

## EMPLOYERS' NEWSLETTER

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

### Employers' Forum

The Employers' Forum took place on the 22nd February 2017.

The forum is a great opportunity for key contacts to get the latest updates on the economy, LGPS legislative, year end procedures and for the actuaries, Hymans Robertson, to talk through the results of the triennial valuation.

Thank you to all those who attended, it was nice to see you all and we hope that the day was interesting and insightful

However, we were disappointed to see that a few employers were missing. We can not stress enough how important it is for all employers to attend. Key information was made available on the day to employers including your new individual employer contribution

rates. It is also a valuable opportunity to discuss any other issues you may be experiencing.

If you have any suggestions on how to improve the day then do please let us know. We are open to making the day comfortable, insightful and educational to help all employers.

Slides from the day are available to view on the pension website. <http://hackney.xpmemberservices.com/Employer/Employer-Forum>



### Checklist

- Have you started work on your year end data?
- Have you received your new employer contribution rates?
- Look out for our new employee contribution posters and display in prominent staff areas.
- Contact us if you would like to host a member event



## Year-End Data for 2016/17

It is that time of year again when all Hackney Employer's with staff contributing to the LGPS are required to provide Equiniti, the pension administrators, with year-end payroll data for the year 2016/17. The information is required to enable Equiniti to issue Annual Benefit Statements (ABS) to all active members of the Scheme by September 2017.

The deadline date of sending of the ABS's is governed by the LGPS Regulations 2013. Regulation 89 states that:

(1) An administering authority must issue an annual benefit statement to each of its active, deferred, deferred pensioner and pension credit members.

(2) Subject to paragraph (3), the statement must be issued no later than five months after the end of the Scheme year to which it relates.

(3) A statement must be issued before the end of the five month period mentioned in paragraph (2) where a member makes a request in writing to the administering authority, unless that authority is unable to comply with the request because relevant data is not available.

As well as the LGPS Regulations, the issuing of ABS's is closely monitored by the Pensions Regulator (tPR), under section 188 to 195 of the tPR Code of Practice 14 (COP14)

Unfortunately, due to data issues from some of our Employers over the past 2 years, the ABS's have been issued outside of the 5 months permitted timescale. As such, it has been the responsibility of the Scheme Manager at LBH to report this breach to tPR. The reporting of a breach to

tPR carries the possibility of a fine, which in the first instance would be paid by LBH. However, all Employers should be aware that any fines levied by tPR due to either poor data or delays in providing the required information to Equiniti, would in turn be passed onto the Employer who had provided the data, or lack of.

Therefore, to ensure that the issuing of the 2016/17 ABS's can be sent in accordance with both the LGPS regulations and tPR Code of Practice, the Pensions team would like to offer our help or guidance to all Employers.

To help you we have included the timetable of events that Equiniti will be working towards, to ensure the timely collection of data which will allow the ABS's to be issued by 1 September 2017.

Should you as an Employer need any clarification, or help in providing the information requested by Equiniti, please feel free to either contact Equiniti directly or alternatively contact the Pensions Team on 020 8356 6802. We shall try to assist you with any queries that you may have.

Please help us in our commitment to ensure that your employees receive their ABS's on time!



## Actuarial Valuation Update

The recent triennial actuarial valuation has now been completed by the Pension Fund Actuary, Hymans Robertson. The main findings of which were outlined at the Employer Forum. Following on from this, you should have now received your new employer contribution rate to take effect from the 1<sup>st</sup> April 2017.

Please could you ensure that your payroll provider is notified of the new rates to be applied from 1<sup>st</sup> April 2017 with the first payment effective from the April payroll.

If you have not received your new rate, or have queries regarding it, then please contact the pension investment team on 020 8356 2630/5306

## Pension fun fact

The Local Government Pension Scheme (LGPS) is one of the largest defined benefit (DB) schemes in the world and is the largest DB scheme in England and Wales, with over 10,000 employers, 5m members and assets of £190bn.

