LEAF

26 September 2018

Housekeeping



Fire procedures

Refreshments





Facilities

Introductions



What today looks like



- General update
- LGPS amendment regulations
- Employer administration
- The view from the Fund
- Member engagement


Road map for 2018
New fire client 1/3/2018
March returns due 19/4/2018
Annual Statements April - August
New fire client x3 1/4/2018
GDPR live 25/5/2018
New fire client 1/6/2018
New fire client 2/7/2018
TPR Scheme return July/August
New LGPS client 1/8/2018
Annual Allowance 6/10/2018
Christmas party!

General update

- Hounslow Pension Fund joined in August
- Hereford & Worcester Fire to join in October

General update

- WYPF won LGPS Fund of the Year and the Scheme Administration Award at LAPF Investment Awards 2018



General update

- Bulk emails are changing (Granicus)
  - Testing in October and monthly round-up in early November

- myPENSION for members – new platform in the pipeline

General update

- TPAS and the Pension Ombudsman have moved
  - Check your internal documents

The Pensions Advisory Service
11 Belgrave Road
London
SW1V 1RB
0800 011 3797

Pension Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU
0800 917 4487

- Newsletters out to active, deferred and pensioner members
  - Be ‘Scam Smart’

Pension Scams

- Scam Smart, new campaign by FCA, partnered with tPR
- Publicise in your organisations
- If contacted by a ‘phishing attempt’ report it

  https://www.actionfraud.police.uk/report_fraud
- Bans on cold calling to be introduced



The Pensions Regulator

FCA FINANCIAL CONDUCT AUTHORITY

West Yorkshire Pension Fund

Lincolnshire Pension Fund

London Borough of Hounslow

PO Box 67 · Bradford · BD1 1UP
www.wypf.org.uk

lgps

TPR scheme return

- Due to be sent out in next few days

- Conditional data (common and scheme-specific) – for the first time the data needs to be scored.
  - How? Local decision so there will be variance across the country

The Pensions Regulator

GDPR

- Been in place since 25 May this year
- Still discussion about retention periods for Funds
  - Employers – Please do keep 13 years of pay information & opt out forms
- Register with Galaxkey
- Still got concerns? Use the ICO's

[Data Protection self assessment toolkit]

ico.
Information Commissioner's Office

Gender recognition and pensions

- Consultation currently about amending the Gender Recognition Act 2004 to make it less bureaucratic and intrusive
  - Recent case law regarding transgender woman's claim for state pension at age 60 – no current impact on the LGPS
  - Currently member/employer need to provide a copy of the new birth certificate showing the newly acquired gender
  - Titles on our system – we **can** hold a non-binary title of Mx if desired

Employer discretions

- New regulations mean some new discretions
- Very mild change
- New pro forma will be sent out shortly (currently in draft)

Over to Kaele….

- Regulatory update
- Annual statements
- Data quality
- Pre-retirement workshops

Amendment regulations

- Finally, the long awaited amendment regs came into effect from 14 May 2018
- Mostly technical/drafting corrections
- Some corrections are backdated to 1 April 2014

Assumed Pensionable Pay

- Before the change:
  - Used average of 3 months before the reduction
  - Sometimes this method gave materially low pay

- Now:
  - Employer may substitute a higher APP
  - What member would have received had they been at work

- Must have regard to previous 12 months pay

Early release of benefits

- From 1 April 2014 earliest retirement age moved to 55
- All pre 2014 deferred records earliest date remained 60
  - Only payable from age 55 with employer's consent
- From 14 May 2018 earliest retirement age for all deferreds moved to age 55

Admission agreements

- Changes to publication of Admission Agreements
- Admission Agreements can now but backdated, but…..
- Please let technical team know as soon as you are looking at outsourcing any of your services

