

Pension Fund Consultative Group

Title: LGPS 2014

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Summary

Information relating to the main features of the proposed LGPS 2014 which commences from 1st April 2014, are provided in the form of a Fact Sheet produced by the Pensions & Investment Team, and an Examples document, produced by The LGPS 2014 Project (please see the Appendices)

Recommendation

The Group are asked to be aware of, and consider, the proposals of the LGPS 2014 scheme in preparation for the formal consultation, now due in the New Year, and looking forward to the implementation of the new scheme on 1st April 2014.

Supporting information to include the following if a decision is being requested:

Resource implications

One of the key areas where extra resources will be needed is in communicating the details of the new scheme, once known. It is anticipated that this will involve a significant communications exercise, including publications, roadshows across the administering authority area (Buckinghamshire, Milton Keynes & other parts of the Thames Valley), and training for employing authorities in terms of how their roles have changed.



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There are also likely to be resourcing implications in implementing the new scheme, but it will be difficult for these to be known until the scheme is finalised. When implementing the 2008 scheme, there was a period of approximately 5-7 months before the administration software was updated to reflect the scheme changes, resulting in the majority of pension calculations needing manual amendment. It must be noted that the 2008 scheme regulations were not released until 31st March 2008.

The original Project Plan for the 2014 scheme estimates that the regulations will be in force by 1st April 2013, allowing time for administering authorities and software providers to amend their systems and procedures. The deadlines for earlier stages in the project have slipped, so it is possible the publication of the final regulations will also be later than originally anticipated.

However, a ministerial statement issued on 23rd November states:

“The intention remains to have the new scheme regulations in place to coincide with the next Scheme valuation in 2013 to enable local fund actuaries to reflect elements of the new design in this process before the reformed Scheme comes into operation in 2014 and to give software and payroll providers sufficient time to establish and test procedures for the scheme after April 2014.”

We will continue to monitor this situation closely.

Legal implications

Buckinghamshire County Council must comply with the new scheme as laid out in statute.

Other implications/issues

None.

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not applicable

Background Papers

Appendix A: LGPS 2014 Update (June 2012)

Appendix B: LGPS 2014 – Examples

Appendix C: Joint Statement (November 2012)

Appendix D: Ministerial Statement (23rd November 2012)
