

TEESSIDE PENSION BOARD

Date: Monday 2nd November, 2020
Time: 2.00 pm
Venue: Virtual Meeting

AGENDA

Please note: this is a virtual meeting.

The meeting will be live-streamed via the Council's Youtube channel at 2.00 pm on Monday 2nd November, 2020

1. Apologies for Absence
2. Declarations of Interest
To receive any declarations of interest.
3. Minutes - Teesside Pension Board - 27 July 2020 3 - 8
4. Minutes - Teesside Pension Fund Committee - 22 July 2020 9 - 12
5. Teesside Pension Fund Committee - 16 September 2020
Verbal Report
6. Pension Board Training 13 - 16
7. Update on Work Plan Items - Communications 17 - 110
8. Update on Current Issues 111 - 118
9. XPS Administration Report 119 - 140

10. Any other urgent items which in the opinion of the Chair, may be considered

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Friday 23 October 2020

MEMBERSHIP

Councillors C Monson (Chair), G Whitehouse (Vice-Chair), W Ayre, J Cook, C Hobson and L Littlewood

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Susan Lightwing, 01642 729712, susan_lightwing@middlesbrough.gov.uk

TEESSIDE PENSION BOARD

A meeting of the Teesside Pension Board was held on Monday 27 July 2020.

PRESENT: C Monson, G Whitehouse (Vice-Chair), J Cook, Councillor C Hobson and L Littlewood

OFFICERS: S Lightwing, N Orton, D Johnson and C Lunn

20/11 **APOLOGIES FOR ABSENCE**

No apologies for absence were submitted.

20/12 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item/Nature of Interest
J Cook	Non pecuniary	Member of Teesside Pension Fund
Councillor C Hobson	Non pecuniary	Member of Teesside Pension Fund
L Littlewood	Non pecuniary	Member of Teesside Pension Fund
C Monson	Non pecuniary	Member of Teesside Pension Fund
G Whitehouse	Non pecuniary	Member of Teesside Pension Fund

20/13 **MINUTES - TEESSIDE PENSION BOARD - 10 FEBRUARY 2020**

The minutes of the meeting of the Teesside Pension Board held on 10 February 2020 were taken as read and approved as a correct record.

The Head of Pensions Governance and Investment provided an update on the McCloud Case. The Government had accepted the findings and would change the rules in the Local Government Pension Scheme to extend the underpin. A report would be provided to the next Board meeting detailing the changes.

20/14 **SUSPENSION OF COUNCIL PROCEDURE RULE NO 5 - ORDER OF BUSINESS**

ORDERED that, in accordance with Council Procedure Rule No 5, the Board agreed to vary the order of business. The remaining agenda items would be considered in the following order: items 4, 5, 6, 7, 9, 8, 10, 11 and 12.

20/15 **MINUTES - TEESSIDE PENSION FUND COMMITTEE**

Copies of the minutes of the Teesside Pension Fund Committee meetings held on 22 January, 11 March and 17 June 2020 were submitted for information.

20/16 **TEESSIDE PENSION FUND COMMITTEE - 22 JULY 2020**

The Head of Pensions Governance and Investments provided a verbal update on agenda items considered at a meeting of the Teesside Pension Fund Committee held on 22 July 2020. The main point highlighted was the financial impact on the Fund of the Covid-19 pandemic. This one event had dominated the year financially and the outcome for the Fund.

It was queried whether additional costs incurred by the External Auditor during the audit of the Accounts resulting in extra work being required due to Covid-19 pandemic could be reclaimed from the Government. The Head of Pensions Governance and Investments stated that this

could be investigated but added that he thought this was unlikely to be the case.

NOTED

20/17 **TEESSIDE PENSION BOARD ANNUAL REPORT 2019/2020**

A copy of the Teesside Pension Board Annual Report 2019-2020 had been circulated with the agenda for the meeting. It was highlighted that the Board's Work Plan was now included the Annual Report.

AGREED that the Teesside Pension Board Annual Report 2019/2020 was approved.

20/18 **DRAFT ANNUAL PENSION FUND REPORT AND ACCOUNTS 2019/2020**

A report of the Director of Finance was present to provide Members of the Teesside Pension Board with the 2019/2020 draft Annual Report and Accounts for the Teesside Pension Fund.

The terms of reference for the Teesside Pension Fund Committee required the Annual Report and Accounts to be considered by Members. The Draft Report and Accounts for the year ended 31 March 2020, which were presented to the Pension Fund Committee meeting on 22 July 2020, were attached to the submitted report.

The performance highlighted the volatility during 2019/2020, when markets increased and then dropped off significantly, and it was noted that the Accounts were produced about one week after the markets were at the lowest point. The Fund's value fell to approximately £3.74 billion - a decrease over the year of approximately £350 million. However, provisional information for 30 June 2020 indicated that the value of the Fund had gone back up to £4 billion.

In this financial year the Fund received just under £4.0 million from early retirement recharges, down on last year's figure of £4.1 million, a 2% decrease on last year.

The global pandemic issues slightly overshadowed the very positive outcome of the latest actuarial valuation of the Fund. As at 31 March 2019, the funding level of the scheme had improved from 100% at the previous valuation, to 115%. This was third report in a row where the scheme had been declared fully funded. As a result, there had been a reduction in Employer contribution rates; which was a real benefit to those Employers. The next valuation would be carried out as at 31 March 2022 and contribution rates for that would be changed from April 2023.

Another point to note was that membership of the Fund continued to increase and the overall scheme membership was approximately 71.5K. This indicated that around one in seven of the population of the Tees Valley were scheme members.

A query was raised in relation to the governance and oversight cost stated in the report at page 13 and the Head of Pension Governance undertook to check and correct the figure provided.

In relation to the Asset Allocation Strategy, it was confirmed that work was ongoing with the Fund's Advisers to achieve the agreed targets. It was suggested that interim targets could be considered, for example, to reduce equities by a set amount, perhaps 5%, per year, towards the target allocation.

A final question was asked in relation to the performance reporting which appeared to show a negative cash return. The Head of Pensions Governance and Investment agreed to investigate and circulate a response to the Board members.

AGREED that the 2019/2020 draft Annual Report and Accounts for the Teesside Pension Fund were received and noted.

20/19 **IMPACT OF THE CORONAVIRUS PANDEMIC ON THE PENSION FUND**

A report was presented to provide Members of the Teesside Pension Board with an initial assessment of the impact of the coronavirus pandemic on the Pension Fund.

The Fund was primarily invested in Equities. Although the strategic asset allocation to equities was set at 50%, this allocation was set relatively recently and the portfolio was only gradually being moved from its current allocation which was significantly higher - typically around 75% equities. The coronavirus pandemic led to a quick and dramatic fall in global stock markets, and this was reflected in the Fund valuation as at 31 March 2020. The Fund's equity holding reduced in value by around £600 million in the three months to 31 March 2020.

Stock markets to some extent recovered after hitting lows towards the end of March, with US markets in particular improving, although the UK stock market has not bounced back as quickly. Some of the Fund's other assets had been affected to a lesser degree due to their illiquid nature. Although the Fund's private equity and infrastructure could be adversely affected it would take some time for a correction to take effect.

Another point worth noting in the private equity and infrastructure asset classes was that it was already taking a long time to invest. The Fund had committed £200 million to Border to Coast to invest this year and as at the end of the year, less than £20 million had been invested. This could be advantageous to the Fund as it could allow for investments in any other bargain opportunities that were available.

The value of the Fund's UK Direct Property Portfolio was likely to be affected by lockdowns and by the pace at which normality returned. Retail assets in particular were affected. The Fund's Property Advisors had been approached to provide rent holidays on some properties. It was acknowledged that it was generally a better to retain a tenant than try to replace them at such a difficult time.

The Fund was not getting good returns on cash, which was linked to the Bank of England base rate which dropped even further at the start of the reaction to the pandemic and was now 0.1%. The income from cash, which was about £4 million last year in interest, would diminish as well, due to the low interest rates. However, the Fund was a long term investor and over time asset values tended to recover and the drop in value would not necessarily be detrimental to the long term funding. The biggest risk was that global economic growth would be flat or even negative going forward. There was also a potential risk of inflation.

The Pension Fund had for a number of years been cash negative. This meant the amount paid out in pension benefits exceeded the amount collected in employer and employee contributions. This was quite normal for a Local Government Pension Scheme fund, particularly one which was relatively well funded and did not require many of its employers to make additional, deficit correction contributions. Provided the additional cash requirement could be met in a planned way, which did not require the Fund to sell risk assets at an in appropriate time, a cash negative position could be well managed.

The Pension Fund had significant cash holdings and, even taking into account the future commitments it had made to invest in infrastructure and private equity, it would have sufficient cash to ensure all pension payments could be made over at least the next couple of years without having to sell any assets. Officers would work with advisors to develop a long-term approach to cash flow management within the Fund.

One potential issue had been the Scheme Employers and concerns that they might not be able to pay their contributions. All Scheme Employers had been contacted and to date, all contributions had been paid on time.

Officers had kept in regular contact with XPS throughout the period of the pandemic and subsequent lockdown. XPS was able to move quickly to a position where the team could operate effectively working from home and continue to administer the Fund. The team continued to carry out all of its administration functions including processing new entrants, leavers and retirements, as well as ensuring pensions continued to be paid. XPS were encouraging scheme members to contact them via email rather than post and some of the changes that they were looking to introduce anyway had been accelerated.

When the lockdown began in March, the Pensions Team already had the capability to work from home and monitoring of investments, governance support and oversight of the outsourced administration contract continued. The Head of Pensions Governance and Investment also confirmed that the team had kept in regular contact with all investment

managers throughout the pandemic. Middlesbrough Council had already been moving towards more employees being able to work agile. A recent survey of employees working from home during the pandemic indicated that only 18% of staff wanted to get back to working in the office.

One area where the Fund's governance was affected was in the cancellation of the Board meeting scheduled for 20 April 2020. Unfortunately, the Council was not in a position to ensure the meeting could be held effectively remotely and the decision was taken to cancel that meeting. However it was noted that under the prevailing legislation, local pension boards were required to meet at least twice a year and this requirement would still be met. The Teesside Pension Committee had met remotely on 17 June and 22 July 2020 and meetings were now more accessible to members of the public as they were streamed live via the Youtube platform.

The submitted report covered the medium and long-term impacts, the economic impact on the Fund and the drop in the asset values. One outcome was that the next valuation was likely to be less favourable than the current valuation. The Fund Actuary had provided some wording to share with Employers to warn them that they could see an increase in contribution rate from the next valuation. Admission Body Employers could see an increase even sooner as this was permissible if felt necessary.

UK unemployment had increased significantly over the last few months, as had Government debt. Ultimately this could mean reduced funding for local government and fewer active members contributing to the Fund. This could serve to further accelerate the rate at which the Fund matured, and increase the shortfall between benefits and contributions. This underlined the importance of planning for cash flow provisions within the Fund going forwards.

AGREED that the report was received and noted.

20/20

AUDIT PLANNING REPORT ADDENDUM

The Teesside Pension Fund Audit Planning Report for the year ended 31 March 2020 had previously been considered by the Teesside Pension Fund Committee at the March meeting. That Planning Report was prepared prior to the impact of the Covid-19 pandemic, and this Addendum Report had been prepared to provide an update on how Covid-19 had impacted the External Auditors' risk assessment and the additional response which would be built into the audit as a result.

The External Auditor highlighted updates to two significant risks that had previously been identified: the valuation of unquoted pooled investment vehicles and the valuation of directly held property. The valuation of the Fund's investments in unquoted pooled investment vehicles had been identified as a significant risk, as even a small movement in the assumptions underpinning investment manager valuations could have a material impact on the financial statements. Unquoted assets were either Level 2 or Level 3 on the Fair Value Hierarchy, which meant that quoted market prices were not available and the valuation relied on the use of inputs derived from observable market data (Level 2) or were not based on observable market data (Level 3). The approach usually taken to value these assets had changed due to the market volatility brought about by Covid-19 in the final quarter of 2019/2020. The Auditor needed to consider the revised valuation approach taken by the Fund and its fund managers in order to gain assurance that the impact of Covid-19 on investment values had been properly accounted for in the financial statements. The Auditor would also look at private equity investments across other LGPS clients and check that movements were broadly in line.

In relation to directly held property - this was a significant risk because property was inherently judgemental in its valuation technique. The additional complication from Covid-19 was that the professional valuer that the Pension Fund used to prepare the valuation on properties at year end had provided that valuation on the basis of 'material value uncertainty'. This was something seen from all property valuers across the year end and was not specific to the Pension Fund. It did not mean that valuations could not be used in the Accounts or that they were not appropriate - there was just a little bit more uncertainty and more estimation in those values than usual. EY Real Estate had been engaged to look at a sample of the valuations to ensure that the additional uncertainty risks were adequately addressed.

The Auditor also highlighted other potential impacts of Covid-19 including: going concern and post balance sheet event disclosures and changes introduced to EY's review and consultation procedures.

Materiality levels for the audit were originally set at 1% of net assets. Given the decrease in Fund asset values, the Auditor had considered whether 1% was still an appropriate threshold and was satisfied that it was. Materiality had therefore decreased from £40.8 million stated in the planning report and was now set at £37.4 million. Performance materiality had been set at £28.0 million which represented 75% of materiality and the threshold for audit differences was £1.9 million.

In response to a query regarding the extra cost to the Fund incurred by the additional work on the increased risks, the External Auditor responded that it would be misleading to provide a figure at this stage since it would depend on what extra procedures were necessary.

It was highlighted that pooled investment vehicles were the majority of the Fund's asset base. Although there were some very high values, there were not many of them, so the Auditor would focus testing on individual funds.

AGREED that the report was received and noted.

20/21

UPDATE ON WORK PLAN ITEMS

A report was presented with information on items scheduled in the work plan for consideration at the current meeting, and at the cancelled meeting which was due to be held in April 2020.

At its meeting on 10 February 2020 the Board agreed a work plan for the coming months and years which set out areas for the Board to discuss or consider at subsequent meetings. These were typically areas that the Pensions Regulator and/or the Scheme Advisory Board had identified as important for Local Pension Boards to consider.

Included within the work plan to be covered in the April meeting and at today's meeting were the Annual Board Report and the Draft Report and Accounts and these were covered as separate agenda items.

The Head of Pensions Governance gave a comprehensive presentation on the other areas set out in the work plan which were as follows:

- Reporting Breaches and Reporting Duties.
- Maintaining Contributions.
- Pension Board Conflict of Interests.
- Review of the Outcome of the Actuarial Reporting and Valuations.

A copy of the Teesside Pension Board's Conflicts of Interest Policy was attached at Appendix A to the submitted report.

AGREED that the information provided was received and noted.

20/22

XPS ADMINISTRATION REPORT

A report was presented to provide an overview of administration services provided to the Teesside Pension Fund by XPS Administration, Middlesbrough.

XPS had planned for a potential lockdown due to the Covid-19 pandemic and staff had been able to work from home since March. The office had been opening twice a week to deal with post and scanning. The service had been maintained and all Service Level Agreements (SLAs) detailed in the report were maintained at 100%. Since the end of March there had been only one case for a new starter that had not met the required timescale, however, the SLAs had still been met at 98.5% in April, and maintained at 100% in May and June.

Consideration was now being given to bringing staff back into the office to work, in line with Government policy. Over 80% of XPS staff had indicated they were happy to work at home for

Monday 27th July, 2020

part of their working week. There was no pressure on anyone to work in the office at the current time.

In response to queries, it was confirmed that work was ongoing as to whether reports could be produced internally on Conditional Data, (rather than using an external firm), and also the move to monthly contributions postings. Both projects had been delayed due to the Covid-19 pandemic. It was anticipated that the majority of Annual Benefits Statements would be issued at the end of August and details of the exercise would be reported back to the Board.

On behalf of the Board, the Chair thanked all the staff for their efforts to maintain services since the lockdown due to Covid-19.

AGREED that the information provided was received and noted.

TEESSIDE PENSION FUND COMMITTEE

A meeting of the Teesside Pension Fund Committee was held on 22 July 2020.

PRESENT: Councillors Coupe, (Chair), Bell, Cooper, Dean, J Hobson, J Rostron and Wright (As Substitute)

B Foulger, GMB Representative
A Watson, Unison Representative

Other Local Authority Members:
Councillor Beall, Stockton on Tees Council
Councillor Nightingale, Redcar and Cleveland Council

PRESENT BY INVITATION: Councillor C Hobson

ALSO IN ATTENDANCE: M Rutter, E Ferdani, EY

OFFICERS: S Bonner, W Brown, D Johnson, S Lightwing, C Lunn, N Orton

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Furness, Uddin and P Fleck.

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor Beall	Non pecuniary	Member of Teesside Pension Fund
Councillor Cooper	Non pecuniary	Member of Teesside Pension Fund
Councillor Rostron	Non pecuniary	Member of Teesside Pension Fund
B Foulger	Non pecuniary	Member of Teesside Pension Fund

20/12 **MINUTES - TEESSIDE PENSION FUND COMMITTEE - 17 JUNE 2020**

The minutes of the meeting of the Teesside Pension Fund Committee held on 17 June 2020 were taken as read and approved as a correct record.

20/13 **DRAFT ANNUAL PENSION FUND REPORT AND ACCOUNTS 2019/20**

A report was of the Chief Finance Officer was presented to provide Members with the 2019/20 draft Annual Report and Accounts for the Teesside Pension Fund.

Although the report was in draft form there were unlikely to be any significant changes and the format and figures were correct.

The Head of Pensions Governance and Investment drew attention to the performance summary in the report and highlighted that there had been significant volatility in the markets in 2019/2020.

An initial increase in the Fund at the start of the year had been eclipsed by a large drop in global financial markets towards the end of the year as a consequence of the Covid-19 pandemic and concerns about the financial impact. That event had dominated the year and the financial outcome for the Pension Fund. Domestic issues which had previously seemed very significant; such as the 2019 General Election or the UK leaving the European Union on 31 January 2020, had been overshadowed by the impact of the pandemic. Similarly global issues such as US/China trade negotiations, as well as the nature of the eventual trading relationship between the UK and the EU, were also put to one side as the focus quickly

moved to the impact of the pandemic on economies, industries, trade and growth. The Pension Fund was particularly affected because it was currently overweight in equities which had seen a dramatic and sudden fall towards the end of the year.

The financial performance for the Fund for the year was therefore negative. The Fund's value fell to approximately £3.74 billion - a decrease over the year of approximately £350 million. This drop in the Fund's value overshadowed the very positive outcome of the latest actuarial valuation of the Fund, the details of which were included in the submitted report. As at 31 March 2019 the funding level of the scheme had improved from 100% at the previous valuation, to 115%. This was third report in a row where the scheme had been declared fully funded.

The actuarial valuation report was published on 31 March 2020 and the Actuary considered whether the report should be amended in any way in response to the drop in markets caused by the Covid-19 pandemic. After consideration, the Actuary decided it was still appropriate to issue the report as it was, and also still appropriate to adjust Employer contributions. This was due to the Fund being a long term investor, holding assets for a long time, and not required to sell those equities that had dropped in value. It was anticipated that the value of equities, and therefore the Fund, would recover over time.

The Head of Pensions Governance and Investment also highlighted that membership of the Fund continued to increase steadily and overall membership was 71,500 at the end of the year. There were increases in every category of membership, although it was noted that over time the Fund was progressively maturing and there were more pensioners in relation to active members.

A Member queried the Committee attendance information which appeared incomplete and the Head of Pensions Governance and Investments agreed to investigate and ensure the final report was accurate.

ORDERED as follows:

1. The 2019/20 Annual Report and Accounts (Appendix A).
2. The Teesside Pension Fund Committee meeting attendance details would be updated.

20/14

AUDIT PLANNING REPORT - ADDENDUM - YEAR ENDED 31 MARCH 2020 - JULY 2020

The Teesside Pension Fund Audit Planning Report for the year ended 31 March 2020 was previously considered by the Committee at the March meeting. Since that Planning Report was prepared prior to the impact of the Covid-19 pandemic, an Addendum Report had now been submitted to update the Committee on how Covid-19 had impacted the External Auditors' risk assessment and the additional response which would be built into the audit as a result.

The External Auditor highlighted updates to two significant risks previously identified: the valuation of unquoted pooled investment vehicles and the valuation of directly held property.

The valuation of the Fund's investments in unquoted pooled investment vehicles had been identified as a significant risk, as even a small movement in the assumptions underpinning investment manager valuations could have a material impact on the financial statements. Unquoted assets were either Level 2 or Level 3 on the Fair Value Hierarchy, which meant that quoted market prices were not available and the valuation relied on the use of inputs derived from observable market data (Level 2) or were not based on observable market data (Level 3). The approach usually taken to value these assets had changed due to the market volatility brought about by Covid-19 in the final quarter of 2019/2020. Therefore the Auditor needed to consider the revised valuation approach taken by the Fund and its fund managers in order to gain assurance that the impact of Covid-19 on investment values had been properly accounted for in the financial statements.

Within the Fund's directly held property there were a number of retail property assets. Current market conditions in the retail sector meant that judgements and assumptions used to value these assets were also sensitive to market volatility. In line with guidance issued by the Royal

Institution of Chartered Surveyors (RICS), the Fund's Property Valuer had provided their valuation of the Fund's directly held property at 31 March 2020 on the assumption that there was a 'material valuation uncertainty' due to the impact of Covid-19 on the real estate market.

The Fund's directly held property were generally of a nature where the valuation uncertainty would be expected to be higher. The Auditor therefore considered the level of uncertainty around the Fund's property valuations to have increased. The Auditor stressed that the directly held property had previously been identified as a significant risk for the audit and therefore the additional uncertainty did not change the overall risk assessment. Management would need to include disclosures within the financial statements to inform users of the statements of the material valuation uncertainty. In addition, EY's property experts would review a larger number of individual property valuations to ensure that the additional uncertainty risks were adequately addressed.

The Auditor also highlighted other potential impacts of Covid-19 including: Going concern and post balance sheet event disclosures and changes introduced to EY's review and consultation procedures, further details of which were provided at page 7 of the submitted report.

Materiality levels for the audit were originally set at 1% of net assets as previously reported to the Committee. However, given the decrease in Fund asset values, the Auditor had considered whether 1% was still an appropriate threshold and was satisfied that it was. Materiality had therefore decreased from £40.8 million stated in the planning report and was now set at £37.4 million - 1% of the asset value in the draft Accounts. Performance materiality had been set at £28.0 million (previously £30.6m), which represented 75% of materiality. Finally, the threshold for audit differences had reduced from £2.0 million to £1.9 million.

In response to a query regarding the extra cost to the Fund of the additional procedures that the Audit would incur in providing additional work on the increased risks, the External Auditor stated that this would be discussed with management once the Audit was complete. The Head of Pensions Governance and Investments stated that the additional costs would be reported to the Committee.

ORDERED that the report was received and noted.

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TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 6

TEESSIDE PENSION BOARD REPORT

2 NOVEMBER 2020

DIRECTOR FINANCE – IAN WRIGHT

Pension Board Training

1. PURPOSE OF THE REPORT

- 1.1 To remind Members of the Teesside Pension Board (the Board) of the legal; requirement for all Board Member to have the necessary knowledge and understanding to carry out their role, and to outline and discuss how this level of competency can best be acquired and maintained.

2. RECOMMENDATIONS

- 2.1 That Members note this report and comment on how future training should be prioritised and delivered, and to give a view as to whether the Knowledge Assessment tool described in section 7 of the report should be progressed.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications in respect of the information contained in this report.

4. BACKGROUND

- 4.1 The Local Government Pension Scheme (LGPS) Regulations 2013 were amended in line with requirements introduced by the Public Service Pensions Act 2013 for all public service pension schemes to establish a pension board. Under the LGPS Regulations, each LGPS administering authority had to set up a Local Pension Board with effect from 1 April 2015.
- 4.2 The Pension Fund set up the Teesside Pension Board in line with these legislative requirements. The Board's terms of reference (last amended at the 1 November 2017 Council meeting) set out Board's purpose as follows:

“Statement of purpose

6. The Board is responsible for assisting the Administering Authority:

(a) to secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme; and

(b) to ensure the effective and efficient governance and administration of the Scheme.