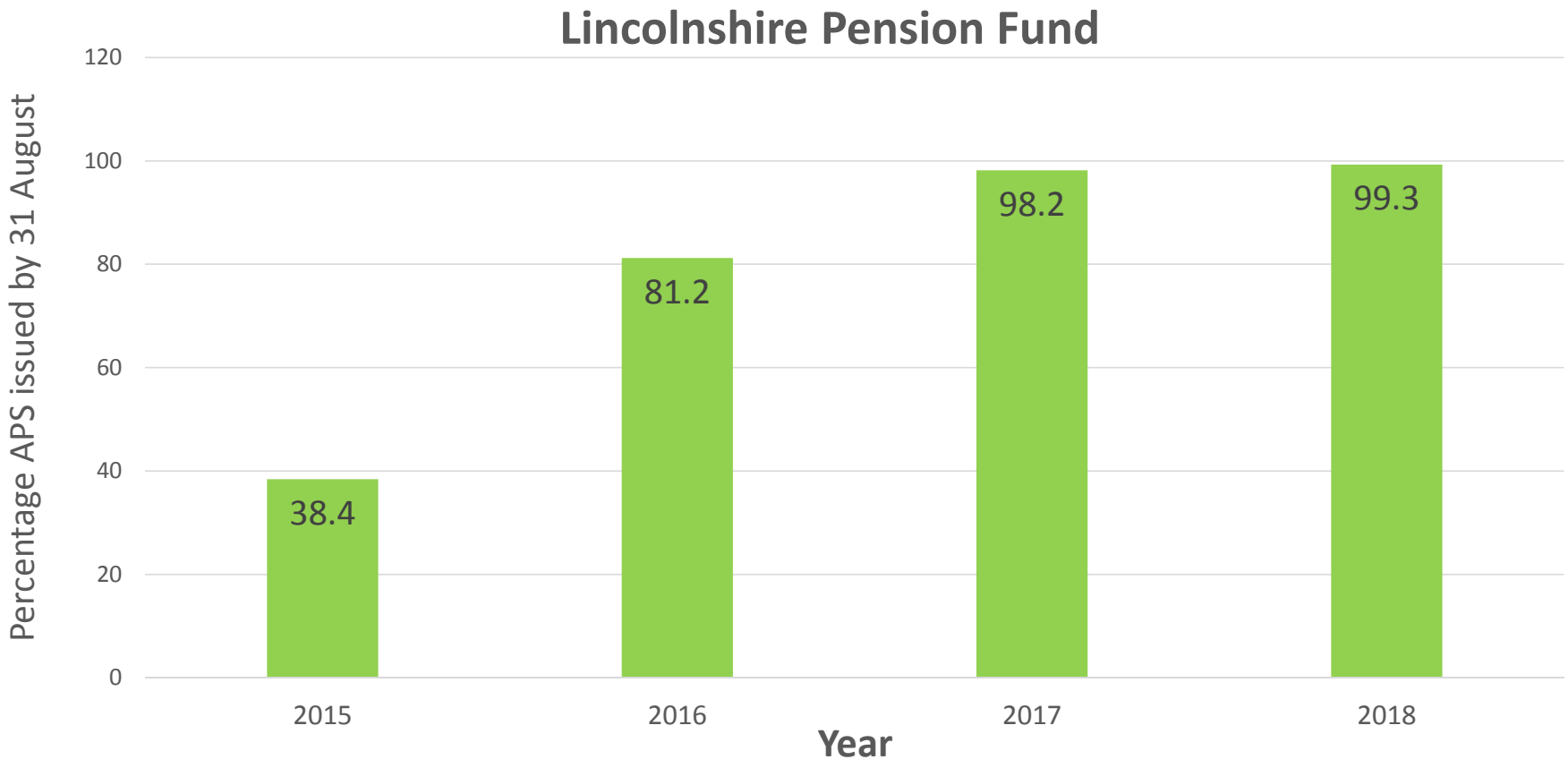
Employer cessations (part 1)

- Regulations have been changed so that employers who are in surplus at the date of cessation can have the surplus refunded
- Confirmed that there are no tax implications
- Jo will talk about this later

