

**PENSIONS COMMITTEE**  
**13 MARCH 2017****ADMINISTERING AUTHORITY – ADMINISTRATION**  
**UPDATE**

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**Recommendation**

**The Head of Human Resources and Organisational Development recommends that the Committee notes the general update from the Administering Authority.**

**Membership**

1. The Administering Authority continues to provide support and process members through the cycle of current, deferred and pensioner. The current numbers are shown in Table 1 below:

Table 1

	2015	2016	2017
Current Members	20,700	22,700	21,931
Deferred Members	16,800	18,800	19,955
Pensioner Members	16,200	16,400	16,887

2. The number of Employers within the Fund is currently (as at 31 January 2017) 209

**Record Keeping – The Pensions Regulator (TPR)**

3. Following a recent survey The Pensions Regulator has produced a self-assessment tool to enable funds to review their compliance in relation to the Regulators Code of Practice no 14.
4. The Administering Authority will be undertaking a review from March 2017 of its records, in accordance with the Code of Practice, to maintain compliance.

**Up-dating Member database (Altair)**Preparing for April 2017 – tax changes for pensioner members resident in Scotland

5. We are currently making changes to our payroll to ensure that with effect from 6 April 2017 we can accommodate the new higher rate tax threshold (£43,430) for pensioner members who are resident in Scotland.

Government Actuary's Department (GAD)

6. Preparing new reports to meet the GAD needs which will require us to split our records for each member by the Regulation dates e.g. 1997 (80ths) , 2008 (60ths) and 2013 (CARE)

## **Academies**

7. There are now over 20,000 academies within the LGPS. Worcestershire Fund currently has 80 academies (which increase each month) and this has given rise to questions about how do the academies best fit into the scheme. Price Waterhouse Coopers (PwC) has been appointed to carry out a full review of the options and implication. Nothing has been ruled in or out and we are awaiting the report (expected in March 2017). It is expected that there will need to be more work to enable any approaches/recommendations to be fully considered.

## **Exit Payments**

8. Recovery Regulations: This new Regulation covers employees who earn £80k or over and following dismissal return to the public sector within 12 months. They will be legally required to declare that they have received a compensation payment and to repay. The recovery will include pension strain costs.

9. Termination Cap: Exit payments will be capped for all employees at £95k, and the cap includes pension strain cost.

## **Further consultation**

- Severance max 3 weeks per year or 15 months, a max salary of £80k in calculation?
- Pension - Strain to be limited to severance amount? Increase to minimum pension age?
- Discussions with unions, DCLG and HMT

## **LGPS and Co-Habitants**

10. The England and Wales LGPS Regulations were amended in 2013 (as part of the new 2014 LGPS Scheme) to remove the opt-in / nomination requirement for unmarried couples. For deaths that have occurred since 1 April 2014, there has been no requirement for the completion of a form. The Administering Authority uses the Local Government Association (LGA) guidance which requires the member to have paid into the LGPS on or after 1 April 2008 for a pension to be payable to an eligible cohabiting partner. As part of the process the eligible cohabiting partner must confirm to the Fund that they meet all of the following conditions for a continuous period of 2 years to receive a survivors pension:

- You and your cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- You and your cohabiting partner have been living together as if you were a married couple, or civil partners, and
- Neither you or your cohabiting partner have been living with someone else as if you/they were a married couple or civil partners, and
- Either your cohabiting partner is, and has been, financially dependent on you or you are, or have been financially interdependent on each other.

11. For deaths that occurred prior to 1 April 2014, there could potentially be some scope for revisiting such cases but we would expect the funding effect to be negligible at a Fund level. The Chief Financial Officer has confirmed that the funding assumptions for proportions married include an allowance for 'cohabiting spouses' so he would not be proposing to make any changes to the funding assumptions based on the judgement recently published in the press.

### **Administering Authority Forum Meeting and Communications**

12. We are currently planning the next Forum to be held in May 2017 and will be seeking topics/ideas to be brought forward from the Employers.

13. The Administering Authority, in partnership with the following Funds: Bedfordshire, Buckinghamshire, Cheshire, Oxfordshire Staffordshire, Shropshire and Warwickshire is reviewing the current communication approach with a view to creating a monthly Employer Bulletin and a quarterly Member Update.

### **Admissions to the Fund**

14. The following new organisations have been admitted to the Fund since the last report:

- Alliance in Partnership (Aylestone)
- Alliance in Partnership (Bewdley)
- Aspens Services Limited
- Timberdine Nursing and Rehabilitation Unit

15. The Fund is currently working on 4 more admissions agreements and once finalised these will be reported to the Committee.

### **Specific Contact Point**

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### **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.