

Employers' Forum

Presentation by the Pensions Shared Service (PSS) February 2024

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Agenda

Introductions


LGPS Topics: Ill Health Retirement and APP

Pensions Administration Strategy (PAS) – Key Requirements

i-Connect

End of Year and Accounting Standards

Member Self Service "MSS" - the Online Portal

A white computer keyboard is partially visible in the top left corner, with keys like 'S', 'D', 'F', 'G', 'H', 'J', 'K', 'L', 'Z', 'X', 'C', 'V', 'B', 'N', 'M', 'option', and 'command' visible. A black stethoscope with a silver chest piece and earpieces is positioned diagonally across the white background, overlapping the keyboard.

Ill Health Retirement Request from ex-member of staff

- When a deferred member wishes to access their benefits on health grounds they must apply directly to their former employer
- Refer the individual onto your Independent Register Medical Practitioner (IRMP) approved by Fund
- The IRMP must be approved by the administering authority; and
 - The IRMP must hold a diploma in occupational health medicine or an equivalent qualification; or
 - The IRMP must be an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or equivalent
- **No unnecessary delays – benefits are time critical. Pensions Ombudsman will fine for maladministration**

The criteria

Members who left the LGPS before 1 April 2008

- The former employee must be permanently incapable of discharging the duties of their former employment.

Members who left the LGPS between 1 April 2008 and 1 April 2014

- The former employee must be permanently incapable of discharging the duties of their former employment.
- In addition, the former employee must have a reduced likelihood of carrying out any gainful employment before age 65

Members who left the LGPS after 1 April 2014

- The former employee must be permanently incapable of discharging the duties of their former employment.
- In addition, the former employee must have a reduced likelihood of carrying out any gainful employment before state pension age

When would the benefits be paid from?

Members who left the LGPS before 1 April 1998

- payable from the date the IRMP certifies the former employee met the criteria for payment. This can be earlier than the date they applied for their benefits.

Members who left the LGPS between 1 April 1998 and 31 March 2008

- payable from the date the former employee applied for their benefits to be paid on health grounds.

Members who left the LGPS between 1 April 2008 and 31 March 2014

- The benefits are payable from the date the IRMP certifies the former employee met the criteria. This can be earlier than the date they applied for their benefits.

Members who left the LGPS after 1 April 2014

- The benefits are payable from the date the former employer determines that the ill health criteria has been met.

The Employer decision

The employer **MUST** inform the member of the decision to award or not award benefits

Include how the member can appeal the decision through the LGPS two-stage 'Internal Dispute Resolution Procedure' (IDRP)



Legal Requirements for Scheme Employers making LGPS decisions

Is your organisation compliant with the law?

You MUST nominate an appeals officer to deal with Stage 1 of the Internal Disputes Resolution Procedure (IDRP)

You MUST appoint an Independent Registered Medical Practitioner (IRMP) to assess ill health retirement applications and decide the appropriate “tier” for ill health

You MUST publish your Pensions Discretions Policy

NB The Local Authority’s discretions policy will apply to community schools, foundation schools and foundation schools



Assumed Pensionable Pay

- Assumed Pensionable Pay (APP) is a notional pay figure that employers must calculate when an employee's pensionable pay is reduced because they are absent from work.
- This notional pay figure is used to make sure an employee's pension builds up as if they were at work receiving their normal pay
- LGPS employer bite-size training
 - <https://www.lgpsregs.org/employer-resources/employer-bite-size-training.php>

Assumed Pensionable Pay – Importance of Data from Employers

- Directly feeds into member records, and is required for:
 - Member estimate requests;
 - Retirements and deferments;
 - Annual Benefit Statements (statutory requirement by 31 August).
- Used to value the Fund and calculate employer contribution rates during triennial valuations.
- Feeds into annual data cleanse work.
- It is a requirement of The Pensions Regulator (TPR) that records are accurately maintained, therefore reporting to the TPR may be necessary where there are concerns about incorrect or incomplete information.
- Read HR and Payroll Guide:
<https://www.lgpslibrary.org/assets/gas/ew/HRv4.2c.pdf>

When to Calculate Assumed Pensionable Pay

APP

When to use

Reduced or nil pay due to:

- ✓ Sickness
- ✓ Ordinary maternity, paternity or adoption leave

Reduced pay due to:

- ✓ Additional maternity, paternity or adoption leave
- ✓ Reserved forces leave

How to calculate

- ✓ Use the actual pensionable pay for the 3 months prior to the pay being reduced
- ✓ Use this to calculate the annual APP
- ✓ Apply to the relevant absence period
- ✓ Member Conts based on Actual Pay
- ✓ **Employer Conts based on APP**




When APP does not apply

- **Unpaid additional or adoption leave** - Typically, from week 40 onwards (can be week 27)
- **Unpaid shared parental leave**
- **Absence due to industrial action**
- **Other periods of unpaid absence**

NB member can buy back pension 'lost' by paying Additional Pension Contributions (APCs)

APP does not apply - Knowledge Check

Does A P P apply during these types of leave?

