

Fund Updates

Your need to know updates from the Pensions and Investment's team

- Year-End update -[page 2](#)
- Your view matters -[page 2](#)
- Reminder to implement 2021/22 changes -[Page 2](#)
- Webinars update -[page 2-3](#)
- New and updated guides forms and webpages -[page 3](#)
- Investments -[page 3](#)
- Governance -[page 3](#)

Special features

- Have you told us? -Important things we need to know about -[page 4-5](#)

Scheme news

Regulation changes and news impacting the LGPS

- LGPS annual report -[page 6](#)
- McCloud statement -[page 6](#)
- Consultations -[page 6](#)
- Money Helper -[Page 6](#)

Explained

- Bitesize training: Pay drops and pensions -[page 7-9](#)
- Employer FAQs -[page 9](#)

Contact details

All our contacts– [Page 10](#)

Quick Fact!

At 31 March 2021, there were 16,300 employers participating in the LGPS



Happy Birthday In-Form!

Welcome to In-Form; your quarterly employer's newsletter. It's been a year since we launched our new look employer's newsletter. In-Form is designed to 1) keep you updated with the important things you need to know as a Buckinghamshire Pension Fund Employer, and 2) support your LGPS knowledge and training.

Every quarter In-Form has the same structure. Knowing this structure will help you get the most out of In-Form. You can think of the '[Fund Updates](#)' section as your local news. Here, you will find all notices, reminders and news and events from the Pensions and Investments Team at Buckinghamshire Pension Fund. As you may know, the LGPS is administered locally by separate pension funds, but it is a national scheme. You can think of the '[Scheme Updates](#)' as the national news. Here, you will find the latest developments and changes to the regulatory framework impacting the LGPS. The '[Special Features](#)' section has topical interest features, highlighting current issues that may impact you as an LGPS employer. '[Explained](#)' is supporting you to improve or maintain your LGPS knowledge. It's particularly useful if you're new to LGPS pensions administration. Here you will find a short bitesize training article focused on a particular theme and answers to common employer FAQs.

We hope you find In-Form useful, but we always welcome your feedback in improving this newsletter and making sure it works for you. Please take a moment to complete this [short anonymous survey](#) when you have finished reading to provide us with your thoughts.

Administration

Year-end update

It's really important that we receive year-end returns promptly, so that we can update scheme members' pension records and issue annual benefit statements by 31 August.

We are pleased to report that we received 93.5% of returns by the deadline, and 99.9% of all returns have been received to date.

This is a huge improvement on last year and has meant we have already been able to process 65% of all returns. Thank you for getting your returns in to us on time and for responding to queries promptly and with accuracy. If you're having difficulty submitting information, or you need some help or guidance with any queries, please [contact us](#) as soon as possible. Please continue to encourage staff to register for '[my pension online](#)' so that they can access their annual benefit statement when it is published.



Your views matter to us

Once your year-end return has been processed and we have issued annual benefit statements for your staff, we will send you an email confirmation which will include a link to a short survey for you to complete so you can share your experience of the year-end process. The survey consists of only three short questions, but it's vital that you provide us with your feedback so that we can make sure we continue to do the things that work well and make improvements where we can.

Reminder to implement 2021/22 changes

In our [last issue of In-Form](#) we detailed all the changes that you needed to make from 1 April. These changes should be expected and are released every year. However, some employers have not made the required changes. Please revisit this past issue to make sure you have incorporated all of these changes. There are many employers still using our outdated monthly return spreadsheets and forms. Please refer to [our website](#) for the latest versions of these documents. Please also check your employer [contribution rate for 2021/22](#) to ensure that you are paying the correct monthly amount, as some rates changed on 1 April.

Employer webinars update

Thank you to those of you who attended webinars over the last few months. Webinars were a new venture for us after COVID and while we still have more to learn about making the experience the best it can be for you; the success of our webinars is evident. **83% of employers rated our webinars 'Good' or 'Excellent' and 92% of employers said they would recommend our webinars to other employers.** We will therefore continue to offer webinars as standard in the future. We will shortly be announcing a program of employer webinars taking place from September onwards. Please look out for future communications announcing dates along with booking instructions. If you have any suggestions of topics you would like to see covered, [please let us know](#). **Please note:** We run webinars for both you the employer, and your employees who are LGPS scheme members. Please take care not to

book scheme members onto an employer webinar!

