

SCHOOLS' 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.

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 for sending the ABS's is governed by the LGPS Regulations, not by us. As well as the LGPS Regulations, the issuing of ABS's are closely monitored by the Pensions Regulator (tPR) under section 188 to 195 of the tPR Code of Practice 14 (COP14).

Your payroll providers should have now re-

ceived the year end timetable from Equiniti. Should the school or your payroll provider 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!



Checklist

- Have you liaised with your payroll provider to ensure year end deadlines can be met?
- Have you displayed our new members page in a prominent staff area?
- Look out for our new employee contribution posters
- Contact us if you would like to host a member event



Actuarial Valuation Update

Following the recent triennial actuarial valuation undertaken by the Pension Fund Actuary, your payroll provider should have now received your new employer contribution rate to take effect from the 1st April 2017.

Please could you ensure that your payroll provider applies this from 1st April

2017, with the first payment effective from the April payroll.

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

Employee Contribution Rates

These are the new LGPS contribution bandings which should be applied from 1st 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 and 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 newsletter, 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 in-

cluding 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.

Multiple Concurrent Jobs

We understand that due to the nature of jobs within the schools, many staff have more than one job e.g. a LSA may also work as a MMS. Under the Career Average Scheme, the need to calculate pensions on a year by year basis means that separate job records are vital. Therefore, where two distinct jobs exist separate pension records are required for each job so that we hold the correct data to determine the amount of pension accrued in each year, for each job.

If one of the jobs ceases, this should be treated as a leaver for pension

purposes, with a pension leaver form being completed and submitted to the pension administrators.

It is also important for the schools to ensure that the employees understand that whilst they are paying pension contributions on one job they may not automatically be paying contributions on their second, or even third job. This disparity can sometimes be due to payroll error or historic opt out reasons. The Pensions Team deal with numerous queries involving multiple jobs and in order to help prevent these queries arising in the first place, it is important that our schools help communicate to staff that it is in their best interests to review their payslips on a regular basis and also review their annual benefit statements. If staff are unsure about what jobs they are paying contributions for, then please advise them to contact the schools payroll team.

MEMBERS PAGE

Have you nominated somebody to get your death grant yet?

Nobody wants to think about dying, but isn't it reassuring to know, just in case, that you're in a pension scheme with great death benefits?

On top of a pension for your husband, wife, partner, and possibly your children if you die, there is also a one off tax free death grant that's around three times your pensionable pay.

Who gets this? You decide.

If you do nominate someone, it usually means any payments are free from inheritance tax.

If you want to make sure everyone gets the right share of your death grant, and still haven't told us who you would like it to go to, download a form now from <http://hackney.xpmemberservices.com/>

Got your pension statement?

Most of you should by now have received your 2016 pension statement from Equiniti. One of the most important figures on your statement is your pay. If it's wrong, your pension will be wrong too, so you should check that it's right each time you get your statement. Please tell your employer if it's wrong- they give us the figure!



Moving house? Got married?

Don't forget to tell us!

Phone: 01293 603085

Email: hackney.pensions@equiniti.com



National Website

Have you checked out the new and improved LGPS member's website?

www.lgpsmember.org



You can read all about how we work out your pension, retirement options and what happens if you leave our employment. There are even modelers which can help show how your pension account works or a lump sum calculator which allows you to work out how much pension you can convert to lump sum at retirement. Take a look today!

Pension Scams



Don't be a victim!!

A joint pensions industry and government operation is working to stamp out pension scams, also known as pension liberation fraud.

Pension scammers use incentives to entice members to transfer their pension savings. For most people the offers will be bogus.

They claim they can help members access their pension before the legal minimum age of 55. But it's normally only in rare circumstances, such as ill health, that you can take retirement benefits before the age 55.

If you are taken in by a pension scam and agree to transfer, you will probably lose most, if not all, of your pension savings. You could also Receive a tax bill of over half the value of your pension.

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.

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 were;

Guru Gobind Singh, Sarawati Puja, Nirvana 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

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