Watch this space……

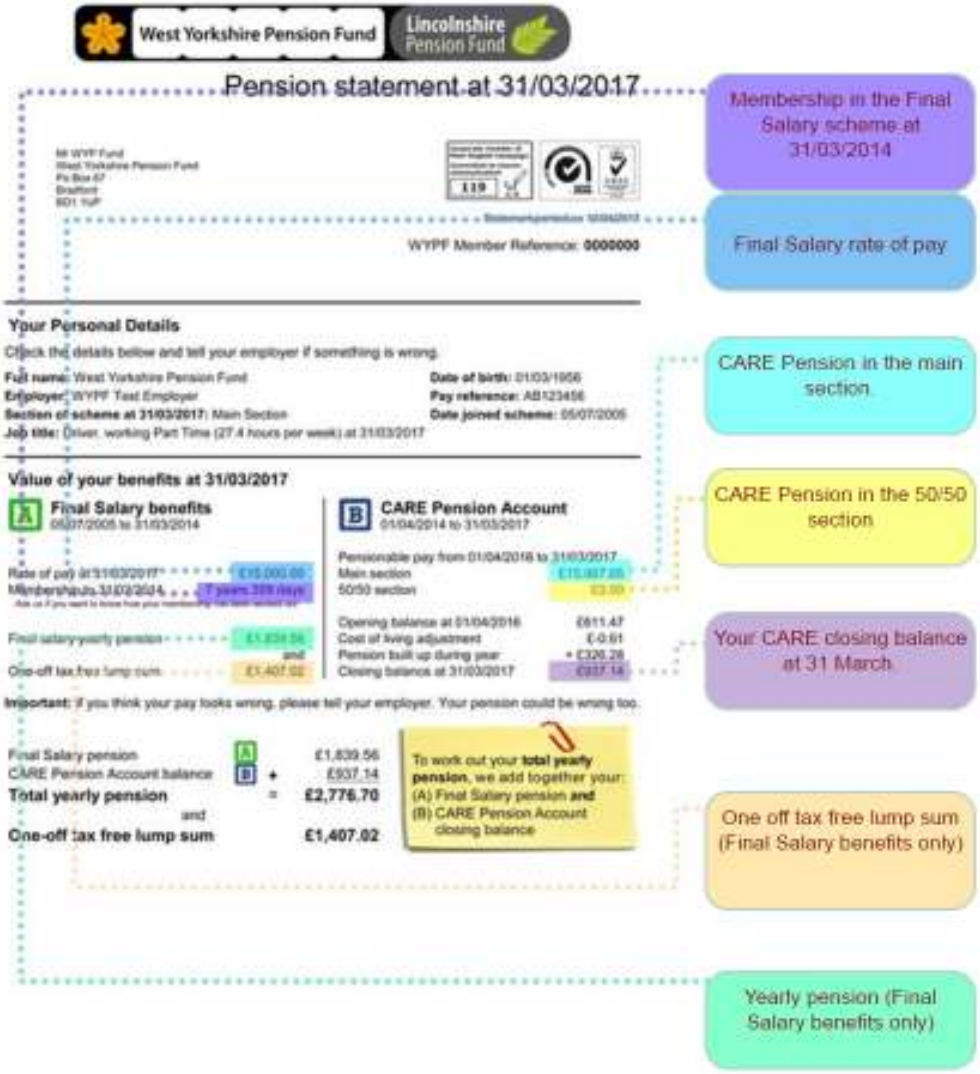
- Another set of regulations is expected before April 2019
- Likely to have an impact on scheme rates
  - Discount rate for transfers is likely to be announced shortly
- Consultation will be required…so keep your eyes open
- Strain costs/exist cap – not expected to be included