7. The Council considers this to mean that the Pension Board is providing oversight of these matters and, accordingly, the Pension Board is not a decision making body in relation to the management of the Pension Fund. The Board makes recommendations and provides assurance to assist in the management of the Fund.”

4.3 In order to fulfil this function, and to comply with the requirements of the overriding regulations and legislation, the Board needs to have and maintain appropriate knowledge and understanding of the LGPS and pensions in general, In particular (as set out in the Board’s Terms of Reference: a member of the Board **must be conversant with:**

- the legislation and associated guidance of the Local Government Pension Scheme (LGPS), and
- any document recording policy about the administration of the LGPS that is adopted by the Teesside Pension Fund.

a member of the Board **must have knowledge and understanding of –**

- The law relating to pensions, and
- Any other matters which are prescribed in regulations.

4.4 The Board has been established for over five years now although the membership has, understandably, not been constant during that time. It is sensible to, at least annually, review and consider the Board’s knowledge and understanding and to agree how future training can be delivered.

5. PENSION BOARD TRAINING

5.1 The main documents the Board is required to be conversant with are:

Regulations and guidance

- The LGPS Regulations 2013
- LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.
- LGPS (Management and Investment of Funds) Regulations 2016
- Together with any guidance issued under these regulations.

All these documents are at <https://www.lgpsregs.org/schemeregs/index.php>

Scheme documents

Member booklets, announcements and other key member and employer communications

Relevant policies of the Administering Authority and/or Pension Committee (for example: conflicts of interest, record-keeping, data protection and freedom of information, internal dispute resolution procedure, reporting breaches).

- The Council's statements (in its role as Administering Authority to the Pension Fund) on
 - Governance Compliance
 - Funding Strategy
 - Investment Strategy
 - Discretionary Policies
 - Communications Policy
- The Pension Fund risk register
- The actuarial valuation report
- The Pension Fund annual report and accounts
- Pension fund external audit report

These documents are mainly available at the following websites, or have been presented to the Board previously:

<https://www.teespen.org.uk/documents/index.php?name=DOCUMENTS>

<https://www.middlesbrough.gov.uk/>

5.2 The main areas the Board is expected to have knowledge and understanding of are:

- Background and Understanding of the Legislative Framework of the LGPS
- General pensions legislation applicable to the LGPS
- Role and responsibilities of the Local Pension Board
- Role and responsibilities of the Administering Authority
- Funding and Investment
- Role and responsibilities of Scheme Employers
- Tax and Contracting Out
- Role of advisors and key persons
- Key Bodies connected to the LGPS

6 TRAINING APPROACH

6.1 The Board has received training previously, but it is appropriate to periodically review the training approach, and to deliver training to all Board members both new and continuing.

6.2 The level of knowledge and understanding required cannot be acquired overnight and can be delivered in a number of ways, through (for example)

- Papers provided to the Board throughout the year
- Training sessions delivered by Council staff or by external companies
- Self-study through access to training materials and documents

6.3 An initial starting point for new Board members is to ensure they complete the Pensions Regulators on-line training modules the Public Service Toolkit, which is at the following web page:

<https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes>

6.4 Training sessions can be arranged to cover the areas set out in section 5 above. Pension Fund Committee members can also be invited to attend any training.

7. KNOWLEDGE ASSESSMENT

7.1 Actuarial and consultancy firm Hymans Robertson has developed a knowledge assessment tool which has already been used by at least 20 LGPS Funds to help assess the knowledge and understanding of their local pension boards and pension fund committees. The knowledge assessment tool consists of at least five multiple choice questions in each of the following areas:

- Committee Role and Pensions Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Audit Standards
- Procurement and Relationship Management
- Investment Performance and Risk Management
- Financial Markets and Product Knowledge
- Actuarial Methods, Standards and Practices

7.2 As well as giving an indication of individual strengths and weaknesses, perhaps more importantly this type of assessment helps identify any areas where collectively the Board or (if they also participate) the Committee require development. This would then allow more targeted training to be developed and delivered.

7. NEXT STEPS

7.1 Ongoing training will be delivered using the methods set out in section 6 above. If the Board wishes to consider the Knowledge Assessment approach to help better identify training needs, the Head of Pensions Governance and Investments will liaise with the Chair of the Pension Fund Committee to discuss how this can best be progressed.

CONTACT OFFICER: Nick Orton – Head of Pensions Governance and Investments

TEL NO.: 01642 729040

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 7

TEESSIDE PENSION BOARD REPORT

2 NOVEMBER 2020

DIRECTOR OF FINANCE – IAN WRIGHT

Update on Work Plan Items - Communications

1. PURPOSE OF THE REPORT

- 1.1 To present Members of the Teesside Pension Board (the Board) with information on items scheduled in the work plan for consideration at the current meeting.

2. RECOMMENDATION

- 2.1 That Board Members note this report and provide any comments on the example member and employer communications included in the appendices.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications arising from this report.

4. BACKGROUND

- 4.1 At its meeting on 10 February 2020 the Board agreed a work plan for the coming months and years which set out areas for the Board to discuss or consider at subsequent meetings. These were typically areas that the Pensions Regulator and/or the Scheme Advisory Board had identified as important for Local Pension Boards to consider.

- 4.2 Included within the work plan for today's meeting were the annual review of Board training (covered separately at agenda item 6), communicating with members and publishing scheme information. The suggested activity for the Board (taken from the Scheme Advisory Board guidance) to cover this is a review of standard employer and scheme member communications. This is covered in the remainder of this report.

5. COMMUNICATIONS POLICY

- 5.1 Under the Local Government Pension Scheme (LGPS) Regulations 2013, Administering Authorities are required to prepare, maintain and publish:

“a written statement setting out its policy concerning communications with-
(a) members;

- (b) representatives of members;
- (c) prospective members; and
- (d) Scheme employers.”

The statement should set out the Administering Authority’s policy on:

- “(a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
- (b) the format, frequency and method of distributing such information or publicity; and
- (c) the promotion of the Scheme to prospective members and their employers.”

The statement should be revised and published following a “material change” in the policy.

- 5.2 The Pension Fund’s communications policy is published on the Pension Fund website at:
https://www.teespen.org.uk/documents/content/policy/Communication_Policy.pdf
 and a copy is enclosed at Appendix A. The policy was prepared in 2017 but is still relevant as, although some of the references need updating, no material changes have been made to the communication approach. However, the policy is due for its three-yearly refresh and this will be progressed, with an updated version taken to a future Pension Fund Committee meeting for approval.

6. REVIEW OF STANDARD MEMBER AND EMPLOYER COMMUNICATIONS

- 6.1 The Communication Policy lists the different methods of communication with the different categories of stakeholders as follows:

Stakeholder category	Method of communication
Scheme members (all categories) and prospective scheme members	Scheme literature – booklets and guides Website Member support (by phone and email) Member presentations Member self-service Benefit statements Pay advice / P60s Newsletters Notice boards Pension meetings Pensions taxation correspondence Report and accounts

Stakeholder category	Method of communication
Employers	Employer website Email updates Scheme literature Employer training Employer meetings Report and Accounts Valuation report
Pension Fund Committee and Pension Board	Attendance at and reports to all quarterly meetings
Pension administration team staff	Internet, email, employer database access Electronic document management system Induction, training, appraisal and assessment
<u>Other external bodies:</u> Actuary and other Fund advisers Ministry for Housing Communities and Local Government Scheme Advisory Board Pensions Regulator Trade Unions Employer representatives Border to Coast Pensions Partnership Pension Fund Custodian Additional Voluntary Contribution (AVC) Provider Pension and Lifetime Savings Association Local Authority Pension Fund Forum Regional / National Forums	Email / phone / written communication / meetings as required
Prospective employers	Assistance on application process including liaison with Fund Actuary on costs and risks (if required)

6.2 Examples of the following scheme member and employer communications are included in Appendix B:

- Annual Benefit Statement for an active member
- Annual Benefit Statement for a deferred member
- Redundancy estimate cost information to scheme employer
- Retirement options letter
- Letter to retiring member confirming retirement benefits
- Pensions Savings Statement (issued to active members who have exceeded or are likely to exceed the HMRC annual allowance for pensions saving)
- Pensioner payslip
- Pensioner P60
- Pension increase letter

- LGPS in the Loop (Employer newsletter)
- Employer Briefing Note on the £95K exit cap
- Pension Awareness Presentation

6.3 The Board will be aware of the additional funding provided to XPS Administration to improve member communications. Recently XPS has recruited a communications team member who is developing the existing website with a view to improving its navigation, functionality and content. Appendix C contains screen shots of the latest proposed upgrade to the Pension Fund website.

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Teesside Pension Fund

Communication Strategy

Administering the Local Government Pension Scheme

2017

Contents

Introduction and Background	1
Regulatory Basis	1
Who We Communicate With	2
The key objectives	2
Methods of Communication	2
Communicating with Scheme Members	2
Communicating with Employing Authorities	5
Communicating with Pension Fund Committee and Pension Board	6
Communicating with Pensions Unit Staff	7
Communicating with Pension Fund Investment Managers, Advisers and Actuaries.....	8
Communicating with Other Bodies	8
monitoring and reporting.....	10
Key Risks.....	11
Approval and Review	12
Further Information	12
Overview of Communications	14

INTRODUCTION AND BACKGROUND

This is the Statement outlining our Pension Communication Strategy for the Teesside Pension Fund (“the Fund”) and has been developed following consultation with employers in the Fund, scheme member representatives, Pension Board members and other interested stakeholders.

The aim of this Communication Strategy is to ensure that scheme members appreciate the benefits of the scheme and all stakeholders are kept informed of developments within the Pension Fund, and effective communications will also help to maintain the efficient running of the Scheme.

Middlesbrough Council (the “administering authority”) is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme (“the LGPS”). Operationally, the administration of the Fund is partly outsourced to a third party administrator (currently Kier), and partly carried out by Council staff. The third party administrator's staff and Council staff work together to provide a seamless service to scheme employers and members, and as such effective communication between the two organisations is vitally important.

It is for that reason that references to responsibilities of the Administering Authority in this document are generally not separated out between the Council and administrator.

REGULATORY BASIS

The LGPS is a statutory scheme, established by an Act of Parliament. Regulation 61 of the Local Government Pension Scheme Regulations 2013, reproduced below, provides the conditions and regulatory guidance surrounding the production and implementation of Communications Strategies:

Statements of policy concerning communications with members and Scheme employers

61. (1) *An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with —*

- a) members;*
- b) representatives of members;*
- c) prospective members; and*
- d) Scheme employers.*

(2) *In particular the statement must set out its policy on —*

- a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;*
- b) the format, frequency and method of distributing such information or publicity; and*
- c) the promotion of the Scheme to prospective members and their employers.*

(3) *The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).*

This statement has been developed to include the information required by those provisions and to describe our approach in relation to meeting these requirements in the delivery of communications.

WHO WE COMMUNICATE WITH

Middlesbrough Council recognises that there are several distinct stakeholder groups, such as;

- Scheme Members (active, deferred, pensioner and dependant members) and prospective Scheme Members
- Scheme Employers and prospective Scheme Employers
- Pension Fund Committee and Pension Board members
- Pension Fund Staff
- Other interested organisations including Government Departments, Scheme Advisory Board and Advisors to the Pension Fund.

THE KEY OBJECTIVES

This Communications Strategy has a number of specific objectives relating to how we communicate with our stakeholders, as follows;

- Promote the Scheme as a valuable benefit and provide sufficient information to educate members to help them to make informed decisions about their benefits.
- Communicate in a clear, concise manner.
- Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders.
- Look for efficiencies in delivering communications, including through greater use of technology and partnership working, with the view that digital communications is the preferred long term communications solution.
- Regularly evaluate the effectiveness of communications and shape future communications appropriately.

Effective communication methods are essential if the Fund wishes to ensure that correct information reaches as many people as possible and remains at the forefront of industry best practice.

METHODS OF COMMUNICATION

Effective communication reminds, or alerts, employees to the value of the LGPS which negates misleading media information and aids recruitment, retention and the motivation of the workforce.

COMMUNICATING WITH SCHEME MEMBERS

It is essential that scheme members (which includes their representatives and prospective members) are provided with detailed information regarding the scheme and their own benefits held within. This is so that the member can make an informed choice in respect of their own pension benefits.

We will provide:

SCHEME LITERATURE

The Scheme booklets are the main reference points for most scheme members. The Pensions Unit offers members both a short guide to the Pension Fund and more detailed guide. These guides are available on the member's website, from the member's employer or direct from the Pensions Unit.

As a complement to the scheme guide, the Pensions Unit offers 'A Guide to ...'. These guides give members greater detail on a series of individual pension topics. e.g. 'A Guide to Divorce' an 'A Guide to the Local Government Internal Dispute Procedure'. These are available via the members' website (described below).

WEBSITE

The Pensions Unit has a website for its members (www.teespen.org.uk). The site holds details of the scheme for all types of member. The site is reviewed on a regular basis and updated with all new legislation. The site is a portal to other pension related sites and also to each member's individual record (available via password).

More detailed information on the scheme can also be obtained at <http://www.lgpsregs.org/>

MEMBER SUPPORT

The Pensions Unit has a dedicated telephone number for general pension enquiries – 01642 727777. The number is staffed from 8.30 to 17.00, Monday to Thursday and 8.30 to 16.30 Friday.

The Pensions Unit can also be contacted via a dedicated email address – pensionsunit@kier.co.uk.

We also offer member presentations, giving an overview to the Local Government Pension Scheme. These sessions can be booked by employers and used as part of staff induction programs or general information sessions.

As employers recognise pensions as a high profile area, a number of them have begun to work with the Pensions Unit in order to include pension information in their own pre-retirement seminars. The information provided to attendees includes details on the retirement process (from the Pensions Unit's perspective) and gives members the opportunity to ask any questions relating to their final benefit package.

MEMBER SELF-SERVICE

Members are able to access their own details on the pension administration system; check details, produce estimates, access annual benefit statements and inform the Pensions Unit of their change of address.

Pensioner members are able to access payslip and P60 details.

Members request access to the site via the Pensions Unit, where they will be provided with logon details.

BENEFIT STATEMENTS

Each year all our current (i.e. active members) and deferred members are sent an annual benefit statement. The statements are sent directly to their home address, where known. Issuance of benefit statements for active members is reliant upon receipt of relevant, accurate, year-end data from the member's employer.

PAY ADVICE SLIPS / P60'S

Pay advice slips are provided to members where there is a change of more than £1 in their monthly pension payment.

P60's are generally issued as part of the April payroll process, but will be provided by any statutory deadline.

NEWSLETTERS

The Pensions Unit produces newsletters to both active members and pensioner members twice a year; "Outlook" is distributed to all active members of the Teesside Pension Fund and "AtEase" to our pensioner members.

The newsletters are produced in partnership with publishing company 'Evolve' and other local authorities. They contain articles which are relevant to the majority of readers. Due to the newsletter being posted to each individual, it gives an opportunity to include additional inserts, new regulations for example, and keep down the cost of postage. Regular features of the newsletter include legal, financial and health issues as well as pension articles.

NOTICE BOARDS

Staff Notice Boards are located throughout most offices. They can be utilised to display matters relating to pensions as and when required.

PENSION MEETINGS

Currently there are no meetings specifically for scheme members however presentations are available via employer request.

PENSIONS TAXATION CORRESPONDENCE

Where appropriate, letters are distributed to all higher earning members, explaining changes to taxation rules and how this may affect their pension savings. This allows members to plan any action they may wish to take to void or minimise having pension savings in excess of the Annual and Lifetime Allowances.

Where a member exceeds the Annual Allowance a Pensions Savings Statement is issued advising them of the breach and what they now need to consider.

REPORT AND ACCOUNTS

The Report and Accounts are produced each year in compliance with 'Financial Reports of Pension Schemes – A Statement of Recommended Practice (Revised November 2002)'. A copy of the Report and Accounts is available on

the member's website and a popular report is published in 'Outlook' and 'AtEase'.

INDUCTION PROGRAMS

The Pensions Unit offers member presentations, giving an overview of the Local Government Pension Scheme. These sessions can be booked by employers and used as part of staff induction programs or general staff information sessions.

COMMUNICATING WITH EMPLOYING AUTHORITIES

Effective communication between an administering authority and its Fund employers reduces errors, improves efficiency and leads to good working relationships.

To assist employers participating in the Local Government Pension Scheme (LGPS) either as a scheduled body, designated body, or an admitted body the Pensions Unit have built up a range of communication materials that are aimed at increasing their understanding of pensions and helping them to fulfil their responsibilities as scheme employers. By providing this support, we are able to provide a better service to the member.

We will continue to provide:

EMPLOYER WEBSITE

The Pension Fund has developed and maintained an employer website (www.employers.teespen.org.uk).

This is used to distribute detailed information on procedures to employers and holds several resources such as the employer's handbook, blank pension forms and links to Circulars and Bulletins. Employers have been asked to download pension forms on an 'as and when required' basis so that they use up-to-date documentation.

E-MAIL

Information which needs to be relayed to employers is sent via email and also posted on the employer's website. We will send to employers (on an as and when basis) an electronic newsletter, [eFundamentals](#); which gives details of legislative changes, policy updates, process changes and any other information which we think will be of use to employers and aid them in working with us to provide effective administration services to the Teesside pension Fund and members.

SCHEME LITERATURE

Specific documentation will be provided to each employer, explaining precisely the statutory requirements required from both employer and scheme administrator which allow the Pension Unit to process work correctly and on time. Each employer will be expected to agree to the requirements that this document places on them.

An electronic version of the employer's handbook is issued to all scheme employers on admission into the scheme and an updated version is always available on the employer's website. The handbook is a key resource for employers as it gives details into the background of the Fund, all procedures that must be followed together with examples of policies etc.

EMPLOYER TRAINING

The Pensions Unit provides a wide range of training to all scheme employers. Training ranges from initial support on joining the scheme (policies, employer discretions, contributions) to pension forms, training, and payroll training.

EMPLOYER MEETINGS

Employing Authorities are given access to a dedicated 'Client Liaison Team', this team provides essential support on all pensions' issues. These meetings are an integral part of the communication strategy as they are often the first opportunity that employers have to voice any concerns they have and receive updates on changes to legislation or policy.

REPORT AND ACCOUNTS

The Report and Accounts are produced each year in compliance with 'Financial Reports of Pension Schemes – A Statement of Recommended Practice (Revised November 2002)'. A copy of the Report and Accounts is sent to all employing authorities and is also available on the employers website

VALUATION REPORT

Every three years our actuary assesses the solvency of the scheme and measures the level of assets compared to liabilities. The results of this valuation are reported to all employing authorities and are available to any interested party upon request.

COMMUNICATING WITH PENSION FUND COMMITTEE AND PENSION BOARD

Effective communication ensures that Pension Fund Committee and Pension Board members are appropriately knowledgeable and able to act in the best interests of the Fund and its members.

MEETINGS WITH PENSION FUND COMMITTEE

The Pension Fund Committee Panel meets quarterly and decides on policy matters relating to the Pension Fund. Senior managers from the Pensions Unit attend all panel meetings.

Members are provided with regular reporting on all areas relevant to pensions, including investment, funding, audit, governance, administration and risk. This is communicated in a variety of formats including via the external website, the intranet, the annual report and accounts, through committee meetings and through regular training in line with the Fund's training policy. The majority of reports provided to Pension Fund Committee, together with the meeting minutes, are available on the Council's website

(<http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPF>).

MEETINGS WITH PENSION BOARD

The Pension Board meets quarterly and assists the Scheme Manager to ensure that they are fulfilling their statutory duties. Senior managers from the Pensions Unit attend all Pension Board meetings.

The majority of reports provided to Pension Board members, together with the meeting minutes, are available on the Council's website (<http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/users/public/admin/kab71.pl?cmte=TPB>).

COMMUNICATING WITH PENSIONS UNIT STAFF

As the pensions industry is ever changing, it is vital that the Pensions Unit staff are informed of all changes. By providing the necessary resources and information, the Pensions Unit staff are able to offer a high level of service to members and their employers.

We will continue to provide:

INTERNET ACCESS

All staff have internet access, allowing access to a wider range of Pension information including the Local Government Pensions Committee, Department of Communities and Local Government, and Government Actuary's Department websites.

E-MAIL

All unit staff hold an email account through which inter-office memos and notifications are distributed. Emails are also used to communicate directly to members and employing authorities.

EMPLOYER DATABASE

The Pensions Unit has developed a database which holds details of key contacts within all Employing Authorities.

ELECTRONIC DOCUMENT MANAGEMENT

The Pensions Unit uses an Electronic Data Management System. This has proved an effective time saving device, as now all documentation can be accessed via the computer screen. All post received into the unit is now scanned directly to the members record and linked to a Data Management System which allows post to be tracked throughout the system.

MEETINGS

Each specific area within the Pensions Unit, as highlighted in the organizational structure, hold regular meetings (both formal and informal). The meetings are used to determine any problematic areas and to update staff with important information. All meetings are structured. Formal meetings have an agenda, onto which items for discussion can be added by any member of staff

and are minuted. The minutes are held electronically within team specific folders within the Pension Units computer drives. Informal meetings do not necessarily have an agenda or minutes taken however general notes are taken, action points progressed, and feedback given to staff.

AVAILABILITY OF MINUTES / NOTES OF MEETINGS

The approved minutes from all formal meetings are available to view by the Pensions Unit.

INDUCTION AND TRAINING

All new members of staff undergo an induction procedure to acquaint them with the operational running of the Pension Fund.

Subsequently, all pension staff also receive both in-house and, where necessary, external training to enable them to administer the scheme effectively, answer member queries, offer a good customer service and also to assist in their personal development.

APPRAISAL AND ASSESSMENT

Staff at all levels in the Pension Team have annual assessments, with a mid-year review, during which there are open discussions of work issues and areas for development. This dialogue is supplemented by regular one-to-one meetings within team structures.

STAFF SATISFACTION SURVEY

Kier undertakes an annual satisfaction survey, which allows all staff to comment on any issues that they feel need investigating.

COMMUNICATING WITH PENSION FUND INVESTMENT MANAGERS, ADVISERS AND ACTUARIES

ADVISERS

Throughout the year, the management team attends a number of meetings with pension advisers (actuaries, investment managers, solicitors, etc.) in order to obtain updates relating to the Fund.

COMMUNICATING WITH OTHER BODIES

There are a number of other interested parties with whom we communicate as required, including:

THE DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT (DCLG)

We have regular contact with DCLG as Responsible Authority of the LGPS, participating and responding to consultations as required.

SCHEME ADVISORY BOARD

The national Scheme Advisory Board was established following the Public Services Pensions Act 2013 to provide advice to administering authorities and local pension boards in relation to the effective and efficient administration

and management of the Scheme and their funds. We therefore liaise with the Scheme Advisory Board as appropriate.

THE PENSIONS REGULATOR

The Pensions Regulator's remit has been extended to the Public Sector as a result of the Public Services Pensions Act 2013. We therefore liaise with the Regulator as required, and ensure that the Middlesbrough Council Fund is compliant with the Pensions Regulator's Code of Practice.

TRADE UNIONS

We work with relevant trade unions to ensure the Scheme is understood by all interested parties. Efforts are made to ensure all pension related issues are communicated effectively with the trade unions. The trade unions are currently represented on the Pension Fund Committee and Pension Board.

EMPLOYER REPRESENTATIVES

We work with relevant employer representative bodies to ensure that the Fund's views are represented to employer groups. Employers are represented on the Pension Fund Committee and Pension Board.

BORDERS TO COAST PENSION PARTNERSHIP LTD

Further details to follow once Border to Coast Pension Partnership Ltd is operational and a working relationship is agreed.

PENSION FUND CUSTODIAN

The Fund's Custodian ensures the safekeeping of the Funds investment transactions and all related share certificates.

AVC PROVIDER

Additional Voluntary Contributions (AVC) are a way for members to top up their pension benefits, and in some instances provide tax free lump sum depending on the policy, and are held and invested separately from the LGPS. The Fund's preferred AVC provider is Prudential Assurance Co Ltd, though this is regularly reviewed.