- Paid Adoption leave from week 27 to 39 
- Sickness on full pay 
- Strike 

LGA bite-size training modules

- The LGA has published bite-size training modules to help employers with key topics:
 - Assumed Pensionable Pay;
 - Final Pay; and
 - Ill Health Retirement

<https://lgpsregs.org/employer-resources/employer-bite-size-training.php>

Pensions Administration Strategy (PAS)

Pensions Shared Service

- 4 Pension Funds covering 5 London Boroughs
- Around 28,000 active members
- More than 240 employers
- Across more than 70 payroll providers

Pensions Administration Strategy

- Reg 59 of LGPS Regulations 2013
- Covers expected levels of performance (PSS and employers)
- Ensures compliance with statutory requirements
- Performance is published
- Re-charge of costs incurred

PSS – Roles and Responsibilities



ADMINISTRATION OF
LGPS



MAINTAIN AND
REVIEW STATEMENTS
AND POLICIES



COMMUNICATE AND
ENGAGE WITH
EMPLOYERS



PROVIDE SUPPORT
AND TRAINING TO
EMPLOYERS



MAINTAIN ONLINE
INFORMATION

Employers - Roles and Responsibilities



Communication of LGPS to members



Correct application of LGPS



Collection of contributions



Payment of contributions to Pension Funds



Reporting to Pensions Shared Service



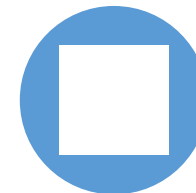
Maintain and review statements and policies



Tell us about organisational changes



Key Contacts



Promote MSS

Key Contacts



HELP US TO COMMUNICATE WITH
THE RIGHT PERSON



ENSURE PERFORMANCE AGAINST
PAS IS BEING MET



ASSIST WITH COMMUNICATION
AND PROMOTION TO MEMBERS



KEEP KEY CONTACTS UPDATED

Managing Poor Performance

Communicate poor performance to employers

Issue a formal notice

Issue an invoice (interest due on late payment)

Report to Local Pensions Board

Seek to recover fines issued by courts or
Ombudsman

Recovery of Costs

Not onboarding to
iConnect, late or
incorrect
submissions

No nominated
pensions
representative

No Discretions
Policy

Lack of, or late,
notification of
starters, leavers
and changes

Failure to notify of
TUPE transfers

Failure to notify of
new Academies or
Free Schools

Late payment of
contributions

i-Connect

i-Connect is an online service to enable the monthly flow of employee pension data from your payroll to the Fund's pension system



Reduces
paper forms

Members
can
view up-to-
date
pension
data on
MSS

Simple,
efficient,
and secure
way to
submit
pension
data

Faster
processing
of benefits
for
employees

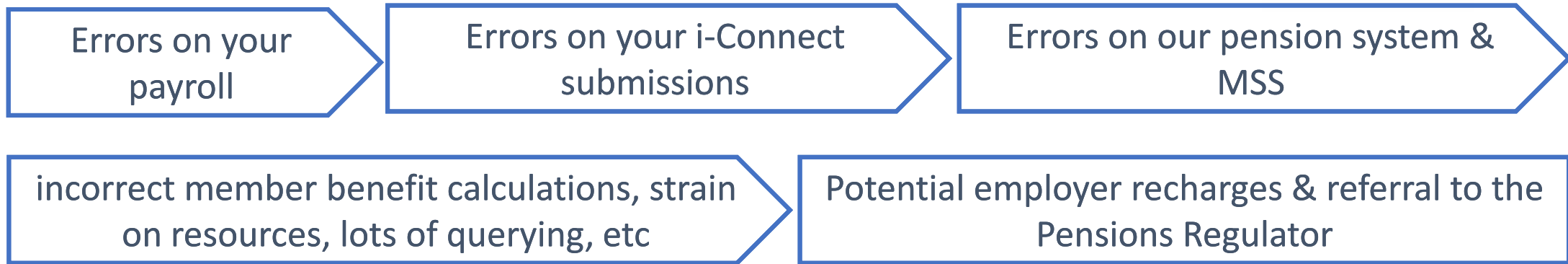
No need to
manually
complete
EOY returns

Check Your Submissions



i-Connect benefits can only be realised if:

- Your payroll applies **LGPS rules** correctly (correct EE/ER rates, APP, etc)
- Your submissions meet i-Connect requirements
- Your i-Connect data is checked before submissions
- Your I-connect returns are submitted on time (by 19th of the following month)



Common i-Connect Errors

- APP
- leaving/opt out
- job changes
- changes in hours
- YTD vs monthly figures
- TTO arrangements



