

## Employers' Newsletter

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Welcome to the first edition of our quarterly newsletter, which provides you with an update on the Local Government Pension Scheme (LGPS) and other topical matters.

### Actuarial Valuation 2016

Work is currently being undertaken on the 2016 Valuation. This is where the Fund undertakes a full actuarial valuation of its liabilities every three years for the purpose of setting the employer contribution rate which will become effective for the three years commencing 1st April 2017.

Due to the information provided on the year end files for March 2016, some of the data was insufficient for the Valuation to be completed within the agreed deadlines. Unfortunately, as a result of the poor data quality it was decided that the payroll reports needed to be rerun and resubmitted to the actuaries.

The Employer Forum will explore the valuation in full.

### Year End Data 2016/17

Employers are reminded of the importance of returning the year end information required to the administration team. You will receive a letter from the Administrators detailing their requirements for the information needed and a time table of events in February 2017 for the year end file ending in March 2017.



### ✓ Checklist

- Have you received our 50/50 posters? If not order some today!
- Have you looked at PAS on our website?
- Pass on our contact details to employees with queries
- Contact us if you would like to host a member event



## Coming soon- Employer Forum.

The next Employer Forum will be held in January/February 2017

The Forum will be a great opportunity for key contacts to meet the pensions team and to hear about the latest pension issues

## Look out for your email invite

## Exit Payment Cap

The Government has confirmed the introduction of a “cap” to exit payments made to employees of public sector bodies when they leave employment. This cap will cover all of the major public services, including local government, teachers, civil service and NHS employees.

The Government is proposing to apply a £95,000 limit on the total value of all payments made upon leaving, including both voluntary and compulsory termination.

The proposed cap will include redundancy payments and any other compensation payments along with employer capital costs or providing early unreduced access to benefits (employees leaving on redundancy or efficiency grounds aged 55 or over are entitled to unreduced pension benefits immediately. This generates a cost to the employer in order to effectively cover the cost of releasing the pension early).

There is also a proposal on the “clawback” of exit payments for those earning more than £80,000 or more, who leave public sector employment and return within a year.

The Government has been consulting on exit payments throughout 2016. Details of how the above will be built into the LGPS should become clearer in the coming months, with the Department for Communities & Local Government (DCLG) submitting proposals by Christmas which are anticipated to take effect in June 2017.

We will monitor and communicate these developments to employers in forthcoming newsletters.



## The Role of the Pensions Regulator

### **Code of Practice**

Section 17 and Schedule 4 of the Public Service Pensions Act 2013 extended the role of the Pensions Regulator (tPR) to include public sector pension schemes from April 2015. With regard to the LGPS, tPR now has responsibilities in relation to governance and particularly administration. As such, tPR has issued a Code of Practice known as COP14 which covers a wide range of issues including governance, managing risks, administration and resolving disputes. Although many of these responsibilities were already legal requirements for both Funds and employers, COP14 brings these requirements together. It is therefore crucial for all Employers within the Hackney Fund to be aware of, and comply, with the Code.

Failures by an employer to fulfil legal requirements and follow the expected standards within the Code, may result in that employer (rather than the Fund) being subject to legal enforcement action by tPR.

### **Quality Data**

As stated, LGPS Funds are facing increasing levels of scrutiny and now more than ever good quality data is paramount to not only ensuring compliance but improving the member’s pension journey. In order to facilitate this please ensure that you notify the Administrators of all new joiners/leavers/retirees and other changes in line with the Hackney Pension Administration Strategy (PAS).

Should the Administrators contact you to query or request further information, it would be appreciated if you could provide the necessary information within a timely manner to avoid any delay. Under the requirements of COP14 the Fund will increase monitoring of employer performance in this area.

PAS details the regulation that permits the Fund to levy a charge on an Employer where the information is not received by the Administrators within the agreed timescales.

We appreciate that it can be a frustrating time for our members while they are waiting on responses with regards to their benefits, and we are grateful to our employers for working with us to improve the quality of the data that is held by the Fund.

A Copy of PAS can be found on the Pensions website.

**Did you know?  
Active membership of the  
Fund is now over 7,500.**

## Our member pension administration team – here to help you navigate members through the complex world of pension.

Given the current financial climate, many employees are having to give extra thought about their future work arrangements and retirement planning. By offering a range of communication methods, including presentations, one to one sessions and literature, the pensions team can give support and guidance to members.

With extensive knowledge of the scheme we are able to help members understand their pension provision, entitlement to

benefits and how these are calculated.

The team have also just launched a new poster campaign which focuses on the LGPS 50 / 50 scheme. Certain employers should have now received the posters, which can be displayed in prominent staff areas. If you have not received a poster and would like one, or are interested in arranging an employee briefing session, then please contact a member of the pensions team. You can find details of how to get in touch with us at the end of this newsletter.



## Newsletter Feedback

Have your say! This is the first newsletter from the pensions team and we would really appreciate your feedback. Please email us with your views or any suggestions you may have for future articles.

It would also help the team if you could inform them of any change in contact details for whom to direct pension related queries or employer issues to.

Thank you for reading the 1<sup>st</sup> edition of our newsletter. The next issue will be out in March 2017.

## Contact Details

Julie Stacey (Head of Pension Administration)  
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Lucy Patchell (Pension Officer)  
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# Seasons Greetings and a Happy New Year From the Pensions Team.

Note: The offices will be closed for the Christmas period  
26<sup>th</sup> December – 2<sup>nd</sup> January 2017