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Quick Fact!

As at 31 March 2020, the Buckinghamshire Pension Fund had **259** active employers.



Welcome to your new-look newsletter!

Welcome to the first issue of In-Form; your new quarterly employer's newsletter!

Thank you to our employer sample group that took part in the survey to redesign In-Form. The survey revealed the range of needs and priorities of our LGPS employers, as well as the varied readership of our newsletter. Some of you work in pensions full time, while others work in Finance or HR, involved in pensions to varying degrees. Our aim was to create a layout that makes it easy for you to get the most out of In-Form. You can use the menu on the left to jump to the sections that are relevant for you. The 'fund updates' section contains important news from the Pensions and Investments Team. The 'scheme updates' section reports on scheme changes and wider developments effecting the LGPS, while the 'special features' section looks at specific topics of interest to LGPS employers in details. 'Explained' provides bitesize training for those of you working in pensions administration.

We'd really like your feedback on our newsletter makeover- [get in touch](#) and tell us what you think!

Administration

Year-end update

It's really important that we receive year-end returns promptly, so that we can update members' records and issue their annual benefit statement by the statutory deadline of 31 August. As of 21 June, we can confirm employer submissions as follows:

138 - submitted with no queries

36 - submitted with outstanding queries

5 - no submission made

83 - submitted and awaiting checks

Thank you to all employers that have sent returns in on time and responded to queries promptly and with accuracy.



If you have received queries from us, please respond as soon as possible. Members with queries on their records won't receive an annual benefit statement. They are also likely to complain and we will refer them to you for an explanation. While it is never our preference, we are obliged to issue fines for non-compliance. If you're having difficulty submitting information, or you need some help or guidance [contact your Employer Liaison Officer \(ELO\)](#) as soon as possible.

Final pay for fee paid employees

We need to know when an employee is paid a set fee for a role (e.g. attendance or retainer fee). This impacts on the final pay figure, as well as the member's aggregation options. If you use a third-party payroll provider, please make sure they are aware of this.

New starter LGPS guide

We have introduced a new '[Welcome to the LGPS](#)' guide for new members. You'll find a copy of this attached to the email with your newsletter. The guide has been designed to give new members an introduction to the scheme, as well as provide them with essential information about things like transfers, opting out, and how they can contact us if they need to. We all know that pensions can be really confusing for new members and they may have lots of questions that this guide can help them with. Please can you ensure this is sent out to all new scheme members. If you're not the best person to send this out, please can you pass this along to the relevant team.

SLA updated

The [Service Level Agreement \(SLA\)](#) has been updated to include new information on the changes to parental bereavement regulations. (see [scheme updates](#) section) and general information on APCs.

Pension Strain

Before 1 April 2020, we did not charge pension strain where the member was over age 60. Just a reminder, as per our April SLA update, from 1 April 2020 pension strain will apply on relevant retirements regardless of the member's age. If you have previously received an estimate for a member over age 60 where pension strain did not apply and have not yet finalised the retirement or have changed the retirement date, please check with us as a pension strain charge may now apply.

Old style forms

Please ensure that you do not use any old-style forms with Buckinghamshire County Council on them. All our forms are available on our [website](#).

My pension online

[My pension online \(MPO\)](#) is our member self-service portal that allows members to view all their pension information and statements online. All annual benefit statements are now issued online, as well as payslips and retirement packs. Members can also update their address and change or add death grant nominations, as well as run prospective benefit calculations. MPO has recently been updated to allow members to upload documents safely and securely.

Other new/updated guides, forms & web pages

[Covid-19 guide for employers](#)

[Covid-19 guides for members](#)

[IDRP guide for employees](#)

[Expression of wish death grant nomination form](#)

[McCloud Web page](#)

[Annual returns templates](#)

Coming soon

Projects you can expect to hear more about.

More feedback

We're always looking to improve our service. We're currently looking into ways that we can capture feedback from our employers and members.

Remote training

With face to face training suspended until further notice, the LGPC has announced that they are looking into delivering remote training for employers. The first employer training session '[Understanding the Employer Role](#)' is available has just been released. [Book your place now!](#) Could you benefit from distance training? The LGPC want to know what topics you'd like to cover. Email karl.white@local.gov.uk Are there any other guides we could make that would help you? Please [let us know](#).

