

LGPC Bulletin 254 – August 2024

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

- [Updated flexible retirement guidance](#) (England and Wales)
- [McCloud update – teachers with excess service](#) (England and Wales)
- [GAD transaction data – underpin payments](#)
- [New lump sum tools – member website](#)
- [Pensions Awareness week – template member presentation](#)
- [Dashboards connection guide and AVCs and Dashboards guide](#)
- [Institutional investment into affordable housing survey](#) (England & Wales)
- [Pension committee chairs event](#) (England & Wales)

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

Index

LGPS England & Wales	3
Annual benefits statements and McCloud	3
Updated flexible retirement guidance	3
McCloud update – teachers with excess service.....	4
LGPS Scotland	4
SPPA Circular 2024/05.....	4
Other news and updates	5
GAD transaction data – underpin payments	5
Member websites – new lump sum tools	5
Pension Awareness Week 2024 – template member presentation	6
LGPC minutes published	6
LGA job opportunity.....	7

Pensions dashboards	7
Dashboards connection guide and AVCs and Dashboards guide published	7
PDP updates draft code of connection	8
Training.....	8
LGPS Governance Conference 2025	8
Fundamentals training 2024	9
Training programme 2024.....	10
LGPS England & Wales Scheme Advisory Board (SAB)	11
‘Levelling Up’ reporting in the annual report guidance	11
S13 report published - review of the LGPS 2022 fund valuations	11
Call for evidence: Institutional investment into affordable housing	11
Letter to MHCLG re SCAPCs.....	12
Pension committee chairs event	12
Pensions Review – Terms of Reference released for Phase One	12
Reminder – submit your fund annual report for 2023/24.....	12
SAB website.....	12
Your LGPS contacts – stay connected	13
HMRC	13
Newsletter 161	13
TPO	13
Corporate Plan 2024/25.....	13
Wider landscape.....	14
Chancellor calls on pension funds to fire up UK economy	14
Legislation	14
Statutory Instruments	14
Useful links.....	14
LGPS pensions section	15
Raising a query	15
Team contacts.....	15
Further information	16

Copyright	16
Disclaimer	16

LGPS England & Wales

Annual benefits statements and McCloud

Further to the articles in [Bulletin 252](#) and [Bulletin 253](#), the Ministry of Housing, Communities and Local Government (MHCLG) laid the [LGPS \(Information\) Regulations 2024](#) on 28 August 2024. The regulations come into force on 23 September 2024, with backdated effect to 1 October 2023.

The regulations remove the requirement to include estimated underpin information in the 2023/24 statements. However, there is a discretion to provide the information for certain members or classes of members if you are able to. The changes apply to annual benefit statements (ABS) for active, deferred, deferred pensioner and pension credit members.

The regulations also provide a discretion not to include estimated underpin information in the 2024/25 statements for a particular member or class of members. Authorities using this discretion will need to decide before 31 August 2025 and tell affected members. We understand MHCLG is still considering whether to issue guidance on the circumstances in which it may be appropriate to use this discretion.

TPR has confirmed there will be no requirement to report a breach of law for not including estimated underpin information in the 2023/24 statements. However, it encourages authorities to report breaches where they are having problems complying with ABS requirements and administration in general. It is keen to get an accurate picture of the challenges public service pension schemes are facing.

We will update the timeline regulations shortly.

Updated flexible retirement guidance

On 16 August 2024, Rachel Abbey emailed stakeholders letting them know that MHCLG has issued updated flexible retirement guidance. This replaces the guidance dated 28 April 2016 and is effective immediately.

The guidance has been updated to cover:

- how the McCloud remedy affects flexible retirement calculations
- the calculation of a death grant in respect of a member who dies after taking flexible retirement.

You can find the guidance on the [Actuarial guidance](#) page of www.lgpsregs.org.

Action for administering authorities

Review the updated guidance and implement the changes to your calculations.

McCloud update – teachers with excess service

The Teachers' Pension Scheme (TPS) sent an [updated timeline for excess service cases](#) to their administering authority contacts earlier this month. TPS has contacted employers in groups based on region. The updated timeline confirms when initial communications and reminders were/will be sent to employers in each region. The TPS update also included an email communication sent to employers about common errors in the files that have been returned so far.

Action for administering authorities

Circulate the employer communication to affected employers in your fund. Contact query.lgps@local.gov.uk if you did not receive the TPS communication or if you want to change the contact details used by TPS for this project.

Some employers in London, the South East and the South West have completed the first stage of the process – verifying the service details held by TPS for members with excess service. The next stage will be to provide the information administering authorities need to set up LGPS pension records for these members. As we reported in [Bulletin 253](#), TPS is currently finalising the template for the next stages. We will contact you as soon as the template is available.

LGPS Scotland

SPPA Circular 2024/05

On 31 July 2024, the Scottish Public Pensions Agency (SPPA) issued [Circular 2024/05](#).

The circular confirms the following:

- SPPA will shortly consult on regulations to remove the requirement to include underpin information in the 2024 annual benefits statements.
- These regulations will not be made before the deadline for those statements (31 August 2024). Therefore, all administering authorities should report the breach to the Pensions Regulator (see [Bulletin 253](#) for more details).

- The consultation will also consider whether to give administering authorities discretionary power to exclude underpin information in the 2025 statements for certain members.
- SPPA will also consult on amending the regulations that set out the special interest rules for McCloud recalculations to align with the equivalent rules for LGPS England and Wales.

Other news and updates

GAD transaction data – underpin payments

We have received confirmation from the Government Actuary's Department (GAD) on how to record extra payments due to the underpin in the GAD transaction data, where this is prepared by funds.

Any extra payments (including any interest and revaluation) should be treated as a transaction related to the career average main section (ie Column B) in the Scheme year in which it is received. If the member was in the 50/50 section, the payment is not split between the main and 50/50 sections.

GAD may use the transaction data as part of undertaking the cost control calculations under sections 11 and 12 of the Public Service Pensions Act 2013. We provided more details in Appendix 1 to [Bulletin 149](#) (England and Wales) and in Appendix 2 to [Bulletin 159](#) (Scotland).

GAD will be writing to administering authorities shortly in respect of the data request for the 2024 valuation.

Action for administering authorities

Ensure that you are recording the extra payments for the underpin correctly.

Member websites – new lump sum tools

We have made some improvements to the tools on the member websites.

Lump sum calculator: the existing calculator has been improved. Members can use the calculator to:

- see the impact of taking a lump sum of any percentage from 1 percent to 25 percent of the value of their benefits. This was previously restricted to multiples of 5 percent
- model the effect of taking AVC funds as cash.

Maximum AVC lump sum calculator: members can use this new calculator to estimate the maximum amount they could take as cash from an AVC fund.

The wording and warnings attached to both calculators reflect the lump sum limits in force from April 2024.

You can find links to these and other tools on the:

- [Tools and calculators \(England and Wales\)](#) page of the LGPS member website
- [Tools and calculators \(Scotland\)](#) page of the LGPS Scotland member website.

Action for administering authorities

Make members aware of the new and improved tools. Email query.lgps@local.gov.uk if you have any feedback about the tools.

Pension Awareness Week 2024 – template member presentation

We have published template member presentations for administering authorities to use during Pension Awareness Week. Pension Awareness Week runs from 9 to 15 September 2024. You can find the template PowerPoint presentations on the:

- [Administrator guides and documents \(England and Wales\)](#) page of www.lgpsregs.org, and
- [Administrator guides and documents \(Scotland\)](#) page of www.scotlgpsregs.org.

Administering authorities will want to make local changes to the template to suit their intended audience. We have indicated in the presentation where we think local changes will be needed. These areas are highlighted in yellow if they occur in the slides or in square brackets if they occur in the notes.

The template presentations have been produced by the LGA working with the Communications Working Group (CWG). We would like to extend our thanks to the CWG for giving their time and expertise to this project.

LGPC minutes published

The draft minutes from LGPC meeting held on 22 July 2024 are available on the LGPC minutes pages of www.lgpsregs.org and www.scotlgpsregs.org. The minutes will be agreed at the next meeting.

Topics discussed included:

- restructure of the LGPC secretariat team
- Government's pension review
- regulatory updates
- SAB updates
- technical group update
- training update.

The next meeting will be held on 25 November 2024.

LGA job opportunity

We are recruiting for a Programme Support Officer. This is an administrative support role which can be home, or office (London) based. The closing date for applications is 22 September 2024. Interviews will be held the week of 30 September 2024.

For more information and to apply see [the Jobtrain website](#).

Contact [Lorraine Bennett](#) for an informal chat about the role.

Pensions dashboards

Dashboards connection guide and AVCs and Dashboards guide published

On 2 August 2024, Jayne Wiberg emailed stakeholders letting them know we have published version 1.0 of the Pensions Dashboards connection guide and version 1.0 of the AVCs and Dashboards administrator guide. Both guides are tailored specifically for the LGPS and can be found on the:

- [Administrator guides and documents](#) page of www.lgpsregs.org
- [Administrator guides and documents](#) page of www.scotlgpsregs.org.

Pensions dashboards connection guide

We initially published a draft version of the Pensions Dashboards connection guide in November 2023. It is updated to include the regulatory and guidance changes made since then, such as the change in 'connection deadline' and the introduction of a 'connect by' date.

The guide aims to help administering authorities identify the steps needed to connect to the pensions dashboards ecosystem. It does not duplicate information available elsewhere. It provides a synopsis of each topic with hyperlinks to where the detailed information can be found online.

Authorities will need to create a project plan to implement dashboards, and this guide helps them do that. It sets out the necessary actions and decisions, with recommendations on timings based on the 'connect by' date of 31 October 2025. These are detailed throughout the guide and summarised in the 'Preparing to connect checklist' in appendix one.

AVCs and Dashboards administrator guide

This is a new guide and has been created with help from the National LGPS Technical AVC sub-group. Its aim is to establish common approaches on the preparation and provision of AVC view data to the pensions dashboards ecosystem.

Many thanks go to representatives from the Prudential, Leicestershire Pension Fund, Northern Ireland Local Government Superannuation Committee, Tyne and Wear Pension Fund, West Yorkshire Pension Fund, Heywood Pension Technologies, Civica and the Pensions Administration Standards Association, who all contributed their expertise to help make the guide possible.

Administering authorities will need to be able to accommodate a variety of approaches from different AVC providers. One size will not fit all. We believe even though a variety of approaches will be adopted in sending view data to the ecosystem, authorities should be able to achieve consistency within each form of approach. This guide helps them do that and expands on the AVC actions set out in the Pensions Dashboards connection guide.

Action for administering authorities

Review the guides and create a project plan to implement dashboards.

PDP updates draft code of connection

On 21 August, the Pensions Dashboards Programme (PDP) published [version 1.1 of its draft code of connection](#). The draft code sets out how pension providers, schemes and dashboard providers are to connect to the dashboards ecosystem and what they need to do to remain connected. The revisions from version 1.0 published on 21 November 2022 are mostly technical with several terminology clarifications.

Training

LGPS Governance Conference 2025

The LGPS Governance Conference is now open for booking. It is taking place on 30-31 January 2025 at the Bournemouth Highcliff Marriott Hotel. You can join us in person or online.

The Conference is aimed at councillors and others who attend pension committees/panels and local pension boards. Previous attendees also include trade union and employer representatives, as well as officers.

You can view the programme and book on the [Local Government Association \(LGA\) events page](#). In person places are limited so we recommend booking early to avoid disappointment.

Fundamentals training 2024

Our 2024 Fundamentals training is open for booking.

Fundamentals is a three day training course aimed at councillors and others who attend pension committees and local pension boards. The course provides a scheme overview and covers current issues in LGPS administration, investment and governance. Attending all three days will help delegates meet the relevant requirement for knowledge, skills and understanding required in statute or encouraged by relevant guidance. All sessions are delivered by experts in their field.

See the [Fundamentals 2024 draft course programme](#) for full details. The timings shown apply to the in-person sessions.

We are running the training online using Zoom and in person in London and York. We will deliver each day of the online sessions over two half days. You only need to complete one booking for each day, this will automatically book you on both the half days. It is not possible to book for a half day.

Cost

In person: £290 plus VAT per day (includes lunch and refreshments)

Online: £250 plus VAT per day.

Booking your place

We recommend early booking as places are limited. You can book online through the [LGA events website](#). Only member councils of the LGA can pay by invoice. All other organisations must pay by credit/debit card.

Each event listed below has a link to the booking page for that day.

[Fundamentals day 1: York 10 October 2024](#)

[Fundamentals day 1: London \(LGA offices\) 16 October 2024](#)

[Fundamentals day 1: Online 23 and 30 October 2024](#)

[Fundamentals day 2: York 5 November 2024](#)

[Fundamentals day 2: London \(LGA offices\) 13 November 2024](#)

[Fundamentals day 2: Online 21 and 28 November 2024](#)

[Fundamentals day 3: York 4 December 2024](#)

[Fundamentals day 3: London \(LGA offices\) 10 December 2024](#)

[Fundamentals day 3: Online 12 and 17 December 2024](#)

Training programme 2024

All 2024 training events are available to book via the [LGA events website](#). The link for each course contains the course programme, pricing and booking link. Bookings are on a first come, first served basis. Each topic is capped at five delegates per organisation over the course of the training programme.

If you are unable to book a place on a course, or would like more than five places, email training.lgps@local.gov.uk with details of the course you would like to attend. Please include how many places you require and the format - online or in person. We will keep a waiting list and consider running additional training if the demand is high enough.

We also accept requests for commissioned training. If you would like us to run training for your authority, or a group of authorities, please email training.lgps@local.gov.uk.

Employer role training (England and Wales)

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

Insight training (England and Wales)

- [25-29 November 2024 - online](#)

Aggregation training (England and Wales)

All courses are currently at capacity.

Survivor benefits training (England and Wales)

All courses are currently at capacity.

Action for administering authorities

Share information about the employer role training with your Scheme employers.

Discuss potential for commissioned training at Pension Officer Group meetings.

LGPS England & Wales Scheme Advisory Board (SAB)

‘Levelling Up’ reporting in the annual report guidance

The Board’s [Annual Report guidance](#) issued in March 2024 included, at paragraph 49, a request for funds to report certain information about investments that support the ‘Levelling Up missions’. This was in expectation of a statutory requirement to produce ‘Levelling Up’ plans which the previous Government was planning to legislate for. The Board has received queries about whether this reporting is still needed considering that it is understood that ‘Levelling Up’ isn’t a term that the new Government uses.

Funds should note that the Annual Report guidance is still in place. The Board understands that MHCLG is likely to want funds to report in future years on investments that support local growth in the UK. Therefore, funds are encouraged to still comply with the reporting ask in the guidance, while noting that this section was always a ‘may’ rather than a ‘must’ and there was also an acknowledgement in the guidance that this was the first time this request had been made, so ‘best endeavours’ and proportionate efforts only were anticipated.

S13 report published - review of the LGPS 2022 fund valuations

The Government Actuary's Department (GAD) has published its [report on the 2022 fund valuations](#), as required by section 13 of the Public Service Pensions Act 2013, to MHCLG.

The purpose of the report is to examine whether the separate 87 fund valuations have achieved the four aims set out in the Act – these are compliance, consistency, solvency and long-term cost efficiency.

As part of the process, GAD also analysed other data provided by the funds and their actuaries and undertook engagement exercises with relevant funds.

The report includes three recommendations for the SAB which are being considered.

Call for evidence: Institutional investment into affordable housing

The LGA has issued a [survey on institutional investment into affordable housing](#) and is inviting responses from LGPS funds, amongst others. The survey closes on 13 September 2024, and responses from LGPS funds would be welcomed.

Action for administering authorities

Respond to the survey by 13 September 2024.

Letter to MHCLG re SCAPCs

The Board Secretariat has [written to MHCLG](#) officials to ask for a review of the actuarial factors and regulations surrounding shared cost additional pension contributions (SCAPCs). This was one of the first recommendations of the Gender Pensions Gap working group. It was approved by the Board when it met in July 2024. The current regulations impact those (predominantly female) members with caring responsibilities who may lose pension when they have to take occasional days or weeks as authorised unpaid leave. The letter asks that the rules around buying back pension ‘lost’ during unpaid authorised leave should be made easier to understand and more flexible to implement.

Pension committee chairs event

Following the event in June 2024, the Chair of the Scheme Advisory Board, Councillor Roger Phillips, is planning to hold a second event to further engage with pension committee chairs. The event will continue discussions on next steps on pooling alongside the new Government’s growing interest in the LGPS with recent announcements about a pensions review. The event will take place virtually on Monday 14 October starting at 6pm for one hour. The Board is hopeful that the Local Government Minister, Jim McMahon MP, will be able to join the session. An email invite will shortly be sent to committee chairs using the details listed in ‘Your LGPS Contacts’ – so it is important these are kept up to date.

Action for administering authorities

Please share the details of this event with pension committee chairs. A formal invitation will be emailed separately.

Pensions Review – Terms of Reference released for Phase One

On the 16 August 2024, [HM Treasury published the Terms of Reference](#) for Phase One of the Government’s Pensions Review. This confirms that Phase One of the review will focus on investments, as well as driving scale and consolidation in defined contribution workplace schemes and the LGPS.

Reminder – submit your fund annual report for 2023/24

The SAB publishes fund annual reports on the SAB website and uses the data contained in the reports to pull together the Scheme Annual Report. In the coming months as fund reports are produced, please send completed annual reports for 2023/24 to sabsecretariat@local.gov.uk – these can be draft or final reports.

SAB website

[The SAB website](#) provides information about its work. Use the links below to find out more about:

- [a summary of the last Board meeting](#)
- [latest news](#)
- [SAB meeting and agenda papers](#)
- [committee meetings and agenda papers](#)
- [Responsible Investment Advisory Group meetings and agenda papers](#).

Your LGPS contacts – stay connected

The SAB secretariat uses the Your LGPS Contacts database to keep practitioners informed about its ongoing and future workstreams. Unfortunately, emails often result in a high number of ‘undeliverable’ messages.

Administering authorities are responsible for maintaining their contacts details on ‘[Your LGPS Contacts](#)’. Authorities should regularly review their details so they remain accurate and up to date.

HMRC

Newsletter 161

HMRC published [Newsletter 161](#) on 7 August 2024.

The newsletter includes articles on:

- Lifetime allowance abolition: HMRC will address technical inaccuracies in the current legislation through new regulations, which will be introduced as soon as the parliamentary timetable allows after the summer recess. A short technical consultation was held in August on draft regulations with certain industry representatives. We covered the consultation in [Bulletin 253](#).
- Managing pension schemes service: A reminder to act now to migrate to the Managing pension scheme service.

TPO

Corporate Plan 2024/25

TPO published its [corporate plan for 2024/25](#) on 31 July 2024, which outlines its key priorities and areas of work for the year.

TPO’s priorities are to:

- make changes to its processes to reduce waiting times
- deliver a reduction in the number of older, complex cases from its historical caseload

- improve signposting and pre-application journey, with more self-service information, so that the ‘right’ complaints come to TPO
 - secure long-term funding of the Pensions Dishonesty Unit, to ensure it can continue its valuable work
 - expand and build TPO’s specialist pensions expertise
 - review current systems to ensure TPO has a clear view of requirements to deliver further efficiencies and meet the projected increase in demand.
-

Wider landscape

Chancellor calls on pension funds to fire up UK economy

On 7 August 2024, the Chancellor, Rachel Reeves, issued [a press release](#) urging UK pension schemes to invest more in the UK economy and deliver better returns for savers. She highlighted the importance of learning from the Canadian model.

The press release was issued ahead of a meeting with major Canadian retirement funds. The meeting is part of intensive industry engagement for the pension investment review. The review aims to boost investment in the UK and deliver higher returns for savers. See [Bulletin 253](#) for more details about the review.

Legislation

Statutory Instruments

[LGPS \(Information\) Regulations 2024](#) [SI 2024/880]

Useful links

[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 \(Scotland\)](#)

[Current LGPS job vacancies](#)

[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

Raising a query

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. To avoid delays in receiving a response, please do not email advisers directly.

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Further information

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