

LGPC Bulletin 219 – January 2022

Local Government Pensions Committee (LGPC)
Secretary, Lorraine Bennett

This bulletin contains updates for all LGPS stakeholders. It includes important articles on:

- [Pension schemes newsletter 136](#)
- [DWP responds to nudge consultation](#)
- [Addendums to the non-Club guide for QROPS and AVC transfers published](#)
- [Data protection considerations for overseas transfers](#)
- [NI Database and deceased members](#)

which need action by certain stakeholders.

If you have any comments or articles for future bulletins, please contact query.lgps@local.gov.uk.

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LGPS England & Wales Scheme Advisory Board (SAB)

December 2021 meeting

The SAB met on 13 December 2021. The meeting covered the following topics:

- Prudential
- cost transparency
- new Compliance and Reporting Committee
- letter from Michael Lynk.

You can find a summary note of the meeting on the [Board Updates](#) page of www.lgpsboard.org. You can also find full details of the meeting and agenda papers on the [Board Meetings](#) page.

The SAB will next meet on 7 March 2022.

Statement on fund representation amended

The SAB amended its [statement on member representation within LGPS pool governance structures](#) on 25 January 2022.

The statement was originally published in December 2021 and expressed disappointment that ACCESS, which is an LGPS pool, continues not to have adopted SAB's policy on including member representation in its governance structure.

The SAB has amended the statement to reflect that ACCESS has complied with the policy by explaining their reasons for excluding scheme members. Nonetheless, the Board continues to express its disappointment and strongly urges the representatives of the fund authorities to reconsider.

Update on UN letter about investments in the Israeli settlement economy

The SAB secretary, along with the chair of and representatives from the Local Authority Pension Fund Forum (LAPFF) met with Michael Lynk on 11 January 2022. Michael Lynk is the United Nations (UN) Special Rapporteur on the Palestinian Territories. The meeting was to discuss the [letter Mr Lynk sent to committee chairs](#) in November 2021.

The SAB provided the following update on the meeting:

“The discussion was productive and it was agreed to follow up with another call in a month or so. It was made clear that LGPS funds' primary objective in investments is to ensure pensions are paid but they do take human rights

issues seriously in their decisions and through LAPFF are actively engaged with many companies listed on the database. In that respect Mr Lynk will provide further information on the database in particular the process for removing companies from it. LGPS funds who are considering responding to Mr Lynk may wish to reference this ongoing discussion.”

LGPS England & Wales

2022/23 employee contribution bands

Below are the employee contribution bands which will be effective from 1 April 2022. These are calculated by increasing the 2021/22 employee contribution bands by the September 2021 CPI figure of 3.1 per cent and then rounding down the result to the nearest £100.

Table 1: Contribution table England and Wales 2022/23

| Band | Actual pensionable pay for an employment | Main section contribution rate for that employment | 50/50 section contribution rate for that employment |
|-------------|---|---|--|
| 1 | Up to £15,000 | 5.50% | 2.75% |
| 2 | £15,001 to £23,600 | 5.80% | 2.90% |
| 3 | £23,601 to £38,300 | 6.50% | 3.25% |
| 4 | £38,301 to £48,500 | 6.80% | 3.40% |
| 5 | £48,501 to £67,900 | 8.50% | 4.25% |
| 6 | £67,901 to £96,200 | 9.90% | 4.95% |
| 7 | £96,201 to £113,400 | 10.50% | 5.25% |
| 8 | £113,401 to £170,100 | 11.40% | 5.70% |
| 9 | £170,101 or more | 12.50% | 6.25% |

New member website

We are in the final stages of producing a new website for members of the LGPS in England and Wales. The existing tools will be replicated on the new site, though re-vamped to make them more user-friendly and accessible. Users will see improved accessibility across the site, in both design and readability.

We will contact all administering authorities when we have a confirmed launch date. We will also supply new branding guidelines that will help you to implement them in your own publications.

The address of the website will not change – www.lgpsmember.org. The addresses of other pages will change but users who attempt to visit an old page will be re-directed to the corresponding page on the new site. Administering authorities will need to consider updating any direct links to individual pages on the national website that they include in member correspondence, guides or websites when the new site goes live.