Investments

Pension Fund performance summary

31 March 2020	Quarter %	Annual %	3 year %
Fund (excl private equity)	-9.9	-3.6	1.8
Benchmark	-9.2	-2.8	2.2
Out/Under performance	-0.7	-0.8	-0.4
Market Value (£bn)	2.902		

Pension fund accounts 2018/19

The Buckinghamshire Pension Fund accounts for 2018/19 were not signed off by auditors due to council wide delays. However, they have now been fully signed off by an independent auditor, and the amended annual report, which includes a post balance sheet and the independent auditor's opinion will appear on our [website shortly](#).

Governance

New Buckinghamshire Pension Board to be established

The Buckinghamshire Pension Board was established in 2015 to assist the administering authority in its role as the scheme manager. Unitary has meant that the new administering authority, Buckinghamshire Council, has replaced Buckinghamshire County Council. Under the regulations, the establishment of a new administering authority requires a new pension board to be established. All policies related to the board will be updated in due course and we expect the board to be in place by the next meeting due to take place remotely in July. You can find out more about the Buckinghamshire Pension Board on [our website](#).

Are you ready for The McCloud Judgement?

The case so far. What you need to know, and what you can do now to prepare.

Case summary

On 20 December 2018, the employment tribunal case for McCloud and Sergeant, came to a head at The Court of Appeal. The result of [the ruling](#) was a declaration that public service schemes had committed 'unlawful age discrimination' by only providing protection for older members following scheme changes in 2014/15. The Supreme Court denied the Government's appeal on 27 June 2019, culminating in the 15 July 2019, [statement to the treasury](#), in which the Government confirmed that it would 'take steps to remove the discrimination'. Although the original case concerned the Judges and Firefighters schemes, the ruling will apply to all public service pension schemes, including the LGPS.

The Underpin

On 1 April 2014, the LGPS changed from a final salary scheme to a CARE scheme. All scheme members were moved to the CARE scheme, but anyone with pre 1 April 2014 service was able to keep this earlier period as final salary service. New members after this date, joined the CARE scheme. This is not considered discriminatory because everyone was moved to the CARE scheme equally. It is the further protections known as the Underpin that we expect will change due to the McCloud judgement.

As pension benefits are calculated differently in the CARE and final salary scheme, some will be better off in the new scheme and some would have been better off in the old scheme. The [Hutton Report](#) recommended that people who were 'reasonably close to retirement age' should have extra protections. These protections are called the Underpin. For those that qualify, the administering authority must calculate and compare what the member would get in the new scheme, and what they



would have received in the old scheme. If they would have received a better rate of pension in the old scheme, all their benefits will be calculated using the old final salary pay method. To qualify for this protection, the member must meet certain criteria. Most crucially, they must have been an active member of the scheme on 31 March 2012, and within 10 years of their normal retirement age. It is this aspect of the protection that has been found to be discriminatory on the grounds of age.

Towards a bespoke remedy

We don't know exactly how any remedy will be applied. The Government has stated that any change will be an 'upward lift', and any qualifying members will have this automatically applied to their benefits, they won't need to make an application. We expect that the remedy may involve an extension of the Underpin to all members who were active in the scheme on 31 March 2012. However, there are many other factors to be considered. We expect a consultation to be held over the summer with more detail on a bespoke remedy for the LGPS.

Impact on costs

It is expected that the judgement could have an impact on valuations. The full cost of any remedy to the scheme, and to employers, is yet unknown and depends entirely on the outcome. It is worth bearing in mind that, if the remedy does involve

an extension of the Underpin, currently very few people are better off in the old scheme. We hope to know more over the coming months.

What you can do now

If the remedy does involve an extension of the Underpin, for members not already covered, we will require: A full history of all part-time hour changes and service breaks for any qualifying members from 1 April 2014 who are still active in the scheme or have a leaving date after 31 March 2014. This will therefore include those that have already left the scheme. The Local Government Association has set up a data collection subgroup made up of administrators and employers to devise templates for data collection. There are some things you can do now to ensure you are prepared to supply the additional data.

The first thing is to ensure your data retention policy takes account of McCloud by keeping

information for an adequate length of time, including for employees that may have already left the scheme. If you use a third-party payroll provider, you should discuss this with them, and ensure that they are complying with a data retention policy that will allow you to provide this information if required. If you change payroll provider, or move to a new data capture system, you should also make sure procedures are in place to hand over or retain this data. If you believe you may encounter any difficulty supplying this information, or you have any comments about this, you should get in touch with your Employer Liaison Officer (ELO). Whatever the outcome of the case, it will be far better if we are all prepared.

