



**Buckinghamshire
Council**

Buckinghamshire Pension Fund

Buckinghamshire Pension Fund

Roles and responsibilities of

**Scheme Employers,
(‘the Employer’)**

**Third Party Payroll Providers, (‘Payroll
Provider’), and**

**the Administering Authority
(‘BPF’)**

**in relation to administration of the Local
Government Pension Scheme**

Author: Claire Lewis-Smith

Date: 1 April 2024



Local Government
Pension Scheme

Contents

Summary of actions	1
General Conditions and Services	7
General Data Protection Regulation	8
New Entrants to the Scheme	9
Contributions	13
Opt outs	14
50/50 Section Membership	15
Pensionable pay	18
Assumed Pensionable Pay (APP).....	20
Reduction in Pay	22
Changes.....	23
Monthly Contributions.....	24
Year-end.....	25
Additional Contributions.....	28
Shared Cost AVCs (SCAVC)	29
Additional Pension Contributions (APCs)	31
Additional Regular Contributions (ARCs) & Added Years	33
Absences	34
Changes in Payroll Provider	40
Employer Contributions	41
Estimates.....	42
Leavers	44
Retirements.....	46
Death in Service	51
Requests for general information and advice	52
Communications	53
Employer Discretions	55
Outsourcing.....	58
Exiting Employers.....	58
McCloud Judgment	60
Appendices.....	62
Instructions for Completing the Monthly Notification Spreadsheet.....	63
Year-end Process.....	64
3. Notes on Final Pay for members with pre-1 April 2014 membership.....	66
IV. Protected Members/Early Payment of Pensions	68
V. For more information contact:	70

Summary of actions

Topic	Employer/Payroll Provider Action	BPF Action
New entrants	<p>Enter an eligible employee into the LGPS at the appropriate time and notify the employee of their contribution band, date it is applicable and of their right to appeal.</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.</p>	<p>Set up a pension record and publish a statutory notification within 6 weeks of i-Connect action or receipt of the spreadsheet.</p>
Opt-outs	<p>Action a request to opt-out and take the necessary refund/leaver action.</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.</p> <p>A copy of the opt-out form must be sent in all cases.</p>	<p>Set up an opt-out record within six weeks of i-Connect action or receipt of the spreadsheet.</p>

Topic	Employer/Payroll Provider Action	BPF Action
50/50 section	<p>Action a request to enter the 50/50 section and notify the employee of the effect of their election.</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.</p> <p>Send a copy of the member's election form to BPF in all cases.</p>	Update the member's record.
Reduction in Pay	Keep payroll data for 13 years.	Use the pay notified to them.
Changes	<p>Where there is a change to a contribution band, name or address:</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.</p>	Update the member's record and publish a statutory notification within 6 weeks of i-Connect action or receipt of the spreadsheet.

Topic	Employer/Payroll Provider Action		BPF Action
Monthly Contributions	<p>Pay both employee and employer contributions to BPF.</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month deductions were taken.</p>		Check the monthly contribution spreadsheet and allocate contributions within 3 weeks of receipt.
Year-end Return	<p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.</p> <p>Non i-Connect Employers/Payroll Providers & i-Connect Employers/Payroll Providers who have onboarded during the year: email an accurate annual return to lgsystems@buckinghamshire.gov.uk no later than 30 April. Refer to Appendix II for a summary of the year-end process.</p>		Upload the data and produce Annual Benefit Statements by 31 August.
Additional Contributions	Commence, change or cease AVC deductions and pay the monthly contributions and provide a contribution schedule to the AVC provider no later than the 19 th of the month following deduction.		<p>Notify the Employer/Payroll Provider of AVCs commencing.</p> <p>Amend Scheme member records in line with the APC application form received from the member.</p>

Topic	Employer/Payroll Provider Action		BPF Action
	<p>Commence or cease APC deductions and pay over these amounts along with the regular monthly contributions.</p> <p>Send a copy of the member's election form to BPF in all cases.</p> <p>Change or cease added years or ARC deductions and pay over these amounts along with the regular monthly contributions.</p>		<p>Notify the Employer/Payroll Provider of added years or ARCs changing or ceasing.</p>
Absences	<p>Deduct contributions as necessary.</p> <p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.</p> <p>Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.</p>		<p>Update the member's pension account.</p>
Change of Payroll Provider	<p>Where applicable submit the monthly notification spreadsheet to BPF by the 19th of the month following the change.</p>		<p>Update the member's record.</p>

Topic	Employer/Payroll Provider Action		BPF Action
Estimates	<p>i-Connect Employers/Payroll Providers: submit the request with accurate data via the document upload facility on i-Connect.</p> <p>Non i-Connect Employers/Payroll Providers: submit the “Employer Request for Estimate of Retirement Benefits” form with accurate data via email to pensions@buckinghamshire.gov.uk.</p>		Provide estimate of benefits within 10 working days of receipt.
Leavers	<p>i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility. Once submitted, a workflow will be generated on the i-Connect portal for input of final pay for each member. This should be completed within 14 days.</p> <p>Non i-Connect Employers/Payroll Providers: submit a completed “Notification of Employee Leaving” form, with accurate data (and any applicable final pay calculation), by the 19th of the month following the month in which the member left to pensions@buckinghamshire.gov.uk and populate the leavers tab on the monthly notification spreadsheet.</p> <p>Refer to the Leaver Section for guidance on employees who will receive a payment after leaving.</p>		Notify the member of their benefits within 20 working days of i-Connect action or receiving the “Notification of Employee Leaving” form, whichever is later.

Topic	Employer/Payroll Provider Action		BPF Action
Retirement	<p>i-Connect Employers/Payroll Providers: upload a completed “Notification of Employee Leaving form”, with accurate data (and if applicable, a final pay calculation), and any required certification to BPF at least 3 weeks before a member’s retirement date via the document upload facility.</p> <p>Non i-Connect Employers/Payroll Providers: submit a completed “Notification of Employee Leaving form”, with accurate data (and if applicable, a final pay calculation), and any required certification to BPF at least 3 weeks before a member’s retirement date to pensions@buckinghamshire.gov.uk.</p> <p>Refer to the Retirement Section for guidance on employees who will receive a payment after leaving.</p>		<p>Calculate the pension benefits and write to the member detailing their options within 10 working days of i-Connect action or from receiving the “Notification of Employee Leaving” form and certification (if applicable), whichever is later.</p>
Death in Service	<p>Obtain certification if possible.</p> <p>i-Connect Employers/Payroll Providers: upload documents via the document upload facility within 5 working days of receiving notification of the member’s death. Final accurate figures to be uploaded via the usual monthly i-Connect submission.</p> <p>Non i-Connect Employers/Payroll Providers: submit a completed “Notification of Employee Leaving form” with accurate data and, if applicable, final pay calculation to pensions@buckinghamshire.gov.uk within 5 working days of the receiving notification of the member’s death.</p>		<p>Calculate the benefits due and write to the next of kin within 5 working days of i -Connect action or from receiving the “Notification of Employee Leaving” form and certification (where possible), whichever is later.</p>

General Conditions and Services

1. Basic Agreement

1.1 Agreement between the 'the user' and 'the provider'

'The user' requires the provision by 'the provider' of the services listed herein conforming to the standards specified in this document. This 2024 version of the Roles and Responsibilities document incorporates changes to previous versions, resulting from changes to the LGPS Regulations and internal processes.

1.2 Definitions

The Scheme Employer or Third-Party Payroll Provider is hereafter known as 'the user' or 'Employer/Payroll Provider'. Buckinghamshire Council as the administering authority is hereafter known as 'the provider' or 'BPF'.

1.3 Period of Agreement

This Agreement shall remain in force for the period 1 April 2024 to 31 March 2025, unless otherwise specified.

1.4 Indemnity

BPF indemnifies the user against any claims or loss of income or additional expenditure resulting from the proven negligence of BPF or its officers or any agent or company employed by BPF in the performance of services under this document.

1.5 Monitoring and Review

Meetings shall be held by BPF and the user to monitor and review this Agreement as necessary and full reference will be made to the Pensions Administration Strategy and provisions therein.

If BPF fails, except due to events outside its control, to provide a service in accordance with this document, including any deadlines therein, it shall meet any reasonable cost or loss incurred by the user, its staff or scheme members.

1.6 Dispute Resolution

Should a disagreement arise in respect of the application of the Pensions Administration Strategy or this document, both parties will work together to resolve the dispute in an appropriate and timely manner.

General Data Protection Regulation

The GDPR took effect in the UK from 28 May 2018 and applies to data controllers and data processors. The BPF's Full Privacy Notice confirms to members and beneficiaries of the LGPS, the personal data that we hold, what we will do with the data, the legal basis for our use of the personal data and how long we will hold the personal data.

The Memorandum of Understanding: Compliance with Data Protection Law sets out the basis on which the data will be shared between BPF and Scheme employers and the expectations of the Scheme employer during its participation in the Fund.

Our Summary Privacy Notice, Full Privacy Notice, GDPR FAQs and Memorandum of Understanding: Compliance with Data Protection Law can be found on our website at [How we protect the data we hold | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/pensions/how-we-protect-the-data-we-hold).

New Entrants to the Scheme

All new employees under the age of 75 should be brought into the LGPS immediately:

- if they are employed by a body listed in Part 1 of Schedule 2
- if they are employed by a body listed in Part 2 of Schedule 2 and they or the class of employees they belong to has been designated as being eligible for LGPS membership
- if they are employed by an admission body and they or the class of employees they belong to has been designated as eligible for LGPS membership
- if they are employed by a body in Column 1 of Part 4 of Schedule 2

All of the above can be found at <http://lgpsregs.org/schemeregs/lgpsregs2013/timeline.php>

EXCEPT FOR:

- Casual workers where there is no mutuality of obligation - this group of workers are eligible to join the LGPS. They are not contractually enrolled in the LGPS, but they can opt to join by completing an opt in form.
- Workers who have a contract of less than three months - this group of workers are not contractually enrolled in the LGPS on joining but they can elect to join by completing an opt in form. They must be entered into the LGPS on their automatic enrolment date and if their contract is extended beyond three months, they must be automatically brought into the LGPS from the first day after the three-month period.
- Workers who are eligible to be a member of another public service pension scheme in relation to that employment.

An opt in form can be downloaded at [Join or re-join the LGPS | Pensions \(buckinghamshire.gov.uk\)](http://buckinghamshire.gov.uk)

It is an Employer's responsibility to ensure they comply with auto enrolment requirements, details of which can be found at [Employers | The Pensions Regulator](#).

Employees will pay contributions based on their annual pensionable pay in accordance with the table below.

LGPS Contribution Table 2024/2025

Band	Actual pensionable pay for an employment	Main section	50/50 section
1	Up to £17,600	5.5%	2.75%
2	£17,601 to £27,600	5.8%	2.9%
3	£27,601 to £44,900	6.5%	3.25%
4	£44,901 to £56,800	6.8%	3.4%
5	£56,801 to £79,700	8.5%	4.25%
6	£79,701 to £112,900	9.9%	4.95%
7	£112,901 to £133,100	10.5%	5.25%
8	£133,101 to £199,700	11.4%	5.7%
9	£199,701 or more	12.5%	6.25%

* The above apply from 1 April 2024. Band ranges change in line with the Consumer Price Index (CPI) each April.

Assessment of pensionable pay

The definition of pensionable pay is set out in [regulation 20 'meaning of pensionable pay'](#) LGPS 2013. An employee's pensionable pay is all of the salary, fees and other payments paid to them and any benefit specified in their contract of employment as being a pensionable emolument. It includes overtime payments and payments made in respect of additional hours where an employee is part time.

Pensionable pay **does not include:**

- any sum which has not had income tax liability determined on it
- any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment
- any payment in consideration of loss of holidays
- any payment in lieu of notice to terminate a contract of employment
- any payment as an inducement not to terminate the employment before the payment is made
- any amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision
- any payment in consideration of loss of future pensionable payments or benefits
- any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees
- any payment made by the Scheme employer to a member on reserve forces leave
- returning officer or acting returning officer fees other than fees paid in respect of:
 - local government elections
 - Parliamentary elections
 - European Parliamentary elections

When assessing an employee's contribution band, it is the pensionable pay the employee receives which dictates which band they fall into.

Examples

An employee works full time and has an annual pensionable pay of £28,000 = Band 3

An employee works 50% of whole time and although the pay scale/range for the post they are in is £28,000 they only receive annual pensionable pay of £14,000 = Band 1

An employee works full time and has an annual pensionable pay of £26,000 = Band 2

An employee works full time and has an annual pensionable pay of £26,000 and they also receive an overtime payment of £300 per month. £26,000 + (£300*12) = Band 3

Action required by the Employer/Payroll Provider:

When setting up a new payroll record for an employee, the Employer/Payroll Provider will automatically enter an eligible employee into the LGPS from the first day of employment and provide the employee with information about the LGPS. We provide a New Member Guide to be given to employees when joining the LGPS which can be found at [Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](#). More information about the scheme can be found at [Pensions | Buckinghamshire Local Government Pension Scheme](#).