PENSIONS AND LIFETIME SAVINGS ASSOCIATION (PLSA)

The Fund is a member of PLSA (formerly NAPF), which provides an opportunity for administering authorities to discuss issues of common interest and share best practice.

LOCAL AUTHORITY PENSION FUND FORUM (LAPFF)

The Fund is a member of LAPFF which was established to help local authority funds share information and ideas about socially responsible investing.

REGIONAL/NATIONAL FORUMS

The Local Pension Officers Group takes place quarterly. It is an opportunity for the Pensions Managers and other Pension Officers from administering

authorities in the region to share information and ensure uniform interpretation of the Local Government Pension Scheme, and other prevailing regulations.

Kier, as administrators for scheme, regularly attend the North of England Pension Officers Forum (NEPOF), the Local Government Technical Group, and the Prudential User Group. These forums all meet quarterly.

REQUESTS FOR INFORMATION (FOI)

Requests for information either under the Freedom of Information Act or otherwise, will be dealt with as openly and swiftly as allowed providing that such information does not breach confidentiality.

CONSULTATIONS

There are occasions when the administering authority will consult with interested parties either as a result of potential changes to the regulations governing the LGPS or specific policy changes relating to the Fund. In these instances, the most effective way of communicating with interested parties is to hold a period of consultation, during which, they are given the opportunity to respond to specific changes. Interested parties and representative groups will be approached to provide feedback to the policy changes before amendments are enacted.

PROSPECTIVE EMPLOYING AUTHORITIES

The Pensions Unit is committed to giving a high level of support to all Employing Authorities from the date that we are informed of a potential application for scheme membership. Kier provides detailed information relating to admission of the scheme. This information can be used by potential applicants so that they have a clear understanding of the application process. The unit also offers support to prospective Employing Authorities by acting as liaison between actuaries and solicitors throughout the application process.

MONITORING AND REPORTING

We will monitor success against our communication objectives in the following ways:

Objectives	Measurement
Promote the Scheme as a valuable benefit and provide sufficient information to educate members so that they can make informed decisions about their benefits.	Annual satisfaction surveys with scheme members achieving 90% of scores in positive responses in these areas.
Communicate in a clear, concise manner.	Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas

Objectives	Measurement
Ensure we use the most appropriate means of communication, taking into account the different needs of different stakeholders.	Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas
Look for efficiencies in delivering communications, including through greater use of technology and partnership working, with the view that digital communications is the preferred long term communications solution.	Evidence of technology solutions available and them being considered Evidence of utilising partnership opportunities relating to communications with other LGPS Funds with similar values and approaches
Regularly evaluate the effectiveness of communications and shape future communications appropriately.	Satisfaction survey is undertaken annually (as a minimum) Results from satisfaction survey are thoroughly analysed and investigated, and trends monitored from previous years Detailed analysis of survey results is used to identify areas to improve communications in future

An overview of our performance against these objectives will be reported within the Fund's annual report and accounts and also reported on an ongoing basis to the Pension Fund Committee and Pension Board.

Where performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the administering authority will formulate an improvement plan. This will be reported to the Pension Fund Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

KEY RISKS

The key risks to the delivery of this Strategy and its objectives are outlined below. The Middlesbrough Council Head of Investments and Treasury Management, Kier Pension Manager and other officers will work with the Pension Fund Committee and the Pension Board in monitoring these and other key risks and considering how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies
- Significant external factors, such as national change

- Issues in production of annual benefits statements, e.g. wrong address and printing errors due to external supplier
- Issuing incorrect or inaccurate communications
- Failure to maintain employer database leading to information not being sent to correct person
- Lack of clear communication to employers, scheme members and pensioners

APPROVAL AND REVIEW

This Strategy Statement was approved on 27 September 2017 by the Teesside Pensions Fund Committee. It is effective from 27 September 2017.

It will be formally reviewed and updated at least every three years or sooner if the communication management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing this Strategy we have consulted with the relevant employers, the scheme member and employer representatives on the Teesside Pension Board and other persons considered appropriate.

This Strategy Statement will be included within the Fund's Annual Report and Accounts and available on our website at <http://www.teespen.org.uk>

FURTHER INFORMATION

Any enquiries in relation to the day to day communications with scheme members and employers of the Fund should be sent to:

Mr Graeme Hall
Pensions Manager
Kier
Kier Pensions Unit
PO Box 340
Middlesbrough
TS1 2XP

E-Mail: pensionsunit@kier.co.uk
Telephone: 01642 727777

Any other enquiries in relation the Fund's communications or the principles or content of this Strategy should be sent to:

Paul Campbell,
Middlesbrough Council,
Head of Investments & Treasury Management
Middlesbrough Town Hall,
Albert Road,
Middlesbrough,
TS1 2QJ

E-mail: Paul_Campbell@middlesbrough.gov.uk
Telephone: 01642 7290244

OVERVIEW OF COMMUNICATIONS

Communication Document	When Published	Available to	Format	Compliant with Disclosure of Information Regulations	When reviewed
Teesside Pension Fund Guide	Upon commencing employment / when requested	Perspective / Active / Deferred members	Member's Website / Paper if requested	Yes	As regulations change
A Short Guide to the LGPS	Upon commencing employment / when requested	Perspective / Active / Deferred members	Paper / Member's Website	Yes	As regulations change
A Guide to Reemployment After Retirement	When requested	Active / Pensioner members	Paper / Member's Website	Yes	As regulations change
A Guide to Pensions and Divorce	When requested	Active / Deferred / Pensioner members	Paper / Member's Website	Yes	As regulations change
A Guide to Changing Your Working Arrangements	When requested	Active Members	Paper / Member's Website	Yes	As regulations change
A Guide to Protecting Your Benefits	When requested	Active Members	Paper / Member's Website	Yes	As regulations change
Benefit Statements	Annually	Active / Deferred members	Paper	Yes	Annually

Communication Document	When Published	Available to	Format	Compliant with Disclosure of Information Regulations	When reviewed
Pay Advice Slips	Monthly 'on-line' Full payroll run at PI date if there is a £1 change in pension	Pensioner Members	Paper / Member Self Service	Yes	Annually
P60's	Annually	Pensioner Members	Paper / Member Self Service	Yes	Annually
Newsletters	Biannually	Active / Pensioner Members	Paper / Member's Website / Employer's Website	N/A	Biannually
Employer First	On becoming an employing authority	Employing Authorities	Paper	N/A	Annually
eFundamentals	When Required	Employing Authorities	Paper / Employer's Website	N/A	When Required
Report and Accounts	Annually	All	Paper / Employer's Website / Member's Website	Yes	Annually

Communication Document	When Published	Available to	Format	Compliant with Disclosure of Information Regulations	When reviewed
Valuation Report	Tri-annually	Employing Authorities	Paper / Employers Website	Yes	Tri-annually



Dear **B E**

Estimated Annual Benefit Statement (ABS) as at **Z**

I am pleased to provide you with your 2020 ABS which shows details of your pension benefits held in the Teesside Pension Fund, part of the Local Government Pension Scheme (LGPS), as at **Z**.

For more information on the scheme please visit the Teesside Pension Fund website at www.teespen.org.uk. Further guidance in relation to your ABS can be found in the 'Latest Updates' area on the Home page. This guidance will explain:

- your final salary benefits from the Scheme (for membership up to 31 March 2014)
- your CARE benefits from the Scheme (for membership from 1 April 2014)
- when you can retire
- how survivor's benefits have been calculated
- Additional Voluntary Contributions (AVCs)
- how any problems can be put right

Please also note that when the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgment'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS. This means it has not been possible to reflect the impact of the judgment in your annual benefit statement this year. If you qualify for protection it will apply automatically - you do not need to make a claim. For more information, see the frequently asked questions on the national LGPS website.

We would like to remind you that a system is available to all active LGPS members known as Member Self Service (MSS), which allows registered users to log into their pension record online. This secure website allows you to; calculate your own estimates of benefits based on whichever dates you choose from age 55, view online versions of your ABS and update the Pensions Unit on certain changes in your circumstances (such as address changes).

You can start the registration process by emailing the following information to: MSS@xpsgroup.com or by post to: XPS Administration, PO Box 485, Middlesbrough, TS1 9EE.

1. Full Name
2. The first five characters of your National Insurance number.
3. The email address you wish to use for your account.

XPS will use this information to verify your record and email you instructions on how to activate your account.

Although pensions can be complicated we've tried to make the explanatory notes as clear and as easy to understand as possible. Your LGPS benefits could form a major element of your retirement income so please do take the time to study the statement and, at the very least, check the financial aspects of the statement and let us know straight away if anything, especially the pay figures, appear wrong.

I hope you find this statement easy to understand and informative. Any comments you wish to make about either the statement, or the service you have received from the Pensions Unit, are always welcome.

Please send any comments to pensionsunit@xpsgroup.com.

Yours sincerely
Graeme Hall
Operations Manager

LGPSABSACT - A - 2020 v0.1

Membership Details (service) in the pre - 1 April 2014 Final Salary Scheme

Employer	From	To	Hours worked or %	Period of membership (years & days)
DA	DB	DC	DD	DE
DF	DG	DH	DI	DJ
DK	DL	DM	DN	DO
DP	DQ	DR	DS	DT
DU	DV	DW	DX	DY
DZ	EA	EB	EC	ED
EE	EF	EG	EH	EI
EJ	EK	EL	EM	EN
EO	EP	EQ	ER	ES
ET	EU	EV	EW	EX
EY	EZ	FA	FB	FC
FD	FE	FF	FG	FH

Please be aware that only your latest 12 service history lines to 31 March 2014 are shown above. Service from 1st April 2014 is not shown as this is reflected in the CARE benefits. Hours worked are adjusted if you work term time and, therefore, may show as less than your actual weekly hours. If you have additional service allocated to this post not shown above, it will have been used in the calculation of your benefits. Where a membership line shows no 'period of membership' it may refer to pensionable service attributed to another LGPS pension record you may have. If this is the case you should receive a separate statement that includes this service.

If you have other posts in the Teesside Pension Fund, we will issue separate benefit statements for these. Benefits held with other LGPS funds, or with other providers, are not included in this statement – you should receive separate statements for these from the appropriate provider.

Lifetime Allowance

The Lifetime Allowance (LTA) is a limit on the amount of pension benefits that can be paid from pension schemes without triggering an extra tax charge. The standard lifetime allowance was £1.055 million for tax year 2019/20. It increased to £1.073 million in April 2020 and it is likely to increase in line with inflation in April 2021.

Your benefits are tested against the LTA whenever you 'crystallise' your benefits, usually when retiring. For defined benefit schemes (such as the LGPS), the value of benefits is calculated as 20 times the initial amount of pension plus any tax-free cash. Any pension savings above the LTA are subject to a LTA charge of 55% if the excess is taken as a lump sum and 25% if the excess is taken as a pension.

Whilst most people aren't affected by the lifetime allowance, you should take action if the value of your pension benefits is approaching, or more than, the LTA. Further information on LTA and the process for applying for protection is available here: www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance. If you hold any form of protection, but haven't yet told us, please contact us with your protection notification number and your scheme administrator reference; if you applied before HMRC's online service was available, please send us a copy of your protection certificate. Similarly, you'll need to tell us in writing if you've lost any protection.

Please note: If you have told us that you hold Individual Protection 2014 or Individual Protection 2016, this statement will measure your benefits against the standard LTA. However please be assured that your protection will be taken into account at retirement.

Percentage of lifetime allowance (LTA) used by this post:	BE
LTA amount for this post:	BD

Annual Allowance

The annual allowance is a limit on the maximum amount of pension savings that can be built up in any one tax year before liability to an annual allowance charge arises. Some carry forward of unused allowance is permitted. The standard annual allowance is currently £40,000. However, you can reduce or negate any tax charge by carrying forward any unused allowance from the three previous years. We will send you a Pensions Savings Statement by 6 October if the growth in the value of your pension savings is close to, or exceeds, £40,000.

Tapered annual allowance is a reduced annual allowance applying to high earners since 6 April 2016. For every £2 of income above £150,000 (adjusted income figure) per annum, £1 of annual allowance will be lost. The maximum reduction will be £30,000 meaning that anyone over £210,000 will have their annual allowance capped at £10,000. An income floor will mean that the taper will not apply unless the individual's income excluding pension contributions exceeds £110,000 (referred to as their "threshold income"). Please note the threshold and adjusted income limits have increased by £90,000 each from April 2020 and will take effect from the 2020/21 tax year. The maximum reduction has also increased to £36,000.

We will send you a pension savings statement by 6 October if the growth in value of your LGPS pension savings is close to, or exceeds £40,000.

For more information on pensions-related tax, please visit: www.gov.uk/tax-on-your-private-pension

Disclaimer

This statement provides details of the benefits you may receive from the scheme, based on the information provided to us by your employer. You should not base any retirement plans solely on this statement alone; if you are considering claiming your benefits please contact the Pensions Unit to request a formal estimate.

Annual Benefit Statement at Z

Summary of Total Benefits at Z

This box contains your total benefits, in both the final salary scheme (for service before 1 April 2014) and the CARE scheme (for service after 1 April 2014). A breakdown of your benefits from both schemes is shown in the boxes below, with a projection to your Normal Pension Age (NPA) shown overleaf.

Pension (per year)	AA
Lump sum	AB
Value of Death Benefits as at Z	
Death Grant	AG
Adult survivor pension (per year)	AH

Breakdown of your Final Salary Pension Benefits as at Z

Pensionable Pay for the year to Z used to calculate pre- 1 April 2014 benefits	Y
Pensionable service up to 31 March 2014	
Pension (per year)	CA
Lump sum	AX
	AY

Break down of your CARE Pension Benefits as at Z

Amount of pension built up in V/W

Pensionable Pay for the year to in the Main section
Pensionable Pay for the year to in the 50/50 section

AK
AL

Main section pay ÷ 49 = AM	+	50/50 section pay ÷ 98 = AN	+	Additional pension bought during year = AO	+	Transfers in during the year = AP	=	Total pension in V/W = AQ
-------------------------------	---	--------------------------------	---	---	---	--------------------------------------	---	------------------------------

Total CARE Pension built up to

Opening balance as at 1 April V = AR	+	Increase for cost of living (added 1 April V) = AT	+	Total built up in V/W (as shown above) = AQ	=	Total CARE pension at Z = AV
---	---	---	---	--	---	---------------------------------

Annual Benefit Statement at **Z****Private and Confidential**

B
C
E
G
H
I
J
K
L

Your Personal Details

Name	DE
Date of birth	M
NI number	N
Marital status	F
Employer at Z	Q
Date joined scheme (this record only)	S
Employee number	P
Section of scheme at Z	V

Please note: the benefits calculated in this statement are based on the pay figures provided by your employer. You must contact us as soon as possible if you think the pay figures used are incorrect.

As the law only requires pay figures to be kept for 6 years, it will be very difficult to correct a problem that is spotted after this time!

Projections if you remain a contributing member of the scheme until **AJ i.e. to your Normal Pension Age (NPA)**

Value of your benefits at NPA		Value of death benefits at NPA	
Total pension at NPA (per year)	BM	Adult survivor pension (per year)	BQ
- made up of:		- made up of:	
projected CARE pension of	BN	projected survivor's CARE pension of	BO
projected final salary pension of	BR	projected survivor's final salary pension of	BT
Lump sum	BP		



Private and Confidential

C D E
F
G
H
I
J
K

This section shows you the value of benefits held up to your date of leaving in this employment.

It is important that you read the explanatory notes for more detail.

Deferred Benefit Statement 2020

Dear C E

I am pleased to provide you with your 2020 Deferred Benefit Statement, which shows the value of the deferred benefits you hold in the Teesside Pension Fund, part of the Local Government Pension Scheme (LGPS). If you hold more than one deferred pension in the Fund, you will receive a separate statement in respect of each post. Your benefits are based on the following information:

Your Personal Details

Name:	L E
NI number:	M
Date of birth:	O
Date left scheme:	P
Former employer:	B

It is important that the above details are correct as any inaccuracies may affect the benefits payable.

Estimated value of Deferred Benefits payable from Normal Pension Age (NPA) (see notes)

Your NPA	R
Pension (per year)	S
Lump Sum	T
Adult survivor pension (per year) *	U

* only payable in the event of your death

The figures shown here are the standard benefits available at your Normal Pension Age (NPA). If the benefits are paid before this date, the figures are likely to be reduced. Whilst every effort has been made to ensure the accuracy of your statement, please contact us before applying to have your benefits brought into payment.

Yours sincerely

Graeme Hall
Operations Manager

TESSIDE PENSION FUND
REDCAR AND CLEVELAND BC
Cost of Early Retirement

Member Details

Name:	F Flintstone	NI Number:	AB987
Date of Birth:	10/01/1960	Date of Leaving:	
Sex:	Male	Reason For Leaving:	Unknown
Age Next Birthday:	00/000	Age Attained:	00/000

(may have been increased by 4 for ill health)

Capital Cost

Capital Cost:	£0.00
Cost of Augmented Service	£0.00
Total cost of Early Retirement	£0.00

Capital Cost if spread over 5 years

Capital Cost:	0.00
Cost of Augmented Service	£0.00
Total cost over 5 years	£0.00

Please Contact: Paul Mudd
Telephone: (01642) 030693
Fax: (01642) 030700
Email: pensionsunit@xpsgroup.com

Your Reference: AB987/001

21st October 2020

Dear

TEESSIDE PENSION FUND - Retirement Benefit Options
The Local Government Pension Scheme**Important information – Coronavirus / Covid-19**

If anyone approaches you and suggests that now is a good time to take your benefits due to the Coronavirus crisis (in particular if you are taking a cash lump sum to invest somewhere else), please be mindful that there are a lot of unscrupulous individuals trying to take advantage of people at this uncertain time. For this reason we urge you to exercise extreme caution and visit www.fca.org.uk/scamsmart which has specific guidance relating to Covid-19.

This letter explains how you are able to take your Teesside Pension Fund benefits

The LGPS rules give people certain **standard benefits** depending on when they were a member of the scheme. This can be an annual pension only or a combination of pension and an **automatic lump sum**. There is also the option to **convert** part of your pension into a larger lump sum if you would prefer, up to a certain amount; this amount is your **maximum lump sum** and is restricted by **Treasury** rules.

Your retirement benefits are due to be paid from . I have provided figures, for both your standard benefits and your benefits after converting to receive the maximum lump sum. The Local Government Pension Scheme (LGPS) rules allow you an amount of flexibility about how you receive these benefits, which means you now have some important decisions to make. **What to do now**

Before completing your pension option forms please ensure you fully understand the contents of this letter (use the *glossary* for terms you aren't familiar with).

Important points to note:

The Pensions Unit is not qualified to give advice on how you should take your benefits – you should always seek **independent financial advice** before making important decisions about your pension;

Any decision you make about how you take your benefits is final;

We cannot make any payment without receiving ALL of the requested documentation;

You are responsible for ensuring that the information you supply, and any declaration you make is accurate;

- Retirement benefit option form
- Lifetime Allowance (LTA) form
- Marital status declaration form
- Bank mandate form

Completed forms should be returned by email where possible to the above email address. If you are unable to email your documents, please post them to XPS Administration, PO Box 340, Middlesbrough, TS1 2XP. Our office remains closed for visitors, therefore you are currently unable to hand deliver your forms to us.

Please contact me if you require any further information.

Yours sincerely

Paul Mudd

Important retirement information – please keep in a safe place

Lifetime allowance

Since April 2006 Her Majesty's Revenue and Customs (HMRC) has placed an overall restriction on the total amount of pension benefits an individual can build up before tax is due; this is known as the lifetime allowance (LTA). From 6 April 2020 the LTA value will be £1,073,100. The LTA does not represent the maximum pension payable to you; instead it is the capital value of your total pension benefits. Schemes like the LGPS need to convert the annual pension and any lump sum into a capital amount. This is added to any benefits paid to you from other pension schemes and measured against your LTA. Benefits in excess of the LTA are taxable.

HMRC provide their own guidance to members of pension schemes, which is only available on the internet at <http://www.hmrc.gov.uk/manuals/rpsmmanual>. The manual covers pension schemes generally and is therefore not specific to the Local Government Pension Scheme.

Everyone applying for their scheme benefits must complete a declaration and supply the relevant information so we can test the capital value of their pension against the LTA. If you have benefits elsewhere and the total capital value is close to or in excess of your available LTA, you need to decide carefully the order in which you take your benefits. This is because the order in which you take your benefits could determine which scheme has to make a tax charge against your benefits.

Protected lifetime allowance

If you have any LTA protection registered with the HMRC you must forward a copy of your registration certificate without delay. This will ensure that we calculate your benefits correctly with the proper protection in place.

Additional Voluntary Contributions (AVCs) - Prudential

If you have AVCs, we have notified the relevant AVC provider of your retirement. Details of your AVCs have been included in your options.

For further information visit: www.pru.co.uk/content/schemes/localgovavc/

Payment of your pension will not be released until all the options have been returned **AND** all monies from the AVC provider have been received.

Payment of pension benefits

Your retirement pension is payable on the last working day of each month. Full details, including the date your lump sum will be paid, will be provided with your final Notification of Retirement Benefits.

National Insurance modification

If you were in pensionable employment before 1 April 1980, it is likely that you paid a modified pension contribution (the basic contribution rate less 6p per week). If so, your pension is reduced, at the rate of £1.70 per year for each year of service up to 31 March 1980, from State Pension Age.

Right of appeal

If you disagree with my decision as to the amount of benefit to which you are entitled, please contact me at once so that I can confirm or adjust my decision according to the circumstances. If you are still dissatisfied, you have the right to have your complaint independently reviewed under the *Internal Dispute Resolution Procedure* (IDRP). Your application to appeal must usually be made within six months from the date of the decision against which you wish to appeal. A booklet explaining the IDRP is available on request or on the website: www.teespen.org.uk

National Fraud Initiative – Fair Processing

XPS Administration is required by law to protect the public funds it administers on behalf of its clients. It may share information provided to it with other bodies responsible for; auditing, or administering public funds, or where undertaking a public function, in order to prevent and detect fraud.

The Cabinet Office is responsible for carrying out data matching exercises.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

We participate in the Cabinet Office's National Fraud Initiative: a data matching exercise to assist in the prevention and detection of fraud. We are required to provide particular sets of data to the Minister for the Cabinet Office for matching for each exercise, as detailed here.

The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

Data matching by the Cabinet Office is subject to a Code of Practice.

Further information on the Cabinet Office's legal powers and the reasons why it matches particular information can be found on the Cabinet Office website.

RETIREMENT BENEFIT OPTION FORM

Name: Mr F Flintstone **NI No:** AB987/001

Address: 22 Neile Close, Romanby, Northallerton, DL7 8NN, ,

Please
Tick
✓

<input type="checkbox"/>	A	My standard annual pension of	£0.00	(£0.00 per month)
		Plus a tax free lump sum of	£0.00	
		Represented percentage of the LTA	0.00%	
<input type="checkbox"/>	B	An annual pension of	£0.00	(£0.00 per month)
		Plus a maximum tax free lump sum of	£0.00	
		Represented percentage of the LTA	0.00%	

If you want, you can elect to take a lump sum that is between those shown in the options shown above. If you do wish to receive a different lump sum, please tell us on a separate sheet (your lump sum will be increased by £12 for every £1 pension you give up).

Signature: Date: / /

LIFETIME ALLOWANCE FORM

Name: Mr F Flintstone **NI No:** AB987/001

Please read the attached notes on Lifetime Allowances before completing this form

Teesside Pension Fund, under instruction from Her Majesty's Revenue and Customs (HMRC), is required to establish if you have any other pension benefits in payment and whether or not these benefits, in total, exceed your lifetime allowance before your pension benefits can be paid.

