

Buckinghamshire County Council Pension Fund Employer's Newsletter – September 2019 **DRAFT**



Welcome to our quarterly employer's newsletter.

Details of bulletins and circulars issued by the Local Government Association (LGA) since the last newsletter are detailed below. All previous circulars and bulletins are on the LGA website at <http://lgpsregs.org/bulletinsetc/bulletins.php>

LGPC Bulletins

Local Government Pensions Committee (LGPC) issue a bulletin every month, or more often as required, to update scheme administrators on changes to the LGPS. The bulletin is quite detailed and is designed for scheme administering authorities. We highlight issues to you as necessary by including relevant articles in our quarterly newsletters. Click on the links below if you wish to read the bulletins in full.

- [Bulletin 186](#) – June 2019
- [Bulletin 187](#) – July 2019
- [Bulletin 188](#) – August 2019

LGPC Circulars

[Circular 314](#) – Provides details of the 16th annual LGPS Governance Conference, 23-24 January in York and details of the 3 day LGPS Fundamentals training which takes place on selected dates in Leeds, London and Cardiff.

Pension Fund Investment Update

30 June 2019	Annualised Performance (%)		
	Quarter	Annual	3 year
Fund (excl. Private Equity)	3.7	6.2	9.4
Benchmark	3.7	6.9	8.7
Out-/Under Performance	-	-0.7	0.7
Market Value (£bn)	3.115	-	-

The Fund excluding private equity investments achieved a return net of fees of 3.7% for the quarter, matching the benchmark. The value of the whole Fund as at 30 June 2019 was £3.115bn. A return of 6.2%, representing underperformance of 0.7%, compared to the 6.9% benchmark, for the twelve month period is reported. A return of 9.4% representing outperformance of 0.7% compared to the benchmark of 8.7% is reported for the three year period.

Brunel Pension Partnership update

Dawn Turner, outgoing CEO of Brunel Pension Partnership, received the LGC Investment Recognition Award at the LGC Investment & Pensions Summit, which took place on 5-6 September.

For more Brunel Pension Partnership news, visit www.brunelpensionpartnership.org.



Pensions & Investments Team updates

The LGPS retirement process

Our www.buckscc.gov.uk/yourlgpsretirement webpage provides a scheme guide and short animated video which explains our Fund's LGPS retirement process. Please take time to view this page and signpost your staff to this page when they have questions about their retirement.

Further SLA updates for 2019-20

As at 23/09 CLS was in the process of updating the SLA to reflect changes in the scheme and/or to local processes. A summary of changes will be provided by CLS ahead of the September newsletter publishing deadline (30/09).

Pension Savings Statements update

The [Annual Allowance \(AA\)](#) is the amount by which the value of your pension benefits may increase in any one year without you having to pay a tax charge. If the total of an individual's pension input amount, in respect of all their arrangements within the BCC pension fund exceeds the AA, we provide a pension savings statement to the affected member by 6 October. This year 99 cases were identified as exceeding the AA and required manual calculation. The final calculations are being worked on and we are on track to issue all Pension Saving Statements by the 6 October deadline.

Statutory notifications: revised process

In the past, we have issued paper Statutory Notifications (i.e. LGPS membership certificates) to our new members, or members who have had a change in their pension position. The statutory notifications were sent to the Employer, who then passed it to the member. We have now implemented digital statutory notifications, which are published on **my pension online** and a notification email is sent to the member. Please ensure that you provide email addresses for all new members to enable us to send them their email notification. We do not use email addresses for any reason other than LGPS administration.

Year-end and Annual Benefit Statement update

As you're aware, we've been working hard to produce the 2019 LGPS annual benefit statements. As at 31 August, we had produced 21,818 statements, which is equal to 97.3% of our contributing scheme members, as well as 24,245 statements which were produced for our deferred members.

Thank you for working with us to achieve this excellent result.

