



Dorset County Pension Fund Pension Liaison Officer Group meeting Minutes

Monday 11 March 2019
Committee Room 1, County Hall

| Name | Employing Authority | Name | Employing Authority |
|-------------------|---|-----------------|---------------------------|
| Carol Wollage | Ansbury | Sophie Stokes | Diocese of Salisbury AT |
| Jenny Tempier | Blandford Forum TC | Maxine Reynard | Dorset Police |
| Angie Hall | Bournemouth and Poole Councils | Richard Hicks | Dorset Police |
| Elaine Sheridan | Bournemouth University | Eleanor Fowler | Kingston Maurward College |
| Pam Wilkinson | DCC | Marian Thomas | Kingston Maurward College |
| Karen Gibson | DCPF | Guy Osborne | Magna Housing Limited |
| Lisa Dredge | DCPF | Nicola Gay | Ocean Learning Trust |
| Steph Ball | DCPF | Rebecca Holmes | Ocean Learning Trust |
| Steph Clifton | DCPF | Stephen Morgan | Swanage TC |
| Vince Elliott | DCPF | Liz Mason | Weymouth and Portland BC |
| Dianne Stephens | Devon & Cornwall & Dorset Police Alliance | Steve Barrett | Weymouth and Portland BC |
| Micheala Orasnjak | Devon & Cornwall & Dorset Police Alliance | Genny Singleton | Wimborne Minster TC |

1. Apologies

| Name | Employing Authority |
|--------------|---------------------------------------|
| Val Hunt | Christchurch and East Dorset Councils |
| Katrina Blee | Corfe Mullen PC |

1. Minutes of last meeting

- Minutes agreed.

3. Matters arising from the minutes

- Point 4.1.5 change in the valuation from 3 to 4 years, there will be a consultation out shortly.

5. [Bulletins](#)

5.1. Bulletin 181

- 5.1.1. The Scheme Advisory Board updated that they have been looking at academies and third tier employers, this was temporarily on hold, but is due to resume. The separation of fund and local authority role is being examined as this has caused issues for some funds nationally.
- 5.1.2. The employee contribution bands have increased by 2.4%
- 5.1.3. It is important for all employers to have a discretionary policy in place.
- 5.1.4. Exit credits for employers exiting the Fund. The regulations have changed to allow employers to be provided with exit credit if they leave the scheme and have a funding surplus. Previously this would have been retained by the

Fund. . Employers who outsource should be aware of this and give prior consideration to any financial agreement relating to this possibility.

5.1.5. DWP have confirmed that there will be no effect to the LGPS when the UK leaves the EU.

5.1.6. Please note that the Local Government Association (LGA) provide regular training events in relation to the LGPS. The Employer Role one day course is very helpful and may be of particular interest.

5.2. [Bulletin 180](#)

5.2.1. Commentary for LGPS administering authorities in England and Wales on the changes to the LGPS introduced by the LGPS (Miscellaneous Amendment) Regulations 2018

5.3. [Bulletin 179](#)

5.3.1. Review of the earnings trigger for Automatic Enrolment.

5.4. [Bulletin 178](#)

5.4.1. The LGA are looking into how many Pension Saving Statements Funds are issuing. It has become apparent that the Annual Allowance affects public sector schemes primarily, and so consideration will be given to the specific issues faced by the schemes.

5.5. [Bulletin 177](#)

5.5.1. MHCLG published the Section 13 report. In aggregate the LGPS is in a strong position.

5.5.2. MHCLG open consultation on technical amendment to benefits. Survivor benefits have evolved over time and the regulations are very complex. As the result of a recent court case, the benefits for civil partners and same sex marriage partners must be equalised. This means that administering authorities will need to revisit same sex partner pensions and adjust benefits accordingly.

5.5.3. Power for HMCLG to issue statutory guidance. This will enable changes to be made more rapidly, without waiting for regulations to be amended.

5.5.4. SF3 data was published, this is an annual review of the LGPS, and the results are always of interest. The LGPS currently has 5.8 million members.

5.5.5. AVC member's guide has been updated and can be found on the LGPS regs website.

5.5.6. Cohabiting partner pensions must meet certain criteria for 2 years or more. Cohabiting partner pensions only came in from 2008. Entitlement to a cohabiting partner pension is assessed at date of death of member. Please make sure your members are aware of this feature.

5.5.7. GMP equalisation is still ongoing and is being looked at nationally.

5.5.8. Budget 2018 announced a ban on pension cold calling. This is very positive.

5.5.9. The Annual Benefit Illustrations 2019 will be sent out in the post to all members. Members will hopefully be given the opportunity to opt out of hardcopy booklets next year.

