

# LGSS Pensions Employer Newsletter

Issue 11

Summer 2019

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**Welcome** to the Summer edition of our employer newsletter.

What a great start to Summer we've had, with parts of the UK recording the hottest day of the year already.

Whilst most people will be thinking about rolling out their picnic blankets, here at LGSS Pensions, we are continuing to roll out our new monthly data collection process. We have already tried this with a pilot group and are now ready to move the next group of employers to monthly data. We will be providing a number of training webinars on monthly data collection and you can find the dates for these sessions on page 3. I highly recommend these sessions.

The world of pensions is never quiet and there have been a number of regulatory changes over the last year and the government have issued a number of consultations for further change. On page 4 you will find a summary of some of these changes and on page 5 we have provided an overview of the latest government consultation. I encourage you to read this important consultation which is seeking views on changes to the local valuation cycle and management of employer risk.

Keeping with the theme of change, Mio Yewman has joined the employer services team, replacing Richard Sultana who now manages our member casework teams. We also have a new communications officer, Sharon Grimshaw, who will be looking after both employer and member communications. You can find out a little more about Sharon on page 6.

I hope you find this edition of the newsletter useful and interesting. As always, we value your feedback and would love to know your thoughts.

*C. Blose*

Employer services and Systems manager

The Employer Services Team: Contact us on 01604 364642 or [PenEmployers@northamptonshire.gov.uk](mailto:PenEmployers@northamptonshire.gov.uk)



**Mio Yewman**  
Employer Liaison Officer



**Kate Escudier**  
Employer Liaison Officer



**Louise Hogan**  
Pensions Officer



**Ana NealGonzalez**  
Pensions Officer



## News in Brief

### Employer forum

We recently hosted our 2019 Spring Employer Forum and received positive feedback on what proved to be an interesting and informative event.

Our actuaries explained how pension benefits are funded, the importance of carrying out a valuation and the process of setting employer contributions rates.

They also highlighted the importance of timely, accurate information, as incorrect data could mean an employer paying much higher contribution rates than they need to.

Our next forums will be in December 2019, where we look forward to providing you with your new contribution rates.

### Electronic communications

We've recently partnered with Granicus to use their govDelivery email service, to provide more effective communications for members and employers. Please keep your [contact details](#) up-to-date and remind your members to do the same by logging into their [online pension account](#)

### Monthly data collection

In April we started the roll-out of our new process for monthly data collection. This will replace the year end return and will hopefully make your life easier by removing the need to send us a years worth of data at what is already a very busy time for you and automating much of the process.

Two options will be available: you can send us a monthly extract from your payroll system or smaller employers can log in to a new secure data portal to provide us with a monthly update.

We have recently tested the new portal with a pilot group of small employers and feedback has been very good with the group finding the process straightforward to use.

We'll be in touch to talk you through the implementation process and agree a date for moving to monthly data collection.

## Pensions Quiz

1. What age will the State Pension increase to by October 2020?
2. What % of British people aged 65-69 are still in employment?
3. What % of GDP does the government spend on pensions?
4. On average how many years longer do women live than men?

## Dates for your Diary

3 July 2019	Exit payment cap consultation closes
4 July	Ill Health Retirement webinar 10am
24 July	Monthly data collection webinar (10am & 2pm)
31 July	Valuation cycles consultation closes
28 August	Monthly data collection

Answers on page 5

## LGPS regulatory update

### Deferred members minimum retirement age

Last year we let you know about a change to the Local Government Pension Scheme rules, if your members left with a deferred benefit before 1 April 1998. We told you that the rules had been changed to allow them to take their benefit at the age of 55 (rather than 60) or their normal pension age. Their normal pension age will be between the age of 60 and 65 depending on when they joined the scheme – they can find this information on their deferred benefit statement.

**A further change to the scheme rules has been made which now allows them to take their benefit from the age of 55** (rather than only at the age of 55 or normal pension age) – their former employer doesn't need to provide consent for them to take their benefits between the age of 55 and their normal pension age. They must take payment of their deferred benefit at their normal pension age (if they haven't taken payment before).

**Also, they no longer have to leave all local government employment to take payment of their deferred benefit.** This means that if they're working in another local government employment (ie a different employment to the one they were in when they built up their deferred benefit) they can now choose to take payment of their deferred benefit and continue in their local government employment.

