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Welcome

Welcome to **Inscribe** the quarterly newsletter for employers within the Royal County of Berkshire Pension Fund. Each edition of **Inscribe** contains the latest news and updates surrounding the Local Government Pension Scheme (LGPS).



Triennial Valuation 2019 – the results are in

You will be aware that every three years the Pension Fund undergoes a 're-valuation' of its assets and liabilities. This is undertaken by an independent Actuary, **Barnett Waddingham LPP**, with the key purpose of the valuation being to set employer contribution rates for the forthcoming valuation period.

The latest valuation date is 31 March 2019 with the revised employer contribution rates being set for the period 1 April 2020 to 31 March 2023. On the next page you will find a table, provided by the Actuary, that sets out the funding position for the Berkshire Pension Fund as a whole and compares this to the funding position at the previous valuation date, 31 March 2016.





Funding position

Past service funding position	Proposed basis 31 March 2019 £m	Previous valuation 31 March 2016 £m
Smoothed asset value	2,086	1,645
Past service liabilities		
Actives	796	730
Deferred pensioners	668	515
Pensioners	1,219	997
Total Liabilities	2,683	2,242
Surplus (Deficit)	-597	-597
Funding level	78%	73%

You will note from the table above that the funding level has improved by 5% since the 2016 valuation exercise mainly due to good investment returns over the intervening period. Therefore, whilst the Pension Fund remains in deficit and the liabilities have increased, the assets have increased in value too meaning that the actual deficit amount has remained stable at £597M.

The Fund's strategy is to return to being 100% funded by 2040 with employers, in some cases, being required to make deficit recovery payments over and above their certified employer percentage rate.

Under LGPS Regulations, employer contributions are made up of two elements, the primary rate, the contribution required to fund the expected future benefits to be built up by scheme members, and the secondary rate, the contributions required to pay for the past benefits (or liabilities) already built up.

As the Berkshire Fund is in deficit, the secondary rate can be certified as monetary payments in addition to a percentage of payroll and this is commonly referred to as the deficit contribution. The Actuary sets employer contribution rates based on the membership profile of each employer (or employer pool as may be the case) and so employer rates can, and do, vary across different employers within the Berkshire Pension Fund.

You may have already received your own individual employer results and contribution rates but if not they will be issued very soon. In addition, the Pension Fund will also issue the contribution return spreadsheet for the 2020/21 financial year in due course.





Valuation – *further information*

A factsheet entitled - ***Liabilities and Costs within the LGPS*** is a useful guide providing further background on the valuation process and how the costs associated with the LGPS arise and hopefully answer many of the questions that a Scheme employer will have in association with its membership of the LGPS.

http://www.berkshirerpensions.org.uk/downloads/file/344/employer_liabilities_and_costs_within_the_lgps

If you have any queries regarding the valuation or your employer contribution rate please contact either Renee Passman or Kevin Taylor:

Kevin Taylor
Pension Services Manager
01628 796715
kevin.taylor@rbwm.gov.uk

Renee Passman
Pension Fund Finance Officer
01628 796705
renee.passman@rbwm.gov.uk

Alternatively you can e-mail: lgps@rbwm.gov.uk



Pensions Increase 2020 – *to be confirmed*

The rate of Pensions Increase is currently linked to the Consumer Prices Index (CPI) and is calculated in line with the CPI index based on the 12 months to September. The CARE pension built up each Scheme year is revalued in line with CPI from 1 April.

As the September 2019 CPI rate was 1.7%, it is expected that pension accounts will be revalued from 1 April 2020 by 1.7%.

Until the actual percentage rate of Pensions Increase is confirmed by The Chief Secretary to the Treasury we can only estimate at this stage. Confirmation is usually received late February or early March. As soon as official confirmation is received we will e-mail employers.





New contact helpdesk number

The helpdesk telephone number for the Berkshire Pensions team has recently changed. Our new contact number is **01628 796 668**. Our helpdesk e-mail address remains the same - info@berkshirepensions.org.uk

If you are passing on our contact details to your staff members please provide them with the updated helpdesk telephone number.