LGPS Scotland

LGPC response to amendment regulations consultation

On 19 January 2022, the Local Government Pensions Committee (LGPC) responded to the consultation on the draft Local Government Pension Scheme (Scotland) (Amendment) Regulations.

The Scottish Public Pensions Agency launched the consultation on 1 November 2021, which we covered in [Bulletin 216](#). The consultation closed on 21 January 2022.

You can view the consultation documents and LGPC's response on the [Scheme consultations](#) page of www.scotlgpsregs.org.

HMRC

Pension schemes newsletter 136

HMRC published [Pension schemes newsletter 136](#) on 17 January 2022.

The newsletter gives several important updates on the Managing Pension Schemes service, such as:

- when the feature for migrating pension schemes will be made available on the service
- plans to allow administrators to import data directly from spreadsheets when compiling Accounting for Tax returns
- what administrators should be doing to start preparing to migrate their schemes to the service, and
- when administrators will no longer be able to compile and submit Accounting for Tax returns on the Pension Schemes Online service.

On 18 January 2022, Rachel Abbey forwarded an email covering these updates on behalf of HMRC to administering authorities.

The newsletter also includes articles:

- giving further information about the plans to increase the normal minimum pension age from 55 to 57 on 6 April 2028
- reminding scheme administrators dealing with overseas transfers to check that the receiving scheme meets the conditions to be a recognised overseas pension scheme, and
- on the proposed changes to the scheme pays reporting deadlines.

Action for administering authorities

Review the updates to the Managing Pension Schemes service and take any actions as appropriate.

DWP

DWP responds to nudge consultation

The Department for Work and Pensions (DWP) responded to the consultation 'Stronger Nudge to pensions guidance' on 17 January 2022. On the same day, the DWP laid before Parliament [the Occupational and Personal Pension Schemes \(Disclosure of Information\) \(Requirements to Refer Members to Guidance etc\) \(Amendment\) Regulations 2022](#). The regulations come into force on 1 June 2022 and apply to England, Scotland and Wales.

The regulations will require administrators of occupational pension schemes, including the LGPS, to give to their members, in certain cases, a stronger nudge to Pension Wise guidance.

Administering authorities will need to give the stronger nudge where it receives an application, or a communication in relation to an application, from a member to start receiving their additional voluntary contributions (AVCs) on or after 1 June 2022. The regulations also apply to applications from members aged 50 or over to transfer out their AVCs.

Giving the stronger nudge means that administering authorities must, as part of the application process:

- offer to book a Pension Wise appointment on behalf of the member
- where the member accepts, take reasonable steps to book the appointment
- where the member does not accept the offer, or where the authority is unable to book the appointment despite having taken reasonable steps, give details to the member of how to book an appointment themselves

- explain to the member that the authority cannot proceed with the application unless the member has attended the appointment and confirmed this to the authority, or has opted out of attending an appointment, and
- explain to the member that they can only opt out in respect of the application by giving (either verbally or in writing) a notification to the administering authority. The member may only give the notification in a separate communication made solely for that purpose (such as a separate phone call, or separate digital / postal form).

There are some exceptions to the above rules. For example, where the application is to transfer AVCs, the member does not have to give the notification opting out of attending an appointment in a separate communication that is for this sole purpose.

Administering authorities must keep a record of whether, in respect of an application, the member attended a Pension Wise appointment or opted out of attending one. The authority will also need to keep other records where the member was allowed to opt out in a communication which was not for that sole purpose.

The Pensions Regulator, in its [‘Why it’s time for trustees to Pension Wise up’ blog](#), confirmed that it will give guidance before 1 June 2022 to help schemes prepare for the changes.

We will give further information in due course.

You can access the consultation documents on the:

- [Non-Scheme consultations](#) page of www.lgpsregs.org and
- [Non-Scheme consultations](#) page of www.scotlgpsregs.org.

Action for administering authorities

Start preparing for the changes.

