

## Administration and regulatory updates

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### 1. **Summary**

The report provides Pension Board Members with the latest administration and regulatory updates affecting the Local Government Pension Scheme (LGPS).

### 2. **Recommendations**

Pension Board Members are asked to note the contents of this report.

## REPORT

### 3. **Risk Assessment and Opportunities Appraisal**

#### 3.1 **Risk Management**

By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

#### 3.2 **Human Rights Act Appraisal**

The recommendations contained in this report are compatible with the Human Rights Act 1998.

#### 3.3 **Environmental Appraisal**

There is no direct environmental, equalities or climate change consequence of this report.

#### 3.4 **Financial Implications**

Currently there are no direct financial implications arising from this report.

### 4. **New late retirement factors**

- 4.1 On 4 October 2016, the Department of Communities and Local Government published new late retirement guidance for the LGPS in England and Wales. The guidance is effective from 4 January 2017. The three month period between the issue of the guidance and the effective date reflects the fact that the new factors are significantly less favourable to an LGPS member than the current factors.

- 4.2** The new pensions uplift for late retirements is 71.4% of the current rate (0.010% per day compared to the current rate of 0.014% per day) and the new automatic lump sum uplift is 14.3% of the current rate (0.001% per day compared to the current rate of 0.007% per day)

**5. Scheme Advisory Board**

- 5.1** The LGPS advisory board (SAB) met on the 6 December 2016. An update following this meeting can be found on the SAB website.  
<http://lgpsboard.org/>

**6. HMRC – GMP Update**

- 6.1** In November 2016 HMRC published further information on the ceasing of contracting out, focusing on the reconciliation of active member records and in particular an exercise called the closure scan. The closure scan will automatically close open periods of contracted out employment held on HMRC records, using the Scheme Contracted-out Number (SCON) provided by Employers on their Full Payment Submissions (FPS). The Fund has completed and returned its closure scan request to HMRC before the required deadline.

**7. The Pensions Regulator (TPR) – guide to record keeping**

- 7.1** TPR have published a short guide on record keeping for trustees and managers of occupational pension schemes (including for managers of public service pension schemes). The guide can be found in **Appendix A**.

**8. National Pensions Dashboard**

- 8.1** In the 2016 Budget the Government announced that it intended to ensure that the pensions industry would, by April 2019, design, fund and launch a ‘pensions dashboard’, a tool that would allow individuals to view all their pensions savings in one place.
- 8.2** HM Treasury have appointed the Association of British Insurers (ABI) to lead the development of a prototype pensions dashboard by the end of Spring 2017. A project group has been appointed to assist the ABI with this. In December, the Local Government Pensions Committee Secretariat attended a ‘challenge session’ for defined benefit pension schemes on the dashboard. The session was hosted jointly by HMT and the ABI and the feedback provided will inform the development of the prototype and ideas surrounding the implementation of the dashboard.
- 8.3** Public service pensions are out of scope for the development of the prototype, but it is intended that public service pensions data will be included in the dashboard when it launches in 2019. Further updates will be provided once known.

## 9. Exit Payment Cap and Exit Payment Recovery

- 9.1** It was expected that both the exit payment cap and the exit payment recovery would come into force in 2016 but both have been subject to significant delays.
- 9.2** It is understood that the Government hopes that the exit payment recovery regulations will come into force early 2017, and the consultation on the regulations governing the exit payment cap will also commence in early 2017. Both sets of regulations are subject to the affirmative process and must be passed by resolutions of both the House of Commons and the House of Lords before they can become law.
- 9.3** A consultation is also due soon on a third aspect, regarding the Local Government proposals for the Government's standardisation of exit payments across the public sector.

## 10. Tell Us Once (TUO)

- 10.1** The Department of Work and Pensions have recently published a newsletter celebrating Tell Us Once's fifth anniversary. It includes some background on the service. The Fund checks the TUO service weekly and more often before running the monthly payroll cycle to check whether any deaths of Scheme members have been reported which the Fund was not already aware of. To read the newsletter on TUO please refer to **Appendix B**.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Cabinet Member (Portfolio Holder)**  
NA

**Local Member**  
NA

**Appendices**  
Appendix A - Administration and regulatory updates - record-keeping-quick-guide  
Appendix B – Tell Us Once newsletter