Find out more: Visit the Scheme Advisory Board's [McCloud Q&A page](#). For information on the Underpin, see our [scheme guide](#). Members with queries about McCloud, can be referred to our [dedicated web page](#).

Let's get digital!

Due to the Covid-19 pandemic many of us are remote working, and with workloads increasing, there's never been a better time to focus on improving your work through technology. The time taken to put a new digital workflow in place will be made up when your digital improvements save you time and money. Even a small change can make a big difference. Here's some ways we can support you to achieve digital efficiency.

No face to face, but still face time

Face to face training is paused at the moment, but our ELOs are available for video chat meetings via MS Teams. Contact your ELO to arrange a time slot.

We're still onboarding for i-Connect.

If you haven't heard how i-Connect can save you time and decrease your paperwork, then it's time to find out! You can use i-Connect to submit your monthly reports, tell us about leavers, and changes. Contact us for more information.



Never print a form again

If you still rely on paper forms, now's the time to switch to digital methods. All our forms can be filled in without being printed.

And we'll accept your digital signatures

The Government has recently recognised digital signatures in law, and we do too. Set up yours and see how much time it saves when you don't need to print and scan.

Digital training- coming soon

We're currently looking into ways we can deliver training remotely. If you're interested in future training sessions, get in touch and let us know.

Do you have any other ideas how we can help you improve your digital workflow? Contact us at employers@buckinghamshire.gov.uk

LGPC Bulletins and circulars summary

The Local Government Pension Committee (LGPC) issue monthly bulletins and occasional circulars, updating administering authorities on scheme changes. They also have several subgroups that meet regularly to discuss specific aspects of LGPS scheme administration. This section is a summary of the key updates of the latest information for the quarter which may be of interest to employers. If you want to read the full bulletins, which contain more detail and additional information, you can follow the links below. The LGPC website also contains an archive of all publications.

Bulletins this quarter

[April 2020 Bulletin 197](#)

[May 2020 Bulletin 198](#)

[June 2020 Bulletin 199](#)

Minutes of meetings this quarter

[28 May Communications working group](#)

[12 June Technical group](#)

Covid-19 Updates

The Covid-19 pandemic has led to unprecedented changes in the way that we live and work. The Government's introduction of the Coronavirus Bill contained several new measures to contain the spread of the virus and provide support to essential services. These include Emergency Voluntary Leave (EVL) and the furloughing of non-essential staff. There are procedural changes to the scheme as well as changes to specific administration processes that you need to be aware of. This page provides a list of resources available to you and members, to support you during the unfolding situation. You should disseminate this guidance and information to relevant third parties, including payroll providers.

Buckinghamshire Pension Fund guidance

[LGPS Covid-19 employer guidance](#)

[LGPS Covid-19-member guidance](#)

[LGPS Covid-19 pensioner guidance](#)

Our guidance is continually being updated. You can direct any member queries to our member-specific pages. This is a worrying time for many financially, and it's important that they also receive the correct guidance.

LGPC guidance

You may remember from our emails in May that the LGPC held webinars throughout May aimed specifically at employers and answering questions related to the crisis. If you couldn't make one of

the webinars, you can watch the video version now on their website. The LGPS also have a full [FAQ page](#) for Employers which is updated as the changes unfold. The LGPC has also released dates for a remote training course entitled '[understanding the employer role](#)'. [Book your place now!](#)

Other useful Covid-19 guidance:

[LGPC Member Covid-19 FAQs](#)

[LGA Employment law and workforce FAQs](#)

[LGA Remote working top tips](#)

[Pensions Regulator guidance](#)

Regulation change concerning parental bereavement

You may remember from our last newsletter that the rules around parental bereavement leave changed. It has now been confirmed that APP should apply to any period of paid parental bereavement leave. To clarify, if a member takes a period of paid parental bereavement leave and their pay is reduced, APP (Assumed Pensionable Pay) will apply. However, if the member takes any further unpaid leave, they would not receive APP, but can choose to buy an APC (Additional Pension Contribution) to make up for the lost pension, and the usual procedure for lost pension APCs should apply. Don't forget, we need a copy of any APC application. You can find out more about how to calculate APP in this quarter's [Explained' section](#).