**The above changes are backdated to 17 April 2018.**

### Survivor benefits - same sex spouses and civil partners

**There's been a change to the scheme rules so that survivor benefits payable to a same sex spouse or a civil partner are equal to those paid to the widow of a male member.** The change is backdated to the date the civil partnerships and same sex marriages were introduced – which is 5 December 2005 for civil partnerships and 13 March 2014 for same sex marriages.

This means that where a member of the LGPS has died leaving a surviving civil partner or a same sex spouse, the survivor's pension will need to be reviewed and any additional amounts paid, where applicable. We're in the process of reviewing the impact of this change and will be contacting affected civil partners and same sex spouses in due course.

The change will automatically be taken into account in survivor benefits paid to civil partners and same sex spouses in the future.

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### Expansion of the underpin

When the LGPS changed to a career average scheme, on 1 April 2014, active members within 10 years of their normal retirement age at 1 April 2012, who meet other certain requirements, have any benefits built up after the change protected to ensure they are at least equal to what they would have received under the old final salary arrangements. This has now been extended to include those who transferred benefits from another public service pension scheme, after 1 April 2014.



## Valuation cycles and management of employer risk

Your views are being sought by the Ministry of Housing, Communities and Local Government on this very important [consultation](#) which could have a significant impact on the way the LGPS operates in England and Wales. It includes proposals for:

- **Moving local Fund valuations** from three to four years from 2024 in line with the valuation of other public sector schemes.
- **Transitional arrangements** with a preferred option for valuations in 2022 and 2024. The 2019 valuation would therefore set contributions for April 2020 to March 2023 and the 2022 valuation would set contributions for two years to March 2025. The 2024 valuation would then set contributions until 2029.
- **Giving Funds powers to take interim valuations** for all or individual employers.
- **More flexibility in managing employers that exit the LGPS**, by spreading cessation debt repayments or setting up private sector style 'deferred debt' arrangements to ease employer concerns over affordability.
- **Restrict exit credits** where risk sharing has been in place.
- **Great flexibility for colleges and universities** by removing the requirement to offer non-teaching staff access to the LGPS. Under these proposals such employers will be able to decide whether or not to offer the LGPS in the future.

Current active LGPS members and those eligible for active membership in an employment with a further education, sixth form college, or higher education corporation in England would have a protected right to membership of the scheme.

**The consultation closes on 31 July.** To have your say, please read the [consultation](#) and either:

**email** [LGPensions@communities.gov.uk](mailto:LGPensions@communities.gov.uk)

Or send a **postal responses** to:

LGF Reform and Pensions Team  
Ministry of Housing, Communities and Local Government  
2nd Floor, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

Remember to make it clear which questions you're responding to; confirm whether you're replying as an individual or on behalf of an organisation and include:

- your name
- your position (if applicable)
- the name of organisation (if applicable)
- an address (including post-code)
- an email address, and
- a contact telephone number.

## Pension Quiz Answers

1. 66
2. 20%
3. 8.4%
4. 3

## 2 Minutes with... Sharon Grimshaw

Sharon is our new Communications Officer. She's responsible for developing and delivering our communications plan and statutory bulk communication projects.

### **How long have you worked in communications?**

I've worked in communicating financial services for over 16 years. I really enjoy the challenge of communicating complex products in a simple, straightforward way.

### **What's your favourite part of your job?**

I love the variety. From making website improvements, keeping employers and members up to date with pension changes, to sharing best practice with other funds.

### **What's the most challenging part of your job?**

Occasionally, changes are made that affect pensions, which give us very little time to work out and communicate the impact to employers and members.

### **What's your greatest achievement?**

I'm very lucky to have two healthy boys aged 12 and 9 who continue to make me very proud every day.

### **What's the one thing in the world you couldn't live without?**

Holidays! I love to travel and explore new places. It also means I get to spend quality time with my family.

### **If you could go anywhere in the world, where would it be?**

Iceland. It looks like a very unique and fascinating place to explore!

## And now for something completely different...

Summer brings the longest days and shortest nights and many of us take advantage of this by booking our holidays at this special time of year. Here's some fun facts about Summer that you might not know:

- Milton Keynes' Midsummer Boulevard is designed so that when the sun rises on the solstice, it shines straight down it and reflects in the glass of the train station.
- Ancient pagans celebrated midsummer with bonfires. It was believed that the crops would grow as high as a couple could jump across the fire!
- The Earth is furthest away from the sun during solstice. The warmth comes from the tilt of the Earth's axis not from how close it is to the sun.
- In 2011, the 30 July was declared as the International Day of Friendship by the United Nations. Why not invite the neighbours for a barbecue to celebrate!



## Contact us

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