"My pension online" registration percentage update

As at 19 September 34.04% of our active members had registered for online access to their pension account. This is slightly up on the 32.26% at the end of May. Please encourage your staff to register for [my pension online](#) as they will not be able to access their 2019 annual benefit statement if they haven't signed up.

Annual benefit statements 2019 for active/contributing scheme members

The 2019 annual benefit statements for active members have been published to **my pension online**. More information about annual benefit statements is available [on our website](#).

We sent email notifications direct to **my pension online** registered members, as we record their email address at registration. Email notifications can't be sent to members who have not registered.

By default all Scheme members have an online account, but **registration is not automatic**. This is due to the member having to set up a username and secure password, and then completing the final email validation to activate their account. Online access is safe, secure and convenient.

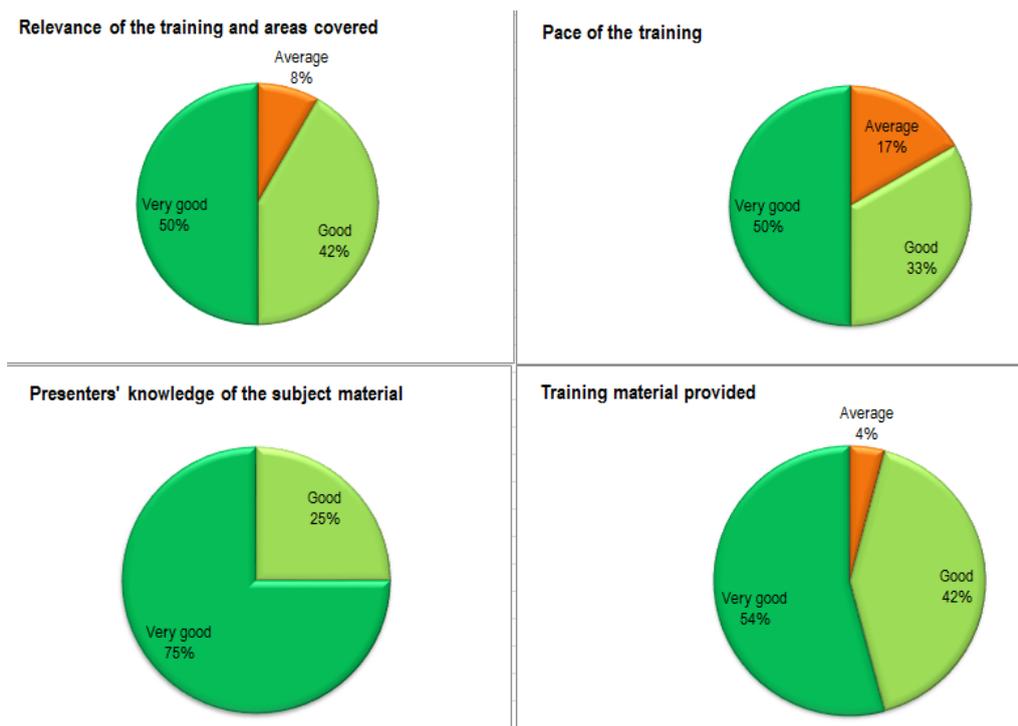
Please take this opportunity to increase **my pension online** registration levels for your staff. We have provided suggested wording on [page 6](#) of this newsletter (highlighted in red). Please copy & paste this wording into any internal newsletters to publicise [my pension online](#) to your staff.