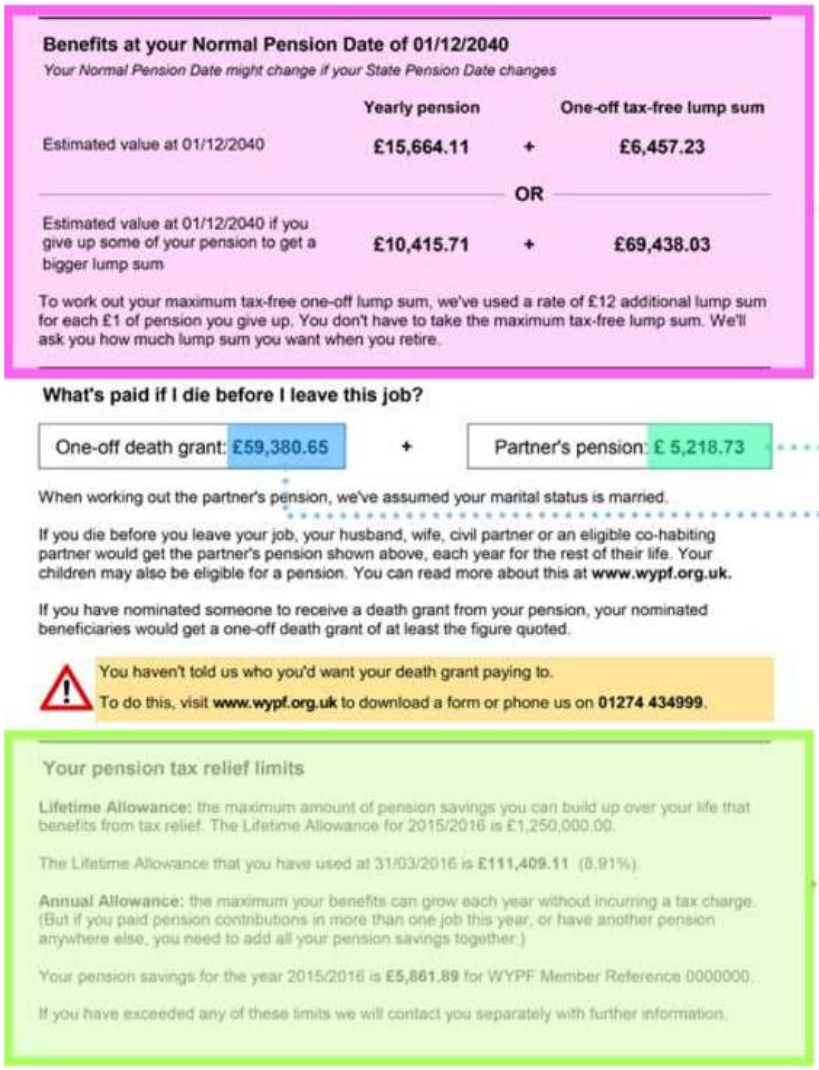
Annual Pension Statements



Annual Pension Statements

- Well done – almost at 100%
- What worked well
  - Most queries launched before end of June
  - Records in a better state
  - Less queries this year
- A few things didn't work this year
  - Re-assigning work
  - Still had to use the zoom function


West Yorkshire Pension Fund
Lincolnshire Pension Fund
Pension statement at 31/03/2017
WYPF Member Reference: 0000000
Your Personal Details
Check the details below and tell your employer if something is wrong.
Full name: West Yorkshire Pension Fund
Employer: WYPF Test Employer
Section of scheme at 31/03/2017: Main Section
Job title: Driver, working Part Time (27.4 hours per week) at 31/03/2017
Date of birth: 01/03/1956
Pay reference: AB123456
Date joined scheme: 05/07/2005
Value of your benefits at 31/03/2017
A Final Salary benefits
05/07/2005 to 31/03/2014
B CARE Pension Account
01/04/2014 to 31/03/2017
Pensionable pay from 01/04/2016 to 31/03/2017
Main section
50/50 section
Opening balance at 01/04/2016 £611.47
Cost of living adjustment £-0.61
Pension built up during year + £326.28
Closing balance at 31/03/2017 £937.14
Important: If you think your pay looks wrong, please tell your employer. Your pension could be wrong too.
Final Salary pension A £1,839.56
CARE Pension Account balance B + £937.14
Total yearly pension = £2,776.70
and
One-off tax free lump sum £1,407.02
To work out your total yearly pension, we add together your:
(A) Final Salary pension and
(B) CARE Pension Account closing balance
Membership in the Final Salary scheme at 31/03/2014
Final Salary rate of pay
CARE Pension in the main section
CARE Pension in the 50/50 section
Your CARE closing balance at 31 March
One off tax free lump sum (Final Salary benefits only)
Yearly pension (Final Salary benefits only)



Benefits at your Normal Pension Date of 01/12/2040

Your Normal Pension Date might change if your State Pension Date changes

	Yearly pension		One-off tax-free lump sum
Estimated value at 01/12/2040	£15,664.11	+	£6,457.23
OR			
Estimated value at 01/12/2040 if you give up some of your pension to get a bigger lump sum	£10,415.71	+	£69,438.03

To work out your maximum tax-free one-off lump sum, we've used a rate of £12 additional lump sum for each £1 of pension you give up. You don't have to take the maximum tax-free lump sum. We'll ask you how much lump sum you want when you retire.