APP Example

A member went on half pay sick leave from 10.03.2022 and nil pay from 01.09.2022

What was reported

Date	Pay	EES	ERS
31/10/2022			
30/09/2022			
31/08/2022	554.47	30.5	109.23
31/07/2022	554.47	30.5	109.23
30/06/2022	554.47	30.5	109.23
31/05/2022	733.3	40.33	144.46
30/04/2022	1084.62	59.65	213.67
31/03/2022	544.94	29.97	107.35
28/02/2022	1089.89	59.94	214.71
31/01/2022	1089.89	59.94	214.71
31/12/2021	1089.89	59.94	214.71

What should've been paid/reported

Date	Pay	EES	ERS
31/10/2022	1089.89	0	214.71
30/09/2023	1089.89	0	214.71
31/08/2022	1089.89	30.5	214.71
31/07/2022	1089.89	30.5	214.71
30/06/2022	1089.89	30.5	214.71
31/05/2022	1089.89	40.33	214.71
30/04/2022	1089.89	59.65	214.71
31/03/2022	1089.89	29.97	214.71
28/02/2022	1089.89	59.94	214.71
31/01/2022	1089.89	59.94	214.71
31/12/2021	1089.89	59.94	214.71

Questions?



Support/training with i-Connect

Contact us: PSSEmployers@richmondandwandsworth.gov.uk

LGPS HR Guide: <https://lgpslibrary.org/assets/gas/ew/HRv4.4c.pdf>

Employers Team at the PSS



Provide Guidance and Advice to all Employers in the Fund

Scheme Rules
Administration
i-Connect



Ensure contributions are paid and remitted accurately and on time each month

19th of the following month
Payment checked against i-Connect
Query Discrepancies



Issue Communications and Updates

Key Contacts

PSSEmployers@richmondandwandsworth.gov.uk



End of Year – 2023/24

Compliance and Reconciliation

- End of Year sign off confirming contributions have been paid and remitted correctly and that employer duties are being met.
- Deadline **30th April 2024**.
- Employer Responsibility. **Cannot** be signed by third party payroll providers.

Employer Duties

- Contributions
- APP
- Full Time Equivalent Pay
- i-Connect
- Discretions Policies
- Key Contacts
- Re-charges

Accounting Exercises - FRS102/IAS19

PSS can facilitate requests for accounting reports from each Fund's Actuary.

Provided at your relevant accounting date e.g. 31st March or 31st August.

Actuary Portals used for requests.

Detailed briefing notes/covering reports provided.

Using your own chosen Actuary? Please let the Employers Team know if they have any queries.



Member Self Service (MSS)

Welcome Miss DEMO

Your Details >

View and amend your personal details.

Your Tasks >

Find tasks and items that you need to complete.

There are currently no tasks for you to do.

Employment Details >

View your current employment details.

- [Financial Details](#)

Pension Benefits >

View your pension benefits.

- [Benefit Projectors](#)
- [Current Value of Pension Benefits](#)

Documents >

View the documents that relate to you and your pension.

- [My Documents](#)
- [Scheme Documents](#)
- [Document Upload](#)

Death Grant - Expression of Wish >

Make sure your intention is taken into account should a death grant become payable from the scheme.

- [Death Grant - Expression of Wish](#)

Ask Us >

Find the answers to our most frequently asked questions, submit a query or give us some feedback.

Settings / Configuration >

Update your settings.

- [Change your Password](#)
- [Change Security Responses](#)
- [Consent Withdrawal](#)
- [Communication Preferences](#)

Your Requests >

There are currently no open requests.

[View all requests](#)

Benefits of MSS

- View pension account
- Amend personal details, including Expression of Wish
- Carry out pension calculations
- View correspondence including Annual Benefit Statements
- Upload documents
- Submit requests

Voluntary Retirement Pension Values

These figures are for illustration purposes only. DO NOT make decisions in respect of your benefits without requesting a formal quotation from us.


Pension	£22,924.38
Lump Sum	£0.00
Partner's Pension	£7,020.52
Projected Salary to Retirement	£24,403.34

Conversion Options


Move the sliders to change the values for annual pension and lump sum.

A lump sum of **£14,737.09** [What is this?](#)

Min Max



An annual pension of **£21,696.29** [What is this?](#)



Employer Promotion of Member Self Service (MSS)

Employer assistance is key

Issue promotional material

Regular updates of non-registered members

More Information

National Member Website:

<https://www.lgpsmember.org/>

Employer Training:

<https://www.lgpsregs.org/employer-resources/index.php>

Pensions Shared Service Website:

<https://pensionssharedservice.org.uk/>

Contacting the Pensions Shared Service –
Employers Team

- Email:

PSSEmployers@richmondandwandsworth.gov.uk

