how they will comply with the standards. We recommend discussing the standards with their software provider or third party administrator, for those funds administered externally.

PDP Webinars

PDP will host the following webinars on:

- 5 December 2022 - Dashboards standards: data, reporting and technical standards

- 7 December 2022 – Dashboards standards: code of connection, early connection and governance
- 8 December 2022 – Dashboards standards: design standards consultation.

Visit [PDP's events and meetings webpage](#) to sign up for their webinars.

TPO

TPO factsheets

TPO published two new factsheets in November:

- [Determination by the Ombudsman factsheet](#) explains what happens after TPO has issued a determination including complying with the direction and how to appeal on a point of law
- [Privacy and Personal Information Policy](#) explains why and when TPO collects personal information about third parties.

You can find and search [all TPO publications](#) on their website.

TPR

Regulators issue scam warning to pension schemes and savers

The Pensions Regulator (TPR) joined forces with the Financial Conduct Authority and the Money and Pensions Service to issue a [scam warning to pension schemes and savers](#) on 11 November 2022. The statement warns of an increased risk from scammers because of the current economic uncertainty.

The warning urges savers to:

- contact [MoneyHelper](#) for free, impartial advice before making any hasty decisions
- check that they are dealing with a legitimate firm by visiting the [ScamSmart website](#)
- know [how to spot pension scams](#) and avoid them.

TPR blogs

TPR published two blogs in November 2022:

- [TPR blog on automatic enrolment](#) considers the successes of ten years of automatic enrolment, urges employers to ensure they comply with their re-enrolment duties and looks forward to improved member engagement

- [TPR blog on equality diversity and inclusion](#) outlines TPR's strategy to move towards a fairer and more inclusive culture within their organisation and across the pensions industry.

Other news and updates

New pensions minister

[Laura Trott MP](#) was appointed Parliamentary Under Secretary of State at the Department for Work and Pensions (DWP) in October. In November, it was confirmed that she will have ministerial responsibility for pension policy.

Guy Opperman MP returned to the DWP as Minister of State on 27 October 2022. He has ministerial responsibility for employment policy. He held ministerial responsibility for pension policy from 2017 to 2022.

Investment management consultancy services framework

The National LGPS Frameworks launched the Investment Management consultancy services framework in November. This is the third iteration of this procurement framework which offers efficient access to specialist investment consultancy-related services. This iteration of the framework has been expanded to include a fourth Lot:

Lot 1: investment consultancy services

Lot 2: manager/fund search, selection, monitoring and review services

Lot 3: investment managements consultancy related specialist services

Lot 4: investment management cost monitoring and reporting.

You can read more about this launch in the [National LGPS Frameworks press release](#). Visit the [National LGPS Frameworks](#) website for more information about this and all the other frameworks available.

Training

Training programme 2023

We are pleased to announce that we have set our 2023 training programme.

We will be running busy schedule of online and in-person courses for both practitioners and employers.

Full details of the 2023 training programme can be found in [Appendix 1](#). The courses with confirmed dates will be open for booking on the [LGA events page](#) from mid-December. We will send an email to funds when the courses are available to book.

LGPS Governance Conference 2023

The LGPS Governance conference will take place on 19 and 20 January 2023 at the Cardiff Marriott Hotel. Our [conference flyer](#) contains an updated programme with confirmed speakers.

The conference is aimed at elected members and others who attend pension committees/panels and local pension boards. Past delegates include elected members, trades union representatives, member and employer representatives, as well as a variety of officers who attend and support committees.

You can attend the conference in person or join us online. If you wish to attend in person, we recommend you book as soon as possible because places are filling up fast.

You can book using the links below. We are unable to take manual bookings.

- [book to attend in person](#)
- [book to attend virtually](#).

Action for administering authorities

If any officers, committee members or board members would like to attend the conference in person, please book your place as soon as possible.

Fundamentals 2022

Day three of our Fundamentals training programme will take place in December. The course will be run face to face in London and online.

Fundamentals is a three-day training course aimed at elected members and others who attend pension committees and local pension boards. Day three focusses on duties and responsibilities and will include sessions delivered by experts in their fields.

Each event below has a link to take you directly to the booking page for that session. We are unable to take manual bookings.

- [Fundamentals Day 3 – 6 December 2022 Westminster](#)
- [Fundamentals Day 3 – 20 December 2022 online](#)

The booking page for all LGA events is: www.local.gov.uk/events.

Wider landscape

GAD blog on public service pension schemes

The Government Actuary's Department (GAD) has published a blog about the pressures faced by administrators of public service pension schemes. [GAD's blog 'Looking ahead in public service pension administration'](#) considers:

- the challenges of translating the McCloud remedy into administration processes
 - the importance of data quality for pensions dashboards
 - the complexity of administration provider or administration system procurement.
-

Legislation

Statutory Instruments

[The Pensions Dashboards Regulations 2022](#) [SI2022/1220]

[The Police, Fire and Crime Commissioner for Cumbria \(Fire and Rescue Authority\) Order 2022](#) [SI2022/1230]

Northern Ireland Statutory Rules

[The Pensions Dashboards Regulations \(Northern Ireland\) 2022](#) [2022/296]

Useful links

[LGA Pensions page](#)

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

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

[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.

Joanne Donnelly (Head of Pensions)

Telephone: 07464 532613

Email: joanne.donnelly@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

Lisa Clarkson (Pensions Adviser (Employer) – LGPC Secretariat)

Telephone: 07464 532596

Email: lisa.clarkson@local.gov.uk

Jeremy Hughes (Senior Pensions Secretary - LGPS Scheme Advisory Board (E&W))

Telephone: 07960 513946

Email: jeremy.hughes@local.gov.uk

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

Telephone: 07919 562847

Email: robert.holloway@local.gov.uk

Ona Ehimuan (Pensions Secretary (Governance and Digital) – LGPS Scheme Advisory Board (E&W))

Telephone: 07501 088144

Email: ona.ehimuan@local.gov.uk

Gareth Brown (Research and Data Analyst – Pensions)

Telephone: 07785 407657

Email: gareth.brown@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 LGPS 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.