

LGSS Pensions Employer Newsletter

Issue 10

Winter 2018

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Welcome to the Winter edition of our Employer newsletter. It is just a couple of weeks now until Christmas, I hope you are all looking forward to the festive break and having time to catch up with friends and family.

As 2018 comes to a close (yes, we have also been asking ourselves where the time went) our focus has started to shift to 2019 and our priorities for the coming year.

On page 3 you will find details of one of the biggest changes we have ever made to our processes. Over the next 12 months, we will be introducing monthly data collection which we believe will make a huge difference for both members and employers. It will eliminate the need for you to complete year end returns and automate the process, as much as possible, making your life easier and minimising opportunities for human error. For your members this will mean that they will have access to accurate and up to date information about their pension benefits, when they want it, through their online pension account. I am sure that you will agree that this is an important step change for the administration of the Fund.

2019 is also a valuation year, the most important part of the work cycle for the Employer Services and Systems team. Preparations are well under way and we wrote to all employers at the beginning of December about a very important step you need to take to help us with that preparation - data validation. If you missed the letter, you will find details on page 4 of this newsletter. The deadline for this work is 31 January and it is extremely important to the results of your valuation and the contributions you will need to pay over the next three years, so please give this your full attention.

Thanks for reading and from all of us at LGSS Pensions, we wish you a very merry Christmas and a happy New Year.

C. Blose

Employer Services and Systems Manager

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News in Brief

Employer Forum

We recently hosted our 2018 Autumn Employer Forum in both Northamptonshire and Cambridgeshire in November. The day consisted of presentations from LGSS Pensions, The Pensions Regulator and I-Connect. There was also the opportunity to speak to the officers regarding any scheme questions that employers had.

The event was well received from the delegates attending and the increase on numbers from previous years forums.

Our next forums will take place on 25 March 19 at Knuston Hall and 26 March 2019 at Girton College, Cambridge. The forums will focus on the 2019 Valuation and the scheme's actuaries will be present to deliver a presentation and answer any questions that you may have. Make a note for your diaries!

Online Contribution Payments *Update*

In the last newsletter we informed you that we would soon be offering an online service for reporting and paying your monthly pension contributions. We are working hard to complete work on this facility and are hoping to launch this in the new year. We will be looking to test this facility with a pilot group in the first instance and will then look to fully launch the service after the testing has been completed.

Customer Service Excellence

LGSS Pensions have been assessed against the Customer Service excellence award for a third successive year. This year we were once again assessed as compliant against all 57 elements of the Customer Service Excellence standard and due to our innovative approaches we were awarded the highest score for elements related to improving customer journeys.

Although we are extremely happy with our results, we have already started on improving our standards as part of our ongoing commitment to providing high levels of customer service.

As always, we value your opinion on the quality of service you receive and would always welcome your feedback.

Pensions Quiz

1. Can you name any 3 of the public service pension schemes in England?
2. In what year was Automatic Enrolment introduced?
3. What is the maximum state pension amount available per week?
4. How long does a member have to be in the LGPS to qualify for pension benefits?
5. By what date must pension contributions be received by the Pension Fund?

Dates for your Diary

- | | |
|-------------|-------------------------------------------------------------------------------|
| 15 Jan 2019 | I-Connect Rollout training session (10am) |
| 17 Jan 2019 | I-Connect Rollout training session (2pm) |
| 31 Jan 2018 | Data Reconciliation Data ends
Confirmation of clean data
To be returned |
| 12 Feb 2019 | I-Connect Roll out training session (10am) |
| 12 Feb 2019 | I-Connect Roll out training Session (2pm) |

Monthly Data Collection

At our recent employer forums, we announced that over the next 12 months we will be moving to monthly data collection, eliminating the need for you to complete a year end return each year. A process that we know that can be time consuming for you. By moving to monthly data collection, we hope to make your life easier by removing this large one off exercise and replacing it with a more effective and efficient way to provide data, using a system called i-Connect.

As well as smoothing out the work load across the year, i-Connect automates much of the process. Moving to monthly data collection also means that your members will be able to access up to date information about their pension via their online pension account, something that is not currently possible with annual data collection.

What is i-Connect?

i-Connect is free to use and there are 2 options available to employers: online reporting and a data extract from your payroll system. The majority of employers will use the online version of i-Connect as this works best for employers with less than 50 members. For larger employers and payroll providers the extract would be more appropriate but this will require some development of your payroll system to allow the extraction of data in the correct format.

How does i-Connect work?

The process is straight forward, easy to use and we will assist you along the way by providing training, helping you through the initial stages and being available to help with any queries you have.

Online reporting

- Each month, you will need to log on to the i-Connect dashboard and select 'Online Return'. Once you have logged into the online return, you will need to check that all Active members' are listed and that the details showing are correct. If you are using the online return for the first time, you will need to enter these details for each active member in your employment.
- Once you have added all your staff to the list and included their earnings and employment details, you will not need to do this again. But you will need to add any new members who join the scheme and remove any members that leave after the initial set up.
- The return works using exception reporting so when you log in to the return, in future months, it will be populated with the information used in the previous month. You will only need to amend the details if any thing has changed from the previous month.
- Once you have confirmed the details are correct or amended any details that need changing, you can confirm the data for the month and submit the data directly to our system.

i-Connect Extract

- If you are using the i-Connect extract you will need to configure your payroll system so that the extract is populated in the correct format. We will work with you to ensure this is done correctly.
- If your system has been configured correctly, no manual work should be required, you will simply need to download an extract from your payroll system and then upload it to the i-Connect portal. If there are any errors or discrepancies these will be highlighted for you to rectify.