Annual Report and Accounts

The Royal County of Berkshire Pension Fund Annual Report and Accounts 2018/2019 is now available to view:

Annual Report and Accounts 2018/19 - part 1

http://www.berkshirepensions.org.uk/downloads/file/370/annual_report_and_accounts_20182019_-_part_1

Annual Report and Accounts 2018/19 - part 2 (Appendices)

http://www.berkshirepensions.org.uk/downloads/file/371/annual_report_and_accounts_20182019_-_part_2_appendices

If you would like a hard copy of this report please contact **Joanne Benstead** on **01628 796754** or e-mail: joanne.benstead@rbwm.gov.uk





LGPS bite-sized videos

The LGA have launched a series of bite-sized videos - “*pensions made simple*”

Each video is less than 4 minutes long and provides a short summary around a specific LGPS topic.

- What is a pension?
- How your pension works
- Looking after your pension
- Protection for you and your family
- Life after work
- Your annual allowance
- Your lifetime allowance



Click on the link below to view the videos:

<https://www.lgpsmember.org/more/Videos.php>



New - Retirement planning guide published

A “**Retirement Planning Guide**” has been produced by the Local Government Association (LGA) aimed at members planning their retirement.

The purpose of the guide is to help members approaching retirement understand their options, the process and the timescales involved.

The guide is an online publication and can be found via the link below:

http://www.berkshirepensions.org.uk/downloads/file/374/lgps_retirement_planning_guide





Teachers' Pension - employer contribution grant

For the attention of Schools and Academies participating in the Berkshire Pension Fund

The Department for Education (DfE) is funding the increase in employer contributions in the form of a teachers' pension employer contribution grant for schools and local authorities. Detailed guidance about the grant for September 2019 to March 2020 can be found on the DfE website. The LGA have provided a note highlighting the key points with links to further guidance on the DfE website.

<http://lgpslibrary.org/assets/bulletins/2019/191App1.pdf>



Employer meeting 2020

You are invited to attend the Royal County of Berkshire Pension Fund Employer meeting 2020 on **Wednesday 11 March** to be held in the Council Chamber at the Town Hall in Maidenhead.

Agenda items include:

- Latest LGPS news and updates
- Data quality 2019 results
- Actuarial update
- Year End 2019/20 requirements

A full agenda and confirmation of timings will follow shortly.

The meeting will commence at 10am (refreshments will be available from 9.30am) and finish at approximately 1:00pm followed by a buffet lunch. Please let me know if you have any specific dietary requirements.

In order to collate numbers for the meeting please e-mail joanne.benstead@rbwm.gov.uk to confirm your attendance. Please also confirm if you will be joining us for lunch following the meeting.





Flexible retirement reminder

Partial Flexible Retirement review ...

What is flexible retirement?

The purpose of flexible retirement is to allow an individual the opportunity to move gradually into retirement by reducing their hours of work or the level of responsibility required of them rather than facing the perceived 'cliff edge' of retirement. Although the employee's level of income will reduce this is in some part or wholly compensated for by the release of all or part of their pension benefits.

Partial flexible retirement may be an attractive option for those members who have reached their Critical Retirement Age for some of their benefits but have several years until they reach their State Pension age.

Partial flexible retirement

Under the LGPS Regulations members can request partial flexible retirement rather than full flexible retirement.

This is particularly useful for members over the age of 60 with 85-year rule protection attached to their pre 1 April 2008 membership who may request for this part of their pension to be released under flexible retirement and opt to retain their post 1 April 2008 pension rights in the scheme until a later date.

We would like to remind Scheme employers that your policy on flexible retirement should set out:

- **whether you allow flexible retirement under regulation 30(6) of the 2013 regulations**
- **whether to waive any actuarial reduction that would apply if the member is flexibly retiring before their Normal Pension Age, and**
- **whether to permit the member to choose to draw all, part or none of the pension benefits they have built up after 1 April 2008 (benefits built up before 1 April 2008 must be taken on flexible retirement in accordance with regulation 11(3)(a) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).**

You can at any time review your policy statement relating to employer discretions and if necessary update it to cover fully the discretions relating to flexible retirement. A guide to completing the policy statement can be found on our website (see page 8 of the document linked below).

https://www3.rbwm.gov.uk/bpf/downloads/file/110/employers_guide_to_completing_a_statement_of_policy



McCloud Judgement - latest update

In previous editions of Inscribe we have covered developments surrounding the McCloud case and the potential impact on the LGPS.

The Scheme Advisory Board has published an update on the McCloud judgement which can be found below. <http://www.lgpsboard.org/index.php/structure-reform/mccloud-page>

This information is in addition to the Q and A document that is also available: <http://www.lgpsboard.org/index.php/structure-reform/cost-management/ccmcloud>

In brief...what is the McCloud case?