If an employee who is not a scheme member opts-in to the LGPS, the Employer/Payroll Provider will bring the employee into the Scheme from the pay period following the application.

Employees who have a contract of less than three months who elect to join should be entered into the LGPS from the pay period following their election and not from the date of the election. An optant out who elects to rejoin should also be entered into the LGPS from the pay period following the application.

Whenever the Employer/Payroll Provider sets a member's contribution rate, they must inform the employee of the contribution rate applicable, the date from which it applies and notify them of their right to appeal against this decision under the Internal Dispute Resolution Procedure (IDRP).

On a monthly basis:

i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download.

Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.

Only the highlighted columns should be completed by the Employer/Payroll Provider and should contain the following information:

- Payroll Number
- Home Address
- Post Code
- NI numbers
- Surname
- Forenames
- Title
- Sex
- Marital Status (Optional)
- Date of Birth
- Date Joined Fund
- Automatic Enrolment Date
- Annual Rate of Pensionable Pay
- Contribution Rate
- Name of School (If Applicable)
- Email Address (preferably personal)

Action required by BPF:

On receipt of the spreadsheet, BPF will set up a pension record on their system for each employee. Within 6 weeks of i-Connect action or receiving the spreadsheet, a statutory notification will be published via 'my pension online', confirming their pensionable status. An email notification will be sent to the employee notifying them it is available.

Contributions

On 1 April every year for existing members, at the outset of active membership for new members and from time to time thereafter (including every April), an Employer must assess the rate of contribution a member will make.

The rate, applicable date and the right for a member to appeal the decision under the Internal Dispute Resolution Procedure (IDRP) must be notified to a member as soon as is reasonably practicable.

The [employee contribution bandings can be found on Page 10](#) and any reductions in pay due to sickness, child related leave, reserve forces leave or other absence from work are to be ignored when assessing/reviewing the contribution rate/band.

When assessing the contribution band an employee falls into, it is the pensionable pay the employee receives which dictates their Band.

For workers employed on “zero hours” contracts or variable hours contracts, the Employer will have to make an assumption as to what that member’s pensionable pay will be. This can be done by using-

- the annual rate of contractual pay
- the annual rate of contractual pay plus an estimate of the non-contractual overtime or additional hours over and above the contracted hours which might be worked in a year
- the hourly contractual rate multiplied by an estimate of the number of hours to be worked in a year
- the weekly contractual rate multiplied by the number of weeks in a year e.g. 52 or 52.1 or 52.2 weeks
- the weekly contractual rate multiplied by the number of weeks in a year e.g. 52 or 52.1 or 52.2 weeks, plus an estimate of other pensionable payments to be made that year

Employers should make the assessment in a reasonable and consistent manner. Where they cannot be certain at the outset that the member has been placed in the correct band, an Employer can undertake a periodic review of contribution bandings for members who have fluctuating pay/hours.

Once the initial pay band and contribution rate has been set, the Employer is required to reassess the band and contribution rate each April and can review the band and rate on any material change in pay. In deciding the approach to take, Employers will need to balance ensuring the member’s contributions fairly reflect the pensionable pay received by the member over the course of the Scheme year against the need to keep the approach simple and easy to administer.

Where an employee starts or leaves part way through a month, their contribution band based upon their annual salary should apply.

Opt outs

A member may opt out of the LGPS at any time by notifying their Employer in writing that they wish to do so. This is done by completing the Opt Out Form available on the BPF website [Opting out of the LGPS | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/pensions/opting-out-of-the-lgps). An Opt Out Form cannot be completed before commencing employment, nor can it be provided to the member by the Employer.

If they opt out within 3 months, they are treated as not having been an LGPS member and are entitled to a refund via payroll. If they opt out with more than 3 months but less than 2 years membership, they are entitled to a refund from BPF if they have no other LGPS membership or have not transferred in any previous pension rights. Other reasons a refund can't be paid can be found at [Timeline LGPS Regulations 2013 \(lgpsregs.org\)](https://www.lgpsregs.org/timeline). If they opt out after 2 years, they are entitled to a deferred benefit.

Action required by the Employer/Payroll Provider:

A member must notify the Employer/Payroll Provider directly if they wish to opt out of the Scheme by filling in the Opt Out Form. The Employer/Payroll Provider must retain a copy of the completed Opt Out Form. The employee should be taken out of the Scheme from the end of the payment period during which notice is given.

- If the member elects to opt out within 3 months of commencement, the Employer/Payroll Provider will refund all pension contributions deducted and adjust payroll for tax.
- If the member elects to opt out after more than 3 months of joining the scheme, where applicable, the Employer/Payroll Provider will use either the online return facility or payroll download or submit the monthly notification spreadsheet to notify BPF. When submitting a monthly notification spreadsheet, a completed [“Notification of Employee Leaving”](#) form is required.

BPF must be notified of LGPS opt outs in all cases, regardless of their length of membership. Notification of Opt Outs is similar to that for new starters:

i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility.

Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken. Only the highlighted columns need to be completed on the opt out tab.

In all cases, please also provide a copy of the employee's signed and completed Opt Out Form, as we are required by auto-enrolment legislation to record these on our pension administration system.

Action required by BPF:

If BPF receive an Opt Out form, letter or email from the member who wants to opt out, they will forward it to the Employer/Payroll Provider for action. BPF will require and retain a copy of the employee's Opt Out form in all cases, regardless of length of LGPS membership.

50/50 Section Membership

Employees who are eligible for LGPS membership can elect to pay half of the pension contribution due and receive half of the benefit (1/98th). This is called the 50/50 section of the LGPS. Although unlikely, it is possible for a member with 2 or more concurrent employments to elect to be in the 50/50 section for all or any of those employments. While a member of the 50/50 section, members remain entitled to the full benefit in respect of any death in service lump sum and full ill-health enhancement.

A person cannot elect for the 50/50 section,

- before their employment has commenced, or
- if they are being automatically enrolled, immediately before their automatic enrolment or automatic re-enrolment date, or
- for those opting into the LGPS, immediately before opting in

They must be entered into the main section first and then can opt for the 50/50 section. If this election is done before the payroll is run, they can be a member of the 50/50 section from day one. Although the member's contribution is halved, **the employer contribution remains payable in full** and will be accounted for as part of the Fund valuation process every 3 years.

The Employer of a member electing for the 50/50 section is required to give the member information about the effect on that member's likely benefits as a result of that election.

A contribution flexibility form which includes details on the effects of electing for the 50/50 section and guidance notes for Employers can be found at [Pay less into your pension | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/pensions).

The 50/50 section is not designed to be a long-term situation and membership of the 50/50 section will cease from the pay period following the Employer's automatic re-enrolment date. At this point, any members in the 50/50 section of the LGPS would be put back into the main section and would have to make a further election if they wanted to move back into the 50/50 section.

In addition, a 50/50 section member going onto no pay as a result of sickness or injury is moved back into the main section on the first day of the next pay period (provided they are still on no pay at the beginning of the pay period).

If the employee is in the 50/50 section and goes on to no pay during ordinary maternity leave, ordinary adoption leave or paternity leave, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time. The member could make a further 50/50 election once they start to receive pay again and any such election would take effect from the beginning of the pay period following the election.

If a member elects to move to the 50/50 section:

- any existing additional pension contribution (APC) contract which is at whole cost to the employee must cease (unless it is to purchase an amount of pension “lost” due to a trade dispute or due to a period of authorised leave of absence or period of unpaid additional maternity, paternity, shared parental or adoption leave where the member is paying the full cost of the APC*, in which case it continues, unless the member elects to terminate the contract);
- any shared cost additional pension contribution (SCAPC) contract must cease (unless it is to purchase an amount of pension “lost” during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity, paternity, shared parental or adoption leave in which case it continues, unless the member elects to terminate the contract); and
- any AVC or Shared Cost AVC contract continues unless the member elects to terminate the contract.

[*i.e. the member made an APC election [*more than 30 days after returning from a period of leave of absence or period of unpaid additional maternity, paternity, shared parental or adoption leave, thereby missing the deadline for the employer to compulsorily contribute to a shared cost APC, and the employer did not agree to voluntarily contribute to a shared cost APC. **NB:** Employers have the discretion to extend the 30-day limit within which a member must make an election to buy ‘lost’ pension in respect of an authorised leave of absence]

It should be noted that on movement to the 50/50 section any existing contributions to,

- an AVC/SCAVC;
- an APC to purchase an amount of pension “lost” due to a trade dispute or due to a period of authorised leave of absence or period of unpaid additional maternity, or adoption leave where the member is paying the full cost of the APC;
- a SCAPC to purchase an amount of pension “lost” during a period of authorised unpaid leave of absence or during a period of unpaid additional maternity, or adoption leave; or
- an additional regular contribution (ARC), added years, Preston part-time buy-back, or additional survivor benefit contribution (ASBC) contract / arrangement in force prior to 1st April 2014

are not reduced to half rate. The contributions under such contracts/arrangements continue to be paid in full i.e. the full percentage rate or flat rate sum due under the relevant contract/arrangement.

Action required by the Employer/Payroll Provider:

The Employer will take the necessary payroll action on receipt of a contribution flexibility form and must give the member information about the effect on their benefits. The Employer must put any members in the 50/50 section back into the main section from the pay period following their automatic enrolment/re-enrolment date, if a member goes onto no pay as a result of sickness or if a member elects to return to the main section.

Separate pensionable pay cumulatives must be retained for members who elect for the 50/50 section. At year end, the cumulatives for this section must be reported to BPF.

The Employer will send a copy of the member’s election form to BPF:

i-Connect Employers/Payroll Providers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility.

Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken. All columns highlighted in yellow must be completed (where relevant) otherwise the spreadsheet will be returned. Column H named Ident2 should be updated with the member's payroll reference. Cumulatives up until the date prior to the election taking effect must be updated with the 'from' and 'to' dates for the relevant section.

Examples of a member electing for the 50/50 section and the main section are shown at the top of the 50/50 tab.

Action required by BPF:

BPF will update the member's record with details of the election and will award benefits at the accrual rate of 1/98th for any pensionable pay notified to them as have being paid while a member has elected for the 50/50 section.

Pensionable pay

The definition of pensionable pay is set out in [regulation 20 'meaning of pensionable pay'](#) LGPS 2013. An employee's pensionable pay is all of the salary, fees and other payments paid to them and any benefit specified in their contract of employment as being a pensionable emolument. **It includes overtime payments and payments made in respect of additional hours where an employee is part time.**

Pensionable pay does not include:

- any sum which has not had income tax liability determined on it
- any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment
- any payment in consideration of loss of holidays
- any payment in lieu of notice to terminate a contract of employment
- any payment as an inducement not to terminate the employment before the payment is made
- any amount treated as the money value to the employee of the provision of a motor vehicle or any amount paid in lieu of such provision
- any payment in consideration of loss of future pensionable payments or benefits
- any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees
- any payment made by the Scheme employer to a member on reserve forces leave
- returning officer or acting returning officer fees other than fees paid in respect of
 - local government elections
 - Parliamentary elections
 - European Parliamentary elections

HMRC approved salary sacrifice arrangements, where an employee gives up pay in return for a tax assessable benefit in kind from which income tax liability is then removed, are pensionable.

Where holiday entitlement is sold in return for additional pay, the extra pay will be non-pensionable. Where pay is foregone in return for additional holiday, this is authorised unpaid leave of absence and the member can elect to buy back pension for the period of absence via a "lost" pension [APC](#).

- Benefits in the 2014 scheme will be calculated on pay received in the Scheme year (1 April to 31 March) and not on the pay due in the period. There is no need to adjust pensionable pay on payment of arrears paid in the current pay period that are not related to it.
- The amount of pensionable pay to be allocated to a member's cumulatives is the actual amount of pay received.
- However, when dealing with pre 1 April 2014 benefits, arrears will need to be allocated to the period in which they are in respect of for the calculation of final pay under the [2008 Scheme definition](#) (see [Regulation 4](#)). Pensionable pay paid after 31st March 2014 which relates to a period before 1st April 2014 should have employee contributions deducted at the member's contribution rate payable under the **2008 Scheme and on the 2008 Scheme definition of pensionable pay.**

- This pay must **not** be included in the pensionable pay cumulative (CPP) in the Scheme year in which the payment is made.

Assumed Pensionable Pay (APP)

Assumed Pensionable Pay (APP) is set out in [regulation 21, LGPS 2013](#). This is the pay that the member would have received had their pay not reduced as a result of sickness or injury; reduced pay during relevant child related leave (ordinary/paid additional maternity, paternity, shared parental or adoption leave) or reduced or no pay while on reserve forces leave. Unpaid child related leave is not included in APP as this period is paid for via an APC.

Where the Employer knows what the pay would have been (where pay does not fluctuate) they can use this instead of working out an average APP figure. If pay is fluctuating then the Employer should use the average period, as detailed below.

Where APP applies, the amount added to any applicable cumulative pensionable pay should be the APP and not any actual pay received. The only exception is where the actual pay is higher than the APP for the same period, such as in the case of KIT, SPLIT or Stringer days. In these circumstances, the actual pay should be used.

