

Pensions employer newsletter

Staff transfers

- Do you know what to do?

Inside this issue . . .

- **News in brief**

- Digital communications
- Annual benefit statements
- Employer forums
- Consultations

- **Dates for your diary**

- **2 minutes with . . .**

- Nicola McCann Trainor

McCloud data remedy

- Action needed



West
Northamptonshire
Council



Cambridgeshire
County Council

Administered in partnership



Welcome to the latest edition of our employer newsletter. I hope this edition finds you in good health. It's fair to say it's been a challenging year and a half for everyone, learning to work and communicate in new ways. Many of us haven't seen our colleagues or usual workplace since March 2020 and some of us have even added home schooling to our CV's.

For the Pensions team it has also been a time of great change with the reorganisation of local government across Northamptonshire into two new Unitary authorities and rebranding the service as the partnership between Cambridgeshire and Northamptonshire has changed, moving from a joint committee model to a lead authority model and removing the LGSS branding. Pensions administration is now carried out by West Northants Council on behalf of both the Cambridgeshire and Northamptonshire Funds. On a practical level the only change you will notice is to our contact details (which you can find at the back of this newsletter), the same team will continue to deliver services.

With everyone working remotely and many people getting to grips with new ways of communicating, both in their work and home life, we accelerated our plans to move to digital communications as default, primarily using our member hub and email to communicate with members. The response from those who have used their online pension account has been great but many of our members still haven't registered for their online account. Please read page 3 to find out how you can help your staff to plan for their future.

This edition also has important information about our plan to deal with the expansion of the LGPS underpin protection following the "McCloud" ruling, including what action you will need to take. See page 4 for more details. There's also a helpful article about staff transfers and what this means for pensions on page 5, as well as our usual features.

I hope you find this edition of our newsletter useful and interesting. As always, we value your feedback and would love to know your thoughts.

C. Blose

Employer Services Manager

The employer services team: contact us at PenEmployers@westnorthants.gov.uk



Mio Yewman

Employer Liaison Officer



Nick Percival

Employer Liaison Officer



Louise Hogan

Pensions Officer



Ana NealGonzalez

Pensions Officer



Nicola McCann Trainor

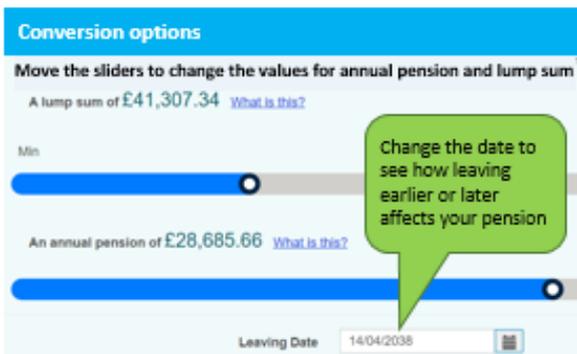
Pensions Officer

News in brief

Digital communications

In our last newsletter we outlined our intention of communicating digitally by default. The recent pandemic has meant that people of all ages have become more digitally savvy as it was a safe way of staying in touch.

We wrote to all of our members earlier this year asking them to sign up to their [online pension account](#) to check their retirement savings. However, there's still thousands of our members who haven't opted out of electronic communications, but also haven't given us their email address by registering online. This means we can't tell them when their pension statement has been updated and they're missing out on tools like seeing how much pension they'd get if they retired earlier or later than their normal pension age.



When you're communicating with your employees please remind them to [register online](#) to help them to plan for their future.

Annual benefit statements

Your employees' pension statements are now ready to see. We have some guidance notes to help with any queries and a newsletter to keep them up to date with the latest pensions news on the [forms and resources page](#) of our members website.

Employer forums – 9 & 17 November



This year's employer forums will be hosted remotely for half a day and we're hoping that this means that more of you will be able to attend. This is a great opportunity to hear about the latest developments with the Local Government Pension Fund (LGPS), the Fund itself, and to get important updates and training opportunities. *See page 6 for dates.*

Consultations

Recent consultations have included the Funding Strategy Statement (FSS) and the Investment Strategy Statement (ISS). Once feedback has been assessed the updated versions will be published on our [website](#).