PLEASE DO NOT INCLUDE ANY STATE PENSION OR STATE BENEFITS PAYABLE BY THE DWP

(Department of Work and Pensions), or any dependant's pension you receive)

On the day my LGPS pension comes into payment, I can confirm the following:

	I am not in receipt of any other pensions
--	---

	I am currently in receipt of the following pensions: £ _____ per year from ___/___/____. Pension provider this is paid by _____. £ _____ per year from ___/___/____. Pension provider this is paid by _____.
--	--

	I confirm that I have other pension benefits that have been transferred to an Overseas Pension Scheme or are about to be transferred to an Overseas Pension Scheme. The percentage of my LTA used is _____%.
--	---

Declaration

I certify that the information I have provided above is correct and complete to the best of my knowledge. If further tax becomes payable because the information I have provided above is proven to be incorrect then I understand that I will be wholly and personally liable for the tax charge due and any resultant penalty as may be imposed by HMRC.

Signed

Date

MARITAL STATUS DECLARATION

Name: Mr F Flintstone **NI No:** AB987/001

I certify that:

My Date of birth is ____ / ____ / ____

	I have never been married and I enclose a copy of my birth certificate
--	---

	I am married and I enclose a copy of our marriage certificate and copies of our birth certificates <small>If you have been married previously and the name on your birth certificate does not match the name shown on your current marriage certificate, you must provide evidence of how this has changed.</small>
--	--

	I am in a registered civil partnership and I enclose a copy of our civil partnership certificate and copies of our birth certificates
--	---

	I am cohabiting with my partner and I enclose a copy of my birth certificate <small>(only applicable for members who have contributed to the scheme post 01/04/2008)</small>
--	--

	I am a widow/widower/surviving partner and I enclose a copy of my birth certificate, copy of our marriage/Civil Partnership certificate and a copy of my spouses'/partners' death certificate
--	---

	I am now divorced and I enclose a copy of my birth certificate and a copy Decree Absolute
--	--

I declare that the statements above are true to the best of my knowledge and confirm that I have enclosed the relevant certificates as shown in bold.

Please note, photocopies of the relevant documentation are acceptable. If you are unable to locate your birth certificate, we can accept a copy of your passport.

Signature: Date: / /

Glossary

Automatic lump sum

Local Government Pension Scheme service up to April 2008 created both a pension and a lump sum as that is how the Scheme rules operated then. If you have pensionable service before that date, your **standard benefits** will contain this element.

Convert

How your benefits are made up can, in most cases, be changed to give you a bigger tax-free lump sum but with a smaller pension. You may not want a bigger lump sum than shown in your standard benefits, but if you do you can increase its value by £12 for every £1 of annual pension you give up. There is an overall limit on how much you could get and we quote this as your **maximum lump sum**. You can choose your own value between the **standard benefits** figure and that maximum if you want.

Independent financial advice

How you choose to take your pension is a big decision that you cannot undo if you change your mind later. The Pensions Unit cannot provide financial advice. When taking financial advice, you should make sure that the adviser is someone who is authorised to provide that advice. You can do this by checking the Financial Conduct Authorities' website.

Maximum lump sum

The Scheme rules do not allow you to **convert** your pension to lump sum beyond the point that the **Treasury** impose heavy tax charges. We work this limit out for you and show it as one option you might want to take when taking your benefits.

Standard benefits

These are the benefits you have built up in the Scheme before any option to **convert** is made. Exactly how your benefits are made up depends upon when you were in pensionable service. Your benefits are made up of one or more of the following:

Pension:

- 1/80th of final salary for service up to April 2008
- 1/60th of final salary for service between April 2008 and April 2014
- 1/49th of your actual pay from April 2014

Automatic lump sum

- 3/80th of final salary for service up to April 2008

Treasury

Her Majesty's Revenue and Customs (HMRC) set certain limits on payments members can receive from pension schemes without heavy tax charges applying. These limits vary from time to time to reflect government policy.

Retirement Process Survey

REDCAR AND CLEVELAND BC/21st October 2020

We would like to understand your experience of the retirement process; where we do things well and where things could be improved. Therefore, we would like you to complete the following questionnaire and return it with the necessary documents to bring your pension into payment. We look forward to your response.

Please provide answers to all questions and, if possible, provide any comments on why you gave the response you did.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Not Applicable
1. It was easy to see what benefits were available to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. The information provided was clear and easy to understand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Overall, the Pensions Unit provides a good service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. The retirement process is straight forward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The next two questions relate to whether you have contacted the Pensions Unit either via a telephone call, email, or in person.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Not Applicable
5. My query was answered promptly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. The response I received was easy to understand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

We would also like you to provide as much information as you can for the following questions:

7. Do you feel you know enough about your employer's retirement process? Yes / No

8. Please provide any reasons for the scores you have given

9. What one thing could improve our service?

10. Did you know about the www.teespen.org.uk website? Yes/ No

11. Did you use the website to research the retirement process? Yes / No

12. Have you heard of Member Self Service (MSS*)? Yes / No

*this allows you access to your pension record to view payslips and P60's. If you wish to sign up please email pensions_mss@xpsgroup.com and provide full name, NINo, employer, and preferred contact email.



PO Box 340 www.xpsgroup.com
 Middlesbrough
 TS1 2XP

Please Contact: Paul Mudd
 Telephone: (01642) 030693
 Fax: (01642) 030700
 Email: pensionsunit@xpsgroup.com

Your Reference: AB987/001

21st October 2020

Dear

**TEESSIDE PENSION FUND - Notification of Retirement Benefit
 LOCAL GOVERNMENT PENSION SCHEME REGULATIONS**

Following your retirement from Redcar And Cleveland Bc on , you are entitled to the retirement benefits shown below. Please refer to the attached statement for details of how your benefits have been calculated.

Retirement Pension	£0.00	per year
	£1000.00	per month
Retirement Grant	£0.00	
Contingent Spouse's Pension	£0.00	per year

The above figures represent 0.00% of your Life Time Allowance (LTA). This figure should be given to any other pension provider you may have. Please ensure that you keep this letter for future reference.

The above pension is payable until your 60th birthday when the pension will reduce to £*****.** per year.

Your pension will be paid on the last working day of every month, the first payment being on **/**/****. This will include a temporary payment / deduction of £**.* for the period **/**/**** to **/**/****.

Your retirement grant will be paid directly into the account you quoted on your bank mandate form on **/**/****.

If you change your address or banking arrangements, please inform me immediately **in writing** with your signature beneath the revised details.

PENSIONS PAY ADVICE

You will only receive a pay advice if your monthly net pension changes by more than £1.00. For example, the annual Pensions Increase or changes to your tax code. The payment of your pension WILL NOT be affected. You will get your pension every month even if you do not receive a pay advice. Please write to the above address if you require proof of payment.

RIGHT OF APPEAL

If you disagree with my decision as to the amount of benefit to which you are entitled, please contact me at once so that I can confirm or adjust my decision according to the circumstances. If you are still dissatisfied, you have the right to have your complaint independently reviewed under the Internal Dispute Resolution Procedure (IDRP). Your application to appeal must usually be made within six months from the date of the decision against which you wish to appeal. A Leaflet explaining the IDRP is available on request by writing to the Teesside Pension Fund. However, to avoid any unnecessary effort on your behalf, we would welcome the opportunity to attempt to resolve with you the matter with which you are dissatisfied before you resort to a formal complaint.

INCOME TAX

Your initial pension payments will be taxed using tax code 'OT'* (unless form 'P45' is received from your previous employer) until notification of coding is received from Her Majesty's Revenue & Customs (HMRC). Once you start to receive your pension you may wish to check with HMRC that the correct tax code has been applied to your pension.

* Tax code 'OT' will deduct tax relative to your earnings (for example: 20, 40 and 50% tax will be deducted depending on your earnings).

For your information the Tax Office dealing with your pension is:

Please quote Ref: 406 / M7400

PAYE & Self Assessment
HM Revenue & Customs
BX9 1AS

Telephone No. 0300 200 3300

If you have any queries please contact Paul Mudd on (01642) 030682.

Yours sincerely

Paul Mudd

STATE SCHEME INFORMATION

The Social Security Pensions Act 1975 required the Department of Social Security (DSS) to provide a two-tier State Pension after 5 April 1978:

Basic Retirement Pension

Additional Pension (earnings related) (SERPS)

The Local Government Pension Scheme (LGPS) is a contracted-out occupational pension scheme. This means members of the LGPS pay reduced National Insurance contributions and are therefore contracted-out of the Additional Pension (SERPS) part of the state scheme.

The Additional Pension part of your State Pension will be reduced because you are receiving a pension from the LGPS. But, by law the LGPS must pay a pension that is not less than a guaranteed amount. This is called your Guaranteed Minimum Pension (GMP) and is a notional value of the Additional Pension that would have been paid had you paid into the state scheme up to 5 April 1997. For service since 6 April 1997 the LGPS must satisfy a statutory standard by providing benefits that are broadly equivalent to, or better than, the pension that would have been provided by the state. These benefits are known as post-97 Contracted-Out Salary Related rights (Post-97 COSR rights). If the GMP is more than or the same as the Additional Pension your State Pension will not include any Additional Pension. If the GMP is less than the Additional Pension the difference is added to your State Pension.

Except for the amount built up from April 1988 your GMP will remain at the same level, but your Additional Pension will be looked at each year, by the DSS to ensure it is protected against inflation. If the Additional Pension is increased it will again be compared with your GMP in the same way as described above.

The LGPS will increase your GMP built up from 6 April 1988 in line with the cost of living to a maximum of 3%. Pension rights that accrue from 6 April 1997 onwards will increase in line with the cost of living to a maximum of 5%.

The State Pension is currently paid from the age of 65 for men and 60 for women. The retirement age will be gradually raised to 65 by 6 April 2020 for women born after 6 April 1950.

Members' spouses are entitled to a GMP which in the case of a widow is equal to half of her husband's GMP and in the case of a widower, half of his wife's post 5 April 1988 GMP, providing he/she is over 45 at the date of death or has dependent children.

NATIONAL INSURANCE MODIFICATION

If you were in pensionable employment before 1 April 1980 it is likely that you paid a modified pension (superannuation) contribution, e.g. the basic rate less 6p per week and if this was so, your pension is reduced at State Pension age.

PENSION INCREASES

The Pensions (Increase) Act 1971 along with the Social Security Act 1975 and various other Social Security Acts ensures that retirement pensions, spouses' and dependants' pensions are increased in line with the cost of living.

You will not qualify for pensions increase if you are under 55, unless you retired on the grounds of permanent ill-health or have become permanently unfit for work since retiring. When you reach the age of 55 your pension will be increased by the accumulative rate of all the rises in the cost of living between going on pension and reaching age 55.

Pensions are currently increased in April each year.

When a pensioner has attained State Pension age, pension increases are normally only applied to a pension after any GMP has been deducted. The pension increases on the GMP would then be paid with the State Retirement Pension.

You will receive a notification of your GMP entitlement at State Pension age from the department of Social Security.

Please Contact: Technical Team
Telephone: (01642) 030696
Fax: (01642) 030700
Email: tech@xpsgroup.com

Your Reference:

October 2020

Dear

Local Government Pension Schemes (LGPS) - Annual Pension Savings Statement (PSS)

This is an important pension document that sets out the increase in your pension savings from the LGPS in the 2019/20 Pension Input Period (PIP) for comparison against HM Revenue & Customs (HMRC) '**Standard Annual Allowance**' threshold of £40,000. You have received this document for one of the following reasons:

- Our records show that the increase in your pension savings in the LGPS exceeds or is close to exceeding the standard Annual Allowance (based on the information we hold on your pension record at the time of calculation),
- You earn £100,000 a year or more,
- You are due to retire,
- You have requested a statement or a third party has requested a statement (you will need to forward this to them),
- We have revised a previous statement due to a notification of data change.

The information provided within this document will help you determine if the growth in your pension means you have to pay a tax charge. It is based on XPS's current understanding of HMRC rules. XPS take no responsibility for any decisions or actions taken as a result of the information given. If you are unsure about how you may be affected by any of the information provided, you should seek appropriate professional advice. Neither XPS, nor your employer, are qualified or registered to give tax advice.

Based on the information we hold, the growth in your pension savings across the Teesside Pension Fund during the pension input period 6 April 2019 to 5 April 2020 is **£XXX**. This is known as your '**Pension Input Amount**' (PIA).

The pay we have used to calculate this figure is **£XXX**. This is your pensionable pay for the period 6 April 2019 to 5 April 2020. Where you work part and/or term time, this is the figure you would have earned had you worked full time. Please check this figure and contact us immediately if you think it may be incorrect. *We recommend that you review the data set out in the enclosed Pension Savings Statement. If you believe that any of the data is incorrect please contact us as soon as possible as this may affect your Pension Input Amount calculation.*



To determine if you have a tax charge you need to test your pension input amount against the '**Standard Annual Allowance**' threshold of **£40,000** or your '**Personal Annual Allowance**' if you are subject to an annual allowance taper (please read on to see if this affects you). If you have breached the **Standard Annual Allowance** your employer has a legal responsibility to report the breach to HMRC and you may have to pay a tax charge. You can offset any charges by using any unused allowances from the previous three input periods to reduce or cancel your taxable pensions input.

After taking account of your previous unused allowances, we estimate that your Pension Input Amount in the Teesside Pension Fund exceeds the Standard Annual Allowance by £XXX. This is known as your Taxable Pensions Input.

Do I need to take any action?

If you have a **Taxable Pension Input Amount** (i.e the above figure is greater than zero) **YOU MUST** inform HMRC as you need to pay tax on this amount.

If you do not have a **Taxable Pension Input Amount** (i.e the above figure is zero) you do not need to take any action UNLESS you have other pension savings that you need to take into account.

There are strict timescales which you must follow when reporting tax liabilities to HMRC and paying your tax. Failure to follow these timescales may lead to HMRC imposing additional fines and charges.

It is your *personal* responsibility to REPORT, CALCULATE and PAY the correct amount of any tax due, so please take your time to read and understand this document. There is a glossary of the terms in bold to help if you are unfamiliar with them. We have also provided an overview of the key dates at the end of the Guidance Notes.

If you have a taxable amount in the 2019/20 year, you must report this via self-assessment – see www.gov.uk/self-assessment-tax-returns for further details. You do, though, have certain options regarding how you settle the amount due with HMRC.

Direct Payment

You can pay the money directly to HMRC yourself when you have completed your self-assessment via any of their accepted payment methods.

Adjustment of Tax Code

If your tax bill is less than £3,000, you can have this recovered by HMRC via your PAYE tax code if you meet all of the qualifying conditions (see www.gov.uk/pay-self-assessment-tax-bill/through-your-tax-code for more details).

Scheme Pays

Alternatively, you can ask the scheme to pay the tax on your behalf if you meet the qualifying conditions. Further details are given in the Guidance Notes section under the heading "Can I ask the scheme to pay the tax charge?"

WARNING

PLEASE NOTE: The increases to the Threshold and Adjusted income figures announced in the Budget earlier this year DO NOT apply to the 2019/20 year; the figures below remain in effect.

Do you have a Tapered Annual Allowance?

HMRC rules state that the **Standard Annual Allowance** must be reduced or 'tapered' if you have a '**Threshold Income**' of over £110,000 AND an "**Adjusted Income**" of more than £150,000 in the year.

'**Threshold Income**' is broadly your income from **all** sources after the deduction of your pension contributions (including AVCs deducted under the net pay arrangement). It includes all sources of income that are taxable e.g. property, savings, dividends, pension, social security, state pension etc. **Please note**, you are not allowed to deduct from taxable income any amount of employment income given up for pension provision as a result of any salary sacrifice made on or after 9 July 2015. If your threshold income is below £110,000 you will retain the full £40,000 '**Standard Annual Allowance**'. If it's above, you will need to check your **Adjusted Income**.

Adjusted Income is broadly your threshold income plus pensions savings built up over the tax year.

From 6 April 2016, the taper reduces the standard AA by £1 for £2 of adjusted income received over £150,000, until a minimum AA of £10,000 is reached-

Adjusted Income	Annual Allowance
£150,000 or below	£40,000
£160,000	£35,000
£170,000	£30,000
£180,000	£25,000
£190,000	£20,000

To assist with your reporting requirements, the enclosed table(s) shows the growth in your pension since April 2016, whether or not this breaches the standard **Annual Allowance** limit in each period and if an associated tax charge applies. We recommend that you review the data set out in the table(s). If you believe that any of the data is incorrect please contact us as soon as possible as this may affect your Pension Input Amount calculation.

Please note that the figures shown **DO NOT** include any additional pension savings that you may hold elsewhere. If you do have pension savings in other schemes, you will need to add growth from all of your savings together to determine if you have breached the standard **Annual Allowance** limit.

An online pension **Annual Allowance** calculator is available at www.tax.service.gov.uk/paac

If you have any queries regarding this letter, please contact me on the above telephone number.

Yours sincerely



Graeme Hall
Operations Manager

Pension Savings Statement for 6 April 2019 - 5 April 2020 – LGPS

Name: NI No:

Pension Input Period	Standard Annual Allowance £	Opening Pension £	Opening Lump Sum £	Closing Pension £	Closing Lump Sum £	Pension Input Amount £	Unused Annual Allowance £	Adjusted Unused AA £	Taxable Pension Input £	Pensionable Pay £	Scheme Pays option received and applied
06/04/2019 – 05/04/2020	40000.00										
06/04/2018 – 05/04/2019	40000.00										
06/04/2017 – 05/04/2018	40000.00										
06/04/2016 – 05/04/2017	40000.00										

Please note: This statement includes any Additional Voluntary Contributions (AVCs) you have made during the period

The figures above show that your **PIA** within this scheme for the period was **£XXX**.
 After taking account of your previous unused allowances, your **Taxable Pension Input** in the **Teesside Pension Fund** was **£XXX**.
 If you have a **Taxable Pension Input** you **must** complete a self-assessment tax return to inform HMRC. You will also need to pay tax on this amount.
 The pay used to calculate your benefits within this scheme is **£XXX**.
 The cut off dates for reporting tax breaches on your self-assessment tax return are:

- 31 October 2020 – for a paper return
- 31 January 2021 – for an online return

- **PIA** is the increase in the value of your benefits. We are required to report this to HMRC if the total PIAs for 2019/20 exceeds the **Annual Allowance**.
- **Unused Annual Allowance** is the amount of **Annual Allowance** that has not been used up during the tax year i.e. the difference between the Annual Allowance and the PIA. If this figure is negative, you have exceeded the **Annual Allowance**.
- **Adjusted Unused Annual Allowance** is the amount of unused **Annual Allowance** after any carry forward amount from the previous three years has been taken into account.
- **Taxable Pension Input** is the amount of pension input which is subject to a tax charge i.e. the **PIA** less any available **Annual Allowance** for the year, and all available carry forward. **If this amount is £0.00 you may not have a tax charge unless you have other pension savings.**
- **Pensionable Pay** has been provided by your employer in the relevant year. If you worked part time and/or term time, this is the pay you would have received if you had worked full time.

If your pay figure seems too high or too low please contact us immediately as the information that we hold may be incorrect or incomplete.

IMPORTANT POINTS TO NOTE:

- The Fund is required by law to inform HMRC each year of **every** breach of the **Annual Allowance** made by any member irrespective of whether there is a tax liability. **YOU SHOULD KEEP THIS LETTER IN A SAFE PLACE TO PROVIDE EVIDENCE TO HMRC, IF REQUIRED, EVEN IF NO TAX WAS DUE FOR THE PERIOD.**
- Your pensionable pay for the PIP for **2019/20** is shown in the preceding. If the pay shown is either:
 - lower than a pay figure received in the previous two years; and/or
 - includes pay earned in previous years e.g. a backdated pay award or acting up pay,then please let us know immediately as we may need to recalculate your **PIA**.
- If you have a tax charge and want to elect for scheme pays then you must make your election **BEFORE** your benefits come into payment.
- Neither XPS, nor your employer, are qualified or registered to give tax advice. Individuals are responsible for their personal tax liability and should seek independent taxation advice. The information provided here is based on XPS's current understanding of HMRC rules. XPS accepts no responsibility for any decisions or actions taken as a result of the information given. If you are unsure about how you may be affected by any of the information provided, you should seek appropriate professional advice.

LIFETIME ALLOWANCE (LTA)

Although this statement focuses on your **Annual Allowance** for the **PIP** ending 5 April 2020, those with higher pension savings need to be aware of the impact of the LTA. Although there is no limit on the benefits an individual can receive – or 'crystallise' – from registered pension schemes, there is an overall limit of tax privileged pensions savings a member can accrue in their lifetime. The LTA is a limit on the total amount of pension savings that can be taken at retirement without an excess tax charge being applied.

The LTA is currently £1,073,100 from 6 April 2020.

You can apply for Individual Protection 2016 if your pension savings were worth more than £1 million at 5 April 2016. IP2016 protects your LTA to the lower of the value of your pension savings at 5 April 2016, and £1.25 million. There is currently no end date for IP2016 applications, but you will need to have made a successful application ahead of retirement.

The capital value of your pension savings in the LGPS as at 31 March is included in the Annual Benefit Statement (ABS) issued each year. If you are applying for IP2016 an exact figure for 5 April 2016 can be supplied upon request.

To apply for any form of protected LTA, you will need to visit: <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance>

If protection is granted, you will receive confirmation of the type of protection given, a personal LTA and two protection reference numbers. You **MUST** pass these details to the Pensions Unit immediately.

If you hold any other forms of LTA protection but have not yet informed the Pensions Unit of this, you need to let us have a copy of your certificate / reference numbers as soon as possible. Similarly, if you have lost any previous protection, please let us see evidence of this.

If you do not have a protected personal LTA or you have not provided us with a copy of your certificate / reference numbers, any benefits we calculate will only be assessed for the LTA charge against the standard LTA in force at the time of payment.

Pension Savings Statement Guidance Notes

Why have you sent me a pension savings statement?

We have sent you this statement for one of the following reasons-

- Our records show that the growth of your pension savings in this scheme exceeds the **Standard Annual Allowance**; or
- You have requested a statement; or
- You are close to the **Standard Annual Allowance**; or
- You earn £100,000 a year or more; or
- A third party has requested one on your behalf (you will need to forward this to them); or
- We have revised a previous statement due to a notification of amended data.

What is the Annual Allowance?

The **Annual Allowance** is the total amount of pension savings you can make each year before incurring a tax charge. All your pension savings in the LGPS, as well as any AVCs or contributions to personal pensions or stakeholder arrangements you are making, should be added together each year to determine your **Pension Input Amount (PIA)**. This is then tested against the **Standard Annual Allowance** which is currently set at £40,000.

How are my pension savings calculated?

Because this is a defined benefit scheme we have to calculate how much your benefits have increased over the previous year and the way we do this is dictated to us by the tax authorities. The calculation is as follows:
$$\{[(16 \times A) + \text{lump sum}] - [((16 \times B) + \text{lump sum}) \times \text{Appropriate percentage increase}]\} + \text{AVCs}$$

Where:	A	= Closing Pension
	B	= Opening Pension
	Appropriate percentage	= 2.4% in the 2019/20 year
	AVCs	= Additional Voluntary Contributions

Annual Allowance charge

Any growth in your benefits in excess of the **Annual Allowance** may be subject to tax. This tax is called the **Annual Allowance charge**. Please remember that when checking to see if you have exceeded the **Annual Allowance** you must include *all* your pension savings (excluding your state pension), not just the benefits you hold in this scheme.

Carry forward

Even if your **PIA** does exceed the **Annual Allowance** you still might not have to pay an **Annual Allowance tax charge**. This is because you can carry forward any unused **Annual Allowance** from the previous three tax years to 2018/19; this will give you a higher amount of available **Annual Allowance**.

There is a strict order in which you can carry forward any unused **Annual Allowance**. You use the **Annual Allowance** in the current year first, then use any unused **Annual Allowance** from earlier years, using the earliest tax year first. We have calculated your unused **Annual Allowance** and the **PIA** subject to a tax charge based on your benefits from this scheme only. If you have any other pension savings or you wish to check our calculations a calculator is available on the HMRC website- <https://www.tax.service.gov.uk/pension-annual-allowance-calculator>

How do I tell HMRC that my benefits have exceeded the Annual Allowance limit?