APP is calculated as an annual rate and then applied as a proportion to the period of reduced/no pay.

The annual rate for a member paid other than monthly is:

- the average pensionable pay for the 12 weeks prior to the start of the relevant period after removing any payments that are not payable every pay period but including any APP credited in that 12-week period, then
- this figure is grossed up to an annual figure, and
- if 12 complete pay periods do not exist, use whatever number of complete periods are available.

For a monthly paid employee 3 complete pay periods should be used which are then grossed up to an annual amount. For anyone paid other than monthly, a 12 week period should be used.

To calculate the Employer's contributions:

- if the period where APP applies is only short term, then it is acceptable for the Employer to base their contributions on the pay the member would have received without having to work out an average.
- if long term, an average would be more relevant.

The calculation of APP can include pensionable pay prior to 1 April 2014 if the period goes back that far, and if it does, the 2008 definition of pensionable pay is used for that period.

APP may be increased at the time of calculation if an Employer decides to add back any regular lump sum payment made in the last 12 months. They must determine whether there is a "reasonable expectation" that a regular lump sum payment would have again been paid during the period where APP will apply.

Any reduction in pay during the 3 month or 12 week period prior to a member going onto reduced contractual pay as a result of sickness or injury, or relevant child related leave or reserve forces service leave, should be ignored when using the pay during that period to calculate the assumed pensionable pay for the member.

Where a member dies in service, assumed pensionable pay is to be calculated in the same way as above, so that this can be used by BPF to assess any enhancement due to the member's survivors.

There may be some occasions where the outcome of the APP calculation is, in the Employer's opinion, materially lower than the actual level of pensionable pay the member would normally receive had they been at work. In these circumstances, the Employer may substitute a higher level of pensionable pay than the APP value. In making such a determination, the Employer must have regard to the pensionable pay received by the member in the last 12 months. If the member has not received any pensionable pay in the previous 12 months, this doesn't prevent an Employer from deciding to substitute a higher level of pensionable pay.

APP example:

Shola left her employment on 31 October. Her employer needs to provide leaver information so needs to work out the CPP for the period 1 April to 31 October. Shola was on paid Ordinary Maternity Leave (OML) between 1 April and 30 June. She then was on paid Additional Maternity Leave (AML) until 23 September when her unpaid Additional Maternity Leave (AML) began. She remained on unpaid AML until she left her employment. Shola is monthly paid, so the employer looked at the preceding year to find 3 complete months for the APP calculation. These are shown below. Her annual bonus of £450 was paid to her in Month 1.

The last 3 complete months

Month 1 £2,300 (includes £450 annual bonus)

Month 2 £1,900

Month 3 £1,830

APP applied for the period **1 April to 22 September**

Month 1 £2,300 - £450 = £1,850

$£1,850 + £1,900 + £1,830 = £5,580 / 3 = £1,860$

$£1,860 \times 12 = £22,320$

$£22,320 + £450 = £22,770$

$£22,770 / 12 = £1,897.50$ (monthly amount)

April = **£1,897.50**

May = **£1,897.50**

June = **£1,897.50**

July = **£1,897.50**

Aug = **£1,897.50**

Sept = **£1,897.50 / 30 x 22 = £1,391.50**

The figure the employer should report is **£10,879**

Reduction in Pay

Final pensionable pay is normally based on the full-time equivalent pay for the last 12 months (i.e. the [2008 Scheme definition \(see Regulation 4\)](#) of pensionable pay). If either of the two previous years' pay is higher, either of these two preceding years may be used, calculated to the anniversary of the member's last day of service ("best of the last 3 years' pay"). It is the employer's responsibility to provide the previous 3 years final pay calculations at the outset, where there has been a reduction in pay.

If, on or after 1 April 2008 and within 10 years of leaving, a member who was a member of the LGPS prior to 1 April 2014 (voluntarily or compulsorily) has restricted pay, reduced their grade or moves to a position with less responsibility, they can choose to use the average of any 3 consecutive years pay in the last 13 years ending on a 31st March (plus RPI/CPI from the end of the 3-year period). This is known as a '3 in 10' calculation as there are 10 averages for the 13-year period. Certain exclusions apply (reduction as a result of flexible retirement, secondment, acting up) and BPF should be contacted for any clarification.

Where it appears this may apply to a member, BPF will contact the member and provide a deadline for them to apply if they wish. If an application is received, we will send you a request for the '3 in 10' calculation and it is the employer's responsibility to determine whether '3 in 10' applies. BPF will use the pay provided by the employer and will not query the pay provided.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to ensure that payroll data is kept for 13 years. Employers should use the final pay calculation (FP calc) spreadsheet to calculate the member's final pensionable pay.

Action required by BPF:

BPF will use the final pensionable pay (2008 definition) as notified to them by the Employer/Payroll Provider.

Changes

Changes to contribution bands, name or change of address are required for all members. Changes to hours are required for members who are paying an added years contract.

If notifying BPF via the monthly notification spreadsheet, please only provide changes for those members where the above criteria applies. Spreadsheets containing updates for all members will be returned to the employer for amendment.

Any changes that occur during membership for these members must be notified immediately to BPF. Failure to notify BPF of these changes promptly could affect the calculation of the member's benefits when they leave or retire.

On a monthly basis the Employer/Payroll Provider will use i-Connect via the online return facility or payroll download or submit the monthly notification spreadsheet to BPF detailing all relevant changes. Only the highlighted columns should be completed by the Employer/Payroll Provider and should contain the following information:

Hour changes (where paying added years)/Name Changes:

- NI number
- Payroll number
- Surname
- Forenames
- Date commenced current pensionable service
- New part-time hours or percentage
- Previous part-time hours or percentage
- Date of change
- Full time equivalent salary
- Contribution rate

Address Changes:

- NI number
- Address
- Name

Action required by the Employer/Payroll Provider:

Each month the Employer/Payroll Provider will submit accurate data using i-Connect via the online return facility or payroll download or by submitting the monthly notification spreadsheet to BPF by the 19th of the month following the month payroll action was taken. This will include changes of hours or weeks worked (for employees who have an existing added-years contract), change of band, change of name and change of address. Monthly notification spreadsheets should be emailed to LGPSreturns@buckinghamshire.gov.uk

Action required by BPF:

On receipt of the monthly notification spreadsheet, BPF will amend the member's record with the information provided. Within 6 weeks of i-Connect action or receiving the spreadsheet, a statutory notification (where the member has an added-years contract or qualifies for the Underpin) will be published confirming the employee's change of pensionable status. An email notification will be sent to the employee notifying them it is available via 'my pension online'.

Monthly Contributions

Pension contributions will be paid over to the BPF each month, no later than 19 days following the month in which the deduction was made.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to pay both employee and employer contributions to BPF. **Non i-Connect Employers** must submit an accurate monthly notification/monthly reconciliation spreadsheet no later than the 19th of the month following the deduction. If using the notification spreadsheet:

- If you set your employee bands in April each year, you need to complete “ppppp_monthly_return_template-annual_banding.xlsm”
- If you set your employee bands monthly, you need to complete “ppppp_monthly_return_template.xlsm”

The spreadsheet allows the Employer/Payroll Provider and BPF to check the contributions paid.

- On the spreadsheet the Instructions tab details the cells that need to be completed.
- On the Employee Data tab, the data input areas have been highlighted in blue.
- There are some checks in the Employee Data tab – these are warnings of potential errors and can be ignored if the Employer is satisfied that the information is correct.

Full instructions for completing the monthly contributions tabs on the monthly notification spreadsheet can be found [here](#).

To enable BPF to correctly allocate your monthly contributions, please ensure the reference used when remitting contributions starts with your 5 digit ‘P’ code (the same one used on the monthly contribution return), followed by the month in which the payment is in respect of. Please also ensure payments are made to the Buckinghamshire Pension Fund account.

If you have any questions or require any assistance with completing the monthly contribution tab, please email pensionfinance@buckinghamshire.gov.uk and a Pensions Finance Officer will respond to you as soon as possible.

Action required by BPF:

Within 3 weeks of receipt, BPF will check the i-Connect submission/monthly contribution return spreadsheet and allocate the contributions to each Employer.

Year-end

Employers who have not on boarded to i-Connect are required to submit a SUP52 for contribution reconciliation purposes along with the year-end return.

Employers who have on boarded to i-Connect in the last financial year are required to submit a SUP2 for reconciliation purposes along with the year-end return.

Employers who on boarded to i-Connect prior to this financial year do not need to submit a SUP52 or year-end return. Year-end information will be extracted from your March submission. Please ensure that you check the value of the 'year to date' Pensionable Pay values and submit an FTE Final Pay (2008) definition for each member on the March submission.

The year-end return must include the following information **for each employment** as at 31 March:

- Surname
- Forename
- Gender
- Date of birth
- National Insurance number
- Payroll Ref: should be a unique ID for the employment
- Date member became active in the employment (if during the Scheme year)
- Date ceased active membership in the employment (if during the Scheme year)
- CPP1: cumulative pensionable pay received in the employment during the Scheme year while in the main section of the scheme (including APP)
- CEC1: cumulative employee contributions deducted from pensionable pay (CPP1)
- CPP2: cumulative pensionable pay received in the employment during the Scheme year while in the 50/50 section of the scheme (including APP)
- CEC2: cumulative employee contributions deducted from pensionable pay (CPP2)
- EE RATE: The employee's rate of contributions at the end of the Scheme year or at the date of cessation of membership (if this occurred during the Scheme year) either in the main or 50/50 section of the Scheme.
- The section of the Scheme the member was in at the end of the Scheme year (or at the date active membership ceased if during the Scheme year)
- CRC: Cumulative employer contributions deducted from pensionable pay in respect of the employment (including APP)
- EAPC CAC: Cumulative additional pension contributions (APCs) paid in respect of the employment by the member
- RAPC CAC: Cumulative additional pension contributions (APCs) paid in respect of the employment by the employer
- EAVC CAC: Cumulative additional voluntary contributions (AVCs) paid in respect of the employment by the employee
- RAVC CAC: Cumulative additional voluntary contributions (AVCs) paid in respect of the employment by the employer

- FTE final pay (2008 definition)¹ for the Scheme year (1 April to 31 March of the relevant year) **for members with LGPS membership prior to 1 April 2014** who are active at the end of the Scheme year
- Employee Status – automatically generated based on the information input by the Employer.

BPF will send an email to the Employer/Payroll Provider by 28 February with the SUP52 and the year-end return to be completed (non i-Connect Employers and i-Connect employers who have on boarded during the current financial year). They must be accurately completed and returned to BPF on or before 30 April. **If not received by the deadline, additional administration costs WILL apply.**

Action required by Employer/Payroll Provider:

Once completed and checked for accuracy, the Employer should return the year-end return spreadsheet and signed SUP52 (non i-Connect Employers and i-Connect employers who have on boarded during the current financial year) to LGsystems@buckinghamshire.gov.uk, no later than 30 April. i-Connect Employers who have been onboarded for over a year should check the accuracy of any 'year to date' values on the March data submission and include an FTE final pay figure for each member (2008 definition). You should also ensure we have been notified about all new starters and leavers.

- If no year-end return or SUP52 (if applicable) is submitted by 30 April, we will apply a charge for additional administration costs of £50 per working day from 1 May to the date an accurately completed return is received. The charge will be recovered from the Employer.
- If the year-end return and SUP52 (if applicable) are not completed correctly or data is missing, these will be returned to the Employer within 5 working days of receipt with a request for a revised, correctly completed year-end return/SUP52.
- Employers will be given 5 working days from the date of our request to return the revised and correctly completed year-end return/SUP52.
- If the revised year-end return/SUP52 is not received by us by the 5th working day after our request, we will apply a charge for additional administration costs of £50 per working day, until the date the correctly completed year-end return/SUP52 is received. The charge will be recovered from the Employer.
- Our Pension Administration Strategy details these charges. The latest version has been effective since 1 April 2023. It is available from the "Policies" section of our website at [Buckinghamshire Pension Fund policies | Pensions](#)

Action required by BPF:

On receipt of the year-end return and SUP52 (if applicable), BPF will process the return data or cumulative i-Connect data on their system alongside completing their financial reconciliation.

Employer Liaison Officers (ELOs) will use comparison spreadsheets to identify records with queries. An indicator will be added to member records which produce a query. The indicator prevents an inaccurate annual benefit statement (ABS) from being produced for that member.

¹ The full definition of Final Pay under the 2008 Scheme regulations is available from <http://www.lgpsregs.org/timelineregs/LGPS2008Regs/SI20140044/20071166.htm>, (See Regulation 4)

Employer year-end data will be processed and where there are no member data queries, Annual Benefit Statements (ABS) will be issued by the statutory deadline. Employers will be notified when ABS have been uploaded so they can communicate this to their employees. Where we have data queries, ELOs will produce query spreadsheets and send these to the Employer for resolution. The ELO will state a deadline for replying to outstanding queries; Employers must respond promptly and accurately. This deadline will take into account the number and complexity of the queries.

