

SCHOOLS' NEWSLETTER

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

Pensions Dashboard

due in 2019

The Pensions Dashboard will be a platform that will allow savers to see all their pension pots in one place and will help them to plan their retirement more efficiently. Savers once registered will be able to view the value of their pension pots and therefore be able to plan more efficiently for their future retirement

Currently there is no provision for savers to see their pension pots in one place; with some savers having difficulty in even tracing all their pensions due to the fact that a person may have worked for 11 employers during their working life so

could potentially have a dozen pension pots by the time of their retirement.

The aim of the Pensions Dashboard is therefore to enable savers to obtain full details of their pension benefits.

It is therefore essential that prior to Pension Dashboard going live and at all times thereafter, that the data provided by you as the Employer who will send the information to Equiniti to process, is 100% accurate to ensure that each of your employee's pension details are correct should they decide to participate with the Pensions Dashboard facilities.



Checklist

- Academies/Schools have you boarded yet? TSP Monthly Data Collection (MDC)**
- Are you aware of the changes to General Data Protection Regulation (GDPR) this is due to arrive in 2018**
- Contact us if you would like to host a member event**



Calculation of refunds for members with less than 2 years' pensionable service.

One of the Regulation changes of the LGPS in 2014, was that the vesting period (or minimum time contributing to the scheme to be awarded benefits) in the Fund for a member was amended from 3 months to 2 years, which means that a member can request a refund of their LGPS contribution within those 2 years providing certain criteria is met.

If a member decides to Opt out of the LGPS within the first 3 months of joining the Fund, any refund of the LGPS contribution will be made through **your payroll** which will consider such adjustments for tax deductions. Please remember to send opt out and leaver forms over to Equiniti to process, this is to ensure that they are held on the members record.

However, if a member opts out after 3 months but within 2 years and they have not transferred in any previous pension benefits it will be the responsibility of Equiniti, the 3rd party pension administrators for the London Borough of Hackney to offer the member either a refund of contributions, a deferred benefit within the Fund, or a transfer of the Funds to an alternative pension fund.

If your school uses its own payroll system or has outsourced it to an alternative provider other than The Hackney Learning Trust (HLT), you will be responsible for providing the opt out forms requested by Equiniti to provide specific information concerning the members contracted out earnings for the period in which the member had been in the LGPS.

To assist you in providing the necessary information, the Pensions Team have produced a procedure note which hopefully will assist you in providing Equiniti with the information that is required and ensure that our members receive any refunds in a timely manner. The procedure note will be issued shortly to you under separate cover.



TPS Monthly Data Collection

Teachers' Pensions has implemented Monthly Data Collection (MDC) for providing service and contribution information, which represents significant benefits to the Scheme, Employers and Members. Data collection is changing and MDC will be the only method for providing data from April 2018.

- The deadline for boarding to MDC is December 2017 but you can sign up at any time.
- MDC will also support you as employers and/or payroll providers to fulfil your responsibilities.
- MDC allows you to provide service and salary information to Teachers' Pensions on a monthly basis, as opposed to the Annual Return.

Hackney has boarded with MDC since the beginning of December, we are still in testing mode, however, information from yourselves will still need to be sent over to the payroll department. We need to be live by April 2018.

The Benefits of MDC

MDC provides multiple benefits to both employers and members. These include:

- Real time accurate information for your members (service is more up to date), reducing member queries to employers
- Easier to submit – Teachers' Pensions require fewer data fields making administration easier
- Employers no longer need to complete new starter templates (TR6), leaver templates (TR8) or missing service templates (TR28)

Employers and Members no longer need to complete Certificates of Re-employment in most cases. You will be notified by TPS where a certificate is required

The EU General Data Protection Regulation (GDPR)

What it is GDPR?

- **The General Data Protection Regulation (GDPR)** (Regulation (EU) 2016/679) is a regulation by which the European Parliament, the Council of the European Union and the European Commission intend to strengthen and unify data protection for all individuals within the European Union (EU).
- It come in to force on the 25th May 2018
- Direct effect in the UK
- Wide application across data processing and relationships with administrators, the employer, service providers, third parties such as actuaries and beyond
- Significant fine— 20 million Euros or 4% annual globe turnover
- A question to ask ourselves is how will Brexit affect GDPR?