You will **only** need to inform HMRC if, after allowing for any carry forward, the total growth in your pension savings for the 2019/20 tax year is greater than £40,000 or your tapered AA (if you have one). Where it is you will need to complete a self-assessment tax return. You need to register with HMRC as soon as possible (if not done already). More information can be found at www.gov.uk/self-assessment-tax-returns

Even if you have not exceeded the maximum allowed PIA, you should retain this statement as evidence in case HMRC make future enquiries about this tax year. When you fill in your tax return online, you will need to input the data provided on your Pension Savings Statement. Excess pension savings are added to your taxable income. You pay Income Tax on taxable income at the tax rate that applies to you – www.gov.uk/income-tax-rates. The system will work out your tax charge for you. Information on how this charge is calculated, together with worked examples, can be found at www.hmrc.gov.uk/pensionschemes/understanding-aa.htm#4

Can I ask the scheme to pay the tax charge?

Yes - If the scheme pays your **Annual Allowance tax charge** on your behalf the Fund will claim it back via a permanent reduction to your pension benefits; this is called **scheme pays**. There are two types of scheme pays facilities available for use if you have incurred an annual allowance tax charge. These are known as **Mandatory Scheme Pays (MSP)** and **Voluntary Scheme Pays (VSP)**. The type of election you will need to use is dependent upon your own individual circumstances and require you to take different actions at different times. It is important that you complete all actions within the timescales set otherwise you will incur further charges and possible fines.

Mandatory Scheme Pays (MSP)

MSP can only be permitted if the following conditions are met:


- Your pension growth in the LGPS exceeds the standard AA;
- Your total AA charge is more than £2,000; and
- Your election for MSP is received by 31 July 2021

Voluntary scheme pays (VSP)

VSP is permitted in the following circumstances:

- Has been subject to a tapered annual allowance; or
- In exceptional circumstances* where the member's tax charge is below £2000; and
- Your election for VSP is received by 31 January 2021

*These would be considered on an individual basis via referral to Teesside Pension Fund.



If you want to know how much the potential reduction to your pension will be you will need to provide us with confirmation of your tax charge. We have included a form at the end of this document a scheme pays quotation request. On receipt we will let you know how your future benefits will be affected and you can then decide if you wish to proceed.

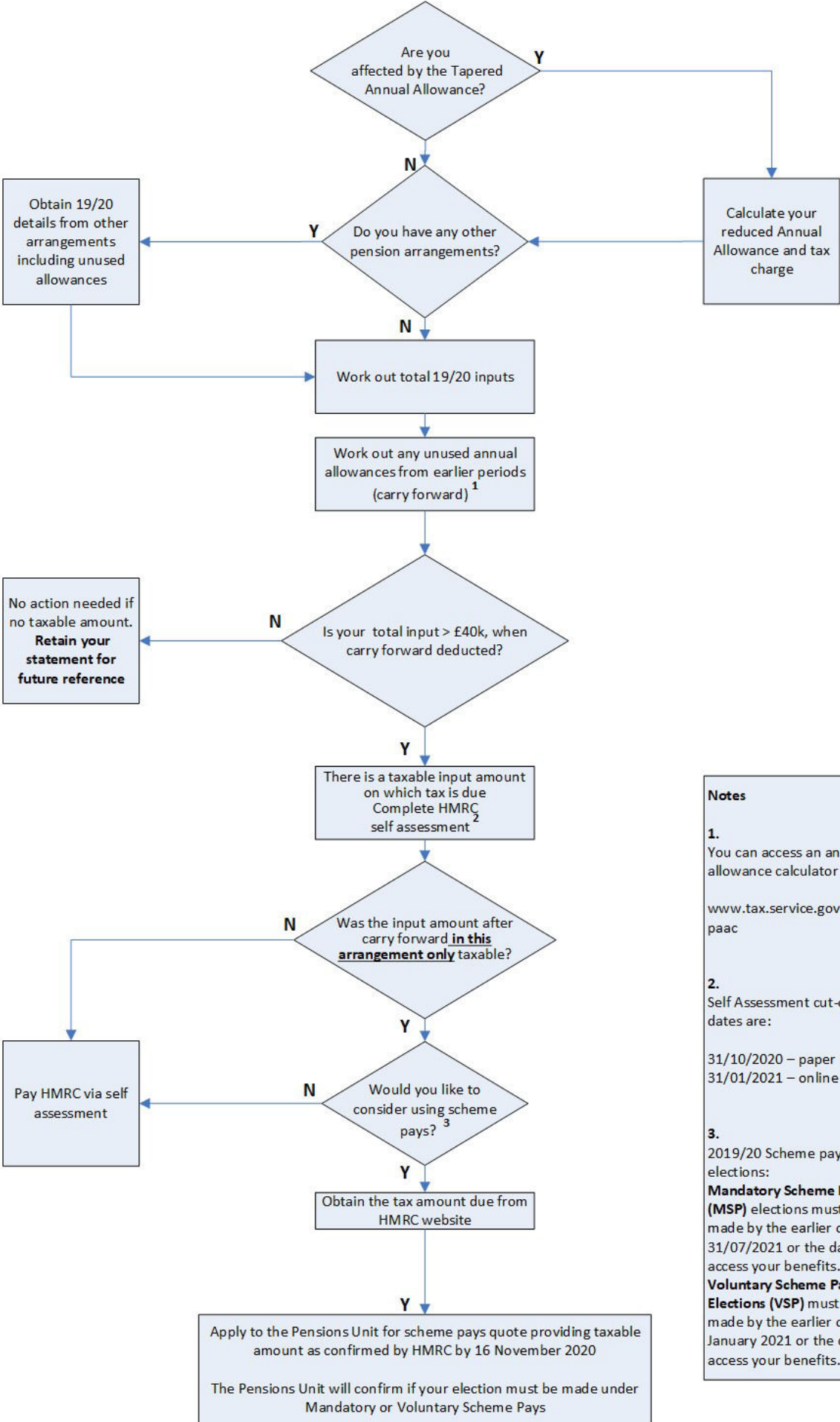
If you want the scheme to pay your **Annual Allowance charge** for the tax-year **2019/20** you **must** provide the Pensions Unit with a scheme pays election. Once you have opted to utilise **scheme pays**, you cannot change your mind so think carefully before you decide.

Key dates for reporting and scheme pays

To prevent late payment charges being imposed by HMRC, regardless of the scheme pays method used to pay your tax charge, we encourage you to take note of the following deadlines-

		Deadline
Registration	<ul style="list-style-type: none"> Register for self-assessment 	As soon as possible if not already registered
Submission	<ul style="list-style-type: none"> Submit online tax return if choosing PAYE settlement Submit online tax return in other cases 	<p>Midnight 30 October 2020</p> <p>Midnight 31 January 2021</p>
Request a Scheme Pays quote	<p>Complete and return a scheme pays quote request form to:</p> <p>XPS Pensions Unit PO Box 340 Middlesbrough TS1 2XP</p> <p>Or by email to: tech@xpsplc.com</p>	16 November 2020
Scheme Pays quote	XPS will issue you with your scheme pays quote by	7 December 2020
Scheme Pays election	If you decide to go ahead with using scheme pays, you should complete and return your scheme pays election form accepting the quote by	14 December 2020*
<p>* These dates are not absolute cut-off points but are in place to ensure that you have all the information you require to complete your tax return in good time. If you are your scheme pays election (MSP and/or VSP) MUST be returned to the Pensions Unit BEFORE your benefits come into payment</p>		
Payment Required	<ul style="list-style-type: none"> Payment of tax charge if scheme pays not elected – (to be made by you) Payment of tax charge if you elect for VSP – (to be paid by your force) Payment of tax charge if you elect for MSP – (to be paid by your force) 	<p>31 January 2021</p> <p>31 January 2021</p> <p>14 February 2022</p>

I've received a pensions savings statement, now what do I need to do?



Notes

1. You can access an annual allowance calculator via: www.tax.service.gov.uk/paac

2. Self Assessment cut-off dates are:
31/10/2020 – paper return
31/01/2021 – online return

3. 2019/20 Scheme pays elections:
Mandatory Scheme Pays (MSP) elections must be made by the earlier of 31/07/2021 or the date you access your benefits.
Voluntary Scheme Pays Elections (VSP) must be made by the earlier of 31 January 2021 or the date you access your benefits.

Glossary of Terms

Annual Allowance - The maximum amount of pension benefits you can grow in one year without incurring a tax charge.

- **Standard Annual Allowance** - currently £40,000.
- **Personal Annual Allowance** – If your threshold pay is more than £110,000 and your adjusted income from ALL sources plus the growth in the value of your pension assets exceeds £150,000, the Standard Annual Allowance is reduced by £1 for every £2 by which the £150,000 limit is exceeded. The maximum reduction that can be applied to the Standard Annual Allowance is £30,000. The amount remaining after this adjustment is known as your Personal Annual Allowance.

Annual Allowance charge - A tax charge levied if your pension growth exceeds the Annual Allowance; it is charged on the amount by which your total PIA exceeds the amount of the Annual Allowance. The Annual Allowance is designed to recoup the full marginal rate relief you have received (i.e. basic, higher or additional rate relief).

Appropriate percentage - *The measure of inflation used by the government to* assess the indexation of pensions. The Consumer Price Index is the usual measure, but a different figure may be used if the government so instructs.

Carry forward - Where the value of your pension growth in any year exceeds the Annual Allowance, any unused Annual Allowance from the three previous tax years may be carried forward to be offset against the excess amount. The annual allowance charge will apply to any pension growth which still exceeds the Annual Allowance after carry forward has been applied.

Closing value - the value of your benefits at the end of the PIP. The closing value can be subject to adjustments, for example, where benefits are transferred in or out, you have elected for scheme pays or there is a pension debit relating to divorce proceedings.

Consumer Price Index (CPI) - an indicator of price inflation used to assess the indexation of pensions. CPI replaced the Retail Price Index (RPI) from April 2011.

Excess pension savings amount - the amount by which your total PIA exceeds the amount of the Annual Allowance.

Opening value - the value of your benefits at the start of the PIP including any inflationary increase (CPI) applied.

Pension Input Amount (PIA) - the growth in your pension. PIA is calculated by determining the difference between the value of your pension at the start and end of each pension input period. If you contributed to any other registered pension scheme you will need to add the input amounts from all schemes together to work out if your total PIA has exceeded the Annual Allowance limit.

Pension Input Period (PIP) - the period over which the growth in your pension savings are assessed. The PIP for all schemes will operate in line with the financial year from 2016.

Scheme pays - Providing certain conditions are met, you can make an election requiring the pension scheme administrator to pay some or all of your Annual Allowance charge liability relating to that scheme out of your pension savings in that scheme. In return there will be an appropriate reduction to your pension benefits. There are two types of scheme pays facilities available for use. These are known as **Mandatory Scheme Pays (MSP)** and **Voluntary Scheme Pays (VSP)**.

- **Mandatory Scheme Pays (MSP)**

MSP can only be permitted if the following conditions are met:

- Your pension growth in any one of the LGPS exceeds the standard AA;
- Your total AA charge is more than £2,000; and
- your election for MSP is received by 31 July 2021

- **Voluntary Scheme Pays (VSP)**

VSP can only be permitted if any of the following apply:

- You have a tapered AA and your pension growth across one or more of the LGPS exceeds your personal AA; or
- Your pension growth across LGPS exceeds the standard AA; or
- Your tax charge is between £1,000 and £2,000; or
- You make a late MSP election

Tax registered pension scheme - a pension scheme registered with HMRC to receive favourable tax treatment.

Total Pension Input Amount - the aggregate value of your pension benefits in respect of each arrangement relating to you under any registered pension scheme.

Notification of intent in respect of taxable pension input for 2019/2020 tax year

You must return this form to XPS if you have a taxable input amount for the 2019/20 tax year and you would like to consider making a scheme pays election. If you do not, you risk fines and late payment charges by HMRC in addition to the tax that is owed.

I, _____, have a taxable input for the 2019/20 tax year of £ _____ and:

Scheme Pays Quotation Required

Please tick one option and enter the amount of tax due.

I am not subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and would like to be provided with an illustration of the effect on my benefits should I choose to elect for the scheme to pay HMRC on my behalf.

I am subject to a tapered annual allowance and have completed the pro forma overleaf. Please provide me with a scheme pays quotation based on the information provided

Scheme Pays Quotation Not Required

I am not subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and will make my own arrangements for payment of this to HMRC.

I am subject to a tapered annual allowance, have calculated the tax due on the above amount to be £ _____ and will make my own arrangements for payment of this to HMRC.

I understand that the above request is NOT an election for scheme pays. Upon receipt of this form I understand that XPS will provide me with a scheme pays quotation and a scheme pays election form which I will be required to complete and return should I wish to proceed with a scheme pays election.

National Insurance Number: _____

Telephone Number: _____

Email (Work): _____

Email (Home): _____

Signed: _____ Date: _____

Please return this form to:

XPS

Pensions Unit

PO Box 340

Middlesbrough

TS1 2XP

Or tech@xpsgroup.com

Tapered Annual Allowance Pro Forma

Threshold Income

A	Total Pay (pay before pension contributions are deducted)	£
B	Less Pension Contributions	£
C	Plus Other Taxable Income	£
Threshold Income = (A-B) + C		£

If threshold Income is below £110,000 you **are not** subject to a tapered annual allowance

If Threshold Income is greater than £110,000:

Adjusted Income

D	Threshold Income (as calculated above)	£
E	Plus Total Pension Input Amount (PIA shown on page 1)	£
Adjusted Income = (D+E)		£

If Adjusted Income is below £150,000 you **are not** subject to a tapered annual allowance

If Adjusted Income is greater than £150,000:

Taper Reduction

F	Adjusted Income (shown above)	£
G	Less Threshold Limit (shown above)	£150,000.00
H	Excess = (F-G)	£
Taper Amount = Excess/2 (H ÷ 2)		£

Personal Annual Allowance

I	Standard Annual Allowance	£40,000
J	Less Taper Amount (shown above)	£
K	Reduced Annual Allowance (I-J)	£
Personal Annual Allowance (Higher of £10,000 or K)		£

Taxable Excess

L	Total Pension Input Amount (E above)	£
M	Less Personal Annual Allowance (shown above)	£
Taxable Excess = (L-M)		£

Tax payable

45% Rate

N	Adjusted Income (shown above)	£
O	Less Higher Tax Rate Threshold	£150,000
	Less Personal Annual Allowance	
Amount Payable at 45% = (N-O)		£

40% Rate

P	Taxable Excess (shown above)	£
Q	Less Amount Payable at 45% (shown above)	£
Tax payable at 40% (P-Q)		£

The information provided within this form will help you determine if you have a tapered Annual Allowance and if so what rate of tax will be applied to your excess pension savings. It is based on XPS's current understanding of HMRC rules. XPS take no responsibility for any decisions or actions taken as a result of the information given. If you are unsure about how you may be affected by any of the information provided, you should seek appropriate professional advice. Neither XPS, nor your employer, are qualified or registered to give tax advice.



Teesside Pension Fund
Local Government Pension Scheme



00000001 MBS01136 1#3



PENSION PAYMENT ADVICE

PENSION REFERENCE NUMBER (NI Number)



30400

General enquiries
01642 030693

Tax Office enquiries
0300 200 3300

Quoting: 406 / M7400

NAME		TAX CODE	GROSS TO DATE	TAX TO DATE

PAYMENTS	£	DEDUCTIONS	£	DATE PAID
TOTAL		TOTAL		NET PENSION £

New Tax Code in operation. For tax enquiries, call
HMRC on 03002003300
Ref 406 M7400

We at XPS Administration would like to reassure you that you will continue to receive your pension as normal despite any impacts caused by the Coronavirus. Some disruption to payslip production is possible but please be reassured that your pension will still be paid to you. Please stay safe and follow guidance.

Address for Correspondence: XPS Administration, PO Box 485, Middlesbrough, TS1 9EE

Detach Here



NOTIFICATION OF CHANGE OF ADDRESS / BANK or BUILDING SOCIETY

Please complete the appropriate section if you have changed your address, bank or building society and return this slip to:
XPS Administration, P.O. Box 485, MIDDLESBROUGH TS1 9EE

Name: _____		Pension Reference No: _____	
Please change my bank / building society details with effect from ____ / ____ / ____ to:		Please note that with effect from ____ / ____ / ____ my new address will be:	
Account Holder: _____	_____	Address: _____	_____
Account No: _____	_____	_____	_____
Sort Code: _____	_____	_____	_____
Bld Soc Ref No: _____	_____	County: _____	_____
Bank Name: _____	_____	Post Code: _____	_____
Signature: _____	Tel No: _____	Date: ____ / ____ / ____	_____



XPS Administration
 PO Box 485
 Middlesbrough
 TS1 9EE

P60 End of Year Certificate

DO NOT DESTROY

Issue by: (fund name and address)		Certificate of Pension and Income Tax Year Ending 5th April 2020	
TEESSIDE PENSION FUND PO BOX 340 MIDDLESBROUGH TS1 2XP TEL 01642 030693		Pension Reference Number	

National Insurance No.	Surname	Initials	Title

Total for Year		In Previous Employment (s)		Pension Paid by Us	
Pension/Pay	Tax Deducted	Pay	Tax Deducted	Pension	Tax deducted/refunded (R) indicates refund

Final Tax Code

Figures shown here should be used for your tax return, if you get one

To the Pensioner

This certificate shows the total amount of pension for income tax purposes that we have paid to you in the year. It also gives details of the total income tax deducted by us (less any refunds).

Please keep this certificate in a safe place. You will need it if you have to fill in a Tax Return or make a claim for Tax Credits, or renew your claim. You can also use it to check we are using your correct National Insurance number.

By law you are required to tell HM Revenue & Customs about any income that is not fully taxed, even if you are not sent a Tax Return.

QUOTE PAYE REF: 406 / M7400
 PAYE AND SELF ASSESSMENT
 HM REVENUE AND CUSTOMS
 BX9 1AS

TELEPHONE 0300 200 3300

IF YOU CHANGE YOUR ADDRESS, PLEASE LET YOUR INLAND REVENUE OFFICE KNOW, ADDRESS ABOVE



PO Box 485
Middlesbrough
TS1 9EE

www.xpsgroup.com

**TEESSIDE PENSION FUND
PENSION INCREASE STATEMENT 2020**

Telephone number for enquiries

01642 030693

This year the rate of increase is 1.7% and is payable from Monday 06 April 2020. If your pension commenced after 22 April 2019 the increase is as shown below:

Date Pension Entitlement Began	Pension Increase Rate	Date Pension Entitlement Began	Pension Increase Rate
to 21/04/2019	1.70%	22/09/2019 to 21/10/2019	0.85%
22/04/2019 to 21/05/2019	1.56%	22/10/2019 to 21/11/2019	0.71%
22/05/2019 to 21/06/2019	1.42%	22/11/2019 to 21/12/2019	0.57%
22/06/2019 to 21/07/2019	1.28%	22/12/2019 to 21/01/2020	0.43%
22/07/2019 to 21/08/2019	1.13%	22/01/2020 to 21/02/2020	0.28%
22/08/2019 to 21/09/2019	0.99%	22/02/2020 to 21/03/2020	0.14%

The increase will take effect from your pension payment on 30 April 2020. However, as the Pension Increase is only due from 06 April 2020 your payment will be made up of 5 days at the old rate and 25 days at the new rate.

New Annual Pension	£ 1580.04
New Monthly Amount	£ 131.67

Pensioners who are State Pensionable Age

Whilst contributing into your occupational pension scheme, you were contracted out of the State Earnings Related Pension Scheme (SERPS). Because of this, we have to guarantee to pay you at least as much as you would have got had you stayed in SERPS. This amount is called the Guaranteed Minimum Pension or GMP. For any service from 6 April 1988 onwards, we will pay 1.7% increase on your GMP with your occupational pension. The increase due on the GMP relating to service prior to 6 April 1988 will be paid with your state benefits.

New Annual GMP	£ 0.00
New Post 88 GMP	£ 0.00

IN THE LOOP - McCloud/Sargeant

Local Government Pension Scheme

September 2020 - Issue 01

Background

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older scheme members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes were discriminated against because the protections did not apply to them. This ruling is known as McCloud, after one of the claimants.

Removing unlawful age discrimination

The Government has confirmed that there will be legislative changes to all public sector schemes, including the LGPS, to remove this age discrimination. The LGPS rules need to be changed to automatically provide eligible younger members with protection equal to the protection provided to older members.

The Government is currently consulting on the changes that need to be made to do this. The [public consultation](#) on the proposed changes to the LGPS runs until 8 October 2020. You should consider whether you intend to issue a response to the consultation and ensure its return by the closing date if so.

**Actions required**

Prepare and issue your response by 8 October 2020 if you are submitting one

Editorial:

Welcome to the first in a series of bulletins specific to developments surrounding the implementation of changes to the LGPS as a result of age discrimination identified across the public sector pension schemes. Our bulletins will highlight important updates, key action points and considerations that will impact on you as an LGPS employer. A lot of activity is expected over the coming months so we hope you find this (and future) bulletins useful.

In this bulletin we provide a background to the changes, and alert you to the additional data that you may be required to provide in order that the changes can be correctly applied.

Practical application of protection

In the LGPS, the protection compares the benefits payable under the current career average scheme with the benefits that would have been paid if the Scheme had not changed from a final salary scheme in 2014 (2015 Scotland and Northern Ireland) and pays the higher. This protection is called the underpin.

Currently, the underpin applies automatically to protected older members. The Government is proposing to change the scheme rules so that the underpin will automatically be extended to eligible younger members.

A summary of the changes proposed in the consultation is given on the LGPS Scheme Advisory Board McCloud area (16th July entry).

Data collection

Additional data about hours worked and service breaks is needed to perform the underpin calculation. This data is needed for all members of the LGPS from the date the scheme changed in April 2014 to 31 March 2022 (or earlier if the member left active membership of the scheme or reached their 2008 Scheme NPA before that date).

The collection of this historical data is known, within this context, as the McCloud data collection exercise.

Data collection for Teesside Pension Fund

XPS have continued to request and record hours worked and service break data for all members. However, there is no guarantee that this information has been provided for all members.

We have yet to reach a final decision on how and when any data collection exercise is implemented. But we are bringing this matter to your attention now to make sure that ahead of any data collection exercise you think about the data you hold and how it is held. This is particularly important if you have had more than one payroll and/or HR system since April 2014.



Actions required

Make your payroll and HR functions aware of the data collection exercise, including any third party providers.

Helping us help you

As mentioned above, final decisions have yet to be made on how and when we implement this data collection exercise within the Fund. In order to assist us in this process we require all Fund employers to tell us whether you have informed us of all changes to hours worked and breaks in service since 1 April 2014. We will use the information collected to develop our data collection strategy and minimise any unnecessary burden on you as employers.

In the first instance you should submit your response to this question to:
laura.pelmear@xpsgroup.com no later than Wednesday 30 September with a subject line of:
"In the loop".



Actions required

Ensure you have submitted your response by 30 September

And, finally...

We distribute these bulletins to officers within your organisation that you have supplied contact details for; if there are other officers who you believe would be appropriate recipients, please let us know and we will add them to the distribution list. In the meantime, please circulate this bulletin to all relevant officers who you believe would benefit from its contents (and future issues).



Actions required

Ensure you pass this and future updates to relevant officers and inform us of any additions to our distribution list that you would like to make.

If you have any queries relating to the content please contact XPS pensions 01642 030696.



Local Government Pension Scheme

Briefing Note

95k Cost Cap Update

Dear Colleagues,

We have previously made you aware of the proposed changes to both the limitation on public sector exit payments in respect of the £95k cap - including pension strain costs - and on wider reform to public sector exit payments.

Whilst all involved would have liked the cap legislation to have been effective only after the relevant changes to the LGPS regulations had been made, this has not happened.

The [legislation](#) implementing the £95k cap on exit payments has now received Treasury approval and comes into force on 4 November 2020. We are still awaiting the Guidance and Directions to accompany the regulations; these will set out the discretionary waiver process and the position of exits agreed before 4 November where the date of leaving is after. We understand clarification on these matters are expected next week.