6. **Fair Deal Consultation**

6.1. It is strongly recommended that all employers who outsource services should read and consider this consultation. It was requested that those attending the PLOG ensure this information is passed on to the relevant staff within their organisation. The high cost to contractors of providing the LGPS can be a deterrent to would be bidders. These proposals aim to address some of the issues currently being faced by employers and administering authorities. Key aspects of the consultation include:

- New 'Deemed Employer' option, as an alternative to admission agreements

- Further protection for outsourced staff on subsequent re-tenders
- Automatic transfer of liabilities where amalgamations have occurred and one of the amalgamated employers ceases to have active members (this would ordinarily trigger a cessation event under regulation 64)
- The end of the option to provide a broadly comparable scheme
- Additional requirement to provide more detail regarding the LGPS at tender stage

6.2. Please feed in any comments or suggestion to DCPF.

6.3. The consultation closes on 4 April, the DCPF will send employers a copy of their response.

7. Cost Cap

7.1. The process of cost management within the LGPS has recently been completed. There are two cost control mechanisms for the LGPS, firstly the HM Treasury process, which applies to all public sector schemes, and secondly the Scheme Advisory Board's (SAB) separate process. These processes exist to ensure public sector schemes remain within agreed the cost target of 19.5%. Any movement of more than 2% over or below this target triggers changes to the scheme benefit structure.

7.2. The outcome of the cost management process for the LGPS is that the floor has been breached by more than 2%, triggering the need to change the benefit structure to stay within target. This means that changes to benefits, which effectively become more generous, are due from 1 April 2019.

7.3. The SAB issued a proposed package of changes to LGPS benefits to meet this requirement, which included the removal of Tier 3 for ill health retirements, a minimum death grant of £75k per member, improved early retirement reduction factors and changes to contribution rates.

7.4. The intention was to have a short consultation prior to implementation. Administering authorities were concerned about the short time scale to put these changes in place.

7.5. However, on 30 January the Government published a written statement which announced a pause in the cost cap process for public sector schemes pending the outcome of the application to appeal the McCloud case in the Supreme Court.

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-01-30/HCWS1286/>

7.6. The McCloud case concerns an appeal by, amongst others, firefighters who challenged the legality of the transitional protections put in place when they moved to a CARE pensions scheme. The case was won primarily on the basis that these protections were age discriminatory. This outcome has a potential impact on the LGPS and all other public sector pension schemes. It was therefore felt that until the government's appeal against this judgement was heard, it was not prudent to continue with the proposed scheme changes.

7.7. This presents a very difficult situation for DCPF, it is likely that this could take some while to resolve, and could mean, depending on the eventual outcome, that the SAB scheme changes will still have to be implemented at some stage in the future and back date.

7.8. It also presents a difficulty for scheme actuaries as this is a Valuation year, and the benefit structure is key to their assumptions. It is not yet known how this will be addressed.

7.9. Employers will be informed of any developments as soon as they occur.

8. End of Year 2019 / Valuation 2019

8.1. Key to the valuation is the End of Year information provided by employers. The data employers provide is checked and processed by Dorset County Pension Fund, and membership data then extracted and sent to the actuaries. This will determine the employer contribution rates for the next 3 years.

- 8.2. The information you provide directly impacts upon the calculation of each member's CARE scheme benefits each year.
- 8.3. All public sector pension schemes are now required to report to the TPR our data quality scores.
- 8.4. Please note that this year the DCPF will be fining employers for non-notified leavers and starters (where the member left or joined pre-1 January 2019) £50 per case in accordance with our Pensions Administration Strategy.

9. Employer Support Team updates

- 9.1. Many employers have responded with their updated contacts, this will help ensure DCPF are contacting the correct people. This is especially important with the end of year processes now starting.
- 9.2. The team will be changing all forms and leaflets as soon as possible after 1 April due to LGR and the administering authority changing to Dorset Council.
- 9.3. There is a Final Pay factsheet available for employers to assist with this complex area.
- 9.4. The Employer Support Team will be offering training as required. Please make contact if this is of interest.

10. Presentation on LGPS Employers Discretions Policy

- 10.1. The presentation can be found at [www.yourpension.org.uk/Dorset/Employers/Employer-Guide/Pension-Liaison-Officer-Group-Meetings-\(PLOG\).aspx](http://www.yourpension.org.uk/Dorset/Employers/Employer-Guide/Pension-Liaison-Officer-Group-Meetings-(PLOG).aspx)

11. Any other business

- 11.1. Jenny Tempier asked whether the LGPS discretions policy should be published on to her employer website. It was agreed that this is ideal.

12. Date, time and venue of the next meetings

- Tuesday 18 June 2019 at 10:00 in Committee Room 1, Colliton Park, Dorchester.
- Thursday 17 October 2019 at 10:00 in Committee Room 1, Colliton Park, Dorchester.