Employer training feedback (13 & 22 August)

We hosted two employer training events in August (13th & 22nd). We included an Employer update on the recent MHCLG consultations, changes within our team and an overview of the resources available to our Employers. We also included a workshop session, facilitated by ELOs, which included example calculations

for final pay, CARE pay and assumed pensionable pay. The feedback was very positive with ratings of “good to very good” in almost all areas, and included the following comments:

- “Group work useful, particularly with an ELO present to help. Good length of session.”
- “Exercises with a member of the team really helpful. Breaks up the presentation and provides practical application of what is discussed.”
- “Great training”, “Worked examples very useful”, “Liked the group work opportunity.”
- “As a first time attendee, all presenters helpful. Thank you.”
- “How to calculate APPs and when to use Final Pay definitions was useful”
- “Nice having practical examples and not just slides”
- “Summary updates of all changes to the employers was most useful*, (the team are) very knowledgeable and good at communicating the information. Group question work is a very good idea as it gets all the participants talking to each other, this helps to develop a friendly training atmosphere”
(*i.e. summary of MHCLG consultations)



We put a great deal of effort into producing our training, but unfortunately we had a low turnout, with 24 attendees in total. Our 2020 Employer training dates are 12 & 18 March (year-end training) and 9 & 16 September (general employer training). Please mark these dates in your diaries. More details will be provided in our employer newsletters and email invitations.

2019 Valuation update

A number of Employers have contacted us to request confirmation of their Employer contribution rates from 2020/21. As the actuarial valuation takes a number of months, we expect that preliminary employer contribution rates won't be available until December, while the final rates and adjustments certificate will be signed off at the end of March 2020. We will let you know what your contribution rate will be as soon as we are able to do so. We will also put this information on our website.

Please note: Local Education Authorities should make all their schools aware of the new LGPS contribution rate, and all schools who outsource their payroll should make sure that they instruct their payroll provider to use the correct LGPS employer and employee contribution rate from 1 April 2020. As we are not their client, payroll providers don't take their instruction from us.

Reminder: BCC Pension Fund General Meeting, 5 December

Our Fund's general meeting will take place on 5 December, approximately 9:30 to 12:30pm, in central Aylesbury. The agenda has not yet been finalised, but will include a presentation by the Fund Actuary, Barnett Waddingham LLP, who will discuss the preliminary results of the 2019 Fund Valuation.

Please save this date and time in your diaries; your invitation will be sent later in the year.

Unitary update: Buckinghamshire Council

On 1 November 2018, the government announced its decision for a new unitary council for Buckinghamshire. The new Buckinghamshire Council will replace the current five councils (Buckinghamshire County Council and Aylesbury Vale, Chiltern, Wycombe and South Bucks District Councils.) The current county and district councils will cease to exist after 31 March 2020 and the new council will go live on 1 April 2020.

We are the administering authority of the LGPS in Buckinghamshire, so we already provide the pension administration service to all local government employers who offer the LGPS in Buckinghamshire and Milton Keynes. We will continue to do so after the new council goes live on 1 April 2020.

As the new Buckinghamshire Council takes shape, we will work with the current five councils to provide LGPS updates for their staff. We will issue a technical Employer newsletter to the councils in scope by the end of October 2019.

MHCLG Consultations

Consultation: Exit payments cap – update

You will be aware that HM Treasury (HMT) launched a consultation called ‘Restricting exit payments in the public sector: consultation on implementation of the regulations’. The consultation closed on 3 July 2019. HMT received approximately 600 responses, and it is likely they will publish their response in the autumn of 2019. We understand that HMT are to introduce the cap **no sooner than 1 April 2020**.

Consultation: Local valuation cycle and the management of employer risk

The consultation closed on 31 July 2019. MHCLG received around 280 responses and expect to publish their response in the autumn of 2019.

The LGA response to MHCLG’s policy consultation on changes to the local valuation cycle and the management of employer risk can be found on the [Scheme consultations](#) page of www.lgpsregs.org

LGPS General Updates

SAB publishes Good Governance Report

The Scheme Advisory Board (SAB) published the [Good Governance Report](#) on 31 July 2019. The project team are working on a detailed plan to implement the report’s recommendations which will be presented to the SAB when they meet in November 2019.

