

LGPS Practitioner and Employer Training Events

The Local Government Pension Committee (LGPC) organise numerous one-day topic specific workshops covering various aspects of the Local Government Pension Scheme (LGPS). The next workshops to be held in 2017 will cover the subject of 'Auto-enrolment and the LGPS' and 'The Employer Role'.

Early booking for these workshops is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Association website. Each event has a link attached to the date in order to book direct. The main events booking page for all LGA events are viewable at: <http://www.local.gov.uk/events>. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPS Executive Officer, by email elaine.english@local.gov.uk

The workshop 'Auto-enrolment and the LGPS' is aimed primarily at staff working for scheme employers who have operational responsibilities under the Local Government Pension Scheme (LGPS) but are yet to reach their staging date under the Pensions Act 2008. Delegates do not necessarily need a thorough working knowledge of the LGPS itself; however, some experience of the scheme and its provisions would be useful. It is important to understand that the workshops explain auto-enrolment duties in the context of the LGPS and that the material, incorporating examples, is LGPS-specific.

The Pensions Regulator (TPR) stated in the most recent "Declaration of Compliance Report" that 28,452 employers confirmed they had met their new duties in August 2016 bringing the total up to 234,589 employers since 2012. The total workforce of these "staged" employers is 22,781,000. It is hardly surprising therefore that many lessons have been learned from the experience of those having gone through the auto-enrolment challenge over the last few years, one of which is the need to get ready well in advance of the new duties commencing.

Existing employers at 1 April 2012 with fewer than 30 persons in their largest PAYE scheme are still being staged (according to PAYE reference numbers) and may have a staging date as late as 1 April 2017. New employers who set up business since 1 April 2012 will have staging dates between 1 May 2017 and 1 February 2018 (this will include a significant number of Academy Schools). These workshops in January and February 2017 are therefore ideally chronologically positioned for many scheme employers approaching their new duties.

With the increasing numbers of employers subject to auto-enrolment duties it is hardly surprising that the number of contraventions reported by TPR continues to rise. Indeed, in TPR's "Compliance and Enforcement Quarterly Bulletin" for 1 April to 30 June 2016, it was reported that TPR issued 177 unpaid contribution notices in those three months bringing the total since 2012 to 582. Amongst other notices and penalties issued, it is noted that 861 fixed penalty notices (£400 each) were issued in the quarter against employers in breach of their statutory duties. Getting ready for auto-enrolment well in advance, making sure processes, checks and balances are all in situ, will help to avoid any transgressions with TPR.

The second workshop 'The Employer Role' is aimed at staff working for scheme employers who have operational responsibility under the LGPS. From assessing contribution rates on commencement to deciding benefit entitlements on leaving, the course goes through everything an employer participating in the LGPS needs to know. Delegates do not necessarily need any working knowledge of the LGPS but should note that the material is LGPS-specific. Whilst some of the theory is generic and applies to a whole raft of final salary schemes, the illustrations, examples and exercises certainly do not.

Auto-enrolment and the LGPS

As some scheme employers reach their staging dates others are now reaching their re-enrolment date. A number of scheme employers have contacted the East Riding Pension Fund to clarify what paperwork should be provided for eligible job holders who are brought into the LGPS, particularly those who elect to opt out of the scheme before any pension contributions are taken.

The Pensions Act 2008 requires LGPS administering authorities, i.e. the East Riding Pension Fund (ERPF), to keep records of all eligible job holders who have been enrolled by their employer into the LGPS; including the full name, national insurance number, date of birth, gender and postal address. The ERPF will also need to record the date the eligible job holder has been enrolled and where applicable the date they left or opted out.

It is therefore important that scheme employers ensure that procedures are in place to issue new joiner forms to the ERPF for each eligible job holder who is admitted into the LGPS. This applies even if the member subsequently requests to opt out the LGPS. For opt outs the scheme employer will also need to provide the ERPF with a copy of the members signed opt out form and complete the under three month opt out form (for those who opt out within three months of the date joined) or the employee leaver form (for those who opt out after three months of the date joined). These forms can be found at <http://erpf.eastriding.gov.uk/library-and-information/online-forms/>.

Employers should also note that an eligible job holder can only opt out using a prescribed opt out form, and only after the employee has been brought into the pension scheme. This is in accordance with LGPS regulations which no longer allow for opting out to commence in advance. Opt out forms are only available from the ERPF either online at <http://erpf.eastriding.gov.uk/library-and-information/online-forms/> or by telephoning the team on 01482 394103.

The Local Government Association has produced guides for scheme employers' setting out what is required to comply with automatic enrolment and these can be found at <http://www.lgpsregs.org/index.php/guides/administration-guides-to-the-2014-scheme>. In addition The Pensions Regulator (TPR) website has useful information about auto enrolment and re-enrolment including step by step guides which can be accessed at <http://www.thepensionsregulator.gov.uk/en/employers.aspx>.

2016 Fund Valuation

At the Annual General Meeting on the 4th November 2016 the Fund Actuary, Hymans Robertson, provided an overview of the whole fund results. The next step in the valuation process is for individual employer results to be calculated and issued. The timetable for this should hopefully see employers provided with individual results before the end of 2016. The revised employer contribution rates will be effective from 1 April 2017.

Distribution details

To make sure the information provided in the monthly employer bulletins is reaching the right people, could you please circulate this bulletin to colleagues within your organisation who have responsibilities for pensions including Business Managers, Finance Officers, HR and Payroll staff.

If you would like to add anyone to the mailing list please then their details (name, email address and organisation): liz.vollans@eastriding.gov.uk.

Earlier bulletins issued can all be found on the ERPF website <http://www.erpf.org.uk/employers>