- If there are any records missing, the Employer will be contacted by their Employer Liaison Officer and asked to update using i-Connect via the online return facility or payroll download or provide a notification spreadsheet.
- If there are any members with leaving dates on the return/final i-Connect submission and BPF have not been informed, the Employer will be contacted for a Notification of Employee Leaving form.
- If the member had been in the LGPS prior to 1 April 2014 and the full time equivalent pay (i.e. Final Pay 2008 definition) provided has decreased when compared to the full time equivalent pay held as at the previous 31 March, the Employer will be contacted by their Employer Liaison Officer for confirmation that the member's full time equivalent rate of pay has decreased.

We will periodically issue further ABS, by Employer, as outstanding queries are cleared. These will be published via 'my pension online' unless the employee has opted out of online communications.

The year-end process is summarised in [Appendix II](#).

Additional Contributions

Additional Voluntary Contributions (AVCs)

Members may make an election, at any time, to pay AVCs. Members can choose between our two AVC providers, Prudential and Scottish Widows.

Regardless of when the AVC contract commenced, members can contribute up to 100% of their monthly pensionable pay (allowing for any statutory deductions).

New Contributors

Action required by BPF:

For Prudential AVCs, members should contact Prudential directly. Prudential will then notify BPF of the application. BPF will copy the form for their records and update their system. BPF will then notify the Employer/Payroll Provider of the AVC start date and the amount of contribution to deduct.

For Scottish Widows AVCs, members should send their application form directly to BPF. BPF will copy the form for their records and update their system. BPF will then notify the Employer/Payroll Provider of the AVC start date and the amount of contribution to deduct.

Action required by the Employer/Payroll Provider:

On receipt of notification from BPF, the Employer/Payroll Provider should check the amount does not exceed 100% of monthly pensionable pay (allowing for any statutory deductions) and set up the deduction on payroll. The deduction may be expressed as a percentage or as a monetary amount.

- If the employer/payroll provider receives a Prudential application form directly from the member, they can action the application but must send the original form to BPF.
- The Employer/Payroll Provider should NOT action a Scottish Widows application form directly from the member. The form should be forwarded to BPF and the Employer/Payroll Provider should take no action unless notified by BPF.

Procedure for changes to AVCs in payment

Action required by the Employer/Payroll Provider:

Members will be told to email or write to the Employer/Payroll Provider if they wish to alter or stop their AVC contributions. The Employer/Payroll Provider should either send a copy of the letter or forward the email to BPF, confirming the necessary action has been taken. The Employer/Payroll Provider is responsible for checking that the revised amount (allowing for any Statutory Deductions), does not exceed 100% of monthly pensionable pay.

Where the member is paying AVCs with Prudential they may contact Prudential direct to make a change to their contribution. In these cases, Prudential will then notify BPF direct, who in turn will notify the payroll provider.

Action required by BPF:

On receipt of the confirmation from the Employer/Payroll Provider, BPF will update their system.

Shared Cost AVCs (SCAVC)

Where a member opts to pay AVCs an employer can decide to contribute to that member's AVC arrangement. This is known as a Shared Cost AVC (SCAVC). This can be done via a salary sacrifice arrangement. Employer and employee LGPS contributions can continue to be paid on the pre salary sacrifice level of pay provided the employer specifies in the contract of employment that the contribution the employer pays to the SCAVC will be a pensionable emolument.

If a SCAVC arrangement is entered into, you must notify BPF of this and whether the employer contribution is paid under a salary sacrifice arrangement or not. If a member with a SCAVC leaves the LGPS with a refund entitlement, BPF need to know this in order to calculate the refund correctly.

If the member already has an active AVC arrangement in place and enters into a SCAVC with you, this is a new arrangement under the LGPS Regulations 2013. They would need to cease contributing to their previous AVC arrangement and could choose to either:

- a) leave their previous AVC as a separate pot (they may wish to do this if they want their original AVC to remain governed under the Regulations under which that AVC started, or
- b) transfer the first pot into their new SCAVC, in which case the whole of their pot would be governed by the Regulations in force on the day the CAVC was entered into.

Please note Prudential's default option is to combine the funds and the member would need to specifically request that they remain separate.

A SCAVC salary sacrifice could result in tax implications for the member if they breach the Annual Allowance. Please direct the member to [Tax controls on pensions - annual allowance | Pensions \(buckinghamshire.gov.uk\)](#).

Action required by the Employer/Payroll Provider:

Inform BPF when a SCAVC is entered into and confirm whether the employer contribution is paid under a salary sacrifice arrangement or not.

Direct the member to the Pensions Taxation – Annual Allowance webpage.

Monthly AVC pay over

Action required by the Employer/Payroll Provider:

AVC payments in respect of members must be paid over to Prudential and/or Scottish Widows no later than 19 days following the month in which the deduction was made. **A schedule is to be emailed to Prudential and/or Scottish Widows** showing a breakdown of the amount paid by each member. **A new contributor schedule is also to be sent each month**, if there have been new contributors that month, detailing the names of new contributors, their NI numbers, amount paid and their chosen investment option if available.

i-Connect Employers should also submit the value of monthly AVCs paid on their monthly submission.

If you have any queries regarding paying over contributions, please contact the provider directly at:

- Prudential
Email: corporate.pension.enquiries@prudential.co.uk
- Scottish Widows
Email: LocalGovtAVC@lloydsbanking.com

Action required by BPF:

No action is required by BPF.

Additional Pension Contributions (APCs)

Members may make an election to buy extra annual pension up to a maximum of £8,344 using an APC contract. The contract can be paid in full by the employee, in full by the employer, or the cost can be shared by any proportion agreed by them. Where both the employee and employer contribute it is known as a Shared Cost APC (SCAPC). APC contributions can be a one-off contribution or a regular deduction from pay and are always a cash amount and not a percentage of pay. If the member is buying additional pension, rather than 'lost pension', BPF require that a medical disclaimer be signed.

A modeller is available online at [Tools and calculators :: LGPS \(lgpsmember.org\)](https://lgpsmember.org) so members can see how much it will cost to purchase extra annual pension. The cost is dependent on the member's age, gender and the amount of extra annual pension they wish to buy. Contracts must be for a minimum of 1 year, must be for a period of complete years and must end before the member's Normal Pension Age (NPA).

Regular APCs will always be a fixed monthly amount (but may be subject to review by the Government Actuary's Department).

Where a member wishes to buy 'lost pension', you need to advise them of the amount of 'lost' pensionable pay so they can input this value into [the modeller](#).

An APC application form can be completed via the relevant APC modeller and should be signed by the member.

- The form should be sent to the Employer first where the APC is to buy lost pension; and to be sent to BPF first where the APC is to buy extra pension
- If the member is making a single lump sum payment to an APC, the APC application form must be sent by the member directly to BPF. If necessary, BPF will notify the Employer of any amount payable by the Employer.

APC contracts attached to an active pension account terminate when the member ceases to be an active member or takes flexible retirement. They do not cease if the member ceases an employment in relation to another active pension account which does not have the APC contract attached to it. Employers have been given the discretion to extend the 30-day limit within which a member must make an election to buy 'lost' pension in respect of an authorised leave of absence.

If a member has an APC contract to purchase additional pension and they leave part way through a month, only the proportion in relation to the date of leaving should be deducted, not a full month's APC contribution. They will be awarded a proportion of the APC contract. If a member has an APC contract to purchase lost pension, any outstanding contributions should be deducted from the member's final pay. They will be awarded with the full lost pension amount.

If a member has an APC contract to purchase lost pension in respect of the purchase of additional annual leave, the period should be considered as being taken at the start of the member's annual leave year. For example, if a member buys 5 days of annual leave and their leave year starts on 1 April and they elect to buy the lost pension in respect of this, the period of absence for APC and final pay calculation purposes is 1-5 April. This will ensure the factors used for the calculation are based on the member's correct age.

Action required by BPF:

At the end of each Scheme year, BPF will credit the member's active pension account with the amount of additional pension purchased that year.

If a member elects to cease payment at a date earlier than the completion date, BPF will confirm this via email to the Employer/Payroll Provider.

Action required by the Employer/Payroll Provider:

- Where the member is buying 'lost' pension, upon receiving the member's APC application, the Employer/Payroll Provider will make the APC deduction/ deductions.
- Where the member is buying additional, rather than lost pension:
 - Upon receiving the member's APC application, the Employer/Payroll Provider will forward the APC application to BPF. BPF will check whether a medical disclaimer is required.
 - Once BPF agrees that the contract can proceed, BPF will instruct the Employer/Payroll provider to make the APC deductions.
- APC contributions will be paid over to BPF each month, along with the standard monthly LGPS contributions.
- Where an employer/third party payroll provider has ceased an APC contract they need to check and ensure it was not in relation to another employment the member had and to which it was attached.
- If an Employer's discretionary policy does not permit an extension, they will need to revise their discretionary policy if they wish to extend the 30-day time limit within which a member must make an election to buy 'lost' pension. Employers will need to provide BPF with a copy of their revised discretionary policy.
- Send a copy of the member's election form to BPF in all cases.

Additional Regular Contributions (ARCs) & Added Years

Some members may have made an election prior to 1 April 2014 to buy additional pension via payment of Additional Regular Contributions. The contract continues to be in force until such time as the contract is complete, or earlier if the member elects to cease payment before completion. Contributions are payable on the LGPS 2008 definition of pay, so non-contractual overtime (along with the other exclusions listed in the Appendices) should not be included when assessing the additional amount due.

ARCs will always be a fixed monthly amount (but may be subject to review by the Government Actuary's Department).

Some members may have made an election prior to 1 April 2008 to buy added years via payment of additional contributions. The contract continues to be in force up until the eve of the member's earliest retirement age or earlier if the member elects to cease payment before completion. Contributions are payable on the LGPS 2008 definition of pay, so non-contractual overtime (along with the other exclusions listed in the Appendices) should not be included when assessing the additional amount due. **A change in hours will require a re-assessment by BPF to the level of membership purchased/amount to be deducted.**

Action required by BPF:

If an existing added years contributor changes their hours, on receipt of the accurate monthly notification spreadsheet or i-Connect submission, BPF will re-assess the level of membership being purchased and notify the Employer if there is to be any change in the added years contributions deducted. ARCs and Added Years should cease on the date notified at the start of the contract.

If a member elects to cease payment at a date earlier than the completion date, BPF will confirm this via email to the Employer/Payroll Provider.

Action required by the Employer/Payroll Provider:

Upon receipt of the above email, the Employer/Payroll Provider will make changes to the added years deduction/cease deductions. ARC/Added Years contributions will be paid over to BPF each month, along with the standard monthly LGPS contributions. ARCs and Added Years should cease on the date notified at the start of the contract.

Absences

Authorised Unpaid Leave (including Jury Service, Sabbaticals & Unpaid Parental Bereavement Leave)

If a member wishes to buy the pension 'lost' in respect of a period of authorised unpaid leave they can do so via an Additional Pension Contribution (APC) contract. An APC contract can be paid over a period (except where BPF determine that periodical contributions are not practical) or by a one-off lump sum payment. A modeller² is available to members online so they can see how much it will cost to buy the 'lost' pension.

The amount of pension 'lost' will be calculated as 1/49th of Assumed Pensionable Pay' (APP) during the period the member was in the main section of the LGPS and as 1/98th of APP if the member was in the 50/50 section of the LGPS.

The member should elect within 30 days of their return if they want to buy back the period of authorised unpaid leave. If they do, the cost of the APC is split between the member and the Employer, with the member paying 1/3rd of the cost and the Employer paying 2/3rds of the cost.

If they elect after the 30-day period, the member pays the full cost of the APC contract. However, the Employer has the discretion to extend the 30-day limit within which a member must make an election to buy 'lost' pension in respect of an authorised leave of absence.

A member cannot make an election after they have left the LGPS. The contributions must be deducted directly from the member's pay. The member should not send in a cheque, as they will not get the tax relief due. The member may continue to pay AVCs and must pay any amounts in respect of added years, ARCs or any other APC contracts based on the pay they would have received but for the authorised unpaid leave. If the APC is a SCAPC, the Employer must also continue to pay their contribution.

The member should send a copy of the APC election form to buy 'lost' pension, which is produced when using the online modeller, to their Employer and to BPF.

If the member doesn't pay contributions for the period of absence, BPF MUST be notified of the relevant dates using i-Connect via the online return facility, or by completing the monthly notification spreadsheet. This is because any break in service will affect those who have 85-year rule protection.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider must make the member aware, prior to the period of authorised unpaid Leave, of the ability to buy 'lost' pension via an APC on their return. On request, the Employer/Payroll Provider will need to provide the member with the amount of APP for the relevant period. On receipt of an election by a member to buy 'lost' pension, the Employer/Payroll Provider will check that the amount the employee wishes to pay equates to the correct amount using the online modeller at [Tools and calculators :: LGPS](#)

lgpsmember.org). The Employer/Payroll provider will deduct the APC from the member's pay (either as a regular amount or as a one-off payment).

If an Employer's discretionary policy does not permit an extension, they will need to revise their discretionary policy if they wish to extend the 30-day time limit within which a member must make an election to buy 'lost' pension. Employers will need to provide BPF with a copy of their revised discretionary policy.