Annual scheme report released

The [annual scheme report](#) was released on 22 May 2020 by the Scheme Advisory Board (SAB). Points of interest are the increase in assets to £291 billion (a rise of 5.9%) as well as an overall rise in total scheme membership of 0.6%.

Consultation on reform to RPI extended

The [consultation on the reform to retail price index methodology](#) due to close on 11 April has now been extended to 21 August. Although the LGPS uses CPI as an inflation measure, reform to the RPI would have an impact on investment-linked government gilts which LGPS funds invest in. The [PLSA has stated](#) that it intends to argue for 'protection to schemes and savers'.

Noteworthy ill-health complaint upheld

A recent ill-health complaint was upheld by The Pensions Ombudsmen (TPO) finding the Administering Authority (AA) guilty of maladministration following a stage two IDRPs. The AA had failed to fully consider the employer's decision regarding an ill health case. In TPOs opinion, the AA should have gone beyond just considering whether the employer had followed the correct procedure. The employer and the AA were ordered to pay £500 for the distress and inconvenience caused. Bulletin 199 included the [full TPO opinion on the case](#) which is an interesting and useful read regarding procedures for ill health assessments and IDRPs for both employers and AAs.

McCloud case update

The Scheme Advisory Board set up a group to work with MHCLG to work out how the [McCloud remedy](#) can be implemented into the LGPS. However, as meetings have been suspended due to the Covid-19 crisis, the group has split into three subgroups that will meet virtually to ensure the progress on the McCloud remedy is not delayed. If you're not familiar with the details of the case, read this quarter's special feature article which summarises the case to date and provides guidance on what you can do as an employer to prepare.

LGPS Boycott ruling

On 29 April 2020, the Supreme Court ruled that the Government exceeded their powers when

they issued guidance in 2016 to LGPS AAs, prohibiting investment policies that conflict with the UK's current foreign or defence policies. This means the LGPS will be allowed to consider ethical, environmental, and corporate factors when making investment decisions. The Scheme advisory board (SAB) has issued a statement summarising the key impact of the ruling. If you want to know more, you can read the [SAB summary report](#).

PLSA special week of webinars

The Pensions and Lifetime Savings Association ([PLSA](#)) held a week of webinars in May to discuss all aspects of LGPS administration during the Covid-19 crisis. The webinars featured guest speakers from organisations such as The Pensions Regulator (TPR), The Local Government Association (LGA) and The Brunel Pension Partnership. They provided an interesting glimpse on how funds, administrators and employers are coping with the changes brought by the pandemic. The full series is available to [view on their website](#).



Employer NICs on termination payments

On 6 April [HMRC introduced changes](#) that made employer's Class 1A National Insurance Contributions payable on payments of £30,000 or over. See [HMRC's monthly newsletters](#).

Accounting deadlines extended.

The [Accounts and Audit \(Coronavirus\) \(Amendment\) Regulations 2020](#) come into force on 30 April 2020. The Regulations extend the publication date for local authority audited accounts to 30 November 2020. The public inspection period will start on 1 September 2020. The Government has published an [explanatory note](#) to accompany the regulations.

Bitesize training: Assumed Pensionable Pay (APP)

In the LGPS, pay is essential in the calculation of pensions. If a member's pay is reduced, this will affect how much pension they will be entitled to. The regulations offer protection in some situations when the member's pay is reduced. On these occasions, the employer will need to use Assumed Pensionable Pay (APP) for the period of absence.

When does a member qualify for APP?

The table below shows the reasons for absence when APP would and would not apply

Yes - APP will apply	No – the member is not entitled to APP
Sickness or injury (half pay and nil pay)	Sabbatical
Reserved forces leave (reduced and nil pay)	Strike break
Paid parental bereavement leave	Jury service
Ordinary and paid additional maternity leave	Holiday purchase
Paternity, shared parental or adoption leave	Unpaid child related leave
Emergency voluntary leave	Furloughed staff with reduced pay

If the member's absence is due to a reason not mentioned above, it will not require APP. In some situations where the member is not entitled to APP, they can purchase an APC to make up for the loss, but they do not have to. ([See SLA page 33 for more information.](#))

Calculating an APP

You can calculate the member's APP for one month in three steps:

Step 1) Take three complete pay periods before the absence occurred

Step 2) Add these three sums together.