Terms of reference for SPa review report published

On 7 January 2022, the Department for Work and Pensions (DWP) published [the terms of reference for the independent report](#) to be led by Baroness Neville-Rolfe, which the DWP commissioned as part of the latest review of the State Pension age (SPa).

The DWP launched the latest review of the SPa on 14 December 2021, which we covered in [Bulletin 218](#). The review must be published by 7 May 2023.

HMT

Government confirms 2022 revaluation and publishes PI multiplier tables

On 20 January 2022, the Government made [a written statement on indexation and revaluation in public service pension schemes](#) and published [the 2022 pensions increase \(PI\) multiplier tables](#).

The statement confirms that public service pensions will increase on 11 April 2022 by 3.1 per cent, except for pensions that have been in payment for less than a year, which will receive a pro-rata increase. The statement also confirms that active LGPS CARE accounts will increase on 1 April 2022 by 3.1 per cent. Active CARE accounts in the other public service schemes will increase as follows:

- Police Pension Scheme: 4.35 per cent
- Firefighters' Pension Scheme: 4.1 per cent
- Civil Service Pension Scheme: 3.1 per cent
- NHS Pension Scheme: 4.6 per cent
- Teachers' Pension Scheme: 4.7 per cent
- Armed Forces Pension Scheme: 4.1 per cent
- Judicial Pension Scheme: 3.1 per cent.

The Government expects to make the annual revaluation orders in March 2022.

TPR

Blog looking ahead to 2022 published

Charles Counsell, Chief Executive at TPR, published [a blog called 'Protecting savers in 2022: disrupting crime, managing climate risk and embracing diversity'](#) on 24 January 2022. The blog sets out what 2022 will bring to workplace pensions, including TPR's plans for the year.

TPR encourages schemes to report pension scams

On 18 January 2022, TPR published [a press release about pension scams](#). TPR believe that too few schemes are reporting suspected pension scams.

Nicola Parish, TPR's Executive Director of Frontline Regulation, said:

“We've seen little evidence that the pensions industry is reporting its suspicions and this lack of data makes it difficult to accurately determine the scale of the problem and put in place successful interventions.”

See the [Avoid pension scams](#) page of [TPR's website](#) for information on how to report suspected scams.

Other news and updates

Addendums to the non-Club transfer out guide for QROPS and AVC transfers published

On 19 January 2022, Jayne Wiberg emailed administering authorities to let them know that we have published two addendums to the non-Club transfers out technical guide covering:

- transfers to qualifying recognised overseas pension schemes (QROPS)
- transfers of additional voluntary contributions (AVCs) to UK registered pension schemes.

The addendums explain how [the Occupational and Personal Pension Schemes \(Conditions for Transfers\) Regulations 2021](#) apply to QROPS and AVC transfers.

You can access the addendums on the Administrator guides and documents pages of www.lgpsregs.org and www.scotlgpsregs.org.

Action for administering authorities

Ensure your processes are in accordance with the addendums.

Amendments tabled to the PSPJO Bill

The Government tabled further [amendments to the Public Service Pensions and Judicial Offices \(PSPJO\) Bill](#) on 21 January 2022. In summary, the amendments relevant to the LGPS are:

- redefine “remediable service” so that it also potentially covers members who were not in pensionable service on 31 March 2012 in a relevant public service pension scheme but who were in such service before then
- extend the types of schemes where pensionable service of which would not count as a disqualifying break
- allow regulations to provide final salary benefits for transferred-in service from different public service schemes where the service benefitted from final salary protection in the other scheme
- allow regulations to restrict service between 1 April 2014 (1 April 2015 in Scotland) and 31 March 2022 from having final salary protection unless the member has transferred in or aggregated previous service
- allow regulations to make provision adjusting pension credits and debits to reflect the McCloud remedy

- allow regulations to make provision about teachers who qualified for the LGPS
- make provisions about compensation and interest payments.

[The Bill](#) is at the Committee stage in the House of Commons, the first sitting was on 27 January 2022.

Data protection considerations for overseas transfers

We recently sought legal advice from Squire Patton Boggs (SPB) in response to a question we received about data protection issues when processing overseas transfers.