As you will be aware from earlier communications, MHCLG have opened a consultation seeking views on proposals for further [reforming exit payment terms](#). The consultation closes on 9 November 2020. The consultation document, including draft regulations and statutory guidance can be viewed on the [scheme consultations page](#) of [www.lgpsregs.org](#). The consultation proposes changes to the LGPS regulations in order to accommodate the [£95k exit payment cap](#). It also proposes a limit on cash severance payments and for the strain cost to be reduced by the value of any statutory redundancy payment made.

The amendments to the LGPS regulations will not be in place when the £95k cap comes into force. At a national level, both HM Treasury and MHCLG have been made aware of the predicament this puts local government employers and LGPS administering authorities in. We understand that MHCLG will be issuing a statement in the next 7-10 days. In the meantime the LGPS Scheme Advisory Board is obtaining legal advice as to the risk of challenge to LGPS authorities during this period which we hope to have in time for the 4 November effective date.

Please note, in the period between 4 November and the date the LGPS regulations are amended:


- only exits where the cost exceeds the £95k cap will be impacted
- strain cost will continue to be assessed on the current basis
- the proposals in the MHCLG consultation around limiting cash severance payments and the strain cost being reduced by the value of any statutory redundancy pay will not apply.


We are sorry that we can offer no further clarity on the post 4 November position at this time, but as we hope you appreciate, we are also caught in the middle of legislative conflict until resolved.

We will continue to provide estimates of both potential member benefits and financial impact upon you as employers where any strain on the Fund occurs. However, you must understand that these estimates and the associated costs are based on the current model and take no account of the £95k cap; even where Fund strain costs are below the £95k limit, there are other payments which you, as the member's employer, need to consider in the overall limit.

ACTIONS


- If there are any potential/in progress redundancy or business efficiency retirements that you are looking at and you are a capped employer (as per earlier briefing note about checking your status against the bodies covered under the regulations) you should consider processing these ahead of November 4 for certainty.
- Respond to the above consultation before the closing date of 9 November if you are planning on doing so.



 **XPS** Administration

Teesside Pension Fund
Pension Awareness Session

Laura Pelmeur
Employer Liaison Team Leader



Pension Awareness Session

- XPS/Employer Liaison Team**
- The Local Government Pension Scheme**
- Calculation of Pension Benefits**
- Additional Contributions**
- Retirement Benefits**
- Nominations**
- Further Information**

 **XPS** Administration

XPS Pensions Group



Employer Liaison Team

All communication, training and signposting will now be dealt with directly by the Employer Liaison Team. This will enable us to find a solution to any complex questions, queries or requests in a timely manner.

We can help with the following, along with many other topics:

- Contributions
- Pension Overviews / Awareness
- Employer Training
- Scheme and Financial year end returns
- Member Self-Serve (MSS)

We are here to help build and strengthen our relationship with you to ensure your expectations are met whilst being a focal point for you as employers.

Team Leader:

Laura Pelmear

01642 030656

Laura.Pelmear@xpsgroup.com

Administrator:

Jennifer Salmon

01642 030704

Jennifer.Salmon@xpsgroup.com



XPS Pensions Group



XPS Pensions XPS Administration XPS Investment XPS Transactions



5

XPS Pensions Group



6

Our Office

Office Address:

XPS Pensions Unit
Vancouver House
Middlesbrough
TS1 1JL

Postal Address:

Teesside Pension Fund
PO Box 340
Middlesbrough
TS1 2XP

Telephone: 01642 727777

Email: pensionsunit@xpsgroup.com



The Scheme



The Scheme

1997

Service to 31 March 2008

Final Salary

1/80th

3/80th
Automatic Lump Sum

2008

Service from 1 April 2008
Service to 31 March 2014

Final Salary

1/60th

No Auto Lump Sum
Option To Commute

2014

Service from 1 April 2014

CARE

1/49th

No Auto Lump Sum
Option To Commute

 XPS Administration

Mr Maxwell

Date of Joining = 1 April 1992

Date of Retirement = 31 March 2020

Final Pay = £27,500 (1 April 2019 to 31 March 2020)

1 April 1992 to 31 March 2008 ONLY
 Pension = $16 \times 1/80 \times £27,500 = £5,500$
 Automatic tax free Lump Sum = $16 \times 3/80 \times £27,500 = £16,500$

1 April 2008 to 31 March 2014 ONLY:
 Pension = $6 \times 1/60 \times £27,500 = £2,750.00$
 Lump Sum can be exchanged at a rate of 12:1

 XPS Administration

Mr Maxwell

Date of Joining = 1 April 1990

Date of Retirement = 31 March 2020

Final Pay = £26,500 (1 April 2019 to 31 March 2020)

Scheme Year	Opening Balance	CARE Pay	Build up in Scheme Year (pay/build up rate = pension)	Total Account 31st March	Cost of Living Adjustment	Total Pension
2014 - 2015	£0	£25,000	£25,000 / 49 = £510.20	£510.20	1.2% = £6.12	£516.32
2015 - 2016	£516.32	£25,500	£25,500 / 49 = £520.41	£1,036.73	-0.1% = £1.04	£1,035.69
2016 - 2017	£1,035.69	£26,000	£26,000 / 49 = £530.61	£1,566.30	1% = 15.66	£1,581.96
2017-2018	£1,581.96	£26,500	£26,500 / 49 = £540.82	£2,122.78	2% = £42.46	£2,165.24
2018-2019	£2165.24	£27,000	£27,000 / 49 = £551.02	£2,716.26	2.4% = £65.19	£2,781.45
2019-2020	£2781.45	£27,500	£27,500 / 49 = £561.22	£3,342.67	2.1% = £70.20	£3,412.87

 XPS Administration
Mr Maxwell

- ▶ 1 April 1992 to 31 March 2008:
 - Pension = $16 \times 1/80 \times £27,500$ = **£5,500.00**
 - Automatic tax free Lump Sum = $16 \times 3/80 \times £27,500$ = **£16,500.00**
- ▶ 1 April 2008 to 31 March 2014:
 - Pension = $6 \times 1/60 \times £27,500$ = **£2,750.00**
 - Lump Sum can be (exchanged at a rate of 12:1)
- ▶ 1 April 2014 to 31 March 2020:
 - Pension = **£3,412.87**

Total Pension: £11,662.87
Total Lump Sum: £16,500.00

 XPS Administration

Option A:

Annual Pension: £11,662.87

Lump Sum: £16,500.00

Option 2:

Annual Pension: £8,381.49

Lump Sum: £55,876.59



Contributions



Contributions

Band	WT Rate of Pay	Cont Rate
1	Up to £14,400	5.5%
2	£14,401 to £22,500	5.8%
3	£22,501 to £36,500	6.5%
4	£36,501 to £46,200	6.8%
5	£46,201 to £64,600	8.5%
6	£64,601 to £91,500	9.9%
7	£91,501 to £107,700	10.5%
8	£107,701 to £161,500	11.4%
9	£161,501 or more	12.5%

Contributions

They may be cheaper than you think...

Assume that your annual pensionable pay is £25,000

Monthly = £2,083.33

Your gross monthly contribution of 6.5% of £2,083.33:

Band 3 Contributions

Contribution = £135.42

As the scheme is registered, you are eligible for tax relief on the contributions you make:

Tax = £27.08

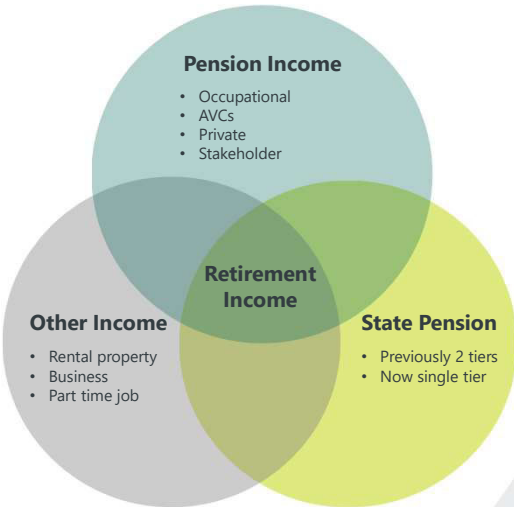
**Only actually costs £108.34
(5.2%)**

Do you have enough?



XPS Administration

Retirement



Pension Income

- Occupational
- AVCs
- Private
- Stakeholder


Other Income

- Rental property
- Business
- Part time job

State Pension

- Previously 2 tiers
- Now single tier

Retirement Income



XPS Administration

18

State Pension

The New State Pension

£168.60 per week

This is dependent on your National Insurance record

This will be reduced by any period of contracted-out service

<https://www.gov.uk/check-state-pension>

Increasing Your Pension

➤ 2 ways to increase your benefits through the LGPS

- Additional Voluntary Contributions (AVCs)
- Additional Pension Contributions (APCs)

➤ What do you want more of?

- Attitude to risk?
- Open Market Options?



In House Voluntary Contributions (IHAVCs)

- What is your attitude to risk?
 - Fund choices
 - Annuity Rates
 - Option to take all as tax free lump sum (limits apply)
 - Additional Death in Service cover available
 - Ask for a guide today if interested
 - Case Studies
 - AVC calculator
 - www.pru.co.uk/content/schemes/localgovAVC
- ☎ 0800 434 6629



21

Additional Pension Contributions (APCs)

- This is buying additional pension (not service)
 - Maximum of £7,026 per year
- Guarantees additional index linked pension benefits
- Calculator available at www.lgpsmember.org



22



Retirement

1 Early	»»	From age 55
2 Redundancy / Efficiency of Service	»»	From age 55
3 Flexible	»»	From age 55
4 Normal	»»	State Pension Age
5 Late	»»	By age 75
6 Ill Health	»»	From any age

XPS Administration 24

Early Retirement

Number of Years Paid Early	Pension reduction	Lump Sum (for membership to 31 March 2008)
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	N/A
12	44.0%	N/A
13	46.3%	N/A

Please note: Estimates can be requested by both member and employer

Redundancy

- ▶ If you have less than 2 years pensionable service:
 - ▶ You will be offered a refund
- ▶ If you are aged under 55 and have over 2 years pensionable service:
 - ▶ You will be awarded deferred benefits
- ▶ If you are aged 55 or over and have over 2 years pensionable service:
 - ▶ Main benefits are payable without reduction

Please note: Estimates can only be requested by the employer

Ill Health

➤ Available at any age regardless of length of service*

➤ Criteria:

➤ Being permanently incapable of efficiently discharging the duties of your current employment because of ill-health or infirmity of mind or body,

And

➤ Are not immediately capable of undertaking any gainful employment

➤ Gainful employment = not less than 30 hours for not less than 12 months

* After 2 year vesting period

Ill Health

Tier 1

Highest

➤ No likelihood of obtaining gainful employment to SPA

➤ Full service given to SPA

Tier 2

➤ Are likely to obtain gainful employment before SPA

➤ Quarter of prospective service given to SPA

Tier 3

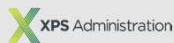
Lowest

➤ Are likely to obtain gainful employment within 3 years of leaving

➤ Accrued service payable for 3 years but reviewable at 18 months

➤ Protections exist for older members

Nominations



Death Benefits – Nomination Form!!

Any lump sum payable in the event of a members death may be paid to their legal personal representatives, a nominated beneficiary or distributed at the discretion of the Teesside Pension Fund.

The main advantage of completing this form is that if payment is made to the nominated beneficiaries, the payment will not form part of their estate and will therefore not count towards inheritance tax. Also, by completing this form, payment of any death grant can be made without requiring sight of legal documents.

Once an expression of wish form has been completed, it is vital that it is kept up to date as certain life events (marriage, divorce etc.) may result in a member wanting to change their wishes. We will only act on the most up to date form therefore if they wish to add or remove a beneficiary, they must complete a new form.

▶ Death in Service Grant = 3 x Assumed Pensionable Pay



Survivor Benefits

- ▶ In addition to a lump sum death grant, Survivor benefits can be paid
 - ▶ Spouse
 - ▶ Civil Partner (same sex or opposite sex)
 - ▶ Eligible Co-habiting Partner
 - ▶ Eligible Child

When you retire


When you retire

- Options will be provided to you
- You send your option forms back to us (you may want to consult an IFA)
- Lifetime Allowance declaration form
- Your pension will be paid monthly, in arrears, on the last working day of the month
- Your lump sum will normally be paid 1 working day after retirement:
 - Providing we have all the information and forms on time
 - If not, as soon as possible after retirement and the return of all relevant forms

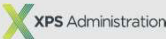
Pensions Increase

- Currently based on the Consumer Prices Index (CPI) averaged from September to September
- Applied from the first Monday on or after 6 April in the following year
- Pension increase varies from year to year:


Year	% Increase
2019	2.4%
2018	3.0%
2017	1.0%
2016	0.0%
2015	1.2%
2014	2.7%
2013	2.2%



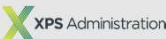
Member Self Service – Live Demo



XPS Administration



Further Information



XPS Administration

Further Information

Latest Updates

- 7th December 2018 – Newsletter Survey, please tell us what you think!
- 7th December 2018 – Newsletters issued to Scheme Members
- October 2018 – Pensions Unit to be acquired by XPS Administration Ltd
- 15th August 2018 – Register to view your pension record online

welcome to the teesside pension fund

Before Joining | In Membership | When Leaving | Retirement | Member Login

Welcome to the Teesside Pension Fund Website. This site is a source of information for members of the Local Government Pension Scheme and in particular those who come under the umbrella of the Teesside Pension Fund. That includes members of the old Cleveland County Council Pension Fund and all its predecessor authorities.

Teesside photographs © Mike Kipping Photography

teesside pension fund

Further Information

Before Joining | In Membership | When Leaving | Retirement

teesside pension fund

[News](#) / [Contacts](#) / [Documents](#) / [Interactive](#) / [Extra benefits](#) / [Life events](#) / [Basics](#)

Introduction to retirement

When can you retire?

Whatever your circumstances, you must have at least three months' total membership in the Scheme or have brought a transfer value into the Scheme from another scheme.

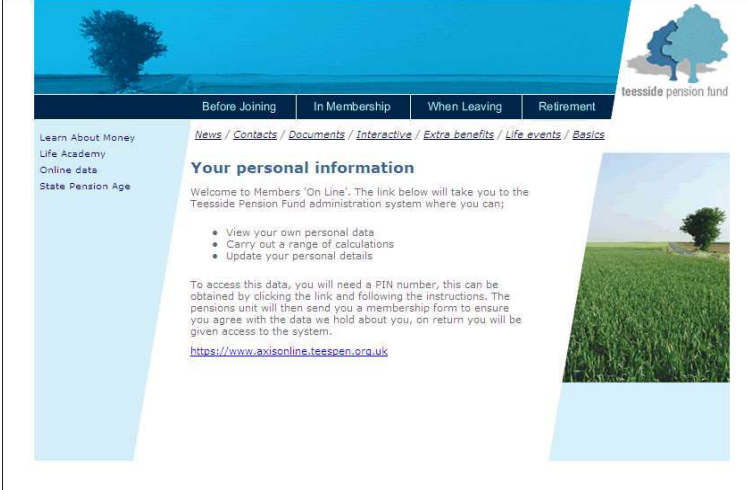
If you satisfy that condition, you can retire with immediate benefits if any of the following apply:

- You have reached your [normal retirement](#) age or age 60
- You are [too ill to work](#) and this is can be certified by the fund doctor (ill-health retirement)
- You are over 55* and your employer offers you early retirement on the grounds of [redundancy or efficiency](#)
- You are over 55* and take voluntary [early retirement](#) or [flexible retirement](#) with your employer's agreement
- At any time [after age 65](#) but before age 75

* Age 50 if you were in the LGPS on 31/3/2008 and were transferred into the new scheme on 1/4/2008 (up to April 2010).

Pages 1 2 3 4

Further Information



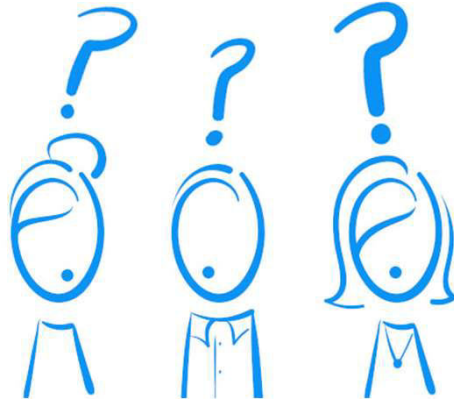
The screenshot shows the Teesside Pension Fund website. At the top, there is a navigation bar with tabs: "Before Joining", "In Membership", "When Leaving", and "Retirement". Below this, there are links for "Learn About Money", "Life Academy", "Online data", and "State Pension Age". The main content area is titled "Your personal information" and includes a welcome message and a list of services: "View your own personal data", "Carry out a range of calculations", and "Update your personal details". A URL is provided: <https://www.axisonline.teesspen.org.uk>. The website also features a logo for "teesside pension fund" and a background image of a tree and a field.

Further Information

- Communications
 - Annual Benefit Statement
 - Bi-annual newsletter
 - Pensions Savings Statements
 - Payslips
 - P60s
 - Pensions Increase Statement



Questions?



 XPS Administration

41

 XPS Administration

Thank you

Laura Pelmeur
Employer Liaison Team Leader

T: 01642 727303

M: 07483 120639

E: Laura.pelmeur@xpsgroup.com

XPS Pensions Group, XPS Pensions, XPS Administration, XPS Investment and XPS Transactions are the trading names of Xafinity Consulting Ltd, Punter Southall Ltd and Punter Southall Investment Consulting Ltd.
 XPS Administration is the trading name of PS Administration Ltd.

Registration

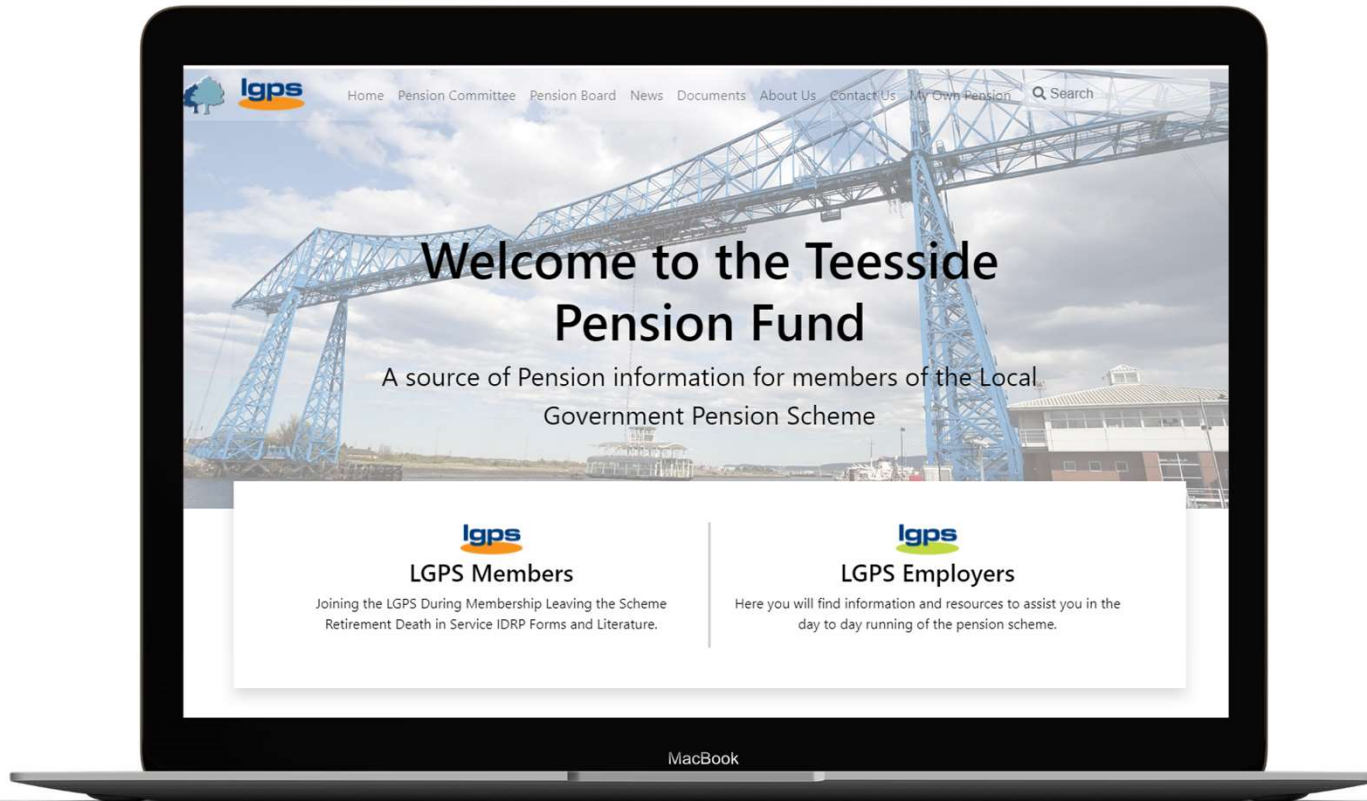
Xafinity Consulting Ltd, Registered No. 2459442. Registered office: Phoenix House, 1 Station Hill, Reading RG1 1NR.
 Punter Southall Investment Consulting Ltd Registered No. 6242672, Punter Southall Ltd Registered No. 03842603, PS Administration Ltd Registered No. 9428346. All registered at: 11 Strand, London WC2N 5HR. All companies registered in England and Wales.