Action required by BPF:

On receipt of the annual return/final i-Connect submission from the Employer/Payroll Provider, BPF will update the member's pension account with the relevant amount of APC purchased.

Absence and Assumed Pensionable Pay (APP)

If an employee moves to a period of reduced contractual pay or nil pay as a result of sickness or injury or commences relevant child related leave (i.e. ordinary maternity, paternity, shared parental or adoption leave and any paid additional maternity, paternity or adoption leave), the Employer should apply APP for pension purposes.

The employee will, as in the 2008 Scheme, pay contributions on any pensionable pay received during such periods of absence but, unlike in the 2008 Scheme, the Employer will pay contributions on the amount of APP. This is a significant change that Employers need to consider.

Maternity, paternity and adoption leave

A member continues to pay contributions on any pay they receive while on ordinary or additional maternity, paternity, shared parental or adoption leave. However, unlike in the 2008 Scheme, the Employer will pay contributions on the amount of APP.

APP does not apply during any period of **unpaid** additional maternity, shared parental or adoption leave available at the end of relevant child related leave; this is to be treated as unpaid leave of absence. If a member wishes to buy the pension 'lost' in respect of a period of unpaid additional maternity, shared parental or adoption leave they can do so via an Additional Pension Contribution (APC) contract. An APC contract can be paid over a period (except where BPF determine that periodical contributions are not practicable) or by a one-off lump sum payment. A modeller is available to members online so they can see how much it will cost to buy the 'lost' pension at: [Tools and calculators :: LGPS \(lgpsmember.org\)](http://lgpsmember.org)

If the employee is in the 50/50 section and goes on to no pay during ordinary maternity leave, ordinary adoption leave or paternity leave, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time. The amount of pension 'lost' will be calculated as 1/49th of APP during the period the member was in the main section of the LGPS and as 1/98th of APP if the member was in the 50/50 section of the LGPS.

The member should elect within 30 days of their return if they want to buy back the period of **authorised unpaid** leave. If they do, the cost of the APC, for any individual period of absence up to 36 months is split between the member and the Employer, with the member

paying 1/3rd of the cost and the Employer paying 2/3rds of the cost. The cost of purchasing 'lost' pension for a period of absence beyond 36 months will be at full cost to the employee unless the Employer chooses to contribute towards the cost.

If they elect after the 30-day period, the member pays the full cost of the APC contract. However, the Employer has the discretion to extend the 30-day limit within which a member must make an election to buy 'lost' pension in respect of an authorised leave of absence.

A member cannot make an election after they have left. The contributions must be deducted directly from the member's pay - the member should not send in a cheque as they will not get the tax relief due. The member may continue to pay AVCs and must pay any amounts in respect of added years, ARCs or any other APC contracts based on the pay they would have received but for the authorised unpaid leave. If the APC is a SCAPC, the Employer must also continue to pay their contribution.

For a Keep in Touch (KIT) day, Shared Parental Leave in Touch (SPLIT) day(s) or Stringer day(s) during a period of unpaid additional maternity, paternity or adoption leave, the member will accrue 1/49th of pensionable pay received for that day. The employee will pay basic pension contributions on the actual pay received and the Employer will pay employer contributions on the actual pay received. APP will not apply on these days.

Where a member doesn't have an entitlement to pensionable pay (including statutory pay) for any of their ordinary period of maternity leave, they are treated for the purposes of the LGPS Regulations as if they had paid the contributions. Employers' contributions remain payable based on Assumed Pensionable Pay.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider must make the member aware, prior to the period of Maternity, Shared Parental Leave or Adoption Leave, of the ability to buy 'lost' pension via an APC on their return and the 30-day deadline for doing this. On request, the Employer/Payroll Provider will need to provide the member with the amount of APP for the relevant period. On receipt of an election by a member to buy 'lost' pension, the Employer/Payroll Provider will check that the amount the employee wishes to pay equates to the correct amount using the online modeller. The Employer/Payroll provider will deduct the APC from the members pay (either as a regular amount or as a one-off payment). The Employer/Payroll provider will notify BPF that an APC contract has been entered into via the monthly contribution tab on the monthly notification spreadsheet (non i-Connect employers) or via the annual return at the end of each financial year (i-Connect employers). A copy of the election form produced when using the online modeller should be sent to pensions@buckinghamshire.gov.uk for scanning to the member's record.

Dates for any period of unpaid maternity, Shared Parental Leave or Adoption Leave should be notified to BPF as if a member has pre 01/04/2014 membership with an entitlement under the 85-year rule, non-payment for the unpaid period will affect their 85-year rule date.

Action required by BPF:

On receipt of the annual return from the Employer/Payroll Provider, BPF will update the member's pension account with the relevant amount of APC purchased

Parental Bereavement Leave

A member continues to pay contributions if they are absent from work and receive paid bereavement leave. APP applies. If they have an unpaid period of parental bereavement leave, the rules for [Authorised Unpaid Leave](#) apply.

Trade Dispute

If the employee is absent due to industrial action, APP does not apply.

If a member wishes to buy back the pension 'lost' in respect of trade dispute action they can do so by paying towards an APC contract for lost pension. The employer is under no obligation to contribute, though they have the option of choosing to. The employer should inform the member on the pensionable pay lost during the period of absence. There is no time limit on how long the member has to make an election to pay.

General APC applications

An APC contract can be paid over a period of time (except where BPF determine that periodical contributions are not practicable) or by a one-off lump sum payment.

A modeller is available to members at [Tools and calculators :: LGPS \(lgpsmember.org\)](#) so they can see how much it will cost to buy the 'lost' pension. If the member applies to purchase the APC for extra pension, the member should send a copy of their form to BPF. When approved, BPF will forward the application to the Employer for deductions to start.

The amount of pension 'lost' will be calculated as 1/49th of pensionable pay during the period the member was in the main section of the LGPS and as 1/98th of pensionable pay if the member was in the 50/50 section of the LGPS.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider must make the member aware of the ability to buy 'lost' pension via an APC. On request, the Employer/Payroll Provider will need to provide the member with the amount of pensionable pay for the relevant period.

On receipt of an election by a member to buy 'lost' pension, the Employer/Payroll Provider will check that the amount the employee wishes to pay equates to the correct amount using the online modeller. The Employer/Payroll provider will deduct the APC from the members pay (either as a regular amount or as a one-off payment).

i-Connect Employers/Payroll Providers: submit accurate required information via the online return facility or payroll download and upload documents via the document upload facility.

Non i-Connect Employers/Payroll Providers: submit an accurate monthly notification spreadsheet to BPF via LGPSreturns@buckinghamshire.gov.uk by the 19th of the month following the month payroll action was taken.

Where an application is received to purchase APCs not related to a 'lost pension' period it should be sent to BPF for approval before deductions are made.

Action required by BPF:

On receipt of the monthly i-Connect submission/monthly notification spreadsheet from the Employer/Payroll Provider, BPF will update the member's pension account with the relevant amount of APC purchased.

Reserve Forces Services Leave

Any pay being paid to the member during a period of Reserve Forces Services Leave by the Employer is deemed as not pensionable. When an Employer provides the member with information (the employer and employee contribution rate and the amount of assumed pensionable pay they are payable on) to be passed to the MoD, they must also include details of any Additional Pension Contributions (APCs) or Additional Voluntary Contributions (AVCs) to be paid by the member during the period of Reserve Forces Services Leave.

When a member goes on Reserve Forces Services Leave and remains in the LGPS, the Employer will calculate APP. This drops into their pay cumulatives for the relevant LGPS section (main or 50/50) so effectively the member is accruing pension as if they were still at work. In this instance the Employer pays no employer contribution on the APP.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to identify any members who are on a period of Reserve Forces Services Leave and inform the MoD that they do not need to concern themselves with details of any pensionable pay paid to the member by the Employer. They will also need to ensure that they notify the MoD of any APCs/AVCs being paid in respect of any members who have been on a period of Reserve Forces Services Leave since.

Payments from Ministry of Defence (MoD)

If the MoD does not pay employer and employee contributions direct to the Fund in respect of a member who is on reserve forces services leave, but pays them to the Employer, the Employer must pay them to the Fund as part of their normal pay over.

Action required by the Employer/Payroll Provider:

Where a member had been on reserve forces services leave, the Employer/Payroll Provider must check to ensure contributions have not been received directly from the MoD and if they have, the Employer must pay these over to BPF immediately.

Action required by BPF:

On receipt of the annual return from the Employer/Payroll Provider BPF will update the member's pension account with the relevant amount of APP.

Sick Leave

Employee contributions should be taken on all pay received. Where the member goes onto a period of reduced or no pay leave, APP is added to the member's cumulative pensionable pay rather than the actual pay they received. If the member was in the 50/50 section prior to dropping to nil contractual pay because of sickness they should be returned to the main section from the beginning of the next pay period (provided they are still on no pay at that time). Employer contributions are payable on APP during the period the member is on reduced or no pay.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to ensure employee contributions are deducted from all pay received. Where a reduced or no pay period occurs, the Employer/Payroll Provider must ensure employer contributions are paid based on APP and that the relevant APP amount is dropped into the member's cumulatives. Column N on the monthly contribution tab on the Monthly Notification Spreadsheet should be populated where reduced/no pay occurs.

Action required by BPF:

On receipt of the annual return from the Employer/Payroll Provider, BPF will update the member's pension account with the relevant amount of APP.

Please note: Any breaks in membership that are not paid for by the member must be notified immediately to pensions@buckinghamshire.gov.uk using i-Connect via the online return facility or payroll download, or by the monthly notification spreadsheet. Failure to notify BPF of these breaks promptly could affect the calculation of the member's benefits when they leave or retire.

Changes in Payroll Provider

When you change payroll provider you need to inform BPF of the employees who are transferring to your new payroll provider, including details of their old payroll reference and new payroll reference.

Non i-Connect employers will also be required to submit year-end data for the period from 1 April to date, at the date of payroll transfer.

Providing us with this information will ensure that employee records are not created in duplicate or terminated in error.

Action required by the Employer/Payroll Provider:

Where necessary, the Employer/Payroll Provider will submit an accurate monthly notification spreadsheet to BPF by the 19th of the month following the month payroll action was taken. Where a non i-Connect Employer/Payroll Provider has ceased to provide a payroll service, they will also submit year-end data from 1 April to date.

Action required by BPF:

BPF will update the member's record with details of the change of payroll provider.

Employer Contributions

Employer contributions are not split between the two sections of the Scheme and are based on:

- the actual pensionable pay received by the employee in the pay period or part pay period i.e. the amounts added to CPP1 and CPP2 (not including any Assumed Pensionable Pay i.e. APP) except where the bullet point below applies, in which case the employer contributions are payable on the APP figure and not on any pay received whilst APP is in operation.

Cumulative Employer Contributions (CRC) = (CPP1 (not including any APP) + CPP2 (not including any APP)) * employer contribution rate

- the APP figure for the pay period (or part pay period) during which the member is on relevant child related leave (i.e. ordinary maternity, paternity, shared parental or adoption leave or paid additional maternity, paternity or adoption leave), or on sick leave on reduced or no pay, or on reserve forces services leave.

Note, however, that during reserve forces services leave the Scheme Employer does not directly pay employer contributions on the APP (and so there is no employer contribution to deduct via the payroll). Instead, the employer contributions on the APP figure are remitted by the MoD direct to the Pension Fund.

$CRC = (CPP1 \text{ (i.e. APP) } + CPP2 \text{ (i.e. APP)}) * \text{ employer contribution rate}$

The Employer contribution rate will be a single rate for all employees of that Employer and will be subject to change, possibly annually, but almost certainly after each triennial valuation of the Pension Fund. Rates should therefore not be hard coded into payroll systems and checks should be performed each April to ensure the correct rate (and deficit payment where applicable) is being applied.

Action required by the Employer/Payroll Provider:

Employers will be responsible for notifying payrolls of the employer contribution rate and any subsequent changes to it. If the employee is in the 50/50 section, the employer rate is still paid in full (not at half rate).

Estimates

BPF will provide up to two estimates without charge upon a request from an Employer.

Action required by the Employer/Payroll Provider:

To request an estimate:

i-Connect Employers: submit the request via the document upload facility on i-Connect

Non i-Connect Employers: submit the [“Employer Request for Estimate of Retirement Benefits”](#) form via email to pensions@buckinghamshire.gov.uk. The form includes the following information:

1. Member’s name
2. Date of Birth
3. National Insurance number
4. Payroll reference number
5. Proposed last day of service
6. Reason for retirement
 - Retirement (age 55+)
 - Redundancy and efficiency (age 55+)
 - Employer consent to switch on 85-year rule (age 55-60, discretionary policy required)
 - Flexible (age 55+, discretionary policy required)
 - Ill health retirement Tier1³
 - Ill health retirement Tier 2
 - Ill health retirement Tier 3
7. Final pay (if member has pre 1 April 2014 membership.)
8. Cumulative Pensionable Pay for the previous scheme year (1 April to 31 March) * if you have yet to submit your annual return and do not use i-Connect for your monthly notifications
9. Pensionable pay (actual pay received from 1 April to date estimate is required)
10. Assumed Pensionable Pay where member has had reduced pay sick leave or parental leave.
11. AVC options

If a member has pre 1 April 2014 membership, and the final pay in one of the previous two years is higher, this information must be provided as well (i.e. best of the last three years’ final pay).

