

Schools' Newsletter

In this edition

- *Actuarial Valuation*
- *Change of Payroll Provider*
- *Exit Payment Cap*
- *The Role of the Pensions Regulator*
- *TUPE*
- *Poster Campaign*
- *Contacts*

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 in order to set the employer contribution rate which commences from the 1st April 2017 for the next three years.

Unfortunately there has been issues with the data quality supplied by some payrolls. As a result it was decided that the payroll reports needed to be rerun

and resubmitted to the actuaries. The results will be discussed in the next newsletter.

Year End Data 2016/17

Schools are reminded of the importance of ensuring their payroll providers return the year end information requested to the administration team. Timetables will be provided to payrolls in February 2017. Please liaise with your payroll provider to ensure the data is provided in the required format and in a timely manner.

Change of Payroll Provider

Moving Data



Are you considering changing your School's payroll supplier in the foreseeable future? Have you made provision for the storage of all historic payroll data held by your current supplier once you switch provider? If you have answered no to the 2nd question, you need to read on.....

By switching supplier, you will have already made the important decision that a new payroll provider is best for your School. However, your new payroll provider will only store data for staff from the commencement of the new contract, they will not store any historical data. This may cause potential problems for you in the future. Should the pension administrators need to query the employment history for staff, their first contact would be the School. If the query relates to employment prior to the start of the new contract, and there are insufficient personnel records within the Schools to refer to, it is the Schools responsibility to

contact the previous payroll supplier to gain the necessary information and pay any costs associated with this.

Therefore in order to avoid delay and unnecessary costs it is essential that you retain access to the historic payroll data when you change provider.

Paperwork



It is important to ensure that your payroll contract makes it explicitly clear who is responsible for the completion of the necessary paperwork required (such as pension starter & leaver forms) – will your payroll provider agree to completing these or will the responsibility sit with the School/HR function? Some payroll providers will only complete these for an additional charge, so it's in your Schools best interest to get this resolved at the contract negotiation stage.

If your School does change payroll provider, then please let the pension administrators know ASAP so that the relevant contact details can be updated.

✓ Checklist

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



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 the employer costs for providing early

access to unreduced pension benefits.

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 have been consulting on exit payments throughout 2016 and it is anticipated that the new rules will take effect in June 2017.

We will monitor and communicate these developments in forthcoming newsletters.



The Role of the Pensions Regulator

Code of Practice



The Pensions Regulator (tPR) now has responsibilities in relation to governance and administration of the LGPS. 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.

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

Quality Data

As stated above, 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 your HR function/payroll provider notify the pension administrators of all new joiners/leavers/retirees and other changes in line with the Fund’s Pension Administration Strategy (PAS).

PAS details the regulation that permits the Fund to recoup additional administration charges from its Schools, 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 Schools 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.

TUPE



TUPE refers to the Transfer of Undertakings (Protection of Employment) Regulations 2006. The TUPE rules apply to organisations of all sizes and protect employee rights when the organisation, or service they work for, transfers to a new employer. Pensions are an important part of employment and must be considered early in the TUPE process to ensure there is a scheme in place on the first day when the transfer occurs.

Current legislation requires either broadly comparable pensions to be offered by the new employer to transferring employees, or for the new employer to become an “employer” with the Hackney Fund.

Provision of an LGPS pension scheme, or one that is comparable, can be very costly and it is essential that potential new employers are aware of the legal requirements concerning pensions before they tender for the service. Therefore as soon as Schools become aware that a potential TUPE may occur please let us know.

Reforms are on the way...

The Government is currently consulting on a revised policy called Fair Deal for Staff Pensions. This sets out that staff transferring from the public sector will have continued access to their LGPS pension scheme rather than being offered a broadly comparable private pension scheme. Please keep an eye out for further updates from us once the government has announced its implementation plan.

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

Hackney Pensions Administration Team – here to help you navigate members through the complex world of pensions.

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 in-house 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. All schools 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 in-house 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 us of any change in contact details for whom to direct pension related queries to within your school.

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

School to Academy

If you're a school that has become, or is thinking about becoming an academy, it is important that you contact us as soon as possible as we will need to ask the actuary to calculate a new contribution rate before the conversion date.

Converting?

Contact us now!



Contact Details

Julie Stacey (Head of Pensions Administration)
Karen Chenery (Liaison Officer Pension)
Lucy Patchell (Pension Officer)
Nicola Speer (Pension Officer)
Sharmin Haque (Pension Assistant)

Hackney Pensions Team 020 8356 2521
Pensions@hackney.gov.uk

www.hackney.xpmemberservices.com
Pension Administrators: Equiniti 01293 603 085

Seasons Greetings and a Happy New Year From the Pensions Team.

Note: The offices will be closed for the Christmas period
from 26th December 2016 to 2nd January 2017