We will be contacting employers in turn to discuss the implementation process and agree an onboarding date. However, if you would like to express your interest before we contact you, please complete and return the attached form which will provide us with the details required to activate your i-Connect account.

Pension Fund Valuation - What do you need to do?

Believe it or not, the next triennial valuation of the Pension Fund is just a few mere months away. The quality of the data we hold about your members is crucial to the results of the valuation. Even the smallest error could lead to you paying more contributions than you need to or having a higher deficit at the next valuation than otherwise would have existed.

To ensure that your data is as accurate as possible, we have asked all employers to carry out a data reconciliation exercise and each of you should have now received an extract of the data we hold for your members. We ask that you now review this data and either confirm to us that the data is correct or amend any incorrect data via Employer Self Service.

We ask that you give due care to this exercise to ensure the greatest accuracy of your data. In particular, we ask that you ensure we know about all active members under your employment and that you have informed us of anyone who has left the LGPS. It is a common issue that we find out about starters and leavers for the first time as part of the year end process. Due to the tight turn-around time between year-end and the valuation, we will not have time to query these cases with you so are asking you to look at this in advance.

The deadline for completing this exercise is 31 January 2019. If you require any assistance during the process please do not hesitate to contact the Employers Team either via email at penemployers@northamptonshire.gov.uk or phone on 01604 364621.

Suspension of transfer value calculations

Following the release of the chancellors latest budget we had to suspend the calculation of transfer values for benefit transfers in and out of the fund and for divorce calculations. This was due to the announcement of a reduction to the SCAPE discount rate used for determining the actuarial factors used across all public service pension schemes, for these purposes.

The suspension has now been lifted for transfers out of the LGPS and divorce calculations, however the suspension still applies to transfers into the LGPS. Once we know when the suspension will be lifted for this we will communicate this to you.

It is also the intention of Government to introduce revised factors affecting potential early or late retirements on or after 1 February 2019.

If any of your members are planning to take early or late retirement from that date it is important that they take this into account when using a retirement estimate to make any financial decisions, as the amount of early retirement reduction, or late retirement increase they receive could change before their chosen retirement date.

Funding Strategy Statement Consultation

We have reviewed and amended our Funding Strategy Statement and this was released for consultation in November.

The changes to the Funding Strategy Statements include minor amendments to ensure the wording of the policies is in line with the wording within the regulations. This includes adding a reference to “surpluses” and “exit credits” alongside any references to “deficits” or “exit debits” within the policies.

The most significant change is the amendment of “Note (j) (Admission Bodies Ceasing)” to provide detail on how the Funds will treat potential exit credits on cessation of an admitted body.

The consultation closed on Dec 9 and we will look to publish the final document in due course.

2 Minutes with... Kirsty Myles

Kirsty is one of the Team Leaders within our Funding & Contributions team. Her Team is responsible for cash flow and income reconciliation and for managing the process of providing you with your FRS and IAS accounting reports.

How long have you worked in Pensions?

I have worked in pensions for 3 years this January and LGSS for a total of 6 years.

What is your favourite part of the job?

The favourite part of my job is to continually review and update our systems and processes so that as a team we can work effectively. I love for my team to share their ideas on how to work efficiently with best practice processes.

What is the most challenging part of your job?

The most challenging part of my job is time, there are never enough hours in the day especially during our most busy periods, luckily I have a hardworking team behind me.

What is your greatest achievement?

My greatest achievement(s) is a personal one which are my 2 beautiful children who are 7 and 6 years old.

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

I would love to go to see the Northern Lights.

What's the one thing you could not live without?

Now that's a hard one I would have to say coffee (but really mean family)

And now for something

completely different...

If Global warming had an effect on giving us the scorching summer which has been and gone, you may think that we are in for an extremely cold winter. Here are some facts about winter and Christmas...

1. At least 4,000 species of birds migrate from Europe to Africa in the winter. This is over 40% of the worlds total.
2. The chances of snow on Christmas is 1 in 10 for England and Wales.
3. 8 Million natural Christmas trees are used each year in the UK.
4. It's technically illegal to eat mince pies on Christmas day. In the 17th Century, Oliver Cromwell banned the eating of mince pies, Christmas pudding and anything to do with gluttony. The law has never been rescinded.
5. Royal Mail have managed Santa's North Pole mailbox since 1963 and receive around 600,000 letters a year.



Pension Quiz Answers

1. Any 3 of the following: LGPS, Teachers, Firefighters, Police, NHS, Civil Service, Judicial , Armed Forces, Parliamentary and Universities
2. 2012
3. £164.35 p/week
4. Two years
5. 19th of the month after collection

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