The Pensions Regulator - Publication of LGPS Cohort Report

On 19 September, the Pensions Regulator [published its report](#) into the governance and administration risks in public service pension schemes, including the 10 UK local government funds who were engaged with between October 2018 and July 2019. The report summarises the key findings against the Regulator’s Code of Practice 14 both in terms of exceeding and falling short of required standards and will be discussed in detail when SAB next meets on the 6th November 2019.

In commenting on the report, Chair of the Scheme Advisory Board, Councillor Roger Phillips said “This key area of work ties in closely in with the Board’s own Good Governance project. In identifying examples of best practice as well as areas for further improvement the report will undoubtedly be of great assistance to LGPS funds in seeking to enhance their own governance and administration arrangements.”

McCloud to apply to all public service pension schemes

On 15 July 2019, the Chief Secretary to the Treasury announced in a written statement that remedies relating to the McCloud judgement will need to be made in relation to all public service pension schemes. The full statement can be found on [the parliament website](#).

See the [Q&A](#) on the Scheme Advisory Board website for more information on the McCloud case. The Government has updated their [report on the public service pension reforms](#) to incorporate the most recent developments in the McCloud case.

Wider pensions landscape

Consultation on flexibility in the NHS Pension Scheme launched

The Department of Health and Social Care have launched [a consultation](#) on proposals to increase flexibility for senior clinicians in the NHS Pension Scheme (NHSPS). The consultation seeks to address the impact of pension taxation on the delivery of NHS services.

Women's State Pension age case goes to High Court

On 5 June 2019, the [BBC reported](#) that campaigners have taken the Government to the High Court for a judicial review into how ministers raised the state retirement age for women. .

House of Lords Committee publish a report calling for triple lock to be scrapped

The House of Lords Committee on Intergenerational Fairness and Provision has published [a report](#) which states that maintaining the triple lock indefinitely would be “unsustainable”. As a result the Committee's recommendations in relation to taxation and spending include removing the triple lock for state pensions and uprating the state pension in line with average earnings instead.

TPO Annual Report and Accounts published

The Pensions Ombudsman (TPO) published its [Annual Report and Accounts](#) on 18 July 2019. The Report contains information about TPO's performance in the 2018/19 year and summaries of completed investigations.

TPR to combine codes of practice

The Pensions Regulator (TPR) has [announced](#) changes to existing codes of practice. The content of the 15 current codes of practice will be combined to form a single shorter code. The changes will reflect the Occupational Pension Schemes (Governance) (Amendment) Regulations 2018. Codes most affected by these regulations will be addressed first, and this [includes Code of Practice 14](#) (public sector schemes). Schemes will need to demonstrate that they have an effective governance system within 12 months of the date the updated codes are published.

TPR Annual Report and Accounts published

TPR published its [Annual Report and Accounts](#) in July 2019. The Report includes details of the organisation's activities, finances and developments in the 2018/19 year and an assessment of their achievement of key aims set out in the corporate plan.

Governance and administration survey findings published

TPR have published their [2019 report](#) on the findings of the governance and administration survey of public sector pension schemes undertaken at the end of 2018. 195 of the 207 public service pension schemes completed the survey. This response rate of 94% covers 99% of total membership.

Main points to note:

- there have been improvements in Schemes' performance in four of the six key processes • the report highlights the importance of receiving accurate and timely data, and identifies employer performance as a common reason for missing or inaccurate data
- the percentage of LGPS members who were sent an annual benefit statement before the statutory deadline was lower than the average across the sector
- the top three barriers to improvements in administration and governance were identified as complexity, lack of resources and legislative change. Within the LGPS, staff retention and lack of knowledge was cited as a top three risk by 28% of funds
- six LGPS funds reported that that they had fewer board members at the time they completed the survey than is required by regulation 107(2) of the LGPS Regulations 2013, but this was mainly due to vacant positions
- LGPS administration was more likely to be delivered in-house, and administering authorities review their administration providers less frequently than the average across the public sector.

TPAS Annual Report and accounts published

The Pensions Advisory service (TPAS) published its [annual report and accounts](#) on 11 July 2019.