Webinars for new LGPS members

We held our first webinar for new LGPS members on 27 May. The event was a huge success with 100% of attendees rating the webinar ‘good’ or ‘excellent’ and 100% of attendees recommending the webinar to other new members. Here are just a few of the enthusiastic comments we received:

*“Very comprehensive and very useful”
“Presenter was knowledgeable, clear and precise”
“Very well presented and informative. I wish this had been available when I started.”*

The next webinar for new LGPS members will be held on 4 August at 10am. We must receive the completed booking form by 27 July. We are holding the event over the summer holidays to accommodate schools, but more new member webinars are scheduled over the coming year if your employees are unable to attend. Please

refer to [our webpage](#) for future dates and to download a booking form.

These webinars are for new LGPS members who have been in the scheme for less than 12 months or prospective members considering joining. We will shortly launch our first annual LGPS scheme member webinar this Autumn. This event will be suitable for all active LGPS members, new and existing. It will take place in the evening outside of normal working hours to ensure equal opportunity to attend. More information about this will be shared in future communications.

New and updated guides, forms and webpages

Please review this list of new and updated guides and webpages. If you hold any copies of old guides/forms on your website or in circulation, please replace them:

[Becoming a Fund employer web page](#)

[New member guide](#)

[Employer COVID-19 web page](#)

[Brief guide to the LGPS](#)

[New deferred webpages](#)

[LGPS change of details form](#)

[Active/deferred member COVID-19](#)

Investments

Pension Fund performance summary

Quarter 1 – 2021	Quarter %	Annual %	3 year %
Fund (excluding private equity)	1.2	23.7	8.3
Benchmark	1.3	22.8	8.5
Out/Under performance	-0.1	0.9	-0.2
	3.628		

Governance

New policies following changes to employer flexibilities

In previous issues of [In-Form](#) (issue 2 p7, issue 3 p4) we told you about the regulatory amendments that introduced greater flexibility on employer exit payments and valuations, and confirmed we would shortly be updating our Funding Strategy Statement (FSS). An updated version is [available on our website](#) along with the ‘Contribution Review Policy’ and the ‘Deferred Debt and Debt Spreading Policies’.

Governance meetings

The 2020/21 [annual review](#) of the Buckinghamshire Pension Board is now available to download on our website. The Pension Board is due to meet again on 27 July.

The [government has confirmed](#) public meetings should not be conducted remotely. The Buckinghamshire Pension Fund Committee will meet face to face in the future. The committee met on 27 May 2021 to elect a Chairman and welcome new members following the Buckinghamshire Council Election. Cllr Timothy Butcher was elected as Chairman for the ensuing year. The Pension Fund Committee is due to meet again on 5 July. Agendas and minutes for both The Pension Board and The Pension Fund Committee can be found on the [democratic services](#) section of the Buckinghamshire Council website.

Have you told us?

When something changes in your organisation, there's always lots to do, but it's really important that you don't forget about pensions. We need to be informed about any changes in your organisation that could impact on:

- Your participation in the Fund
- Our working relationship
- Your responsibility to provide us with information

There are certain things that come under one of these categories that you may not realise we need to know about. In this feature we explain some of the frequently overlooked changes that as an employer you must notify us of, in line with LGPS Regulations and other associated legislation.

Change of payroll provider

If you're thinking of outsourcing your payroll provider, or changing the payroll provider you currently use, it's really important that you let us know as soon as you become aware. Before you make a decision, we can explain anything you should consider when it comes to the LGPS and ensure you have read and understood our employer's guide ['outsourcing your payroll'](#).

Once you have changed payroll provider, if you don't let us know, we may approach the wrong party for information. This could lead to delays in



our processes, which could result in an additional administration charge for you under our Pensions Administration Strategy. It may also mean we share data with an incorrect party and may constitute a data breach under [General Data Protection Regulations \(GDPR\)](#). It's not up to your payroll provider to tell us. Even if you outsource your payroll, you will still be the employer under the regulations. It's your responsibility to let us know when you change payroll provider and to ensure that information is provided to us accurately and on time.

