

PENSIONS COMMITTEE
7 DECEMBER 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.**

Pension Fund Triennial Valuation 2016

2. The Team have provided the required membership information to the Actuary, Mercers.
3. The Administration Forum held on 17 October 2016 was dedicated to an update on this year's valuation and the session will be led by the Actuary. Over 45 employers attended to receive an overview of the results and each employer had an opportunity to meet the actuary on a one to one basis.
4. The valuation results have been issued to all employers and discussions regarding affordability are being managed by the Finance Manager (Pensions, Treasury Management and Capital).

Government Consultations

5. The new draft Regulations and guidance in respect of the introduction of a 'cap' on exit payments (referred to as a termination cap) are expected to be issued for consultation in early 2017. There will then be a 4 to 6 week consultation period, followed by a response through Parliament, so we are expecting the effective date to be spring next year subject to the timetable holding.

Admissions to the Fund

6. Liberata UK have now been admitted to the Fund.
7. The Fund is currently working on 8 more admissions agreements and once finalised these will be reported to the Committee.

Pension Taxation Limits

Annual allowance (AA)

Year	Annual allowance Limit
2013/14	£50,000
2014/15	£40,000
2015/16	£80,000 (but split pre and post the date of 8 July 2015 due to the budget – limit is £40,000 per period, but with a maximum carryover of £40,000)
2016/17	£40,000 but with tapering to £10,000 for some people which is explained below *

8. From 6 April 2016, the pension input period (PIP) for all pension schemes was aligned to the tax year - 6 April to 5 April. Prior to 2016/17 the PIP for the LGPS was 1 April to 31 March, except for the year 2015/16 when special transitional rules applied.

9. From 6 April 2016 the AA is reduced for those individuals who have income over certain levels. Broadly affecting those whose;

- "Threshold income" (total earnings less pension contributions paid) is above £110,000
- "Adjusted income" (threshold income plus the value of pension growth over the year) is above £150,000

*Where members satisfy both points the AA will be reduced by £1 for every £2 that the adjusted income exceeds £150,000. However, the maximum reduction that can apply to the AA is £30,000 leaving an AA of £10,000

Lifetime Allowance (LTA)

10. On 6 April 2016 the LTA reduced from £1.25m to £1.0m

11. As of today we are not aware of any taxation changes but we are waiting any announcements following the Chancellor's Autumn Statement on 23 November.

12. Any changes introduced will be notified to our membership.

GMP Reconciliation

13. The Administering Authority is preparing for phase 2 of the GMP reconciliation exercise which will require us to data cleanse all data received from HMRC to make sure that we only have the relevant liabilities held in the Pension Fund. Any discrepancies need to be reported back to HMRC for further investigation. HMRC will support queries generated by the Scheme Reconciliation Services up to December 2018. HMRC will then issue pension statements to all individuals.

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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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.