



Surrey Local Pension Board 25 April 2019

Quarter 4 Training Bulletin

1. This paper presents a brief outline of recent developments in pensions and it is intended help board members develop a broader understanding of the issues.

Miscellaneous Amendment Regulations

2. The LGPS (Miscellaneous Amendment) 2018 Regulations came into force on 10th January 2019. They introduced the power for MHCLG to issue statutory guidance, enabled members under the 1995 regulations members to elect to draw their pensions from age 55 and, with a nod to Walker v Innospec, provided parity with widows' pensions for the survivors of civil partnerships and same sex marriages. The Pension Section stated that it has complied with the Disclosure Regulations requirements by sending members a copy of the LGA update leaflet.

Consultations

3. MHCLG issued an informal consultation on pooling and a further one on Fair Deal, which is intended to strengthen pension protections when member's jobs are outsourced. Both consultations have closed and we await the outcomes.

Exit payments

4. MHCLG will consider making regulatory changes / issuing statutory guidance to ensure that, where contractors have been shielded from risk (e.g. pass through agreements), it will be reflected in any exit payment to prevent unintended/undeserved windfalls.

Miscellaneous

5. The **cost cap** element of public sector pension scheme valuations has been paused while the implications of the McCloud (age discrimination) judgement are digested. The LGPS undershot the cost cap, which meant that proportional improvements to the benefit structure were being considered. However, the reasoning behind the McCloud judgement raises questions about some of the savings achieved by changes to the LGPS.
6. Revised **actuarial guidance** flowing from the adjustment to the SCAPE discount rate has been issued.

7. HMRC has reminded administering authorities that detailed guidance on **event reporting and accounting for tax (AFT)** reporting can be found in the Pension Tax Manual; <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm162000>
8. **ROPs** (overseas) transfers must be reported within 60 days and any tax charges must be recorded on the accounting for tax (AFT) return.
9. **Revised** employee contribution bands, pension purchase limits (£7,026 from 1st April), lifetime allowance limit (£1,055,000), updated revaluation orders, a week's pay for redundancy (£525 from 6th April), auto enrolment (still £10,000), National Insurance bands and Pension Increase tables have been published.

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Sources/background papers:

Annexes: