



Local Government Pensions Committee
Secretary, Lorraine Bennett

LGPC Bulletin 192 – December 2019

Foreword

This bulletin contains a number of important updates for LGPS administering authorities, scheme employers and software providers; whilst also providing a general update for all stakeholders.

Of particular importance is the article on the [updated transfer out declaration forms](#) – this requires action by administering authorities.

If you have any comments on the contents of this bulletin or wish to suggest items that might be included in future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales

Supplementary Pensions Increase (PI) guide updated

The technical guide called 'When and how to apply supplementary pensions increase to lump sums' has been updated with a minor technical correction in relation the application of supplementary PI to a Defined Benefit Lump Sum Death Benefit (DBLSDB).

Clean and tracked versions of the guide (version 2.0) are available on the [guides and sample documents](#) page of www.lgpsregs.org.

Opt out form and notes updated

We have published an updated version of the opt out form and notes (version 2.1). We have made minor technical changes to reflect the ending of contracting out and to make reference to the upper age limit that applies when transferring out of the LGPS. We have made significant changes to the format of the form and notes for ease of use.

You can find clean and tracked versions of the opt out form and notes on the [guides and sample documents](#) page of www.lgpsregs.org.

Member guide to AVCs updated

We have published an updated version of the member guide to AVCs. The new version includes royalty-free images that each have an 'Alt text' description to aid visually impaired readers.

We have published clean and tracked versions of the guide on the [guides and sample documents](#) page of www.lgpsregs.org.

LGPS Scotland

The LGPS (Increased Pension Entitlement) (Miscellaneous Amendments) (Scotland) Regulations 2019

In 2008/2009 GMP related overpayments across public service pension schemes were identified and Scottish Ministers chose to allow the pension in payment to remain unadjusted for affected pensioners in the Police, Firefighter and Local Government Pension schemes.

Scottish Ministers have decided that a similar approach should be taken for GMP related overpayments that arise from the GMP reconciliation exercise, which concluded in December 2018. This means that pensions currently in payment will remain unadjusted going forward, for affected pensioners in the LGPS.

These regulations [[SSI 2019/438](#)] provide for a new scheme award known as an Increased Pension Entitlement (IPE), which reflects the GMP-related overpayment.

The regulations were laid in the Scottish Parliament on Monday 23 December and will come into force on 1 March 2020.

Section 13 report published

The Government Actuary's Department (GAD) has published a [review](#) of the actuarial valuations of the 15 funds in LGPS (Scotland) as at 31 March 2017, in accordance with section 13 of the Public Service Pensions Act 2013.

The review found that LGPS (Scotland) is in a strong financial position, with the aggregate funding level on prudent local bases having improved from 94% in 2014 to 102% in 2017. Six of the eleven open funds are fully funded on their prudent local bases.

The report states that to improve transparency and comparability further, it would be helpful for administering authorities and other stakeholders to be able to make meaningful comparisons between the actuarial valuations. Consequently, the report makes recommendations on consistency affecting all funds.

Other news and updates

LGA Pensions Adviser vacancy

The LGA is [recruiting](#) for a pensions adviser to lead on the development and implementation of an extended service to LGPS Scotland. It is a full-time role that can be either office (London) or home based. The salary scale ranges from £41,675 to £47,736 (plus London weighting where appropriate).

The closing date for applications is **3 January 2020**; interviews will be held on 13/14 January 2020. For more information or to discuss this opportunity please contact Jeff Houston (07786 681 936) or Lorraine Bennett (07766 252847).

Transfer out declaration forms updated

Version 8.0 of the transfer out declaration forms is available to view on the guides and sample documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

The forms have been updated in light of the Pensions Ombudsman determination [PO-21489](#) reported in [bulletin 190](#). Both the member and receiving scheme declarations now include questions about whether the member is an 'earner', where the transfer is buying transfer credits in an occupational pension scheme.

The forms now also make reference to opposite sex civil partnerships and same sex marriages in the current partnership status sections.

Action for administering authorities

Update local versions of the transfer out declaration forms.

National LGPS Frameworks – December news bulletin

The [December news bulletin](#) contains the latest news and updates from National LGPS Frameworks.

Equitable Life transfers to Utmost Life and Pensions

Following the High Court hearings on 22 and 25 November 2019, court approval to transfer the business of Equitable Life to Utmost Life and Pensions was received on 4 December 2019. The proposed changes (see [bulletin 188](#)) will be implemented with effect from 1 January 2020.

Scheme policy holders and 'eligible members' voted overwhelmingly in favour of the proposed changes.

Next steps

- the 'uplift' will be applied to with-profits policies as soon as practicable after 1 January 2020
- most with-profits policies will be converted to unit-linked policies from 1 January 2020
- policy holders are encouraged to decide which funds they wish to invest in.

The next communication to policyholders will be from Utmost Life and Pensions in the New Year; this will confirm the exact amount of 'uplift' and their investment choice.

For more information see [Equitable Life's website](#).

National technical group minutes published

[Minutes](#) from the meeting held on 10 December are now available to view. Topics of discussion include the LGPS Knowledge System, the inclusion of key performance data in CIPFA's annual report guidance, the use of AVCs to buy additional pension and the data items for inclusion in the LGA's ABS guidance.

LGPC minutes published

[Draft minutes](#) from the meeting held on 6 November are now available to view. Updates from the three LGPS schemes and the national technical group are included. The minutes will be confirmed at the next meeting on 3 February 2020.

Royal London and Eversheds Sutherland publish financial advice policy paper

Royal London and Eversheds Sutherland have published a [policy paper](#) that seeks to provide guidance to trustees and employers about facilitating financial advice for members on whether or not to transfer.

Whilst the report does not advocate a single course of action, it stresses that "doing nothing" is not a risk-free option.

Training

Annual Governance Conference – fully booked

The conference is now fully booked. We are maintaining a waiting list should more spaces become available. Please email elaine.english@local.gov.uk if you wish to add your name to the list.

Wider landscape

Fire Pension Scheme: Transitional protections case update

An update on the remedy proceedings in the Fire Pension Scheme transitional protections case is available in the [National Employer's circular](#). The case primarily concerns the transitional protections given to older members on the introduction of the 2015 Fire Pension Scheme, which in December 2018 were found by the Court of Appeal to discriminate on grounds of age. The case has therefore returned to the employment tribunal for it to determine remedy and the Circular covers the interim order on remedy made at a hearing on 18 December 2019.

Supreme Court rules in case concerning pensions for part-time judges

The Supreme Court has decided an appeal concerning the issue of when time starts to run for a claim by a part-time judge to a pension under the Part-time Workers' Directive. In the case of *Miller and others v Ministry of Justice*, the [Supreme Court ruled](#) in favour of four judges who had been denied pensions for part-time work.

The Supreme Court unanimously found that the point of unequal treatment occurs at the time the pension falls to be paid. As a result, the time limit for bringing claims is three months from this date, rather than three months from the end of the period of service to which the unequal treatment relates.

This judgment only applies to part-time, fee paid judges; however, if the principle of the ruling is applied more widely there could be potential implications for other pension schemes.

NHS Clinician Pension Tax Scheme - statement from the Secretary of State

The [statement](#) confirms that the commitments being entered into to make payments to clinicians affected by annual allowance pension tax will be honoured when clinicians retire.

Pension Schemes Bill reintroduced

On 19 December, in the Queen's Speech, it was announced that the Pension Schemes Bill will be reintroduced. The Bill will create a legislative framework for the introduction of pensions dashboards, to strengthen the Pensions Regulator's powers to take action against employers and introduce regulations covering the right to a pension transfer.

Guy Opperman re-appointed as pensions minister

Following the General Election on 12 December, the Department for Work and Pensions has confirmed that Guy Opperman has been re-appointed as pensions minister.

Legislation

Scotland

SSI

[2019/438](#)

Reference Title

The LGPS (Increased Pension Entitlement) (Miscellaneous Amendments) (Scotland) Regulations 2019

Useful links

[LGA Pensions page](#)

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

[LGPS 2015 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

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Distribution sheet

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