## Year-End Timetable – Administration

<b>Scheme Name: London Borough of Hackney Pension Fund</b>			
Year-end Date:	31/03/2017		
Active Benefit Statement Deadline:	31/08/2017		
		<b>Target</b>	
		Responsibility	End Date
<b>1 - Pre Year-end</b>			
1	Year-end data requested	EQ	20/02/2017
2	Queries/Responses re Year End Formats	Employers/EQ	17/03/2017
<b>2 - Year-end</b>			
1	Year-end data received from Hackney/Employers*	Employers	21/04/2017
2	Validation reports run and reviewed	EQ	28/04/2017
3	Data queries raised with Hackney/Employers*	Employers	28/04/2017
4	Response to validation queries from Hackney/ Employers*	Employers	05/05/2017
5	Data loaded and signed off as clean	EQ	31/05/2017
<b>3 - Benefit Statement Production</b>			
1	Benefit Statement template approved	Hackney	19/05/2017
2	Benefit statement programme run	EQ	13/07/2017
3	Full review of benefit statement automated calc results	EQ	27/07/2017
4	Data extract file/Statement calculations passed to ad- min for sign off	EQ	10/08/2017
5	Data merged to statement templates and checked	EQ	17/08/2017
6	Statements/Enclosures printed, packaged and checked against control totals	EQ	24/08/2017
7	Completion of year-end and benefit statement tasks	EQ	31/08/2017

### Data Queries

\*It is vital that employers respond to Equiniti in the timescale provided to avoid errors occurring in member records. If responses are not received on time then fines can be issued in accordance with the Pension Administration Strategy (PAS)

## Employee Contribution Rates

These are the new LGPS contribution bandings which should be applied from 1<sup>st</sup> April 2017. Please ensure that your employees are placed in the appropriate banding according to their **ACTUAL pensionable pay**, including contractual and non-contractual overtime and bonuses.

You will need to ensure your payroll provider is also made aware of the updated bandings. Can you please ensure that they apply the new bandings to pension contributions for the April pay for employees in the LGPS.

Employers may wish to take this opportunity to review their own contribution policy and to send a copy to the Hackney pension team.

The pensions team are in the process of issuing new posters, which highlight the new employee contribution bands. If you do not receive a poster would like one, then please contact a member of the pensions team.

Actual Pensionable Pay range	Employee contribution rate % (Main scheme)
Up to £13,700	5.50
£13,701 to £21,400	5.80
£21,401 to £34,700	6.50
£34,701 to £43,900	6.80
£43,901 to £61,300	8.50
£61,301 to £86,800	9.90
£86,801 to £102,200	10.50
£102,201 to £153,300	11.40
£153,301 or more	12.50

## Exit Payment Cap—Update

As mentioned in our previous newsletters the Government is proposing to introduce a cap on public sector exit payments.

By way of update, HM Treasury issued the Enterprise Act 2016 (Commencement No. 2) Regulations 2017, effective from 1st February 2017.

The regulations commence certain parts of the Enterprise Act 2016 including changes to the Small Business, Enterprise and Employment Act 2015, which enable the £95k exit payment cap to be introduced. However, the commencement order does not itself bring the exit payment cap

into effect, but merely allows the Government to make regulations providing for the introduction of the cap.

So, for now the exit cap lies dormant. But this issue hasn't gone away though and we expect HM Treasury to undertake a further consultation on draft regulations with plenty more debate covering the cap before any legislation amending the LGPS Regulations become effective.

We will continue to update you on this area in future editions.



We hope that you enjoyed the Chinese New Year celebration of the Rooster



Other religious and patriot observations that have happened since our last newsletter;

Guru Gobind Singh, Saraswati Puja, Nivarna Day, Shivarati, Holi  
Nanakshahi New Year, Tu B'shevat  
Purim, Hanuman Jayanti  
St David's Day and St Patrick's Day



We would like to wish our employers' a Happy Easter.

## Contact Details

Julie Stacey (Head of Pensions Administration)  
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