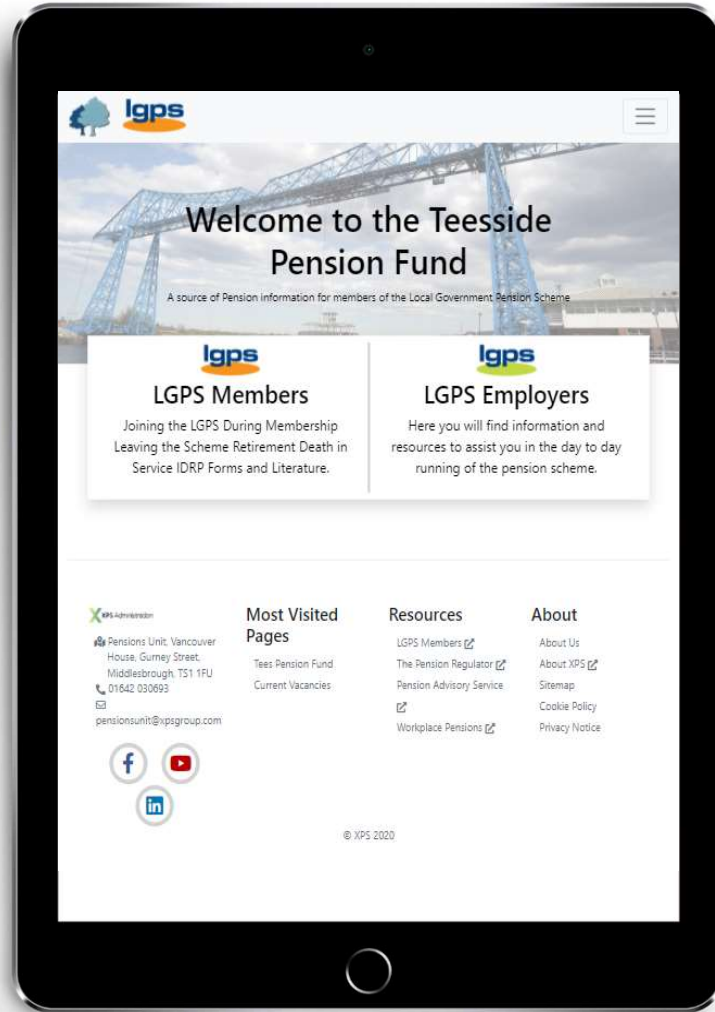
Authorisation

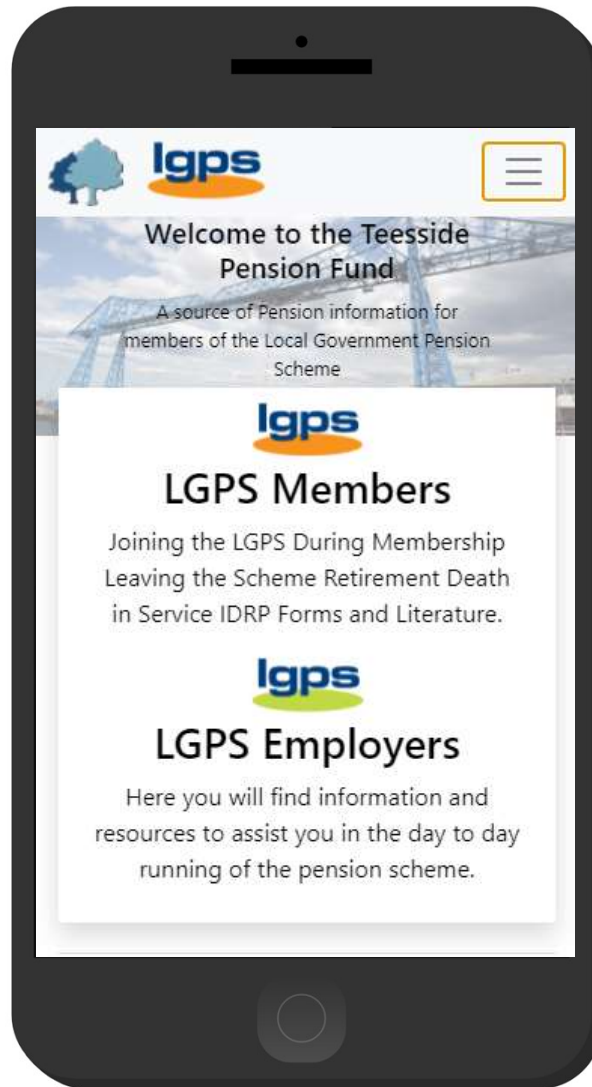
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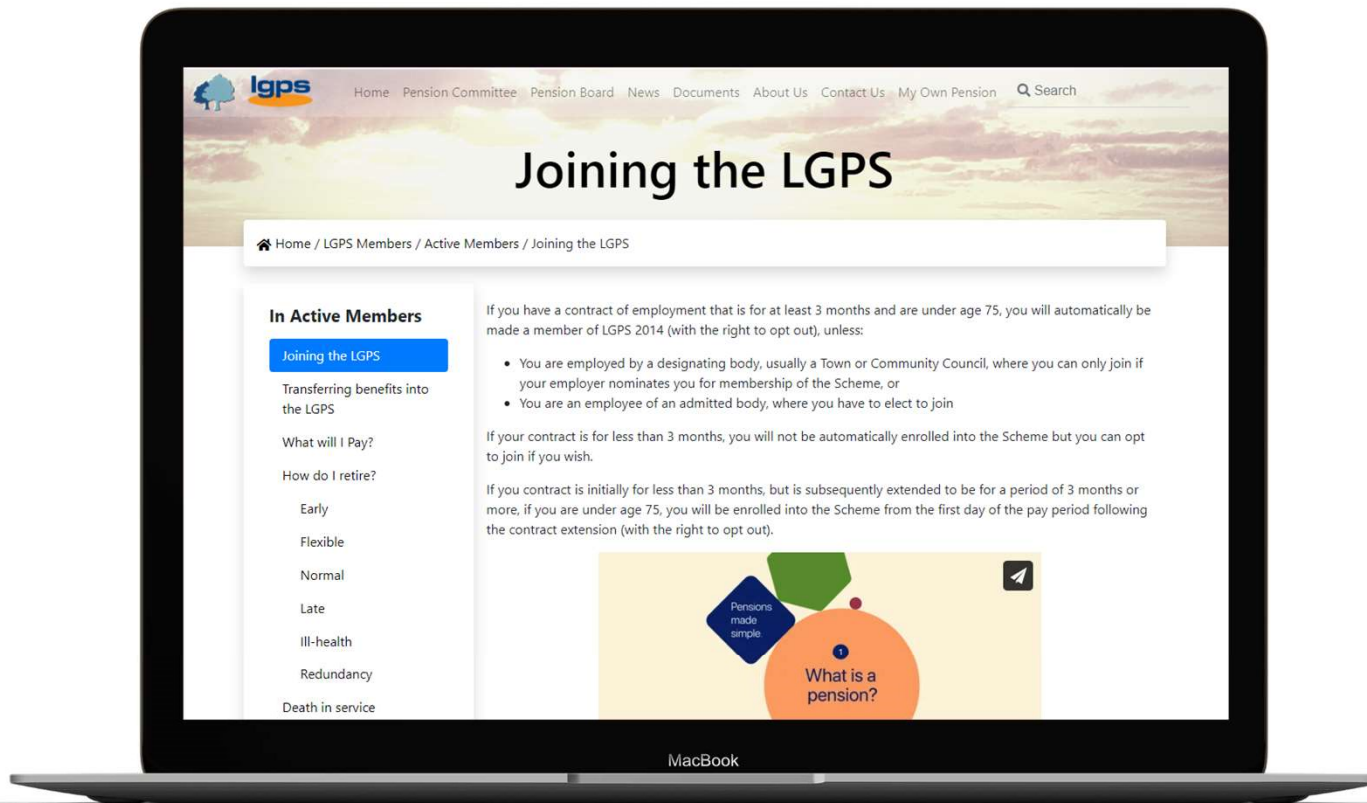
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Potential new look of
Outlook and AtEase



Page 108



Guidance documents
on the new Teesside
Pension Fund website

Page 109



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TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 8

TEESSIDE PENSION BOARD REPORT

2 NOVEMBER 2020

DIRECTOR OF FINANCE – IAN WRIGHT

Update on Current Issues

1. PURPOSE OF THE REPORT

- 1.1 To provide Members of the Teesside Pension Board (the Board) with an update on current issues affecting the Pension Fund locally or the Local Government Pension Scheme (LGPS) in general.

2. RECOMMENDATIONS

- 2.1 That Board Members note this report.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications in respect of the information contained in this report.

4. GOVERNMENT CONSULTATION ON A REMEDY FOR DISCRIMINATION IDENTIFIED IN THE MCCLLOUD / SERGEANT COURT CASES

- 4.1 All of the main public service pension schemes moved from being final salary schemes to career average pension schemes in 2014 and 2015. As part of this process protections were introduced into each of the schemes' rules to ensure that older members were not disadvantaged by the move to a new scheme. In the LGPS this protection is known as the 'underpin'. This underpin is a check carried out when older members who were in the pre-2008 LGPS when they draw their benefits to see if they would have had higher benefits if the old 'final salary' rules had still applied. As pension is built up at a faster rate in the 'new' LGPS (where individuals earn 1/49th of a year's salary in pension each year compared to 1/60th in the 'old' LGPS), the underpin normally only applies when someone has had significant above inflation pay rises and a significant proportion of their service is before 2008.
- 4.2 In December 2018, in what became known as the McCloud and Sargeant judgement, the Court of Appeal determined that the protections introduced in the Firefighters' and Judges' pension schemes were age-discriminatory and so unlawful. The Government confirmed in July 2019 that it would accept the judgement as applying across all public service pension

schemes (including the LGPS), and they would address the discrimination for all affected members, not just those who made a claim.

- 4.3 Around a year later, on 16 July 2020 the Government published its consultation on draft regulations including changes to the 'underpin' for the LGPS in England and Wales. Full details can be found at the following link:

<https://www.gov.uk/government/consultations/local-government-pension-scheme-amendments-to-the-statutory-underpin>

These proposals are designed to remove the unlawful discrimination caused by the protection of older members when the LGPS was reformed in 2014. The consultation closed on 8 October 2020.

- 4.3 The draft regulations set out in the consultation will:
- a) remove the condition that requires a member to have been within ten years of their 2008 Scheme normal pension age (almost always age 65) on 1 April 2012 to qualify for underpin protection and
 - b) introduce other changes to make sure the revised underpin works consistently for all members

The potential link to final salary will continue until the scheme member leaves active membership or reaches age 65 (whichever comes first). All members will only build up benefits on a career average basis from 1 April 2022.

- 4.4 The regulation changes will have retrospective effect. This means all qualifying leavers since 1 April 2014 will have to have their benefits reassessed to see whether the underpin would have given them higher benefits. This will include retirements, deferred leavers, deaths, transfers-out and trivial commutations. The proposed extended underpin will be carried out in two stages with a provisional check carried out when the member leaves active membership (or age 65) and a final check when benefits are taken. This is so that the impact of early or late retirement factors can be taken into account when determining whether the underpin gives a higher benefit.
- 4.5 One further consideration is aggregation of membership (where a scheme member decides to combine previous LGPS service into their current period of membership). Under the new proposals scheme members will be required to aggregate benefits in order to qualify for the underpin. This does not apply currently so the consultation proposes allowing active and deferred members who have not aggregated an additional year in which to choose to do so – this will only apply where failure to aggregate would mean the scheme member losing entitlement to the underpin.
- 4.6 All of these proposal represent a significant ongoing challenge for LGPS pensions administration. Software systems and member communications will need to be adapted and additional processes and routines developed, tested and implemented. For the retrospective element, information will need to be gathered from employers in relation to

scheme members' service from 1 April 2014 to date, such as changes to part-time hours. This is information that was previously not needed for those not covered by the 'old' underpin, but it will be needed once these regulations take effect, to check whether the 'new' underpin applies.

- 4.7 The expected effective date for the introduction of these new regulations is 1 April 2022. All service in the LGPS going forward from that point will earn career average pension, however at that point perhaps a third of active members will continue to be entitled to the new underpin check when they leave and draw their benefits. It is unlikely that very many individuals will benefit from the underpin, but it will be essential to check everyone to see whether they qualify and benefit from it.
- 4.8 Increasing members' benefits will result in a cost to employers. The consultation states: "The proposals in this paper are estimated to cost LGPS employers £2.5bn in the coming decades, as protected members retire and begin to receive their benefits". AON, the Scheme Actuary, has estimated the overall impact on the Fund as resulting in an average increase in employer contribution rates of around 0.9% of pensionable pay – this cost is already built in to employer contribution rates following the latest triennial valuation. This includes an allowance for the 'cost sharing' exercise that is still expected to be carried out after the underpin changes have been implemented. The actual cost for individual employers within the Fund will only emerge in time and will vary depending on the profile of their membership.
- 4.9 XPS Administration is considering how best to plan and resource for the implementation of the new underpin and has already communicated with employers to advise them of the additional data that will be required in respect of scheme members (including those who have left since 1 April 2014). XPS Administration also submitted a response to the Government consultation document which emphasised the administrative complexity caused by the proposals, whilst recognising the need for the Government to remove discrimination within the Scheme.

5 REFORMING LOCAL GOVERNMENT EXIT PAY

- 5.1 Following on from Government proposals highlighted in the 2015 Spending Review, subsequent consultation and legislation in 2016, and consultation from HM Treasury in 2019, the Government published further consultation on 7 September 2020 entitled "Reforming local government exit pay – A consultation on the reform of exit payments in local government." This can be found at the following link:

<https://www.gov.uk/government/consultations/reforming-local-government-exit-pay>

- 5.2 The consultation reiterates the Government's position on public sector exit payments:

"The government believes that it is an important principle that exit arrangements are determined at workforce level. However, given that exit arrangements in all workforces are ultimately funded by the taxpayer, it is clearly appropriate for the government to ensure that these provide value for money."

It summarises the key elements of their approach, previously published in 2016, as follows:

- A maximum of three weeks' pay per year of service;
- A maximum of 15 months on the amount of a redundancy payment;
- A maximum salary of £80,000 on which an exit payment can be based;
- Limiting publicly funded pension top-ups;
- A £95k cap on the total of all forms of compensation, including redundancy payments, pension top ups, compromise agreements and special severance payments.

5.3 Regulations which introduce a limit of £95,000 on total exit payments to or in respect of an individual leaving public sector employment have been passed and come into force on 4 November 2020. This creates an issue for Administering Authorities and for Scheme Employers, as the LGPS regulations have not yet been changed. This means the LGPS regulations state a member leaving the LGPS on redundancy or business efficiency grounds aged 55 or more gets their pension benefits paid immediately without any early retirement reduction applied (regardless of employer cost), but the exit cap regulations state any payment to or in respect of them is capped at £95K. The Local Government Association is seeking legal advice on this and is also expecting government guidance on this imminently.

5.3 The latest consultation explains that following preliminary discussions with local government sector representatives the Ministry for Housing, Communities and Local Government (MHCLG) proposes to reform redundancy payment in local government as follows:

- a) A maximum tariff for calculating exit payments of three weeks' pay per year of service. Employers could apply tariff rates below these limits.
- b) A ceiling of 15 months (66 weeks) on the maximum number of months' or weeks salary that can be paid as a redundancy compensation payment. Employers will have discretion to apply lower limits, as they do at present under 2006 Regulations.
- c) A maximum salary of £80,000 on which a redundancy compensation payment can be based, to be reviewed on an annual basis using an appropriate mechanism, for example: CPI (Consumer Prices Index).

5.4 When an active member of the LGPS aged 55 or more leaves their LGPS employment on the grounds of redundancy or business efficiency they currently get immediate access to their LGPS benefits without any early retirement reductions being applied. Their employer pays the cost of providing this unreduced pension benefit, usually as a one-off lump sum payment to the Fund. These employer 'strain costs' can be substantial and often form a large part of the exit cost when someone in the LGPS leaves on redundancy / business efficiency grounds. The consultation sets out proposed changes to the LGPS regulations on leavers on redundancy / business efficiency which will reduce the overall value of the benefit package to most who leave the LGPS on redundancy / business efficiency (regardless of salary level). The changes proposed are as follows:

"We ... propose that for members of the LGPS who are at least 55 years old when made redundant, the benefits and the associated strain cost due from the employer should be limited as follows:

- The strain cost cannot exceed the overall cap contained in the Exit Payment Regulations (£95k)
- Strain cost will be further reduced by the value of any Statutory Redundancy Payment required to be paid (which the employee will still receive as a cash payment)
- A further reduction would be made to reflect any voluntary payments made to cover grant of additional pension under regulation 31 of the LGPS Regulations 2013
- Any reduction in the strain cost due to the above limitations may be made up by the worker from his own resources
- The member will receive an actuarially adjusted pension benefit in line with the revised strain cost under these provisions.”

5.5 Further provisions will apply:

- Where an employer pays any amount strain cost they can't pay any discretionary redundancy payment in respect of that individual. The only exception is if a redundancy payment would have been of higher value than the strain cost, then the scheme member can have their strain cost paid and receive a cash payment equal to the difference between the strain cost and the discretionary redundancy payment.
- The scheme member can choose to not have a pension enhancement, just receive an actuarially reduced pension and can take the discretionary redundancy payment.
- Employees will have a further option to defer their accrued pension benefits (which would not be enhanced and would not come into immediate payment) and receive their expected payments under their employer's redundancy scheme.

Whatever option is chosen, the £95K cap and the other criteria set out in paragraph 5.2 above would have to apply.

5.6 The consultation recognises that applying a national exit payment cap requires a consistent approach to working out strain costs across the LGPS, as the factors and method of calculation is currently determined by each individual Fund. The Government Actuary's Department has subsequently provided draft actuarial guidance on this for funds to follow.

5.7 The consultation is explicitly “**not** seeking views or representations on the government's position regarding exit pay reform” but is instead asking for information on the effects the proposals will have on regulations currently governing local government exit payments (compensation and early access to pension), and the impact of the criteria set out in paragraph 5.2 above would have on the local government workforce. The consultation ends on 9 November 2020. The Head of Pensions Governance and Investments will consider whether a consultation response should be submitted on behalf of the Council as Administering Authority to the Pension Fund. Any response will be discussed with the Chair and Vice Chair of the Pension Fund Committee prior to submission.

6. PARTIAL GOVERNMENT RESPONSE: REVIEW OF EMPLOYER CONTRIBUTIONS AND FLEXIBILITY ON EXIT PAYMENTS

6.1 The Government issued a consultation ending on 31 July 2019 proposing the following changes to the LGPS:

- Moving to a 4-year instead of 3-year actuarial valuation cycle, including proposals to allow wider review of employer contributions between valuations
- Allowing more flexibility on payments due from employers when they exit the scheme
- Changing the rules on allowing payments to employers when they leave the scheme ('exit credits')
- Changes to the category of employers required to offer LGPS membership (for example, excluding further education colleges from having to offer the LGPS to new entrants)

6.2 The Government response on the reform of exit credits was published on 27 February 2020 and the Government changed the LGPS regulations accordingly so that administering authorities may determine, at their absolute discretion, the exit credit payment due, having regard to any relevant considerations. On 26 August 2020 MHCLG issued a partial response covering some of the other aspects from the July 2019 consultation, namely the ability of administering authority to review employer contributions and apply flexibility on payments due from employers when they leave the scheme. This consultation response can be found at the following link:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/911792/Government_response_Exit_payments_and_review_employer_contributions.pdf

MHCLG also laid regulations - The LGPS (Amendment) (No.2) Regulations 2020 – that give effect to these changes when they come into force on 23 September 2020. The Government has stated that a further response will be issued on the remaining proposals from the July 2019 consultation “in due course”.

6.3 On reviewing employer contribution rates between valuations, the Government has concluded that this power should be available in respect of all employers in the scheme (not just admission body employers as currently applies). The Government’s new regulations grant administering authorities and employers the following new flexibilities:

- Administering authorities may review the contributions of an employer where there has been a significant change to the liabilities of an employer.
- Administering authorities may review the contributions of an employer where there has been a significant change in the employer’s covenant.
- An employer may request a review of contributions from the administering authority.
- Administering authorities will be required to consult with the employer when undertaking a review of the employer’s contributions.

In order to provide consistency and transparency in the use of the new power, administering authorities will be required to state their policy on the review of employer

contributions in their Funding Strategy Statement (FSS) and obtain advice from their actuary.

- 6.4 On flexibility over payments due from employers exiting the scheme, the Government recognised that administering authorities are best placed to take account of the diverse range of employers in the LGPS and to use judgement and local knowledge in balancing competing interest. Consequently, the new regulations will:
- Provide administering authorities with a power to spread exit payments from an exiting employer over a period where the employer no longer has active members in the scheme. In order to ensure consistency and transparency administering authorities which wish to make use of the new power will be required to set out within their FSS their policy on spreading exit payments and to obtain advice from their actuary.
 - Administering authorities will be expected to determine whether to spread an exit payment, over what period and the proportion of the exit payment to be paid each year, taking account of the interests of all employers and the funds as a whole.
 - Introduce “Deferred Employer” as a new category of employer in the scheme together with the facility for administering authorities to enter into a “Deferred Debt Agreement” (DDA) with such an employer. The purpose of this is to formalise arrangements to allow employers with no active members the option to spread payment of deficit over a future period to be agreed with the administering authority. In order to ensure consistency and transparency administering authorities that wish to make use of the new power will be required to set out within their FSS their policy on DDAs and to obtain advice from their actuary.
- 6.5 The Head of Pensions Governance and Investments will work with the Scheme Actuary to bring a revised draft Funding Strategy Statement for the December Committee to agree prior to consultation with the scheme employers. This revised FSS will set out the Fund’s policies in relation reviewing employer contributions and flexibility on exit payments.
- 7. EARLIEST AGE TO ACCESS PENSION TO INCREASE FROM 55 TO 57**
- 7.1 In 2014 the Government indicated its intention that the earliest age most individuals would be able to choose to draw a pension would increase from age 55 to age 57 with effect from 2028. Thereafter the intention was for the age to increase so that it stayed 10 years below an individual’s state pension age.
- 7.2 Although announced in 2014, this provision has not been put into legislation and is not widely known about. On 3 September 2020 in a written response to parliament, economic secretary John Glen MP said the Government would legislate for this increase in age “in due course”. This received significant press coverage and is relevant to all LGPS members (as well as members of most other pension schemes), particularly those who are due to reach age 55 just after the cut-off date (some time in 2028 – as yet unspecified).
- 7.3 As and when more clarity is provided on this, suitable information will be provided to scheme members, and to the Committee.

8. NEXT STEPS

8.1 Further updates will be provided periodically.

CONTACT OFFICER: Nick Orton – Head of Pensions Governance and Investments

TEL NO.: 01642 729040

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 9

TEESSIDE PENSION BOARD REPORT

2 NOVEMBER 2020

DIRECTOR OF FINANCE – IAN WRIGHT

TEESSIDE PENSION BOARD – ADMINISTRATION REPORT

1. PURPOSE OF THE REPORT

- 1.1 To provide an overview of administration services provided to the Teesside Pension Fund by XPS Administration, Middlesbrough.

2. RECOMMENDATIONS

- 2.1 That Board Members note the contents of the paper.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications for the Fund.

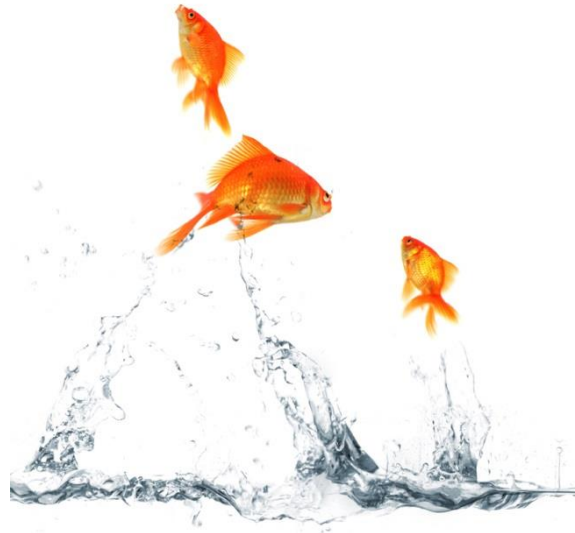
4. BACKGROUND

- 4.1 To enable the Pension Board to gain an understanding of the work undertaken by the Administration Unit and whether they are meeting the requirements of the contract. The report is contained within Appendix A.

CONTACT OFFICER: Graeme Hall (Operations Manager)

TEL. NO.: (01642) 030643

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Teesside Pension Fund

Service Delivery Report

2020/21

Teesside Pension Fund

Headlines

McCloud judgement

On 27 June 2019 the Supreme Court denied the Government's request for an appeal in the McCloud and Sargeant case.

The case concerns the transitional protections provided to older members of the judges and firefighter pension schemes when the schemes were reformed in 2015, as part of the public sector pension scheme changes. On 20 December 2018 the Court of Appeal found that these protections were unlawful on the grounds of age discrimination and could not be justified.

A consultation document was issued on the proposed remedy in respect of the LGPS. The consultation covers both future provisions and proposed retrospective changes to enable the Scheme to remedy the findings of discrimination. Draft amending legislation accompanied the consultation which had a closing date of 8 October 2020.

The proposals contained in the consultation go beyond the immediate remedy of age discrimination that the McCloud judgement seeks to rectify and also contain broader changes which MHCLG propose to implement to rectify what they view as historic anomalies that have existed since the introduction of the new Scheme in 2014, some of which would require retrospective amendment.

The immediate remedy proposals have significant administrative impact and the more extensive proposals will place a further administrative burden upon the Fund, XPS and employers within the Fund. A response was submitted to the consultation agreeing with the broad principles of the remedy but highlighting the major administrative impact that the changes will impose.

Legislation on restricting exit payments (£95k cap)

The Restriction of Public Sector Exit Payments Regulations 2020 ('the Cap Regulations'), will come into force on 4 November 2020, in advance of the changes to LGPS regulations proposed by MHCLG in the further reform consultation. These changes will amend the LGPS regulations to provide for the payment of reduced pensions in whole (as is the current provision) and in part.

From 4 November 2020 up to the enactment of the MHCLG further reform proposals there is a position of legal uncertainty. This is due to the apparent discrepancy between the obligations on scheme employers under the Cap Regulations to limit strain cost payments, and the requirement for administering authorities to pay unreduced pensions to qualifying scheme members under existing LGPS regulations.

We understand there will shortly be a communication from Government to administering authorities on this matter.

The LGPS Advisory Board (SAB) has requested the views of Counsel on the risks of challenge to administering authorities and the obligations of scheme employers during this period of legal uncertainty.

SAB has received initial advice but has followed this up with requests for further clarification on which they hope to have by early next week. Once that is received and subject to the necessary HMT guidance and Directions being made available, SAB intends to publish the advice along with some commentary.