The case concerns the transitional protections provided to members of the judges and fire-fighter pension schemes when the schemes were reformed in 2015. On 20 December 2018, the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified.

The Government appealed this decision, however the Supreme Court denied the Government right to appeal on 27 June 2019. This means that the Court of Appeal's decision is upheld and the case has returned to an employment tribunal for a remedy decision.

Important information for employers in the event of a possible McCloud remedy

As previously stated no decisions have yet been made on the form that any remedy will take, when it will be implemented and who will be in scope.

It is possible that the remedy will involve the extension of the 'underpin' to members who are not currently offered protection. In order to perform an accurate underpin calculation for a member within the LGPS, a full history of part-time hour/week changes and service break information may be needed for members active before 1 April 2014, with a leaving date after 31 March 2014 (who are not covered by the current underpin). We will of course keep you updated with any further developments.

In the worst case the pension team will require a history of hour and week changes for all scheme members past and present who contributed to the scheme beyond 31 March 2014. We therefore ask that you retain this information on your records.

REGULATIONS

Year-end 2020 time-scales

In preparation for the 2020 year-end process we have provided revised '**Year-end 2020 Scheme Employer Guidance Notes**'. The guidance notes can be accessed through the link below:

A copy of the accompanying year-end Excel spreadsheet is also attached:

The guidance notes have been designed to assist you as a scheme employer to meet your obligations under the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended) when preparing to provide your year end data to the Royal County of Berkshire Pension Fund for the scheme year ending 31 March 2020. The deadline for submission of your 2019/2020 year-end file will be **30 April 2020**.

Year-end Timetable 2020	
31 March 2020	End of the Scheme Year
By 30 April 2020	All year end files to have reached the Pension Fund.
During 1 April 2020 to 31 May 2020	The Pension Fund to process year end files
During 1 April 2020 to 15 June 2020	The Pension Fund to process responses from scheme employers.
During 1 August 2020 to 31 July 2020	The Pension Fund to extract LGPS member data to send to printers.
During 1 August 2020 to 31 August 2020	Annual Benefit Statements issued to LGPS members in line with statutory obligation.

You should receive a direct e-mail from Philip Boyton during the week commencing 10 February with further instructions and guidance on completion of your year end return.

If you have any questions regarding year-end please contact **Philip Boyton** on **01628 796752** or e-mail philip.boyton@rbwm.gov.uk



i-Connect

If you are a user of i-connect you will not be required to submit a year-end return. However it may be necessary for the pension team to contact you with any queries identified.

• The year-end 2020 scheme employer guidance and year-end spreadsheet can
• downloaded via the link below:

• [http://www.berkshirerpensions.org.uk/downloads/download/88/year-end_
scheme_employer_guidance_2020](http://www.berkshirerpensions.org.uk/downloads/download/88/year-end_scheme_employer_guidance_2020)



Employer factsheets

'Pension Pointers' are a series of topical factsheets exclusively designed for employers administering the Local Government Pension Scheme within Berkshire. Each factsheet contains information on a particular LGPS topic. The first five factsheets in the series are available to download from our website.

Factsheet No.	Name	What's inside?
1	Final Pay	<ul style="list-style-type: none">• What is Final Pay?• Protected Final Pay• How to calculate Final Pay?• Final Pay calculation examples• Notification of Final Pay• Calculating Pension based on Final Pay
2	CARE Pay	<ul style="list-style-type: none">• What is CARE?• Pension Build Up• How does a CARE Scheme Work?• CARE Scheme Example• Completion of CARE Pay on LGS15C
3	Contributions	<ul style="list-style-type: none">• Employee Contributions - MAIN and 50/50 Sections• Assessing the Employee Contribution Rate• Employer Contributions• Paying Contributions to the Fund• Employer Policy Statement• Additional Contributions• Employer Contributions• Opting Out
4	Pensionable Pay	<ul style="list-style-type: none">• Pensionable Pay• Definition of Pensionable Pay• Pensionable Pay Checklist• Assumed Pensionable Pay• Ill-Health and Death in Service APP
5	Retirement	<ul style="list-style-type: none">• Normal Retirement• Early Retirement• Flexible Retirement• Redundancy and Efficiency Retirement• Ill-health Retirement• Late Retirement• Notice Periods and Forms• Estimate Requests

All the above factsheets can be found on our website via the link below:

https://www3.rbwm.gov.uk/bpf/info/2/employers/93/employer_factsheet



How can we help you?

Did you know the pensions team can provide a range of information sessions for you and your scheme members?