Key actions resulting from the ISS consultation include:

- avoiding/explaining acronyms and jargon
- adding an explanation of the:
 - o role of the Pension Fund Committee
 - o scope of the ISS
 - o Fund having an Independent Adviser
 - o strategic asset allocation
- adding a climate change risk
- adding in some steps about conducting research on responsible investment
- expanding the section on why engagement is preferred to divestment.

McCloud data remedy – action needed!

Background

Following the McCloud court case about age discrimination in pension schemes, the Government proposed extending the final pay ‘underpin’ protection to everyone who was a member of the LGPS on 31 March 2012.

The underpin was a protection introduced to protect those close to retirement when the scheme changed on 1 April 2014 from a final salary scheme to a CARE scheme.

Implementing the McCloud remedy

The underpin is a calculation to check whether your employees’ pension benefits would be higher if they were calculated under the old scheme rules or when calculated under the new scheme rules. Implementing the McCloud remedy means that we need to hold information on hours worked and salary details for all eligible employees to assess which scheme they are better off under. We’ve collated the data we received between 01/04/2014 to present day but this may not have been provided in all cases – look out for an email from us with the relevant data we hold for your organisation.



What you need to do

Once you’ve had the email from us, please check all of your members on your records against the data in the spreadsheets attached in the email. The spreadsheets are password protected and you’ll get the password in a separate email.

If there are no discrepancies between the data in the sheet and your records, then please email us confirming that.

If there are discrepancies between the two, you’ll need to overwrite the data in the sheet with the correct data from your records. If:

- you have a service history sheet, please only update the service details in fields 11 to 15b (columns K to Q in Excel) leaving the identifying data intact.
- you have a service breaks sheet, please only update the service details in fields 11 to 21 (columns K to S in Excel) leaving the identifying data intact.
- if data is missing for any members, you will need to add new rows. Please copy the identifying data to the new row. The entire period from the earliest date on the sheet to the current date is needed for each of the members.

Staff transfers (applicable for Best Value Authorities, LEA Schools, Academies and any employer who took on staff from one of these bodies).

If you're planning on transferring staff under TUPE regulations following an outsourcing of services or other alternative delivery model, you're legally obliged to provide pension protection if the following regulations apply to your activity:

- Best Value Authorities Staff Transfers (Pensions) Direction 2007 – Best Value Authorities (including LEA Schools)
- New Fair Deal – Academies and any other employers that fall under a Central Government department.

Usually this is by offering continued access to the Local Government Pension Scheme (LGPS) but, the new employer may be able to offer a different pension scheme if it's assessed as being comparable to the LGPS.

Have you allowed enough time?

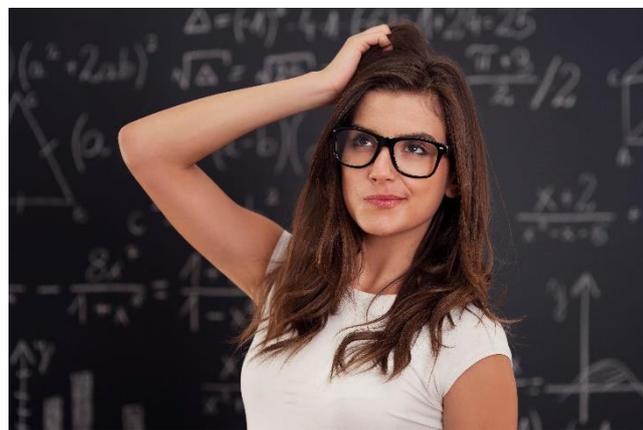


It's essential that *pension protection is in place before the transfer date*. In most cases, this means all parties having signed an admission agreement drafted by us to allow the new employer to become an admission body in the pension Fund.

You should contact us as early as possible in the procurement process so we can make sure the agreement is ready in time. Our admission agreements are non-negotiable except for factual changes but there are still various arrangements that need to be discussed and it can take some time for all parties to agree the terms. If the parties are not willing to sign up to the terms of the admission agreement, pension protection within the LGPS will not be possible.

