

EMPLOYERS' NEWSLETTER

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Welcome to the third edition of our quarterly newsletter, which provides you with an update on the Local Government Pension Scheme (LGPS) and other topical matters.

Exit Payment Cap –

Update

As mentioned in our previous newsletters the Government is proposing to introduce a cap on public sector exit payments.

As you may recall, Regulations have been put in place which enable the Government to make specific LGPS legislation on the issue. It was originally expected that the Government will have the new LGPS legislation in place by the end of June 2017. However, given the resources needed to implement Brexit and the unexpected decision to call an early

general election it is now thought likely that the legislation may come into force in late Autumn/early Winter of 2017.

We will continue to update you in future editions.



Checklist

- Have you completed work on your year end data?
- Have you reviewed the new employer area on our website?
- Have you received our new employee contribution posters? If not order some today!
- Contact us if you would like to host a member event



Arrangements for Academies

In conjunction with the Department for Communities and Local Government and the Department for Education, the Local Government Association has published 'Local Government Pension Scheme – Arrangements for Academies'. The document is intended as an information pack for schools considering conversion to academy status, academy trusts, multi-academy trusts and administering authorities.

Contents of the paper include guidance for academy trusts on preparing to be an LGPS employer; their role and responsibilities post-conversion; the position of multi-academy trusts in the scheme; pooling arrangements; understanding scheme deficits; outsourcing services; the Department for Education guarantee

and academy re-brokerage.

Although the advice given in the paper is intended to have wide application across the 79 LGPS funds in England, some variation in policy and approach across all the funds and their advisers, if you have retained their services for the purpose is inevitable. If Employers have any questions on the issues raised then please contact the Hackney Learning Trust, the Hackney Pension Team or seek assistance from your independent professional advisors, if you have retained their services for the purpose of conversion.

The full document is available on our website at <http://hackney.xpmemberservices.com/media/1321/201704academies.pdf>



Data Made Simple Guide

The Pensions and Lifetime Savings Association (PLSA), in association with Equiniti, have recently published a good data guide called 'Good Quality Data for Local Authorities'. This guide further demonstrates that good quality member data is gaining ever increasing profile and significance.

The guide looks at the benefits of good quality data, which includes improved administration experience, members being able to perform more functions themselves online, reducing the risk of fraud and ensuring compliance with the Pension Regulator (tPR) to name but a few. Having good quality data enables the pension scheme to gain all of these benefits.

The majority of problems faced by pension administrators can be traced back to poor quality data. Typical examples of these are incorrect benefit calculations, delays in bulk activities such as valuations and productions of annual benefit statements, reputa-

tional risks and impact on funding positions.

So what can we all do to improve our data? The pension administrators, Equiniti, carry out routine data checks through the administration platform to ensure that data mismatches and issues are picked up at the earliest possible stage. The administration system is also automated as much as possible to minimise errors. However, Equiniti are still heavily reliant on our Employers submitting clean data on all members, whether it be through the monthly return or by forms such as starters, leavers and change of details, which need to be completed for any change to/in personnel that occurs.

If you do receive queries from Equiniti and you are unsure what action needs to be taken, then please do not hesitate to contact the Hackney Pension Team who are happy to help and can even arrange a visit to provide you with the relevant help and training.

Join Round II of Data Collection!



Pension fun fact

The 500,000th UK employer has completed their workplace pension duties according to new figures released by the Pensions Regulator (tPR), as the pace of automatic enrolment continues to increase.

Ill Health Retirement –

Your Questions

Answered!



What is it?

An ill health retirement under the LGPS provides a pension to employees or ex-employees who satisfy the relevant criteria, and are permanently incapable of carrying out the duties of their role or former role.

Who can apply?

This can be broken down into 2 categories:

- Active employees- Immediate Ill Health Retirement
- Deferred member- Early payment of preserved pension benefits

What are the criteria for early pension release?

Active- The member must have two years qualifying service in the LGPS. They must be deemed permanently incapable of discharging the duties of their current employment and not immediately capable of undertaking any gainful employment.

Deferred- Conditions required are dependent upon when the ex employee left the LGPS as different Regulations relate to different service periods.

Please refer to our Ill Health Guide for full details of the above.

What is the Employer's role?

Active- The Employer has to ask 'Is the employee capable of continuing to work?' This is a Human Resource (HR) decision. If the answer is no then the employee should be referred to the Employers Independent Registered Medical Practitioner (IRMP) who will provide their opinion as to whether the employee meets the criteria for ill health retirement.

Deferred- The ex employee needs to apply in writing to the former Employer for ill health pension release. The Employer would then need to refer them to the IRMP for assessment against the qualifying criteria.

Who makes the decision?

Once the IRMP has made their medical opinion, a certificate will be completed and returned to the Employer. When the Employer receives this they then need to make their decision on pension entitlement. The final decision as to whether a member meets the criteria for ill health benefits to be released, whether they are active or deferred members, ALWAYS rests with the EMPLOYER and not the medical practitioner.

If you would like to find out more about the Ill Health process then please download the Ill Health Guide at <http://hackney.xpmemberservices.com/Employer> or contact the in-house pension team at Hackney

Member Self Service

Launch



We are excited to announce that an all new member self-service facility has been launched as part of Hackney's continued commitment to improve our members pension experience and also, in turn, to improve the data we hold on our members.

The self-service facility directly uses the data which Equiniti hold on the member's record. Members can now view all of their per-

sonal details online such as address, job status and salary. Certain documents will be available to view too, such as 2016-17 Annual Benefit Statements which will be accessible once these are issued at the end of August 2017. Members also have the ability to produce estimate leaving and retirement quotes which will facilitate them in their personal pension planning. Having this interaction with our members will also help to improve the data we hold, as members will be able to spot any errors in the data we are holding much sooner than at present.

All members will be advised directly of the launch in the coming months, but in the interim members can still access this facility at <https://myhackneypension.equiniti.com>

Pension Forms

Within the Hackney Pension Team Karen Chenery, Liaisons Officer Pensions, is here to assist you with any queries that you may have with regards to your employees who are contributing into the LGPS and your responsibilities as an Employer as set out in the Pensions Administration Strategy (PAS).



Karen's role is to act as an initial contact should you have any concerns with regards Employer forms that you may need to complete, or what is required to be sent to Equiniti.

As you are aware, it is imperative that the correct data is being sent to Equiniti. If the incorrect information is held on the pension records for each of your employees contrib-

uting to the Fund, the affect can be substantial to both you and your employee. For Employers, should the data held be incorrect, it could potentially influence your employer contribution rate at any future valuation of the Fund. If leaver / change of details forms are not sent to Equiniti within the prescribed time scale (as set out in the PAS) you may be liable for a levy to be applied for non-receipt of data. In the case of your employees, if the data is incorrect it could affect their future retirement plans.

With a visit to your office, Karen will be able to assist you setting up 'best practice' procedures to ensure that you are fully compliant with tPR and the PAS. More importantly your employees will have accurate data to base their future plans on.

If you would like Karen to visit your offices to discuss matters relating to the LGPS, please feel free to contact her directly on 020 8356 6802 to arrange a mutually agreeable appointment for you both.

Religious and patriot observations that have happened or due since our last newsletter

First Day of Ridvan, St. George's Day, Yom HaShoah, Lailat al Miraj, Yom Ha'Atzmaut, Saints Philip & James, Visakha Puja, Ramadan, Pentecost, Guru Arjan martyrdom, Eid al Fitr



Contact Details

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