If this form is incomplete or inaccurate, we will return the form to the Employer. We will advise the Employer of the error, end the workflow procedure and will not chase for the revised information. Once the form is revised and all the necessary information is provided, we will raise a workflow procedure and it will be treated as a new quote request.

Please refer to the section detailing the different types of retirement if you are not sure what type of retirement is required. If in doubt, phone BPF for advice. If a bulk request of more than 10 estimates is required, details can be submitted on a spreadsheet but must

contain all the criteria detailed above. Please contact BPF in advance of sending a bulk request so that timescales can be discussed.

In the case of early release of a deferred member's benefits, we don't require the "Employer Estimate Request Form" to be completed. Instead, please send an email to pensions@buckinghamshire.gov.uk requesting an estimate for early release of deferred benefits, stating the date they should be payable from.

Action required by BPF:

Figures will be provided within 10 working days of the request providing all the relevant information has been provided and there are no outstanding queries on the member's record.

Members can perform their own estimates on 'my pension online'. They may also request estimates from BPF. We will provide up to two estimates to members within a rolling year and their intended retirement date must be within 5 years of the date they request the quote. If a member makes a request, we will use pay information held on the member's record where possible. If the date for the estimate is within 6 months of the members retirement date, we will email the Employer/Payroll Provider for the final pay (2008 definition, if the member has pre 1 April 2014 membership) and the actual pay up to the date of the proposed retirement. If the final pay in one of the previous two years is higher this must be provided (i.e. best of the last three years' final pay).

The Employer/Payroll Provider will provide the final pay (if applicable) and actual pay figures to BPF within 5 working days of receipt of the request.

All other estimate requests must come from the Employer using the form provided as they are not voluntary and can only be triggered by the Employer.

For redundancy, efficiency, employer consent or flexible retirement estimates, the Employer must have a Discretionary Policy. If we do not hold a copy of the Employer's LGPS Discretionary Policy, we will not accept requests for quotes.

PLEASE NOTE: BPF will provide two pension estimates per member per year to an Employer as part of this SLA. If further quotes are required in a rolling year BPF will charge £15 plus VAT for each additional estimate.

Leavers

When a member leaves the LGPS, BPF are required to notify the member of their rights and options within 2 months of their last day of scheme membership.

Action required by the Employer/Payroll Provider:

i-Connect Employers: submit required accurate information via the online return facility or payroll download and upload documents via the document upload facility. Once submitted, a workflow will be generated on the i-Connect portal for input of final pay for each member. This should be completed within 14 days.

Non i-Connect Employers: submit an accurate leaving form (and if applicable a final pay calculation) by the 19th of the month following the month in which the member left to pensions@buckinghamshire.gov.uk and populate the leavers tab on the monthly notification spreadsheet. The only exception to this is if an overtime payment is outstanding in which case the employer should send the leaving form as soon as possible after payment has been made and should not wait until the next month's submission. The Leavers tab on the monthly notification spreadsheet should also be populated and submitted.

A final pay calculator spreadsheet is available to assist Employers/Payroll Providers with the calculation of final pay (2008 definition) where the member has pre 1 April 2014 benefits.

Where an employee is promoted or moves to another position with the same employer without a break in service, the employer should determine whether a single employment relationship exists. If so, it is not necessary to complete a leaver form as the member's LGPS pension account can continue. Nor do we need a leaving form if there is just a change in payroll provider. If there is a change in payroll provider, complete the payroll change tab and submit the monthly notification spreadsheet to BPF by the 19th of the month following the month payroll action was taken and provide, where possible, the contact details for the new/previous payroll provider.

If the employee moved to another position on a lower salary, this may have a detrimental effect to the member's pension benefits if they were in the scheme prior to **1st April 2014**. In these cases, the employer may determine that a single employment relationship does not exist and as such, you should notify via i-Connect submission or complete a 'Notification of Employee Leaving' form and send this to BPF as normal.

Any retrospective payments that come within the definition of pensionable pay will require the relevant employee and employer contributions to be paid on them. If further pensionable payments are made after termination of Scheme membership in a job and after data has already been submitted to us, the revised data (if the payment is made in the year of leaving) or new data (if the payment is made in a year after leaving) should be submitted to us, together with the date the additional payment was made. The additional pension derived from a retrospective payment made after leaving (e.g. from a backdated pay award or backdated re-grading) is treated as if it were received on the day before the active member's account was closed and the pension in the account is retrospectively recalculated. If the member has pre 1 April 2014 membership, the retrospective pay may result in a recalculation of the final year's pensionable pay. Further information can be found at [Pay award FAQs v1.0.pdf \(lgpslibrary.org\)](#).

Action required by BPF:

Will notify the member of their benefits within 20 working days of i-Connect action or receiving the leaving form, whichever is later.

Retirements

Retirement can take many forms:

Retirement

Retirement occurs when a member ceases employment at their Normal Pension Age (NPA) which from 1 April 2014 is their State Pension Age (SPA). The member's date of leaving is the eve of the day they attain their NPA and their benefits come into payment from their NPA without reductions. A member can choose to retire from age 55 and elect to receive reduced benefits. They can also retire after their NPA and receive increased benefits. The latest retirement benefits can be paid is age 75. However, if a member indicates they wish to take payment of their pension when they leave, regardless of their age, the employer should notify BPF of this.

Redundancy and efficiency

If a member has attained the age of 55 and leaves on grounds of redundancy or business efficiency, the pension benefits are payable immediately based on the membership accrued at date of leaving, without reduction for early payment. If the member has purchased additional pension via an APC or SCAPC, the pension as a result of the APC/SCAPC will be reduced. Pension strain will apply in all cases where the member hasn't attained NPA and employers are strongly advised to obtain an estimate prior to making their decision.

Employer consent

A member who has attained the age of 55, and is under the age of 60, can elect for immediate payment of benefits without employer consent. However, the Employer may still give consent to a member aged over 55 and under age 60 in order to apply the 85-year rule or waive reductions in accordance with their discretionary policy.

The 85-year rule does not automatically apply but the employer can "switch" the 85-year rule back on for pre 1 April 2014 benefits. If the employer switches the rule on and the member has already met the 85-year rule, the pre 1 April 2014 benefits are reduced by reference to the period from the date of retirement to age 60 and the post 31 March 2014 benefits are reduced by reference to the period from retirement to the member's SPA.

The Employer can waive the actuarial reduction on the pre 1 April 2014 benefits on compassionate grounds (at cost to the Employer) and can waive all or some of any actuarial reduction on the post 31 March 2014 benefits (at cost to the Employer).

Flexible retirement

From the age of 55 and with their Employer's consent, a member can retire, draw pension benefits in full or in part and continue to work in the same role, but with a reduction in hours and/or grade. This is an Employer discretion and all Employers must have a Flexible Retirement Policy. Pension strain may apply in some cases.

Ill Health retirement – active member

An active member who has qualifying service for a period of 2 years and whose employment is terminated by a Scheme employer on the grounds of ill-health or infirmity of mind or body before the member reaches NPA, is entitled to early payment of their benefits without reductions. There are two conditions that need to be met:

- that the member is, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in.
- that the member, as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment.

Please refer to the Local Government Association's (LGA) [Ill Health notes and certificates](#) for information regarding the process and documentation required for retirement on grounds of ill health.

A member is entitled to Tier 1 benefits if they are unlikely to be capable of undertaking any gainful employment. A member is entitled to Tier 2 benefits if they are not entitled to Tier 1 benefits, they are unlikely to be capable of undertaking any gainful employment within 3 years of leaving their employment but are likely to be able to undertake gainful employment before NPA. A member is entitled to Tier 3 benefits if they are likely to be capable of undertaking gainful employment within 3 years of leaving the employment, or before NPA if earlier, for so long as they are not in gainful employment, up to a maximum of 3 years from the date they left employment.

The pension payable is to be based on the member's accrued membership plus where applicable, an enhancement.

Tier 1

- the enhancement is an amount equal to the amount of earned pension the member would have accrued from the day after termination up to NPA, if that member had been treated as receiving APP, for each year and part year in that period

Tier 2

- the enhancement is 25% of the Tier 1 enhancement

Tier 3

- no enhancement where the member is likely to be able to undertake gainful employment within 3 years of leaving and are payable for so long as they are not in gainful employment.

If Tier 3 is awarded the person must inform the Employer if they obtain employment; and answer any inquiries made by the Employer as to their current employment status, including their pay and working hours.

Once Tier 3 benefits have been in payment to a person for 18 months, the Employer must make inquiries as to the person's current employment. If they are not in gainful employment, the Employer must obtain a further certificate from an independent registered medical practitioner (IRMP) as to whether, and if so when, the member will be likely to be capable of undertaking gainful employment. This can be the same IRMP who provided the first certificate. The decisions available to an Employer are:

- to continue payment of Tier 3 benefits up to the maximum period
- to award Tier 2 benefits to the member from the date of the review decision, or
- to cease payment of benefits to the member

The Employer must notify BPF and the member of any action they have taken as detailed above. If the pension is to cease the Employer must confirm to all parties the date that the cessation takes effect to ensure an overpayment does not occur. If the tier has been reassessed the Employer must provide BPF with a copy of the certificate from an IRMP.

An employer may, after receiving a request from a member in receipt of Tier 3 benefits or within 3 years after payment of Tier 3 benefits have ceased, make a determination to award Tier 2 benefits to that member from the date of determination. The employer must obtain a further certificate from an IRMP confirming that the member is permanently incapable of discharging efficiently the duties of the employment the member was engaged in and either:

- is unlikely to be capable of undertaking gainful employment before normal pension age; or
- is unlikely to be capable of undertaking any gainful employment within three years of leaving the employment but is likely to be able to undertake gainful employment before reaching normal pension age.

The Employer shall in any event notify BPF to discontinue the payment of benefits under tier 3 after they have been in payment to a person for three years.

Ill Health retirement – deferred member and deferred pensioner member

A deferred member or deferred pensioner member can apply to their former Employer in writing for payment of their benefits on ill health grounds. There are two conditions that need to be met:

- that the member is, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in at the date they became a deferred member
- that the member is unlikely to be capable of undertaking gainful employment before normal pension age, or for at least three years, whichever is sooner

Action required by the Employer/Payroll Provider:

i-Connect Employers: submit an accurate “Notification of Employee Leaving form”, (and if applicable, a final pay calculation) and any required certification to BPF at least 3 weeks before a member’s retirement date and no later than the 19th of the month following retirement via the document upload facility, ensuring the reason for leaving is included on the monthly submission.

Non i-Connect Employers: submit an accurate “Notification of Employee Leaving form”, (and if applicable, a final pay calculation) and any required certification to BPF at least 3 weeks before a member’s retirement date and no later than the 19th of the month following retirement to pensions@buckinghamshire.gov.uk.

You do not need to wait until you have made your final salary payment (unless the member has outstanding overtime payments in which case the employer should send the leaving form as soon as possible after payment has been made and should not wait until the next month’s submission.) BPF do not need the P45 at this stage, the P45 can be sent later. A

final pay calculator spreadsheet is provided to assist Employers/Payroll Providers with the calculation of final pay where a member has pre 1 April 2014 benefits.

If the person is retiring on grounds of:

- a) Redundancy/Efficiency - the Employer must complete the Retirement Certificate. This must be signed by a person authorised by the Employer to sign off early retirements.
- b) Employer consent/Flexible retirement – the Employer must complete the Retirement Certificate. This must be signed by a person authorised by the Employer to sign off early retirements. This applies for both active and deferred members.
- c) Ill Health – the ill health certificate as issued by Occupational Health must be sent to BPF along with evidence that explicit member consent has been received, which gives consent to processing by both the Employer and BPF ([How we protect the data we hold | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk)) If the employee is awarded Tier 3 Ill Health Retirement the employer must take the necessary action as summarised above. They must notify BPF and the employee of any decision they make. They must provide BPF with a copy of the notification they send to the employee. Where the member is a deferred or deferred pensioner member, please also confirm the date benefits are payable from.

For retirements detailed at a) and b), the Employer must have a Discretionary Policy. Please note that pensions are paid on the last working day of each month. The ‘close down’ for payroll input is the 15th of each month.

Any retrospective payments that come within the definition of pensionable pay will require the relevant employee and employer contributions to be paid on them. If further pensionable payments are made after termination of Scheme membership in a job and after data has already been submitted to us, the revised data (if the payment is made in the year of leaving) or new data (if the payment is made in a year after leaving) should be submitted to us, together with the date the additional payment was made. The additional pension derived from a retrospective payment made after leaving (e.g. from a backdated pay award or backdated re-grading) is treated as if it were received on the day before the active member’s account was closed and the pension in the account is retrospectively recalculated. If the member has pre 1 April 2014 membership, the retrospective pay may result in a recalculation of the final year’s pensionable pay.