The question came about because of the changes made to the full privacy notice in September 2021. The notice was updated to reflect that following Brexit, the UK now falls outside of the European Economic Area (EEA).

The updated privacy notice states that appropriate safeguards must be put in place whenever there is a transfer of personal data from the UK to jurisdictions which may not offer an adequate level of protection as required by the UK Government or EEA countries.

The question we asked SPB is ‘what safeguards should administering authorities put in place when sending personal data and payment information overseas as part of a transfer out?’.

Please see [the Appendix to read their full advice](#). A summary is provided below:

- due to the risk of pension scams, administering authorities should not deal with independent financial advisers (IFAs) directly. Information in relation to transfers out should normally be provided directly to the member, for the member to pass onto their IFA or receiving scheme
- under the GDPR, there is a requirement to specify where data will be transferred to a third country and the existence or absence of an adequacy decision¹ or reference to the appropriate safeguards to protect it, and how the member can get a copy of them
- a general statement will suffice for the privacy notice, but for individual transfers administering authorities should explain to the member at the start of the process that their explicit consent will be needed for any transfer of personal data overseas

¹ an adequacy decision is a formal decision made by the European Union (EU) which recognises that another country, territory, sector or international organisation provides an equivalent level of protection for personal data as the EU does.

- where the member or the receiving scheme is outside the EEA, the explanation should note that:
 - ❖ legal safeguards in the recipient country may be inadequate
 - ❖ the administering authority cannot put in place binding contractual terms with the member's chosen provider
 - ❖ the administering authority will use its normal processes to ensure the security of any data during the transfer, but it cannot guarantee the security of the data beyond the transfer.
- where the recipient country does not have an adequacy decision or appropriate safeguards it is possible to rely on the individual's explicit consent as justification for making the transfer (where the member has been informed about the possible risks, as above).

Transfer payments

- even if the personal data is provided directly to the member within the UK/ EEA there will always be the issue of making a transfer payment to an overseas pension scheme
- administering authorities should confirm the level of personal data (if any) which would need to be transferred for the purposes of processing the payment itself
- a potential safeguard could be to ensure that payments are sent using anonymised membership references (or something similar) to avoid having to send any personal data with the payment
- if no personal data needs to be transferred when making the transfer payment itself, obtaining member consent for that part of the process is not necessary.

Action for administering authorities

Review your procedures to ensure they are in line with the advice.

CIPFA partners with Isio to refresh its training for board members

On 27 January 2022, the Chartered Institute of Public Finance and Accountancy (CIPFA) [announced that it has partnered with Isio](#) to refresh its current training and support programme for LGPS pension board members.

CIPFA expects to hold the first event of the programme re-launch in London in May 2022.

National LGPS Frameworks News Bulletin Edition 6

The National LGPS Frameworks has recently published [News Bulletin Edition 6](#). The bulletin includes articles on:

- new frameworks for 2022
- developments in 2021
- looking for volunteers to be founders for the next framework on legal services.

Pensions dashboards

PDP blog on supporting a market for dashboard providers

The Pensions Dashboards Programme (PDP) recently published [a blog called 'Supporting a market for pensions dashboard providers'](#). The blog sets out PDP's aim to grow the dashboard provider market and the benefits of multiple dashboards. The blog also signposts potential dashboard providers to information and asks them to register their interest.

Research report on dashboards published

The Pensions Dashboard Programme (PDP) published a [report from Ipsos Mori](#) on 25 January 2022. The PDP had commissioned Ipsos Mori to undertake qualitative research on the attitudes of potential dashboard users, their circumstances, behaviours and views of the dashboard concept.

On the same day, Rita Patel, Lead Analyst for the PDP, published [a blog summarising the report's main findings](#), which are:

- respondents reacted almost uniformly positively to the concept of dashboards
- respondents expect to see value information, both accrued and projected
- a find-only dashboard, which located pensions without displaying values, was of limited appeal
- a phased or partial service could negatively affect dashboards' reception
- dashboard users need to know what the service can and cannot do for them, as well as having clear signposting of government backing, in order to increase trust in its security.