Step 3) Divide by three. You now have one complete month of APP.

The following example shows how these steps are applied for a member who is paid monthly.

Quick example

A Scheme member is on half pay due to sickness between 1 July – 31 August. They came back to work for a short period, until finally leaving their employment on 15 October. You can see their Cumulative Pensionable Pay (CPP) in the box on the right. I am now completing a leaver form, and I need to work out the figure for box 7 (CPP) for the period.

<p style="text-align: center;">CPP 1 April – 15 October April £875 May £800 June £850 July £400 August £400 September £800 October £387.10</p>

For the months of April, May, June, September, and October, I can just add the CPP together, as I know that they were not on reduced pay for those months.

£875 + £800 + £850 + £800 + £387.10 = £3712.10

Now I can work out the APP for July and August using the three-step method.

Step 1) I take the three complete pay periods before the absence: **April £875 May £800 and June £850**

Step 2) Then I add these together to get **£2525**.

Step 3) Then I divide by 3: **£2525/3 = £841.67** – This is the APP for one month.

To complete Box 7, I can multiple this by 2 as the member was on reduced pay for two months.

£841.67 x 2 = £1683.34

Then add this to the rest of the year's total: **£1683.34 + £3712.10 = £5395.44**

This total is the amount I should put in box 7.

Don't forget to tell us

We always need to know when APP has been applied. If you don't tell us, this could cause delays to the member and extra work responding to our queries for you. Always tell us if APP applies in the comments section on the leaver form, put a note on the monthly spreadsheet, or add this in the notes via i-Connect.

APP for tier 1 or tier 2 ill health retirement or a death in service (leaver form box 9)

In the case of a death in service, we need a separate APP figure to calculate the death grant. For tier 1 and 2 ill health retirements, we use this APP figure to calculate the pension enhancement. Staying with the above example, if the member left on 15 October because they retired due to tier 2 ill health, once we complete box 7, we will also need to give an APP figure for box 9. This figure is the APP for one-month x 12. **£841.67 x 12 = £ 10,100.04.**

APP - Easy as one, two, three?

In this simple example, the member's pay was reduced for exactly two complete months, but often things can be much more complex. Your [ELO](#) is on hand to offer you training and provide support through some of the more complex cases. You can also refer to the [SLA](#) for more information about APPs. Also, the LGPC has announced that their first employer remote training will cover APPs. We will update you when we have more information about this.

Did you find this page useful? [Get in touch](#) and let us know.

Employer FAQs

Employer questions we received this quarter.

I was asked why a member's FTE pay was reduced. I told you that it was because the member had changed hours. But you have said this is not a suitable reason. Why?

FTE means full time equivalent. The hours should not affect this figure because the FTE is not calculated based on hours. It is what the member would receive as a salary if they worked full time. The FTE may reduce or increase if the member changes post, or their job role was re-graded or re-evaluated to a lower paid or a higher paid position. It cannot be due to a change in hours. (See [SLA page 61](#) for notes on final pay for Pre-14 members.)

I am doing a final pay calculation. What amounts should I include/exclude?

When doing a final pay calculation, you should include, salary, wages, fees and any other payments made to an employee under their contract of employment as being pensionable emolument. A pensionable emolument is a bonus or allowance that an employer has deemed is pensionable. It should not include: Non-contractual overtime, travel, subsistence or other allowances paid for expenses, payment for loss of holiday, payment in lieu of notice of termination of contract and payment as inducement not to terminate a contract. (You can find out more on FTE and final pay in our pay [terminology guide](#) on our website.)

Contacts

Full list of contacts for all services

Employer Liaison Team

Your Employer Liaison Officer (ELO) is your first port of all call for training, advice, and support.

Employer	Employer Liaison Officer & Contact Details
A - BI & MKC	Karen Hemming 01296 382371 karen.hemming@buckinghamshire.gov.uk
Bm - Ch & Buckinghamshire Council	Emma Hamilton 01296 382769 emma.hamilton@buckinghamshire.gov.uk
Ci - He & Buckinghamshire Council	Megan Spurrier 01296 382745 megan.spurrier@buckinghamshre.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
Member self-service portal	https://ms.buckinghamshire.gov.uk

**Thanks for reading. We hope you found this issue of In-Form, useful and informative.
On behalf of the Pensions and Investments team, stay safe and keep well!**