What's paid if I die before I leave this job?

One-off death grant: £59,380.65 + Partner's pension: £ 5,218.73

When working out the partner's pension, we've assumed your marital status is married.

If you die before you leave your job, your husband, wife, civil partner or an eligible co-habiting partner would get the partner's pension shown above, each year for the rest of their life. Your children may also be eligible for a pension. You can read more about this at **www.wypf.org.uk.**

If you have nominated someone to receive a death grant from your pension, your nominated beneficiaries would get a one-off death grant of at least the figure quoted.

You haven't told us who you'd want your death grant paying to.

To do this, visit **www.wypf.org.uk** to download a form or phone us on **01274 434999**.

Your pension tax relief limits

Lifetime Allowance: the maximum amount of pension savings you can build up over your life that benefits from tax relief. The Lifetime Allowance for 2015/2016 is £1,250,000.00.

The Lifetime Allowance that you have used at 31/03/2016 is **£111,409.11** (8.91%).

Annual Allowance: the maximum your benefits can grow each year without incurring a tax charge. (But if you paid pension contributions in more than one job this year, or have another pension anywhere else, you need to add all your pension savings together.)

Your pension savings for the year 2015/2016 is **£5,861.89** for WYPF Member Reference 0000000.

If you have exceeded any of these limits we will contact you separately with further information.

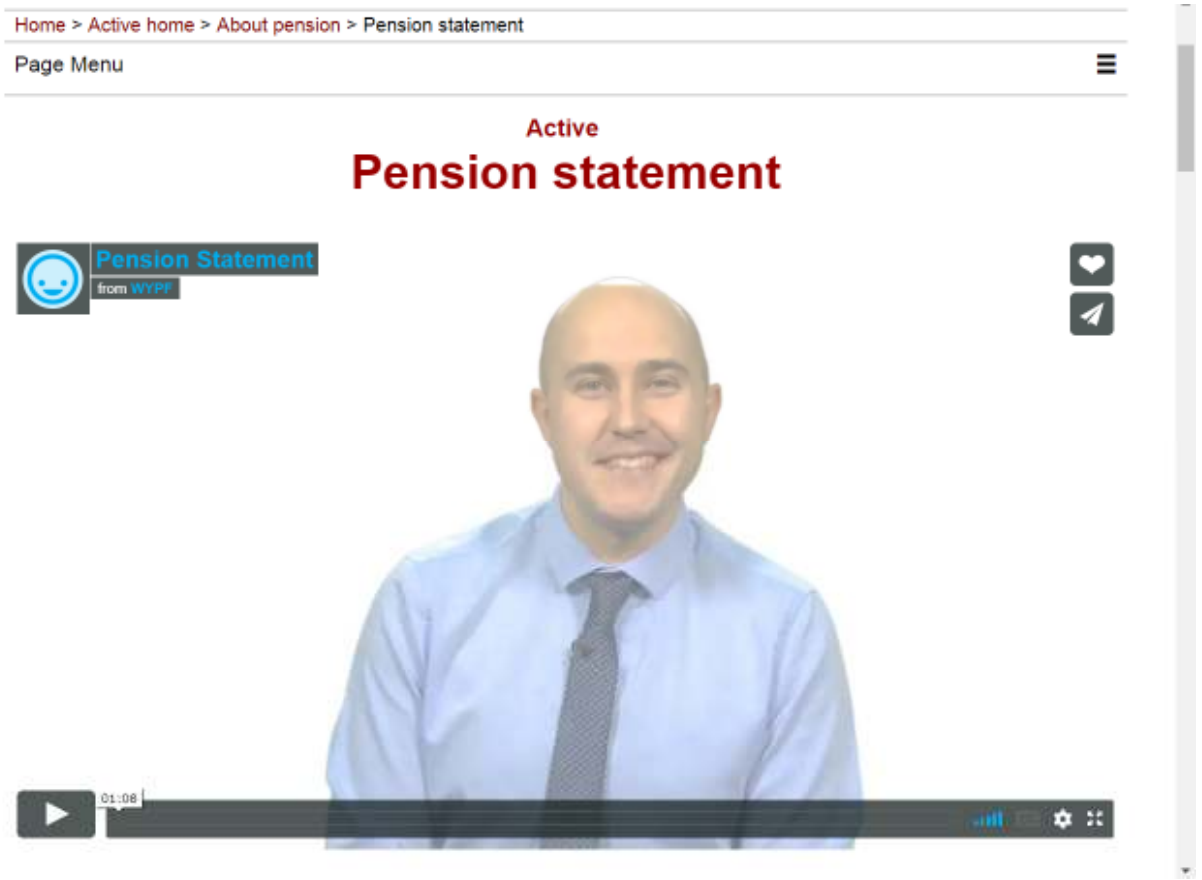
Benefits at Normal Pension Date (NPD)