SAB appreciates that there is significant uncertainty at this time, hence why it felt legal advice would be important before anything further was published on this matter.

This update can be found in the News and Updates page of www.lgpsregs.org.

Regulations and guidance

The LGPS (Amendment) (No2) Regulations 2020 – exit credits

On 27 February 2020, MHCLG published a partial response to the consultation covering changes to the local valuation cycle and the management of employer risk. The response covered the proposals on exit credits only.

On 26 August 2020, MHCL G published a second partial response to the Local valuation cycle and the management of employer risk consultation that was issued in May 2019.

The response confirms that the LGPS 2013 Regulations will be amended to allow greater flexibility on employer exit payments and the ability to review employer contributions between valuations. The LGPS (Amendment) (No.2) Regulations 2020 provide for the changes and were laid on 27 August 2020. They came into effect from 23 September 2020.

A further response will be made by MHCLG in relation to the other proposals in the consultation (changes to the local fund valuation cycle, interim valuations and the status of further education, Sixth Form College and higher education corporations in England and Wales) in due course.

Covid-19

XPS update

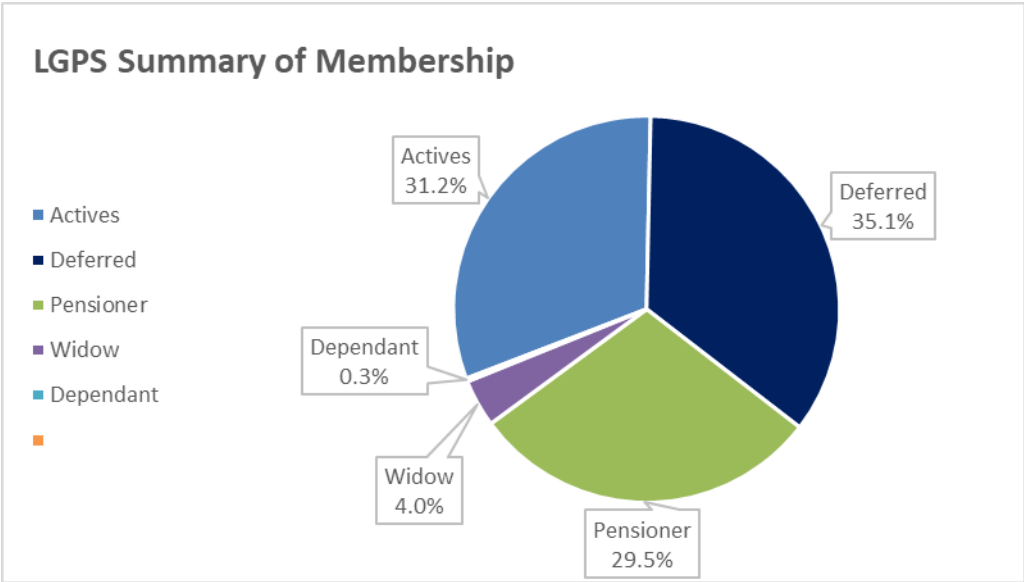
Following the outbreak of Covid-19, and subsequent lockdown, XPS quickly moved to enable all staff to be able to work from home. This involved the provision of laptops for all staff and development of necessary software to allow secure remote working.

Although the majority of staff continue to work from home, there has been an increasing number returning to a more normal office working environment. XPS will not be looking to enforce this on any member of the Middlesbrough office if they feel they are being put at risk. At this moment

there is no timeframe, nor rush, to commence a full return to an office environment. XPS will maintain a watching brief on governmental guidance.

Membership Movement

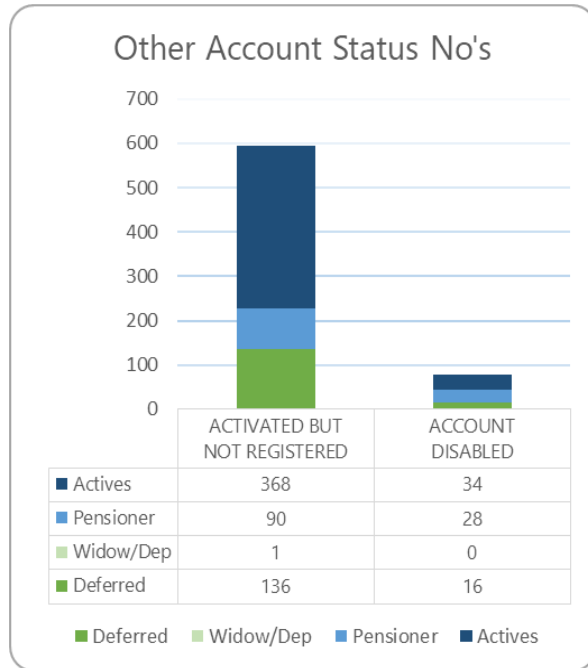
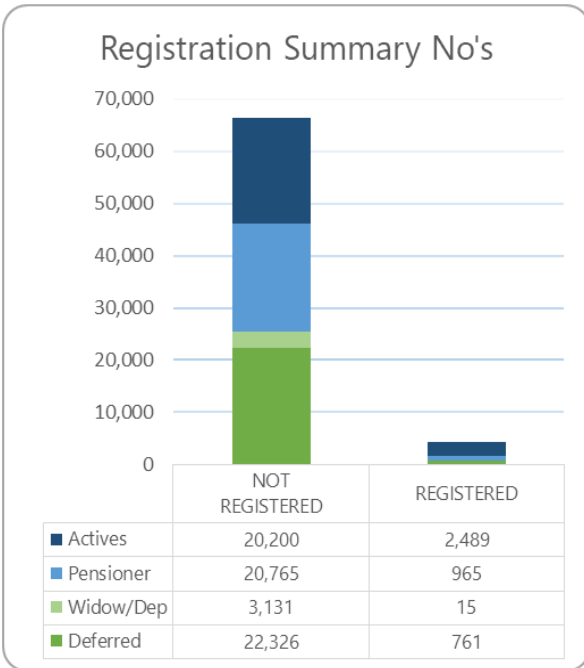
	Actives		Deferred		Pensioner		Widow/Dependent	
Q2 2020/21	23,018	▼	25,936	▼	21,763	▲	3,134	▲
Q1 2020/21	23,243	▲	25,958	▲	21,538	▲	3,101	▼
Q4 2019/20	22,997	▼	25,799	▼	21,521	▲	3,114	▲
Q3 2019/20	23,123	▲	25,948	▼	21,355	▲	3,093	▲
Q2 2019/20	22,463	▼	26,136	▲	21,179	▲	3,071	▲



Member Self Service

Below is an overview on the activity and registration of the Member Self Service System:

	NOT REGISTERED	REGISTERED	ACTIVATED BUT NOT REGISTERED	ACCOUNT DISABLED	TOTAL
Actives	20,200	2,489	368	34	23,091
Deferred	22,326	761	136	16	23,239
Pensioner	20,765	965	90	28	21,848
Widow/Dep	3,131	15	1	0	3,147
Total	66,422	4,230	595	78	71,325

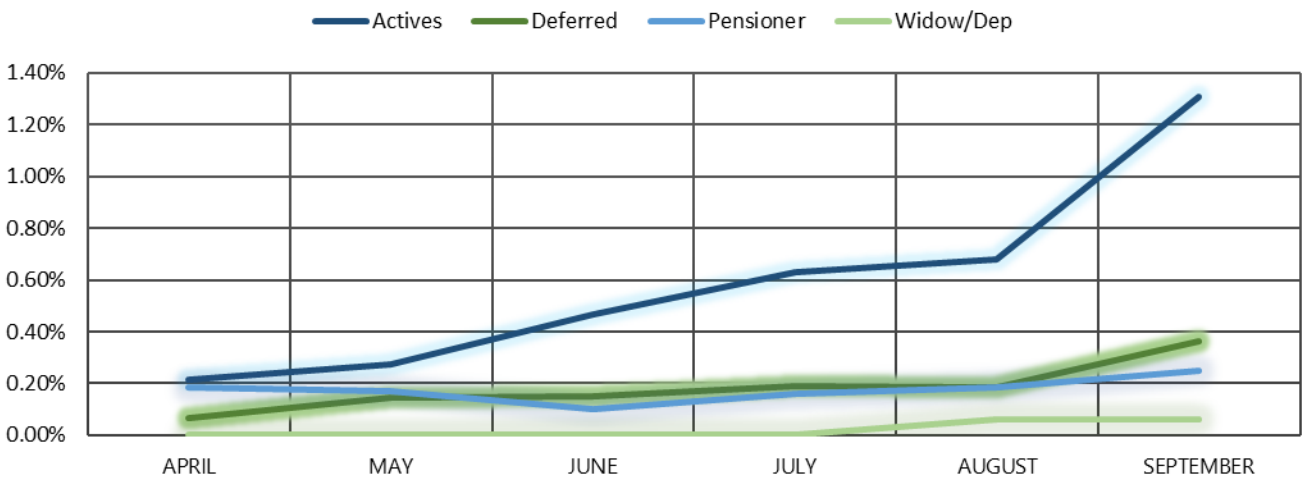


		APRIL		MAY		JUNE	
QUARTER 1	Actives	49	0.21%	63	0.27%	108	0.47%
	Deferred	15	0.06%	34	0.15%	35	0.15%
	Pensioner	40	0.18%	37	0.17%	22	0.10%
	Widow/Dep	-	-	-	-	-	-
	Total	104		134		165	

		JULY		AUGUST		SEPTEMBER	
QUARTER 2	Actives	145	0.63%	157	0.68%	302	1.31%
	Deferred	44	0.19%	43	0.19%	84	0.36%
	Pensioner	35	0.16%	40	0.18%	54	0.25%
	Widow/Dep	-	-	2	0.06%	2	0.06%
	Total	224		242		442	

		OCTOBER		NOVEMBER		DECEMBER	
QUARTER 3	Actives	196	0.85%	-	-	-	-
	Deferred	49	0.21%	-	-	-	-
	Pensioner	44	0.20%	-	-	-	-
	Widow/Dep	-	-	-	-	-	-
	Total	289		-		-	

Percentage of Registered Users Accessing Member Self Service Each Month of the Year Ending 31st March 2021



Additional Work

Guaranteed Minimum Pension reconciliation exercise

Work continues on this project, with the closure scan now expected during 2020.

Complaints

Type of complaint	Date received	Date responded
Delay in responding to member – query raised on previous correspondence (relating to combining benefits), and a response was provided. The member claimed the response was overly complex, and we said we would try to simplify this for her and unfortunately this did not happen.	18/11/2019	28/11/2019

Internal Dispute Resolution Process

For the 3 months to 30th September 2020 there are two known IDRPs cases:

- 1 related to November complaint regarding non-receipt of an Expression of Wish form
- 1 related to escalation to Stage 2 of a previous IDRPs case relating to ill health retirement. Papers have been issued to the Stage 2 nominated person and we are awaiting a response.

Pensions Ombudsman

For the 3 months to 30th September 2020 there are no known cases passed for consideration to, nor a ruling by, the Pensions Ombudsman.

High Court Ruling

For the 3 months to 30th September 2020 there are no known cases.

Annual Benefit Statements

The statistics for the Annual Benefit Statements issued for 2019/20 are shown below:

	Number	%
Active member employments at year end	23,423	
Not due ABS (status change pre ABS run)	442	1.89%
Due ABS	22,981	98.11%
Due – produced	21,854	95.10%
Due – not produced	1,127	4.90%
Not Produced – Detail	Number	% of Not Produced
Missing CARE pay	898	79.68%
Status change post ABS Run	81	7.19%
Exclude benefit calculation indicator set	2	0.18%
Other	146	12.95%

	Number	%
Deferred members Due and ABS	23,378	
Due – produced	20,269	86.70
Due – not produced	3,109	13.30%
Not Produced – Detail	Number	% of Not Produced
PI Not relevant	130	0.56%
Gone away/Lost Contact	2,968	12.70%
Widows pension missing	10	0.04%

Common Data

Data Item	Teesside Pension Fund				107 dependents
	Max Population	Total Fails	% OK	Prev %	
NINo	74,742	140	99.81%	99.80%	
Surname	74,742	0	100.00%	100.00%	
Forename / Inits	74,742	0	100.00%	100.00%	
Sex	74,742	0	100.00%	100.00%	
Title	74,742	52	99.93%	99.96%	
DoB Present	74,742	0	100.00%	100.00%	
Dob Consistent	74,742	0	100.00%	100.00%	
DJS	74,742	0	100.00%	100.00%	
Status	74,742	0	100.00%	100.00%	
Last Status Event	74,742	652	99.13%	99.27%	
Status Date	74,742	1,349	98.20%	98.62%	
No Address	74,742	349	99.53%	99.53%	
No Postcode	74,742	467	99.38%	99.37%	
Address (All)	74,742	4,104	94.51%	94.61%	
Postcode (All)	74,742	4,115	94.49%	94.61%	
Common Data Score	74,742	2,597	96.53%	97.07%	
Members with Multiple Fails	74,742	396	99.47%	99.50%	

Conditional Data

XPS Administration, Middlesbrough are working on a method to report Conditional Data. Discussions are ongoing with Aquila Heywood on a cost for this reporting function along with investigation on whether this can be achieved internally. This follows the issuance by SAB of 22 data fields that should be reported on.

Customer Service

Since December 2016, XPS Administration, Middlesbrough have included a customer satisfaction survey with the retirement options documentation.

A summary of the main points are as follows:

Issued	Returned	%
15,867	3,055	19.25

Question	Previous Response*	Current Response*
1. It was easy to see what benefits were available to me	4.26	4.27
2. The information provided was clear and easy to understand	4.19	4.19
3. Overall, the Pensions Unit provides a good service	4.29	4.29
4. The retirement process is straight forward	4.03	4.03
5. My query was answered promptly	4.45	4.45
6. The response I received was easy to understand	4.43	4.44
7. Do you feel you know enough about your employers retirement process	76.46%	76.51%
8. Please provide any reasons for your scores (from 18/05/17)		
9. What one thing could improve our service		
10. Did you know about the www.teespen.org.uk website? (from 18/05/17)	47.27%	47.53%
11. Did you use the website to research the retirement process? (from 18/05/17)	27.24%	27.40%
12. Have you heard of Member Self Service (MSS)? (from 18/05/17)	23.75%	23.80%

*scoring is out 5, with 5 being strongly agree and 1 being strongly disagree

Recruitment

Following the agreement of the Pensions Committee to fund enhancements to the Pensions Administration Services at their meeting of 7th March 2018, XPS Administration, Middlesbrough has looked to recruit into the roles required to provide this enhanced service.

XPS are currently reviewing processes to enable a move to monthly contribution postings which should lead to greater efficiencies, and more up to date information on member records.

Performance

Following discussions with both the Pension Board and Committee, XPS Administration are investigating a way to report the time between a member being entitled to a benefit and it being finalized (e.g. time between date of leaving and deferred benefit statement being issued or pension being brought into payment).

XPS Administration are therefore investigating whether sufficient reporting tools already exist within the pension administration system or whether bespoke reports are required to be developed (either internally or via the administration software providers).

The Pension Committee will be kept updated on the progress to provide this information.

Employer Liaison

Employers & Members

Employers seem to now be working extremely well adapting to the "new normal" and year end has been a very successful exercise in terms of engagement despite the constraints placed on us all suddenly back in March.

Annual benefit statements were issued to members at the end of August and we will be looking for feedback from members and employers on the paper format and also discuss the online version available.

This month we have started our Employer Health Check communication where we are virtually going to meet each employer to find out what they need from us in regards to training, and what we expect from them. These meetings will also involve general discussions on how employers are finding matters in the current situation. We are hoping to have the first tranche complete by Christmas.

Late Payments

Below shows the percentage of late payments each month in relation to the contributions received to the Teesside Pension Fund:

9 Employers

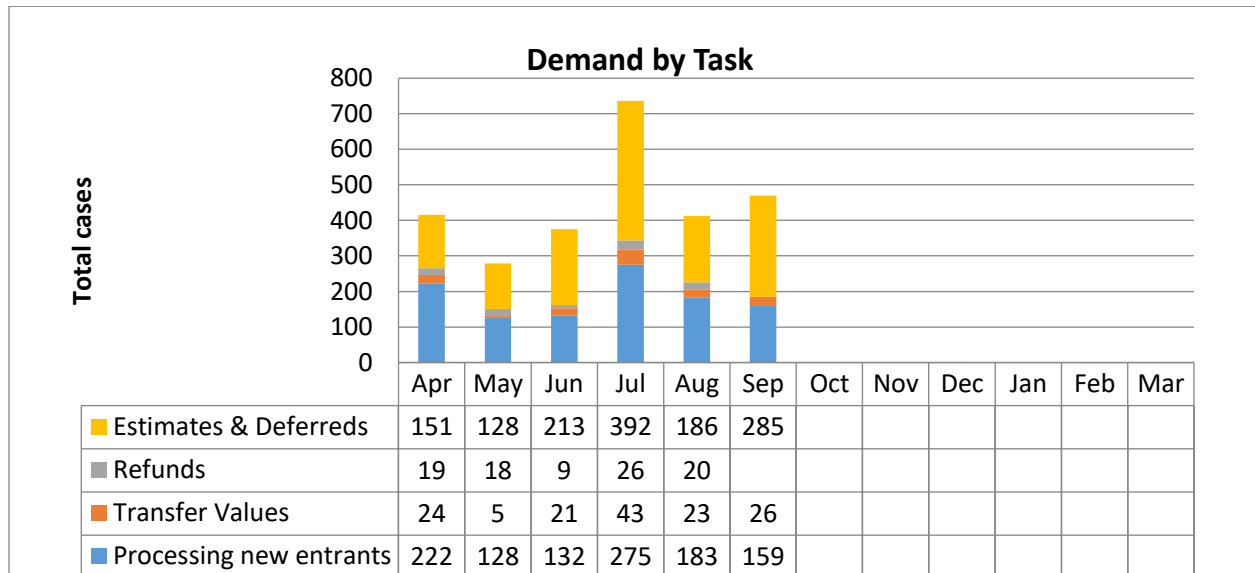
- Tees Valley community Asset Preservation Trust
- Northern Lights Learning Trust
- Lockwood Parish
- KGB
- Hartlepool Sixth Form
- FROG
- Thirteen
- Ecocleen
- Creative

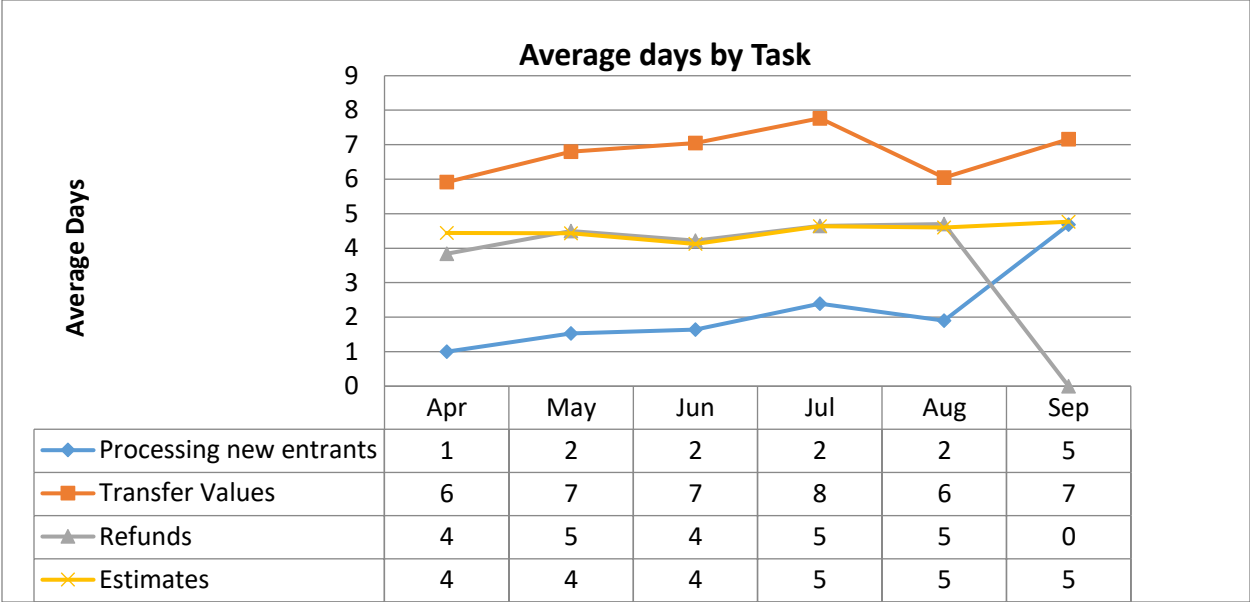
Some of these employers are regular offenders and we are in regular contact with them. We are finding that employers are having difficulties under the current working restraints and are never late sending sheets. We are now liaising with accounts and the employers after the number of late payments increased in August.

Date	Expected Payments	Late Payments	% Late	<10 Days Late	>10 Days Late
Aug-19	148	3	4.00%	2	1
Sep-19	148	4	4.00%	3	1
Oct-19	148	1	4.00%	0	1
Nov-19	156	6	2.00%	2	4
Dec-19	156	4	3.00%	4	0
Jan-20	158	4	3.00%	4	0
Feb-20	158	4	3.00%	4	0
Mar-20	158	2	1.00%	2	0
Apr-20	138*	4	3.00%	-	-
May-20	151	3	2.00%	0	3
Jun-20	151	2	1.00%	1	1
Jul-20	150	6	4.00%	6	0
Aug-20	150	9	6.00%	0	9

Performance Charts

Overall Demand





The following charts show performance against individual service level requirements.

April 2020

Page 134

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	99.55%	1.00	222	1	222	221
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	6	24	0	24	24
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	19	0	19	19
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	151	0	151	151
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

May 2020

Page 135

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.53	128	0	128	128
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	5	0	5	5
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	18	0	18	18
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	128	0	128	128
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

June 2020

Page 136

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.64	132	0	132	132
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	21	0	21	21
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	4	9	0	9	9
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	4	213	0	213	213
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

July 2020

Standard Reference No.	KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
F64	All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	2.39	275	0	275	275
F65	Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	8	43	0	43	43
F67	Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	26	0	26	26
F68 & F72	Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	392	0	392	392
F78	Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
F83	Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
F86	Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
F87	Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
F88	All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

August 2020

KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	1.90	183	0	183	183
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	6	23	0	23	23
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	100%	5	20	0	20	20
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	100.0%	5	186	0	186	186
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

September 2020

KEY PERFORMANCE REQUIREMENTS (KPR)	MONITORING PERIOD (Annually, Quarterly, Monthly, Half Yearly)	KPR Days	MINIMUM PERFORMANCE LEVEL (MPL)	ACTUAL PERFORMANCE LEVEL (APL)	Average Case Time (days)	Number of Cases	Over target	TOTAL (cases)	Within Target
All new entrant processed within twenty working days of receipt of application.	Monthly	20	98.50%	100.00%	4.68	159	5	159	159
Transfer Values - To complete the process within one month of the date of receipt of the request for payment.	Monthly	20	98.50%	100%	7	26	0	26	26
Refund of contributions - correct refund to be paid within five working days of the employee becoming eligible and the correct documentation being supplied.	Monthly	5	98.75%	0%	#DIV/0!	0	0	0	0
Merged Estimate Of Benefits and Deferred Benefits	Monthly	10	98.25%	0.0%	5	285	0	285	285
Pension costs to be recharged monthly to all employers.	Monthly		98.75%	100%	N/A	N/A	N/A		
Annual benefit statements shall be issued on a rolling basis ensuring that a scheme member shall receive a statement once a year.	Annual	April	98.75%	100%	N/A	N/A	N/A		
Payment of lump sum retiring allowance - Payment to be made within 6 working days of payment due date and date of receiving all the necessary information.	Monthly		98.75%	100%	N/A	N/A	N/A		
Pay eligible pensioners a monthly pension on the dates specified by the Council.	Monthly		100%	100%	N/A	N/A	N/A		
All calculations and payments are correct.	Monthly		98.75%	100%	N/A	N/A	N/A		

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