A change of contact details

We understand that people change roles, that new people start and leave and that processes change. Just don't forget to let us know. We need to know who to contact when:

- We have pension queries
- There is an [IDRP \(Internal Dispute Resolution Procedure\)](#)
- We need to discuss working arrangements
- We send pension related communications (emails and employer newsletter)

Incorrect contact details for pension queries cause delays to processes which often have consequences for scheme members. A member may be waiting to take their pension, their principle source of income after retiring, or someone could be waiting to transfer their pension to another scheme. This often causes complaints and unnecessary frustration.



If the right person isn't on our communications distribution list, it may mean that you are missing out on important information and scheme changes that may impact you and/or LGPS members. A pension could be paid late due to not receiving information, or a transfer may be delayed. This may mean that you are liable for charges under the [Pensions Administration Strategy](#).

You may have a long list of people to inform when contact details change, please make sure the Pensions & Investments Team is on that list!

Exiting the scheme

There are different types of employers in the LGPS. They are set out in [Schedule 2 of the LGPS Regulations 2013](#) and determine which employers can participate in the LGPS and which employers must participate in the LGPS. You can become an exiting employer:

- If you are a designated body (Schedule 2, part 2) and your last active LGPS member leaves your employ or retires, and you decide to offer an alternative pension provision to your employees in the future.
- If you are an admitted body (Schedule 2, part 3) and your last active member leaves your employ or retires, or your contract comes to an end.
- You are a Fund employer (Schedule 2, part 1, 2, 3 or 4) who becomes insolvent.

It's important that you inform us as soon as you are aware that you may exit the scheme. We can then provide you with information about fees and inform the Fund actuary.

Academy status changes

Academies are scheduled bodies listed in Schedule 2, part 1 and therefore must enroll all employees who are not eligible for another public sector pension scheme (such as the Teachers' Pension Scheme) in the LGPS. There are pension considerations if:

- You are a school converting to academy status
- You are a multi-academy trust taking on a new academy
- You are an academy school changing multi-academy trust

In each circumstance, you should inform us as soon as possible so that we can explain the process and the costs involved.



Outsourcing services

Before you consider outsourcing a service, you should contact us. That way we can explain all the pension considerations you need to be aware of before you look for a suitable contractor. Any prospective contractor will need to meet the requirements to take on pension responsibilities and there are specific checks you will need to undertake to verify this, which we are happy to explain. There are also costs involved that you and the new contractor need to be aware of. If you are a local authority-maintained school considering outsourcing, you must inform the local authority as they are considered the Employer under the scheme regulations, they need to approve any outsourcing decision.

Due to the nature of the process, it can take some time to approve a new employer for admitted body status. You should ensure you have allowed enough time for this.

Anything else we should know...

If you have something that you suspect may impact on your ability to provide us with pension information, it's essential that you keep us informed. If you are an employer who has regular meetings with us, you don't need to wait for a scheduled meeting, just give us a ring and we can work out a mutually convenient time.

If you need to tell us about a change in your situation, please contact your ELO immediately or email: employers@buckinghamshire.gov.uk More information is available on the [becoming a fund employer](#) webpage.

LGPC Bulletins and circulars

The Local Government Pension Committee (LGPC) issue monthly bulletins updating administering authorities on scheme changes. This section summarises the latest information which may be of interest to employers. Full bulletins, which contain more detail and additional information, are available at the links below. [Their website](#) contains more information for employers.

Bulletins this quarter	Minutes of LGPC subgroup meetings held this quarter
April 209	8 June 2021 – Communications working group
May 210	18 June 2021 -Technical group
June 211	

The LGPS annual report has been published

The [scheme annual report](#) for 2019/20 has been published providing a singular point of reference for the health of the LGPS as a whole.

McCloud Ministerial statement released

On 13 May, the government [released a ministerial statement](#) confirming policy intention regarding the McCloud Judgement. The statement confirms what has already been anticipated. The age requirement for underpin protection will be removed and applied retrospectively for the period 1 April 2014 to 31 March 2022. The government expects regulations to apply from 1 April 2023. To ensure we are able to comply with the regulations from this date; we will need to complete the data gathering exercise. We are currently in the process of approaching you individually to request data sets for the period 1 April 2014 to 31 March 2021. Please contact your Employer Liaison Officer if you foresee any difficulties in providing this to us. Data for the period 1 April 2021 to 31 March 2022 should be provided to us on a monthly basis. Please refer to the [McCloud monthly data collection Q&A](#) for more information. If you're not familiar with details of the McCloud case, [In-Form Issue 1](#) provides a useful overview.