Woman wins right to late partner's military pension

In a [landmark ruling](#), on 17 July 2019 the Court of Appeal awarded a survivor pension in the RAF pension scheme to Ms Langford following the death of her partner in 2011. Ms Langford had cohabited with the scheme member for 15 years, but was married to someone else at the time of her partner's death.

The decision could have far-reaching consequences for other cohabiting couples in the public sector where a surviving partner is married to a third party. We await the government's response to this decision.

Government updates no-deal Brexit pension's guidance

On 9 August 2019 the Department for Work and Pensions (DWP) updated two sets of guidance covering the pension and benefit rights for:

- [UK nationals in the EU, EEA or Switzerland](#)
- [EU, EEA and Swiss citizens in the UK](#)

if there is a no deal Brexit

Tailored review of TPO – outcome published

In November 2018 DWP led a tailored review (last review 2014) of The Pensions Ombudsman (TPO) to ensure that the body remains fit for purpose, well governed and properly accountable for what it does. The government published the [outcome of this review](#) on 27 August 2019.

BCC Pension Fund reminders

“My pension online” promotional material

Our [“My pension online” promotional leaflet](#) is available from the “My Pension Online” section of our website, where all employers can download it and use it to encourage their staff to register. If you require just a few paragraphs to encourage your staff to register, please use the wording within the lines below.

My pension online is safe, secure & convenient.

You can now access your Local Government Pension Scheme (LGPS) pension record online. All members of the Buckinghamshire Pension Fund can register and login via our secure **my pension online** portal at <https://ms.buckscc.gov.uk/>.

Registering for **my pension online** will give you 24-hour secure access to your LGPS record, allowing you to:

- check and update your address,
- amend personal details, including your death grant “expression of wish” nomination,
- produce your own pension quotes, helping you to plan for your retirement, and
- each 31 August, check your [LGPS annual benefit statement](#) online.

Since 2018 your LGPS annual benefit statement has been published on your secure online pension account. Register/login now at <https://ms.buckscc.gov.uk/>.

Please note: The above-mentioned service only applies to LGPS members of the Buckinghamshire Pension Fund. Where applicable, members of the Teachers', NHS, Police, USS and other public sector pension schemes will need to contact their scheme administrators to register for online access to their records.

Egress Switch encrypted email service and passwords

Remember, if you use the Egress Switch encrypted service to send personal data to us, you don't need to password protect your attachments. We recommend that employers who are not on the government whitelist use Egress Switch. If you will not be using Egress Switch, please provide a generic password to be used when transferring personal data. Email employers@buckscc.gov.uk with the password you wish to use.

Link to www.buckscc.gov.uk/lgpsguidesandforms

Please ensure that you provide all new Scheme members with the link to our LGPS guides, forms and booklets in their contracts of employment. The link to our Scheme member guides, forms and booklets is www.buckscc.gov.uk/lgpsguidesandforms.

TUPE transfers out and Academy conversions

Please remember to contact Marie Dunbar, TUPE Liaison Officer, mpdunbar@buckscc.gov.uk prior to any TUPE transfers that affect employees who are members, or who are eligible to be members of the LGPS. Marie deals with admission agreements and bulk transfers, and also deals with the LGPS pension rights of support staff working for schools converting to Academy status.

Updated LGPS Employer discretionary policy guidance

The LGA's revised versions of the Employer discretionary policy list and summary (versions 1.8 and 1.10 respectively) have been published. Clean and tracked changes versions can be found on the [Guides and sample documents](#) page of www.lgpsregs.org.

Distribution and feedback

Please ensure that relevant staff in your organisation, including your bursar / finance managers, HR managers **and your payroll provider(s)** receive this newsletter. We also welcome any feedback on the format and content of this newsletter so if you have any comments or suggestions, or would like to add or change any of the contact details on our distribution list, please email employers@buckscc.gov.uk