If an agreement is *not* in place by the end of the calendar month following the transfer, we'll write to the members to tell them their *active membership has ended* and either give them a *deferred pension* or *refund* their contributions (if they've been a member for less than 2 years).

Do you know the risks?



Agreeing which party carries the pension risk often takes the longest time so you should allow enough time for these negotiations to take place.

Risks associated with the provision of pension protection can cause uncertainty and the level of risk exposure can quickly climb into the hundreds of thousands of pounds.

We need to know whether:

- the contractor will take on all of the risk
- the risk will be kept by the letting authority
- it will be shared in some other way.

Your default position should be set out in the tender documents for bidders to consider and price into their contract, although this may change following negotiations.

The risks fall into two main categories:

Funding risk: Will the contractor be expected to pay for any pension deficit or get any surplus when their contract ends? Will you need them to have a bond to protect you against the risk of the contractor becoming insolvent or are you happy that the risk is small enough to manage without a bond?

Contribution Risk: Should they have a fixed contribution rate or should the rate be worked out at each valuation?

You should discuss these risks with us as early as possible. Your contractor will also want to know as the price of the contract will be affected by the answers.

Admissions process



Once you've a preferred bidder and know how you'd like to manage the pension risk, we can start the admission process:

- Our actuary will carry out an assessment to set the funding position and employer contribution rates for your contractor.
- We'll draft the admission agreement and issue it to all parties. They've 3 working days to say whether or not they're happy with the agreement or to let us know that some factual changes are needed and therefore need more time.
- We prepare the final admission agreement and send to your contractor, as an admission body, and to you as a scheme employer to sign.
- You and the contractor then send the signed agreements back to us and we can then start:
 - giving your contractor the information they need as a new employer within the Fund
 - collecting pension contributions from the start date on the agreement
 - updating the members' records
 - letting the members know about the transfer and about the important decision they need to make about their pension
- Once the admission agreement has been sealed by us it will be sent out to all parties. This may be a few months later as it needs to go through our governance processes.

2 minutes with... Nicola McCann Trainor



Nicola is the newest member of the team but she's already been here for a nearly a year! She's an employer pensions officer and

is one of your main contacts for day to day support and advice on the Local Government Pension Scheme (LGPS).

What's your favourite part of your job?

I love that no two days are the same and with working virtually it has given me a better work/life balance.

What's the most challenging part of your job?

Whilst working remotely has its benefits, it was also challenging when I first started, trying to build working relationships with people virtually, although we did overcome this pretty quickly!

What's your greatest achievement?

Finally beating my daughter at the weekly park run!

What's the one thing in the world you couldn't live without?

Running trainers closely followed by dairy milk chocolate!

If you could go anywhere in the world, where would it be?

I've always wanted to go to Graceland with my mum as she's a massive Elvis fan, although anywhere on the green list would be good now!

Images: Racool_studio; DC Studio; drobotdean; G Point Studio; PCH-Vector

Dates for your diary

- Discretions policy webinar
28 Sep, 10 Feb all at 10am
- Calculating pensionable pay webinar
7 Oct, 2 Dec, 1 Feb all at 10am
- Ill health retirement webinar
26 Oct 10am
- **Employer forums**
 - Northamptonshire 9 Nov
 - Cambridgeshire 17 Nov
- Tupes and outsourcing webinar
11 Nov 10am
- Employer responsibilities webinar
23 Nov, 27 Jan all at 10am

Change of contact details

Now that we're part of the new unitary authority West Northamptonshire Council our email addresses have changed. Here's the best way to get in touch for queries related to:

General employer issues

penemployers@westnorthants.gov.uk

Contributions

PenContributions@westnorthants.gov.uk

i-Connect and systems related

issues pensystems@westnorthants.gov.uk

General member issues

pensions@westnorthants.gov.uk

Annual benefit statements

pensionabs@westnorthants.gov.uk

Online pension account login

MyPension@westnorthants.gov.uk