Action required by BPF:

Will calculate the pension benefits and write to the member within 10 working days of i-Connect action or receiving the leaving form (and any relevant certification), whichever is later.

When the member has returned their forms, BPF will pay the lump sum (if applicable) and commence payment of the member’s pension on the next available payment run.

In the case of Tier 3 ill health retirement; on receipt of a revision of tier and ill health certificate, BPF will notify the person of the pension benefits payable within 10 working days. On receipt of a notice to cease an ill health pension, BPF will take the necessary action within 10 working days, including writing to the person to recover any overpayment.

Cost of early retirement (Pension Strain)

When benefits are paid earlier than normal, there may be a cost to BPF (known as pension strain) and Employers will be required to pay a contribution to meet the cost of the strain on the Fund. **This cost cannot be paid by the scheme member.**

Pension strain occurs where an Employer decides to retire someone early who is aged over 55, other than on ill health grounds or in some flexible retirement cases. Pension strain does not apply when the member makes a voluntary election to take payment of their benefits early from age 55. Their benefits are actuarially reduced to account for early payment.

The Employer will be sent an invoice soon after the retirement has been processed for the full amount of pension strain due.

Death in Service

If a member dies in service, there is a death grant payable of three times their annual APP. Where a member dies in service with less than 2 years qualifying service, they are deemed to have met the 2-year vesting period. If the member had completed an Expression of Wish form or made a nomination via 'my pension online', the death grant can be paid straight away to the nominated person, persons or charitable trust (subject to the discretion of BPF); otherwise BPF has discretion regarding payment.

If there is a widow, widower, civil or eligible cohabiting partner and/or eligible children, there may be survivors' pensions payable to them.

Ignoring reduction in contractual hours

When calculating the assumed pensionable pay in respect of a death in service grant, or the enhancement added to a survivor's pension, any reduction in the member's contractual hours is to be ignored, if in the opinion of an IRMP, the member was at the date of ill health retirement/death in service in part time service wholly or partly as a result of the condition that caused/contributed to the member's ill health retirement/death.

Action required by the Employer/Payroll Provider:

If possible, please obtain a copy of the death certificate and where appropriate copies of the birth and marriage/civil partnership certificates from the widow/widower/civil partner and copies of birth certificates of any eligible children.

In all cases the Employer/Payroll Provider will need to notify BPF of the member's death using the "Notification of Employee Leaving form", giving the name and address of the person/next of kin to contact. Notification should be made within 5 working days of receiving notification of the member's death.

i-Connect Employers: upload documents via the document upload facility within 5 working days of receiving notification of the member's death. Accurate final figures to be uploaded via the usual monthly i-Connect submission.

Non i-Connect Employers: submit an accurate "Notification of Employee Leaving form" and, if applicable, final pay calculation to pensions@buckinghamshire.gov.uk within 5 working days of the receiving notification of the member's death.

Action required by BPF:

BPF will calculate the benefits due and write to the next of kin within 5 working days of i-Connect action or receiving the leaving form (and any relevant certification), whichever is later.

Requests for general information and advice

From time-to-time BPF require additional information in order to provide Scheme members with details of their pension entitlement. BPF may make additional requests for general information outside of the normal cycle for receipt of information.

From time-to-time Employers/Payroll Providers may require information or advice from BPF regarding a Scheme member's pension entitlement. Requests relating to a specific scheme member should be emailed to pensions@buckinghamshire.gov.uk. General employer queries should be emailed to employers@buckinghamshire.gov.uk.

Requests from either party for information/advice should be responded to within 5 working days of receipt of the request.

Communications

Employer Information

Guides, forms, training and policies in relation to employers can be found on our website at [Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/employers-guides-forms-and-booklets-pensions)

Scheme Literature

Current forms/guides available on our website:

- [Death in service grant | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/death-in-service-grant-pensions)
- [What is the LGPS | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/what-is-the-lgps-pensions)
- [Pay less into your pension | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/pay-less-into-your-pension-pensions)
- [Join or re-join the LGPS | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/join-or-re-join-the-lgps-pensions)
- [Opting out of the LGPS | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/opting-out-of-the-lgps-pensions)
- [Outsourcing your payroll as an LGPS employer Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/outsourcing-your-payroll-as-an-lgps-employer)
- [Employee's IDRPs Guide and Form Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/employee-idrp-guide-form)
- [Employer's IDRPs Guide Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/employer-idrp-guide)

Employee Communications

BPF hold webinars for LGPS members and from time-to-time, send Employers an LGPS communication for the attention of their employees. BPF requires employers to forward details of these to all employees where relevant. 'my pension online' is our member self-service portal, offering LGPS members online access to their pension account. Members can register or login at <https://ms.buckinghamshire.gov.uk/>

Employer Newsletters

In early April, July, October and January of each year BPF issue an Employer newsletter, In-Form. This is our quarterly update summarising regulatory/scheme changes, clarifying our processes, providing staff updates and other relevant information such as bite size training features. It is essential that all Employers read and, where applicable, action items detailed. More information about In-Form and previous issues can be found on our [dedicated webpage](#).

Action required by the Employer/Payroll Provider:

BPF will send LGPS member update newsletters to the Employer. The Employer will distribute these updates to their employees.

Employers should read and action, where applicable, items mentioned in our quarterly Employer newsletters.

Employer Training

To increase your knowledge and understanding of the employer role within the LGPS, we run a rolling training program.

Virtual training is delivered via MS Teams. More information about upcoming events can be found at [Employer events and training | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/employer-events-and-training-pensions).

Employers can also request one to one training with their Employer Liaison Officer. Employer Liaison Officers are able to support employer's with using this guide and providing information to the Fund. For a fee, employers can also request bespoke training presentations for employees.

Member webinars

We run member webinars from time-to-time. Please refer to [Employer events and training | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk/employer-events-and-training-pensions) for further details of upcoming events.

For a fee, we may be able to offer bespoke events at your organisation. Due to a high demand for presentations, BPF cannot offer the in-person service to groups of less than 20 people. A presentation will be cancelled unless the required number of employees is available. A charge may apply for Induction and General LGPS presentations dependent on the number of presentations an Employer requests. A charge will apply for member surgeries, dependent on time and the BPF staff required to deliver them. When permissible, to arrange an in-person presentation, please email employers@buckinghamshire.gov.uk.

Triennial Meeting

A Pensions General Meeting (PGM) is held every three years in December in the year prior to the Fund valuation results being published. Reports are given on the performance of the Fund, benefit entitlements and details of any changes due to take place in the following year. There are opportunities for Employers to raise questions. Details of the meeting will be publicised in the quarterly employer newsletter and on our website.

Employer Discretions

Scheme employers are **required** to have a mandatory written policy in relation to the following discretions:

1. Whether, how much, and in what circumstances to contribute to a shared cost APC scheme (by up to £8,344 on 1 April 2023.)
2. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).
3. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.
4. Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership).
5. Whether to 'switch on' the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).
6. Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership):
 - a) on compassionate grounds (pre 1 April 2014 membership) and/or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006,
 - b) on compassionate grounds (pre 1 April 2014 membership) and/or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive,
 - c) on compassionate grounds (pre 1 April 2016 membership) and/or, in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,
 - d) on compassionate grounds (pre 1 April 2020 membership) and/or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.
7. Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £8,344 on 1 April 2023.)

Scheme employers are required to formulate, publish and keep under review a policy statement in relation to the exercise of several discretions under the LGPS. Each Employer should have sent a copy of its statement to BPF before 1 July 2014, or if later, within 3 months of admission to the Fund and at any time after a review/when changes are made.

A guide to LGPS discretionary policies, along with a list of all discretions which scheme employers may exercise under the LGPS Regulations 2013 is available at:

[Guides and sample documents \(lgpsregs.org\)](http://lgpsregs.org). Scheme employers should have a written policy on all mandatory discretions listed in the guide.

In addition to the mandatory discretions there are also five discretions in respect of which it would perhaps be appropriate for Scheme employers to have a written policy in order that members can be clear on the employer's policy on these matters.

They are:

1. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014
2. Whether to extend the 12 month time limit within which a Scheme member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership)
3. How the pension contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March)
4. Whether or not, when calculating assumed pensionable pay when a member is:
 - a. absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
 - b. absent on reserve forces service leave, or
 - c. retires with a Tier 1 or Tier 2 ill health pension, or
 - d. dies in service
5. To include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

For help or advice on any of the above discretions, please visit <http://lgpsregs.org/resources/guidesetc.php> and view/download the Discretions Policies guidance.

Outsourcing

This section provides general information for employers that are letting contracts and schools that are converting to academy status. When considering either of these, an employer/school should contact BPF via employers@buckinghamshire.gov.uk.

The TUPE Liaison Officer will contact you regarding your request and provide details on the steps that must be followed to gain admitted body status (if letting a contract) or steps to convert to academy status (schools).

There are fees involved in applying for admitted body status/converting to academy status. The process for both admitted body status/academy conversion can take some time and employers/schools are asked to notify BPF as early as possible in the process.

Data will be required for each eligible LGPS employee so that BPFs actuary can assess assets and liabilities and set an employer contribution rate.

Our default approach for admission agreements for admitted body status is via a passthrough arrangement. The letting authority and the new employer agree a fixed rate to apply for the duration for the contract, with and difference in the cost between the rate and the cost of providing benefits being allowed for in the letting authority's rate at the next triennial valuation.

Exiting Employers

When a Scheme employer exits the Fund and becomes an exiting employer, as required under the Regulations, the Fund Actuary will be asked to carry out an actuarial valuation in order to determine the liabilities in respect of the benefits held by the exiting employer's current and former employees. The Fund Actuary is also required to determine the exit payment due from the exiting employer to the Fund or the exit credit payable from the Fund to the exiting employer.

An employer exits the Fund if,

- the last active LGPS member of a designated body (schedule 2, part 2 – parish/town councils) leaves or retires, and the employer chooses to offer an alternative pension provision to future employees.
- the last active member of an admitted body (schedule 2, part 3) leaves or retires, or the employer's contract of service comes to an end.
- an employer becomes insolvent.

Any deficit in the Fund in respect of the exiting employer will be due to the Fund as a single lump sum payment, unless it is agreed by BPF and the other parties involved that an alternative approach is permissible. For example:

- it may be agreed with BPF that the exit payment can be spread over some agreed period;

- the assets and liabilities relating to the employer may transfer within the Fund to another participating employer; or
- the employer's exit may be deferred subject to agreement with BPF, for example, if it intends to offer Scheme membership to a new employee within the following three years (suspension notice).

Details of the available options are set out at [Funding and investments | Pensions \(buckinghamshire.gov.uk\)](https://www.buckinghamshire.gov.uk).

Similarly, any surplus in the Fund in respect of the exiting employer may be treated differently to a payment of an exit credit, subject to agreement between the relevant parties and any legal documentation.

In assessing the value of the liabilities attributable to the exiting employer, the Fund Actuary may adopt differing approaches depending on the employer and the specific details surrounding the employer's cessation scenario.

The cost of the actuary's report, any legal expenses incurred by the Fund and the time spent by Fund Officers completing the exit, will be recharged to the Scheme employer.

McCloud Judgment

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 applied 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 will change due to the McCloud judgement.

The remedy

The remedy is an extension of the existing underpin. To apply the remedy, 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 includes those that have already left the scheme.

Data collection template

We provided a draft copy of the data collection template on 7 August 2020 to assist you with your planning to supply this data and to ensure you had adequate systems in place to store the data ready for retrieval. You were also advised to check with any third-party payroll provider that they were storing this data correctly. Data required to be submitted via the template was for the period 1 April 2014 to 31 March 2021. For the year 1 April 2021 to 31 March 2022, you were required to submit data via your usually monthly data submission.

In March 2021, we began issuing employers with the McCloud historic data collection template to collect data for the period 1 April 2014 to 31 March 2022. To assist in this process, we populated the template with details of staff we expect to be in scope for the remedy. We asked that you check this data, correct any errors and add any missing information.

Position on 1 April 2024

Final Regulations have now been received. There are still a number of employers that have not returned the completed template. It's really important that you submit your historic data to us as soon as possible. We understand that providing the data represents additional work, however, you are required by law to provide us with information that allows us to calculate members' pension benefits. Unless an employer has become defunct, data is required in order for BPF to apply the remedy.

Employers are responsible for retaining payroll data appropriate to pensions, including where they change payrolls. When changing a payroll, retention of this data should be considered within the new contract. Historical data is not only needed for McCloud, it may also be needed for a reduction in pay calculation (Benefit Regulation 10 LGPS2007) which goes back further than the McCloud data period.

Should an employer who is not defunct fail to provide the required data, an administration charge in line with the [Pension Administration Strategy](#) will be levied.

Action required by the Employer/Payroll Provider:

Where not already actioned, provide full accurate data on the data collection template, and return to BPF.

Action required by BPF:

BPF will verify the data and return any queries to the employer for resolution.