A few questions to think about

- Have you started work on GDPR?
- Have you contacted all third parties to establish where the data is stored and do you need to destroy these?
- Are the records backed up somewhere?
- Do you need to delete/destroy old files that seem irrelevant?
- Have you distinguished who your administrators, employer, service providers and third party administrators are?
- There is a lot to GDPR that needs to be taken in to consideration, but we are here to help.

Members contribute an average of 6.8% to the scheme with higher earners paying proportionately more

LGPS Pensions forms

If your school or Academy provides its own payroll services or you have outsourced the services to an alternative Payroll provider it may mean that it is now your school's responsibly to complete any of the Employer forms for the administration of the LGPS. If this is something that you have not done previously, are you aware that the Pensions Team in Hackney may be able to assist you if you need assistance.

Within Hackney there is a team of staff ready to here to assist you with any enquiries relating to the LGPS and your responsibilities as an Employer as set out in the Pensions Administration Strategy (PAS). Karen Chenery who is the Liaison Officer, Pensions, will be able to assist you further.

- Correct data collection is important.
- Additional administration charges can be levied against you in accordance with the PAS for delays.
- Any inaccurate data could lead to incorrect figures and or suffer delays and members could suffer a delay in getting their pension benefits being paid.
- Get your forms in accurate and on time.

If you would like Karen to visit your offices to discuss matters relating to the LGPS and the London Borough of Hackney, please feel free to contact her directly on 0208 356 2521 to arrange a mutually agreeable appointment for you both.



MEMBERS PAGE

Keep in touch (KIT)

Moving house? Got married?



Have you moved house? As well as changing your address details with your employer for payroll purposes, you must also let us know. If you don't update us with these details you won't receive your annual benefit statements or anything pension related.

Have you got married too? Please let us know if you need to change your last name and your prefix? All you need to do is provide us with the marriage certificate.



Don't forget to tell us!

Phone: 01293 603085

Email: hackney.pensions@equiniti.com

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 benefit for those you leave behind?

On top of a pension for your spouse, partner, and possibly your children if you die, there is also a one off tax free death grant payable 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 so that your family/friends are provided for, you need to complete an expression of wish form and these can be found on the website at <http://hackney.xpmemberservices.com/>

NOMINATE NOW!

Maternity leaver and return

During any period of relevant child related leave your pension is worked out using your assumed pensionable pay (where this is higher than the amount of pensionable pay you actually receive). Your assumed pensionable pay is a notional figure that is used to make sure your pension is not affected by the reduction in pay. This means that you will continue to build up a pension in the section of the LGPS you are in, as if you were working normally and receiving pay.

If you are in the 50/50 section and go onto no pay during ordinary maternity & adoption leave (usually the first 26 weeks) or paternity leave you will automatically be moved to the main section of the scheme from the beginning of the next pay period. This means from that point forward you will build up full pension benefits in the LGPS even though you are not paying pension contributions.

However, any period of unpaid additional maternity or adoption leave (normally from weeks 39-52) or unpaid shared parental leave will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost during that period of unpaid absence.

If you are interested in buying the amount of pension lost you need to go to the LGPS members website <https://www.lgpsmember.org/> and complete the necessary forms which will need to go to your payroll department to process.

If you make an election to pay an APC for any lost pension **within 30 days** of returning to work (or a longer period if your employer allows it), the cost will be split between you and employer.



Contact Details

The Hackney Pension Team

Julie Stacey (Head of Pensions Administration)
Karen Chenery (Liaison Officer Pension)
Lucy Patchell (Pension Officer)
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Pensions@hackney.gov.uk

The Pension Administrators Equiniti Pension Solutions

www.hackney.xpmemberservices.com
Equiniti 01293 603 085
Hackney.pensions@equiniti.com

Useful websites

www.lgpsmember.org
www.lgpsregs.org
www.thepensionregulator.gov.uk/public-services-schemes.aspx
www.gov.uk/state-pension-age

Seasons Greetings and a Happy New Year From the Pensions Team.

**Note: The offices will be closed for the Christmas period
From 25/12/2017 to 01/01/2018 inclusive**