Partner's pension

One-off death grant

Read more about the lifetime allowance and annual allowance.

Information for members



West Yorkshire Pension Fund

Lincolnshire Pension Fund

London Borough of Hounslow

PO Box 67 · Bradford · BD1 1UP
www.wypf.org.uk

lgps

Annual Pension Statements

- Got any blocks left?
  - Please get them done asap. If you've any problems let me know

- HMRC checks
  - Why do we do them?
  - Must be completed by 5 October 2018

What the future holds

- Members have access to their records via myPENSION
  - Can view contributions paid
  - Can view their service
  - Can change their address or request estimates
- myPENSION needs a ‘bit’ more work
- Online statements?

Changing payroll providers/changing MATS

- Things to consider
  - Are the records up to date
    - All hours changes submitted
  - Have all leavers forms / Retirement Notifications been submitted
    - New payroll provider are unlikely to access to previous information
  - Do you have access to pay information for the last 13 years
    - Have you downloaded the monthly payslips?
  - Do you have some contract management in place
    - With old payroll provider
    - With new payroll provider
  - Do they know your auto enrolment date?

Changing payroll providers/changing MATS

- Issues from WYPF point of view
  - Duplicate records set up by new payroll provider
  - Problems getting old leavers forms
    - The longer it takes the more difficult it becomes
  - Delays in getting new contact forms
  - Delays in getting access to the portal
  - Delays in receiving first monthly return

Prime account schools

- Auto Enrolment
  - Still come under the local authority
  - Ensure that LCC/Serco have passed your new PAYE number onto tPR
    - Otherwise tPR will fine for non-compliance.

When is a member casual?

- What is a casual member?
- Teaching Assistants/ HLTA
- Nomo’s

Affinity Connect dates for 2019

Day	Date	Time
Monday	14 January 2019	1.00 – 4.15
Wednesday	20 February 2019	1.00 – 4.15
Tuesday	12 March 2019	1.00 – 4.15
Tuesday	9 April 2019	1.00 – 4.15
Monday	20 May 2019	1.00 – 4.15
Thursday	27 June 2019	1.00 – 4.15
Monday	15 July 2019	1.00 – 4.15
Tuesday	13 August 2019	1.00 – 4.15
Thursday	5 September 2019	1.00 – 4.15
Monday	21 October 2019	1.00 – 4.15
Tuesday	12 November 2019	1.00 – 4.15
Monday	16 December 2019	1.00 – 4.15

Venues – what we need

- A room that can sit 20 – 25 people (Café Style)
- Tea/Coffee/Water (biscuits would be good)
- Projector screen
- Flip Charts
- Someone to show speaker / attendees where to go / help set up room (admin contact)
- On site parking would be good for speaker and /or attendees

The view from the Fund

By Jo Ray, Lincolnshire Pension Fund Manager

Data, data, data…..

- Contribution monitoring… back on my soapbox!
- Common issues:
  - Cash does not equal submission
  - Employer percentage isn't as per certified rate
  - Deadline is missed
- Fines – the Fund, TPR
- Annual scheme return

Data, data, data…..

