



Buckinghamshire County Council

Minutes

PENSION FUND CONSULTATIVE GROUP

MINUTES OF THE MEETING OF THE PENSION FUND CONSULTATIVE GROUP HELD ON FRIDAY 26 OCTOBER 2007, IN NEW IRELAND ROOM, NEW COUNTY OFFICES, AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 11.40 AM.

MEMBERS PRESENT

Mr R Atkins, Ms S Burgess, Mr S Cox, Mr F Downes (Chairman), Mrs J Eubank, Ms A Howes, Mr S Mason, Mr J McMillan, Mr C Palfreyman, Mr D Radford, Ms L Turvey, Ms B Wheeler and Ms J Whiteley

OFFICERS PRESENT

Maureen Keyworth, Democratic Services Officer
Julie Smith, Pensions Manager
Katharine Woodard, Pensions Officer

AGENDA ITEM

1. WELCOME AND INTRODUCTIONS

The Chairman welcomed all the members to the meeting and introductions were made.

The Chairman explained the rationale for setting up the Consultative Group as an advisory group to the Pension Fund Committee, would enable a more open and transparent process in decision-making.

2. 2008 LGPS SCHEME UPDATE

The Group received a presentation on the new LGPS Scheme from Julie Smith, Pensions Manager, The new Scheme will take effect from 31 March 2008.

Points of note:

- Previously, new employees employed on a contract of less than three months were not eligible to join the Scheme. Under the new regulations they will be able to join after three months, but the pension will not be retrospective.
- Casual staff employed on contracts with mutuality of obligation will be able to join the Scheme. However, they will only remain in the scheme until they cease working for the Authority.
- Final salary benefit will be 1/60th rather than the current 1/80th. However, service accrued to 31 March 2008 will still be calculated at 1/80th.
- There is no automatic lump sum payment.

- There will be some protection under the new scheme for those moving over, such as eligibility under the 85 year rule.
- There are now three tiers of ill health retirement. This has recently changed from two tiers.
- Death benefits have improved.
- Employee contributions will be banded according to salary.

Discussion took place with regard to calculation for employees' contributions from April 2008 in connection with those members whose hours vary. Regulations state that the pensionable pay is based on what is accrued for a whole year. Changes in hours will not affect the calculation unless it is a drop in hours and employers are required to re-assess for any band changes. This will be built into SAP.

Employees will be notified of the changes through a newsletter which will be circulated with the Annual Pension Statement. Work is ongoing with the Local Government Pensions Association on the production of a DVD explaining the changes. If employers in the Pension Fund wish, this can be sent to all staff members. However, there will be a charge.

Internal Dispute Resolution Procedure (IDRP) rules will apply if there is an appeal with regard to contribution banding and it would be against the employer.

With regard to staff working on term time basis only, the fte would be calculated over 44 weeks.

The CLG is still working on whether those members who achieve the 85 year rule in 2008 will be eligible to retire.

Employer's contribution will be a percentage of the payroll rate and valuation reports will translate how the move will be made from percentage of employee rate to payroll rate.

With regard to additional contributions there will be some protection regarding the movement from buying additional years and buying additional pension in multiples of £250.

3. PENSION FUND ANNUAL REPORT

Members received a copy of the Annual Report and Accounts 2006-2007. The Pension Fund is required to produce an annual report and notify stakeholders of its existence. The Assistant Head of Finance asked members of the Consultative Group to advise their Finance Teams and HR and employers groups of the report. If any further copies are needed members should contact Clive Palfreyman or Julie Smith. The Report is also available on the BCC website.

4. PENSIONS ADMINISTRATION PERFORMANCE

Members received a presentation from Julie Smith, Pensions Manager, who gave an update on the amount of work generated in order to introduce the new regulations. A copy of the presentation is available on the website.

Points of note:

All of the 1,671 general queries as at 1 April 2007 have now been cleared. There are still 250 leavers queries remaining of the 922. Many of these are related to employers not understanding what was required of them. This also relates to year end queries which have reduced from 3,679 to 1,500.

In order to ensure that employers know what is required of them, a Service Level Agreement (SLA) was introduced with effect from 1 August 2007. This will reduce the number of employer related queries.

The Team was commended for the amount of work undertaken in order to clear year end queries.

5. DATE OF NEXT MEETING

The next meeting of the Consultative Group will be held on Tuesday 11 March 2008 at 10.00am in Mezzanine Room 3, County Hall.

6. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

7. PENSION FUND MANAGER PERFORMANCE

The Group received the report on the performance of the Pension Fund's Managers for the second quarter of 2007.

The Pension Fund Committee will be considering the investment strategy for the fund and making decisions on strategic direction based on the Actuary's valuation and current and past performance of Fund Managers.

Members were asked for comments on the investment strategy that could be fed back to the Pension Fund Committee.

8. AVC OPTIONS PRESENTATION

The Group received a presentation on AVC Arrangements for BCC.

The Pension Fund Consultative Group RECOMMENDED that the Pension Fund Committee consider the possibility of offering the Prudential AVC arrangement to scheme members.

9. VALUATION RESULTS

The Group received a presentation on the Draft Fund Valuation and its impact on employer contribution rates. The Group was asked to feed back any comments on the document, which will remain in draft form until 31 March 2008.

CHAIRMAN