Cost-related consultations released

HM Treasury has published consultations on the [cost control mechanism](#) and the [discount rate methodology](#) alongside a [written ministerial statement](#). The cost control mechanism was introduced to assist public sector pension schemes to monitor their funding position and

take action if funding falls below a certain target level. The government recently reviewed the viability of the cost control mechanism and the consultation proposes some key reforms to the current methodology. The other consultation relates to the SCAPE discount rate methodology used in the LGPS to set actuarial factors. Both consultations close on 19 August 2021.

Call for input

The Pensions Regulator (TPR) & the Financial Conduct Authority (FCA) are asking for information from pension providers and employers to find out more about the pensions customer journey. The aim is to enable these organisations to provide support to savers making key decisions about pensions. The [call for input](#) closes on 30 July 2021.

Consultation on severance payments

The government has launched a consultation on [New Best Value Statutory Guidance](#) regarding special severance payments for local authorities in England. They are particularly keen on receiving responses from bodies listed in the [accompanying annex](#) which includes public sector scheme employers. Responses must be sent to the address in the [covering letter](#) by 13 August 2021.

Introducing Money Helper

The Pensions Advisory Service (TPAS), Money and Pensions Service (MaPs) and Pension Wise, will be replaced with a single point of access service; [Money Helper](#). We will be updating all our webpages and documents referencing the previous services over the next few weeks.

Bitesize training: Pay drops and pensions

To support you in your role as the scheme employer, each quarter in 'Explained' we provide you with bitesize training to support your LGPS knowledge.

In the last issue of In-Form ([Spring 2021 – issue 4](#)) we looked at the different pay definitions existing in the LGPS. You may wish to read that first if you're new to pensions administration. In this quarter's bitesize, we look at what happens when a member experiences a drop in pay and what you would need to do as an employer should one of the protections in the scheme apply.



A drop in Cumulative Pensionable Pay (CPP)

The LGPS is a defined benefit scheme, which means we work out a member's pension entitlement using their pay, according to a set formula. Pay is therefore very important for calculating pension. If a member's pay drops, so could their pension.

On 1 April 2014, the LGPS stopped being a final salary scheme and became a CARE scheme. Each year we work out the amount of pension that should be added to someone's account by using the formula: $1/49 \times \text{Cumulative Pensionable Pay (CPP)}$. CPP is a figure based on actual earnings and is not a full time equivalent figure. Therefore, hours changes can impact on how much pension is built up in a particular year.

For example, during the tax year 2019/20 Susan was working full time and her CPP was £22,000. Her pension for that year is calculated as - $1/49 \times 22,000 = \text{£448.98}$.

For the tax year 2020/21 Susan decreased her hours and her CPP for that year decreased to £14,000. Her pension for that year is calculated as $1/49 \times 14,000 = \text{£285.71}$. The decrease in hours meant her CPP reduced and her pension build up for that year also decreased.

Protections for a drop in CPP (Assumed Pensionable Pay)

When someone has a drop in CPP, there are protections in place for specific circumstances, for example, in the case of sickness or certain types of parental related leave. These protections mean we would use a higher pay figure for pension calculation purposes. We call this notional pay figure Assumed Pensionable Pay (APP). If APP applies, you would need to work out what this notional figure should be and add it to the CPP.

It's really important you understand when APP applies and that you are providing this to us. If you're not sure how it works, take a look at the [Bitesize In-Form issue 1](#), which explains APP, when it does/doesn't apply and provides examples. More information can also be found in the [roles and responsibilities document](#).

Final salary pension (pension benefits built up before 1 April 2014)

Before 1 April 2014, the LGPS was a final salary scheme and pension wasn't calculated annually, instead members built up membership in the scheme during their employment and the value of this membership was calculated at the end of their employment; when they left or retired. The pay used in the calculation is called 'final pay' and is a full time equivalent figure, calculated differently to CPP.



Three in ten example

Reuben joined the scheme on 1 May 2009. He left the scheme on 12 August 2021 and he qualified for a 'three in ten'. The pay calculation periods we would expect in this case are shown to the right. As you can see, the period 1 April 2021 to 12 August 2021 is not included in the calculation. Also, as he joined on May 2009, a full year is not provided for the first year. You can use the final pay calculation spreadsheet to provide part year calculations which are required if a full year is not available.