- Triennial Valuation 31st March 2019
- Data cleanliness impacts your rate
  - leavers not up to date
  - hours are incorrect
  - pensionable pay (under both definitions) isn't correct/completed
- Prudent assumptions
- Potential safety net of up to 5% if data is not clean
- YOU HAVE UNTIL 19TH APRIL TO HAVE CORRECT DATA!!!!

Cessations part 2

- Regulations change – does this impact on your out-sourcing contracts?
  - Pass through?
  - Deficit covered – what about the surplus?

- Managing cessations – closed employers
  - Last employee approaching retirement
  - Ageing workforce
  - Parish and Town Councils – decisions to be made, points to consider

- Talk to us early – no surprises

Fund recharges

- What will we recharge?
  - Actuaries fees
  - Legal fees
- When can these be incurred?
  - Initial contribution rate/pooled rates (MATs) – Actuary fees
  - Admission agreements/amendments – Legal fees
  - Accounting reports – Actuary fees
  - Bond reviews – Actuary fees and Legal fees
- Expenses to consider when out-sourcing

Member Engagement part 1

- Employer duty of care

  "where an employee has an important decision to make which has material financial implications, the safest course of action for an employer is to provide the individual with all of the information that they need in order to make an informed decision and to make sure that the individual is aware of the existence of that information"

- What do you do to inform your employees of their options and the benefits of the LGPS?
- Can we help?
  - Staff briefings document

Engagement or just communication?

- Communication is about sending people information

- Engagement is about creating a relationship with stakeholders to foster brand loyalty and awareness

Member engagement

- What do we do?

- What do we want to do?

What do we do?

- Newsletters
- Member website
- Presentations on demand (via employers)
- Twitter and facebook
- Pre-retirement courses

What do we want to do?

“Create an environment where pension information is provided discreetly and simply to build a subconscious recognition of what it means and where members can find out more (if they want to).”

How?

- Provide a toolkit of resources
- Internal comms messages
- Factsheets and flyers

  (Employer support is key)
- Increase the channels we communicate through
  - video
  - social media campaigns
  - electronic communications
  - engaging and easy to use electronic platforms

How?



*keep it simple stupid

Internal comms

- Message we used for Lincolnshire County Council:

"The pension you build up is based on your salary and not the contributions you pay each month. This is why your contributions don't match the pension on your statement. It's surprisingly simple! Watch our video on this and find out more."

(source: Stuart Duncombe, West Yorkshire Pension Fund)

Internal comms

- Other topics we can use:

- Get more back than you pay in
- Protection for your family
- Paying extra
- Death grants
- Tax free lump sums
- Ill health benefits

Member roadshows

- Nothing since 2014
- Can you release staff? What times work well?
- Need venues
- Need to advertise – looking at you again employers

Member roadshows

- Times 10.30 / 12.30 / 14.30 / 16.30
- Where – Lincoln? Boston? Grantham? Stamford? Skegness? Louth? Sleaford? Spalding? Gainsborough?
- How many people do we want 10+? 20+? 40+?

What might we cover?

- How is your pension is built up?
- How much does it really cost to be a member?
- When can you retire?
- Are there other benefits to being in the scheme?
- Where can I find out more?

Contribution rates 2018/19

Actual Pay	50/50	Main Scheme
Up to £14,100	2.75%	5.5%
£14,101 to £22,000	2.90%	5.8%
£22,001 to £35,700	3.25%	6.5%
£35,701 to £45,200	3.40%	6.8%
£45,201 to £63,100	4.25%	8.5%
£63,101 to £89,400	4.95%	9.9%
£89,401 to £105,200	5.25%	10.5%
£105,201 to £157,800	5.70%	11.4%
£157,801 or more	6.25%	12.5%

Building up pension



What do you think?



Employer engagement

- You're here! It's a great start

- Intelligent, segregated communications
- Simple instructions and support
- New channels and media
  - Workshops delivered as bitesize online training?
  - Virtual training sessions (webinars)

Coming up next…

- Fund annual meeting **Tuesday 26 February 2019**
  - Valuation Year!
  - Guest speakers will be the Pension Regulator and the Fund Actuary

- Keep your eye out for the employer survey

Thanks for coming

We hope you found it useful and interesting