Appendices

- I. Instructions for completing the Monthly Return spreadsheet
- II. Year-end Process
- III. Notes on Final Pay
- IV. Protected Members/Early Payment of Pensions
- V. Contact details

Instructions for Completing the Monthly Notification Spreadsheet

The purpose of the spreadsheet is to allow both the Employer and BPF the opportunity to check contributions paid.

- On the spreadsheet the “Instructions” tab details the cells that need to be completed.
- On the Employee Data tab, the data input areas have been highlighted in blue.
- There are some checks in the Employee Data tab – these are meant to be warnings of potential errors and can be ignored if the Employer is satisfied that the information is correct.

The Employee Data Tab

Information is required for each employee’s contribution for the month:

1. Employee’s surname
2. Employee’s forename
3. Payroll reference number
4. Employee’s National Insurance number
5. Main section pensionable Pay (CPP1)
6. 50/50 section pensionable pay (CPP2)
7. Main section employee contributions (CEC1)
8. 50/50 section employee contributions
9. Additional pension contributions - employee (EAPC CAC)
10. Additional pension contributions – employer (RAPC CAC)
11. Additional Voluntary Contributions (EAVC CAC)
12. Additional Regular Contributions (ARCs)
13. Added years
14. Absence indicator
15. Reduced pay due to sickness indicator
16. Employer’s contributions (CRC)
17. Employee refunds

Once this information has been downloaded/input into the spreadsheet the columns to the right will be populated confirming employee contribution band and any contribution overpayment/ underpayment. These checks are only meant to be a guide to whether the data is correct.

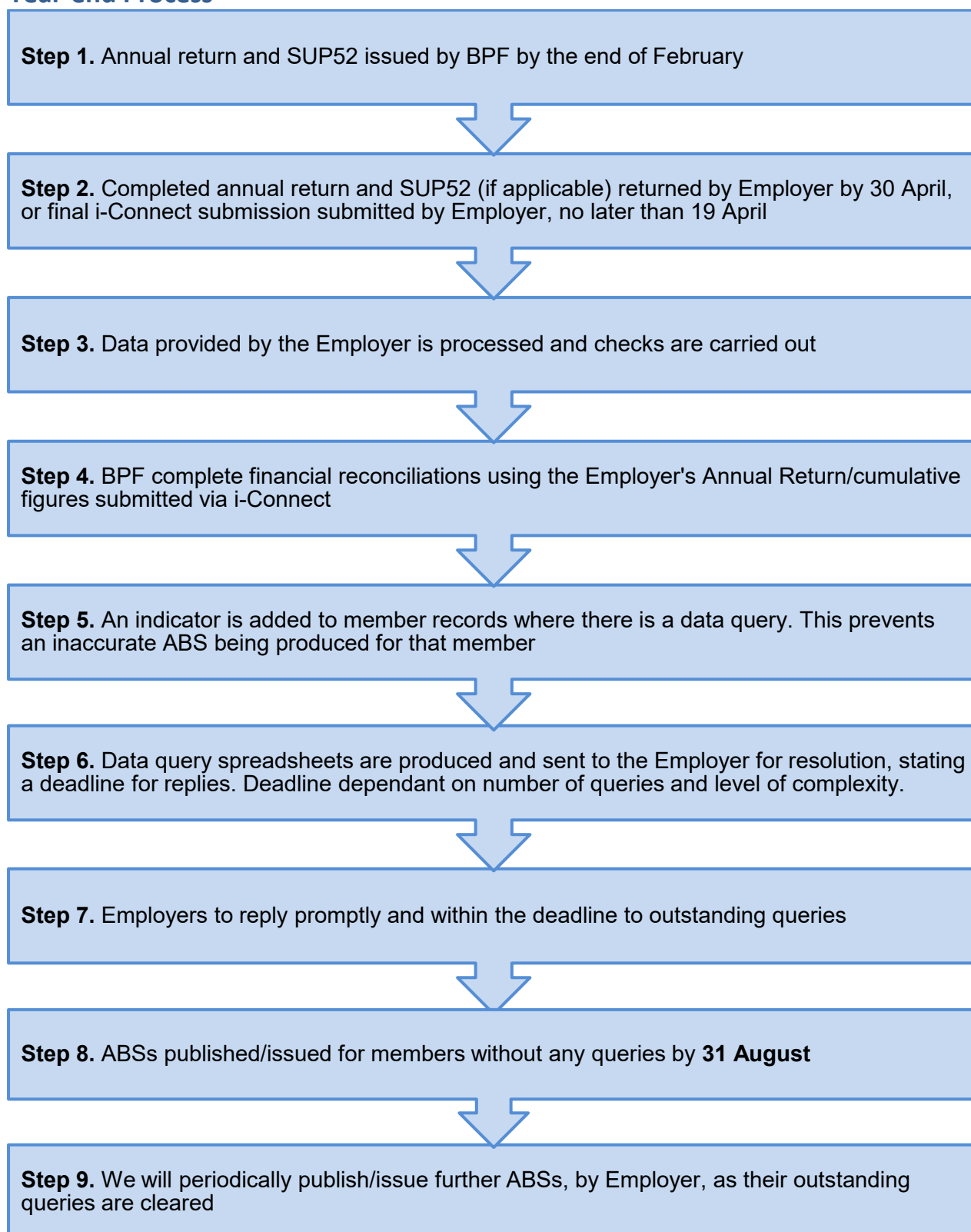
Completion of form

Once the contribution data for the month has been entered, please check the summary tab. Please check that the “total contributions paid over” box on the summary agrees with amount you have paid/are going to pay to BPF.

Return Instructions

On completion, the spreadsheet should be submitted to BPF via Egress or with password protection. If you have any questions, or require any assistance with completing the spreadsheet, please email lgpsreturns@buckinghamshire.gov.uk and a Pensions Finance Officer will respond to you as soon as possible.

Year-end Process



Please note:

- Timing for Steps 6 and 7 will depend on the size of the Employer's membership and number/complexity of queries raised.
- If outstanding queries are not resolved by 31 August, the affected members will not be provided with an ABS by the statutory deadline.

- ABS will be published via 'my pension online' and we will only issue paper ABS for members who opt out of 'my pension online'. These will be sent to the member's home address.

3. Notes on Final Pay for members with pre-1 April 2014 membership

The 2008 Scheme⁴ Regulations state that an employee's pensionable pay is the total of:

- Salary, wages, fees, and other payments made to him for his own use in respect of his employment.
- Any other payment or benefit specified in his contract of employment as being a pensionable emolument.

And does not include:

- Non-contractual overtime
- Travel, subsistence or other allowance paid in respect of employee expenses
- Payment for loss of holiday entitlement
- Payment in lieu of notice of termination of contract
- Payment as inducement not to terminate contract

Pay must be taxable to be pensionable but not all taxable pay is pensionable.

Final pay, broadly speaking, is the pay on which contributions were paid, or deemed to have been paid, in the last 365 days of employment (366 in a leap year). If, on or after 1st April 2008 and within 10 years of leaving, a member (voluntarily or compulsorily) has restricted pay, reduces their grade, or moves to a position with less responsibility, the employee can choose to use the average of any 3 consecutive years pay in the last 10 years ending on a 31st March (plus RPI from the end of the 3-year period). Certain exclusions apply (flexible retirement) and BPF should be contacted for any clarification.

If there is a gap in contributions, due to a leave of absence other than sickness, the final pay should be calculated based on the period actually worked and proportioned to a full year (see examples). In the event of a trade dispute break the final pay is assessed on the days payment was received in the last 365 days (366 in a leap year) and the amount is multiplied up to a full year. Where there has been an absence due to sickness, any reduction in pay and contributions is treated as though it had not occurred. If a member buys extra annual leave but does not take an APC to buy back the lost pension for that period, the extra annual leave is deemed to have been taken at the start of the annual leave year. E.g. if a member buys 5 days of annual leave but does not buy an APC to cover that period, and the annual leave year starts on 1st April, the extra days leave are deemed to be taken on 1-5 April, irrespective of when the member chooses to take those extra days leave. Therefore 1 - 5 April should be classed as a break in the final pay calculation.

Calculation of final pay

An Excel spreadsheet to calculate final pay for a monthly paid employee can be found at [Employers' guides, forms and booklets | Pensions \(buckinghamshire.gov.uk\)](http://www.buckinghamshire.gov.uk/employers-guides-forms-and-booklets/pensions)

The full definition of Final Pay under the 2008 Scheme regulations is available from <http://www.lgpsregs.org/timelineregs/LGPS2008Regs/SI20140044/20071166.htm> (See Regulation 4).

Details on how to populate the spreadsheet are provided at the top of the relevant tab. If you have any questions on how to complete the spreadsheet, please contact your Employer Liaison Officer.

IV. Protected Members/Early Payment of Pensions

What is the 'Rule of 85'?

Normal Pension Age (NPA) in the Local Government Pension Scheme is the same as the person's state pension age (subject to minimum of 65) for all pension benefits built up from April 2014 and is the same for both men and women. For pension benefits built up before April 2014, the NPA is age 65.

However, under the Rule of 85 it is possible for some Scheme members to retire between 60 and their state pension age, without their benefits being reduced. Their age and service in whole years must add up to 85. So, for example a Scheme member aged 60 with 25 years membership (adds up to 85) could retire immediately with their full pension entitlement (depending on their date of birth and date joined the scheme - see below).

The Amendment Regulations 2006 provided for the 'Rule of 85' to be phased out from 1 October 2006 for new members. For existing members this date was changed to 1 April 2008 with protection for some older Scheme members. Some further changes to how the 'Rule of 85' operate were introduced in April 2014.

Important: Any member who leaves between age 55 and 59, and who would normally meet the rule of 85 calculation before the age of 60, is now treated as having a rule of 85 date on the date they turn 60 years old. As the provision currently stands, Scheme members will fall into 5 categories, which are as follows:

1. New Scheme Members – joining after 1 October 2006

These members' normal pension age will be their state pension age for post April 2014 benefits and 65 for pre-April 2014 benefits. If they choose to retire from age 55, their benefits will be reduced.

2. Existing Scheme members who joined before 1st October 2006 and will not achieve the 'Rule of 85'

These members are totally unaffected by any changes. If they retire between age 55 and state pension age, their pension and lump sum would have been reduced anyway as their age and service does not add up to 85. They can still retire at any age between 55 and state pension age but their benefits will be reduced.

3. Scheme members who joined before 1st October 2006 and were born before 1st April 1956 and can achieve the 'Rule of 85'

These members are protected by the transitional arrangements and can retire at the date they meet rule of 85 (although if the member is under age 60, then from age 60) without any reduction to any of their pre-April 2016 benefits. Any benefits built up from April 2016 will have a normal pension age of state pension age (subject to a minimum of age 65) and therefore, the post April 2016 benefits would be reduced with reference to the period between date of leaving and state pension age

4. Scheme members who joined before 1st October 2006 and were born between 1st April 1956 and 1st April 1960 and can achieve the 'Rule of 85' before 2020

All benefits they have accrued up until April 2008 will not be reduced at the date the member meets the rule of 85 (although if the member is under age 60, then from age 60).

These members will have some protection from a full early retirement reduction on the benefits built up from 1 April 2008 to 31st March 2020. For any membership built up from April 2020, a normal pension age of state pension age will apply and therefore, the April 2008 to March 2020 benefits would be reduced by a tapered reduction and any post April 2020 benefits would be reduced with reference to the period between date of leaving and state pension age

5. Scheme members who joined before 1st October 2006 and were born after 1st April 1960

All benefits they have accrued up until April 2008 will not be reduced at the date the member meets the rule of 85 (although if the member is under age 60, then from age 60). Benefits built up between 1 April 2008 and 31 March 2014 will have a normal pension age of 65 while all benefits built up from April 2014 will have a normal pension age of state pension age (subject to a minimum age of 65 applying). Therefore, the April 2008 to March 2014 benefits would be reduced with reference to the period between date of leaving and age 65 and the post April 2014 benefits would be reduced with reference to the period between date of leaving and state pension age.

What reductions will be applied to the Pension and Lump Sum?

The table below shows an extract of the reductions that will apply to the pension and lump sum depending on the number of years from their retirement date to Normal Pension Age (or the date the 85-year rule is satisfied, if they are covered by one of the 85-year rule protections highlighted earlier).

No. of years paid early	Pension reduction	Lump sum reduction
0	0.0%	0.0%
1	4.9%	1.7%
2	9.3%	3.3%
3	13.5%	4.9%
4	17.4%	6.5%
5	20.9%	8.1%
6	24.3%	9.6%
7	27.4%	11.1%
8	30.3%	12.6%
9	33.0%	14.1%
10	35.6%	15.5%
11	39.5%	
12	41.8%	
13	43.9%	

The “number of years paid early” column is used to determine the reduction applied to the benefits you built up before 1 April 2014. This is the number of years earlier than your protected Normal Pension Age benefits are paid. Protected Normal Pension Age for almost all members is age 65.

V. For more information contact:

Pensions & Investments Team
Buckinghamshire Council
Walton Street Offices
Walton Street
Aylesbury
HP20 1UD

Website: <https://lgps.buckinghamshire.gov.uk/>

Email: employers@buckinghamshire.gov.uk