Scheme Member Presentations

Information for your staff on the benefits of LGPS membership.

General topics covered include:

- Benefits of being a scheme member
- Life Cover
- Retirement options
- Increasing and decreasing monthly contributions
- Examples of pension calculations

Pension Surgeries

The team can provide one to one appointments for staff at your place of work (minimum 10 people).

20 minute appointments are available for scheme members (and potential scheme members) to attend. This is a great opportunity for your staff to speak to an LGPS pensions representative in complete confidence.



Employer Training

Training on all areas of LGPS pension administration for HR and Payroll Officers. Topics covered in training include:

- Contributions
- New starters
- Leavers
- Final salary calculations
- Assumed Pensionable Pay (APP calculations)
- Retirement

Member presentations and employer training sessions can be tailored to your requirements.

If you would be interested in arranging any of the above pension sessions please contact Joanne Benstead on 01628 796754 or e-mail joanne.benstead@rbwm.gov.uk

Please note there is no fee for running these sessions.

In addition the MHCLG also run regular training events for employers administering the LGPS and these are communicated to employers as and when they are available.



Register for Employer Self Service

Employer
Self Service



What can I use ESS for?

ESS allows employers to view and amend their member data held on our pension administration system – Altair. ESS offers a wide range of features including:

- ✓ Create new starter pension records for your members
- ✓ Member search facility
- ✓ View and update general information (change of address, update marital status)
- ✓ Update part-time hours and weeks
- ✓ Perform benefit projections
- ✓ View member and non-member documentation
- ✓ Generate and print reports

How do I sign up to ESS?

To sign up to ESS please click on the link below:

<https://rcbpfess.pensiondetails.co.uk/employerservicesweb/login?cid=7>

A full ESS training guide can be found on our website via the link below:

http://www.berkshirepensions.org.uk/downloads/file/297/ess_training_guide

The guide is also broken down into 8 bite-sized areas for ease of reference:

http://www.berkshirepensions.org.uk/info/2/employers/96/employer_self_service





FCA launch new transferring out video

The FCA recently launched a video helping consumers to better understand financial advice on transferring out of a Defined Benefit (DB) pension arrangement. It is particularly helpful to those members who...

- have transferred out their defined benefit pension and are unclear whether they received good quality advice, and
- are considering transferring out their defined benefit pension and want to understand what the process should look like before they start.

<https://www.fca.org.uk/news/news-stories/fca-publishes-video-help-consumers-understand-pension-transfer-advice>



Useful links

Please find detailed below some further links to external websites containing information relating to the LGPS.

Berkshire Pension Fund website (Employers Section)	http://www.berkshirepensions.org.uk/info/2/employers
Employer Self Service facility	http://www.berkshirepensions.org.uk/info/2/employers/96/employer_self_service
Employer Self Service User Guide	http://www.berkshirepensions.org.uk/downloads/file/297/ess_training_guide
National LGPS website	https://www.lgpsmember.org
LGPS Regs website	http://lgpsregs.org/index.php
HR Guide	http://www.lgpslibrary.org/assets/gas/ew/HRv4.0c.pdf
Payroll Guide	http://www.lgpslibrary.org/assets/gas/ew/Pv4.0c.pdf
The Pensions Regulator	http://www.thepensionsregulator.gov.uk/en/employers
State Pension Age calculator	https://www.gov.uk/state-pension-age
State Pension information	https://www.gov.uk/check-state-pension
'my pension ONLINE'	http://www.berkshirepensions.org.uk/info/9/my_pension_online



Contact us

If you would like to discuss any items contained in this newsletter please do not hesitate to contact us on the numbers below:

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Philip Boyton	Pension Administration Manager	01628 796752	philip.boyton@rbwm.gov.uk
Sandra Rice	Deputy Pension Administration Manager	01628 796743	sandra.rice@rbwm.gov.uk
Joanne Benstead	Assistant Pensions Manager	01628 796754	joanne.benstead@rbwm.gov.uk
Barry Jones	Assistant Technical Analyst	01628 796315	barry.jones@rbwm.gov.uk

Royal County of Berkshire Pension Fund

Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF

Helpdesk: 01628 796 668

(lines are open Monday to Thursday 8:30am to 4:45pm and Friday 8:30am to 4:30pm)

E-mail: info@berkshirerpensions.org.uk
www.berkshirerpensions.org.uk



THE ROYAL COUNTY OF
BERKSHIRE
PENSION FUND