

PENSIONS COMMITTEE
28 JUNE 2016**ADMINISTERING AUTHORITY – ADMINISTRATION**
UPDATE

Recommendation

1. **The Head of Human Resources and Organisational Development recommends that the general update from the Administering Authority be noted.**

End of Year Arrangements

2. The Fund invited all employers to an End of Year workshop on 22 February and the team have continued to support employers in providing year end data by the 30 April 2016 deadline.
3. Reminders sent extending deadlines to 22 May and 31 May, alerting Financial Officers of Employers outstanding that if information was not received on time we will not be able to provide annual benefit statements for their members.
4. The Pensions Regulator (TPR) will be notified that we will not be able to send 100% of our statements as we have one Employer (Brandon Care Trust) which has not returned its End of Year Return. TPR will need to assess whether this breach is subject to a fine. Any fine received will be passed onto the Employer.

Pension Fund Valuation 2016

5. The Team continue to collate and data cleanse information to be provided to the Actuary by 30 June 2016 deadline.
6. The majority of employers have provided information on time with only four outstanding requiring additional assistance; Redditch Borough Council, Bromsgrove District Council and Regulatory Services and Brandon Care Trust.
7. If not included in Valuation exercise an individual employer will be liable for additional costs to run a separate exercise.

2016 Annual Benefit Statements

8. Deferred statement and newsletter and active statements are being prepared in partnership with Bedfordshire, Buckinghamshire, Cheshire, Oxfordshire, Shropshire, Staffordshire and Warwickshire funds.

9. Worcestershire Pension Fund test data is due to Adare (company providing printing, enveloping and postage service) by 8 July and live data by 22 July for despatch on 10 August in time for 30 August deadline.

Pensions and Lifetime Savings Association - Local Authority (LA) Conference

10. This year's LA Conference in May looked at how LA Funds can overcome current challenges, with the objective of ensuring greater efficiency, transparency and collaboration within the Scheme – helping to shape the modern LGPS.

11. Please see attached Round-up from PLSA LA Conference 2016 article.

Negative Pensions Increase

12. We have now received confirmation from Department for Communities and Local Government (DCLG) that for members in service, post 2014 CARE benefits will be reduced by CPI -0.1%.

13. The reduction also applies to members who left part way through the 2015/16 Scheme year but did not take their pension (i.e. were deferred members at 31/03/2016).

14. The -0.1% revaluation of career average pay should be applied to affected members' deferred pension accounts on a proportioned basis.

15. For 2016/17 and beyond, DCLG will consider whether the same approach will continue to apply or whether a different approach to the proportioning of revaluation for members leaving with deferred benefits during the year will be adopted.

16. It is planned that whatever implementation plan is agreed it will either need to be set out in actuarial guidance or included in amended regulations in the months ahead.

Current Government Consultations

Amendment Regulations

17. On 27 May, DCLG commenced a consultation on draft amendment regulations for the LGPS in England and Wales.

18. Amongst other amendments, the consultation covers Fair Deal and changes to AVC provisions in light of the recent Freedom and Choice reforms. Responses due by 19 August.

Enterprise Act 2016

19. The Enterprise Bill received Royal Assent in May and is now the Enterprise Act 2016.

20. The Act provides the legislative framework for the introduction of the £95K cap on public service exit payments which is expected will become effective later this year, but no earlier than 1 October.

21. We now await HM Treasury regulations which are due to provide further detail on how the cap will work in practice (and which will confirm the cap's implementation date).

22. HM Treasury directions are also expected providing detail of the circumstances in which the cap may be relaxed by permitted bodies.

23. We expect regulations to include local authorities as such permitted bodies having the power to relax the cap in certain circumstances.

Admissions to the Fund

24. Following outsourcing exercises of Worcestershire County Council and Herefordshire Council the following employers were admitted to the Pension Fund:

- Liberata on 01/02/2016
- Field Studies Council on 01/03/2016
- Timberdine Health and Care NHS Trust on 01/04/2016
- Three school catering contracts to Alliance in Partnership 01/04/2016 and 01/05/2016
- Hereford Integrated Behaviour Outreach Service on 01/01/2016.

Pensions Ombudsman Decisions

25. Worcestershire Pension Fund has received a final determination (PO 7834) from the Pensions Ombudsman that a complaint should not be upheld because they were unable to find maladministration.

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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Supporting Information

- Appendix - Round-up from PLSA LA Conference 2016 article

Background Papers

In the opinion of the proper officer (in this case the Head of Human Resources and Organisational Development) there are no background papers relating to the subject matter of this report.