NI Database and deceased members

We have been contacted by an administering authority that has changed its death process to ensure that recently deceased members are included in the data sent to the NI database. The previous process involved making a small change to a member's record to indicate that the member had died before the administering

authority had all the information it needed to run a final death calculation. That method meant that cases were excluded from the data sent to the NI database.

One of the primary purposes of the NI database is to prevent the double payment of death grants. It is very important that recently deceased members are included on the NI database.

Action for administering authorities

Review your process and check that recently deceased members are included in the data you upload to the NI database. Contact your software supplier if you have any questions about what information is needed on a member record to achieve this.

Tim Hazlewood

It is with great sadness that we let you know that Tim Hazlewood, the LGA's former Pensions Training and Development Manager, passed away on 31 December 2021. We would like to extend our sincere condolences to his family. His farewell took place on 14 January 2022 and was a moving tribute.

Tim will be much missed by his former colleagues at the LGA and across the sector.

Tim retired in July 2017 after a long and varied career in the LGPS, working for 28 years in total at the Leicestershire and Nottinghamshire funds before moving to the LGA in 2002. During his time at the LGA, Tim developed a highly valued LGPS training programme and trained many thousands of pensions administrators, employers and pensions committee members up and down the country. He was loved for his humour and his ability to explain the complex workings of the LGPS in a straightforward manner.

Training

Update on governance conference

The LGPS governance conference took place on 20 and 21 January with both face to face and online delegates and speakers. Initial feedback has been very positive. Next year's conference will take place on 19-20 January 2023 in Cardiff – please save the date.

Training focus group

The first training focus group took place on 26 January. Thanks to all representatives who attended. We are currently collating views and will issue minutes to the participants. We will be setting our training programme for the

coming years over the next month and the discussions will help us to shape the service moving forward.

Two pension officer groups were not represented (Scotland and South West). Please contact karl.white@local.gov.uk if you want to be involved going forward. The next meeting will be in six months.

Wider landscape

Judicial review challenging McCloud consultation dismissed

This case has no impact on the LGPS.

On 15 December 2021, the High Court handed down [its judgment](#), dismissing the judicial review brought by the Police Superintendents' Association (PSA). The PSA challenged the legality of the consultation remedying the discrimination identified in the McCloud judgment in the unfunded public service schemes and the decision to close the legacy schemes on 1 April 2022.

The Court upheld some aspects of the PSA's claims. The Court found that the Government had not given clear conscientious consideration to the consultation responses before deciding to close the legacy schemes on 1 April 2022 and that parts of the public sector equality duty were breached. The Court decided against granting relief as it found it highly likely that the Government would have made the same decisions if the breaches had not occurred.

The PSA has since [announced that it will seek leave to appeal](#) to the Court of Appeal.

LGA responds to TPS consultation

On 21 January 2022, The LGA [responded to the consultation on proposed changes to the teachers' pension scheme](#) (TPS). The changes implement the first phase of the McCloud remedy.

The Department for Education launched the consultation on 30 November 2021, see [Bulletin 218](#). The consultation closed on 24 January 2022.

Legislation

Statutory Instruments

[Occupational and Personal Pension Schemes \(Disclosure of Information\) \(Requirements to Refer Members to Guidance etc\) \(Amendment\) Regulations 2022](#)

Useful links

[LGA Pensions page](#)

[LGPS member website \(England and Wales\)](#)

[LGPS member website \(Scotland 2015\)](#)

[LGPS Advisory Board website \(England and Wales\)](#)

[LGPS Advisory Board website \(Scotland\)](#)

[LGPS Regulations and Guidance website \(England and Wales\)](#)

[LGPS Regulations and Guidance website \(Scotland\)](#)

[Public Sector Transfer Club](#)

[Recognised Overseas Pension Schemes](#) that have told HMRC that they meet the conditions to be a ROPS and have asked to be included on the list.

LGPS pensions section contact details

If you have a technical query, please email query.lgps@local.gov.uk and one of the team's LGPS pension advisers will get back to you.

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Further information

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