1 April 2020 – 31 March 2021
1 April 2019 – 31 March 2020
1 April 2018 – 31 March 2019
1 April 2017 – 31 March 2018
1 April 2016 – 31 March 2017
1 April 2015 – 31 March 2016
1 April 2014 – 31 March 2015
1 April 2013 – 31 March 2014
1 April 2012 – 31 March 2013
1 April 2011 – 31 March 2012
1 April 2010 – 31 March 2011
1 May 2009 – 31 March 2010

Will you ask me for this, or shall I just provide it?

We would always expect you to apply APP automatically. If we think someone should have APP and we don't think it has been included, we may query this with you. Usually, we won't be able to tell the reason why a CPP has decreased and therefore wouldn't know if one should be applied. Under the regulations, you must apply this where appropriate.

You may not always know someone has final salary membership. They may have joined your organisation after 1 April 2014 but transferred in final salary membership. If you know someone has had a drop in pay, you should provide any additional calculations that apply. When we calculate a member's pension benefits when they leave the scheme or retire, we will analyse all the yearend information submitted for them after 1 April 2008 for a drop in pay. If we find any, we may request one or both of these calculations. If we ask for a three in ten and it doesn't apply, please tell us this and explain the reason.

We hope you found this quarter's bitesize useful. This page provides an overview and is not intended to be comprehensive. If you need more explanation or training in relation to anything discussed on this page, please contact your Employer Liaison Officer who will be happy to walk you through practical examples.

Employer FAQs

Questions the Employer Liaison Team received this quarter.

A member of staff was acting up for a period of time, after which their final pay decreased, would they qualify for a 'three in ten'?

No. This would not qualify for them for a three in ten under the regulations. A best of last three could apply in this circumstance though.

Regarding the McCloud data collection, do you need to know about unpaid doctors' appointments?

No. We only need to know about service breaks that count as a full day.

When will the next valuation take place?

The LGPS currently operates a triennial valuation cycle. This means that employer contribution rates are assessed every three years. Valuations are carried out by the Fund actuaries. The last valuation was carried out as at 31 March 2019; [the report](#) is available on our website. This valuation set contributions for the period 1 April 2020 to 31 March 2023. The next valuation will be carried out at 31 March 2022 and will set contribution rates for the period 1 April 2023 to 31 March 2026. Your employer contribution rate until then can be found in the [employer contribution rate table](#).

Employer Liaison Team

Your Employer Liaison Officer (ELO) is your first port of call for training, advice and support. They are assigned to employers alphabetically. You can find out who your ELO is in this table.

Employer	Employer Liaison Officer & Contact Details
A - BI & MKC	Karen Hemming 01296 382371 karen.hemming@buckinghamshire.gov.uk
Bm - Ch & BC	Emma Hamilton 01296 382769 emma.hamilton@buckinghamshire.gov.uk
Ci - He & BC	Megan Spurrier 01296 382745 megan.spurrier@buckinghamshire.gov.uk
Hf - Ne & MKC	Georgia Keen 01296 382719 georgia.keen@buckinghamshire.gov.uk
Nf - Si & TVP	Jan Bennion 01296 382242 jan.bennion@buckinghamshire.gov.uk
Sj -Z & TVP	Teresa Webb 01296 382382 teresa.webb@buckinghamshire.gov.uk

Other contacts

Senior Employer Liaison Officer: Hannah Fall	hannah.fall@buckinghamshire.gov.uk
TUPE Liaison Officer: Marie Dunbar	marie.dunbar@buckinghamshire.gov.uk
Employers General Inbox	employers@buckinghamshire.gov.uk
LGPS Monthly Returns Inbox	LGPSreturns@buckinghamshire.gov.uk
Annual Returns/SUP52	lgsystems@buckinghamshire.gov.uk
Pensions Finance	pensionfinance@buckinghamshire.gov.uk

If you are responding to an administration query you should send these to our main pensions inbox pensions@buckinghamshire.gov.uk

Member contacts

Please refer members to our contact details below:

Member helpline number	01296 383755
Member email	pensions@buckinghamshire.gov.uk
My Pension Online	https://ms.buckinghamshire.gov.uk
Feedback about pensions	Pensions.feedback@buckinghamshire.gov.uk

Thanks for reading.

Don't forget to tell us how you found this issue of In-Form by taking a moment to complete this [short anonymous survey](#).

On behalf of the Pensions and Investments team, stay safe and keep well!