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Welcome

Welcome to **Inscribe** the quarterly newsletter for employers within the Royal County of Berkshire Pension Fund. Each edition of **Inscribe** contains the latest news and updates surrounding the Local Government Pension Scheme (LGPS).

The 95k Exit Payment Cap - regulations revoked

As previously reported the Government introduced a cap on the amount of money a public sector employer can pay when an employee leaves their employment - called the public sector exit cap, or £95k cap. This affected members over age 55 retiring on redundancy/efficiency grounds from 4 November 2020.

On 12 February 2021 the Government revoked the Public Sector Exit Payment Cap Regulations.

“After extensive review of the application of the Cap, the Government has concluded that the Cap may have had unintended consequences and the [2020] Regulations should be revoked. HMT Directions have been published that disapply the Cap until the Regulations have been revoked.”

The HM Treasury guidance is attached and can also be found via the following link:

<https://www.gov.uk/government/publications/guidance-on-public-sector-exit-payments>



Redundancy/Efficiency - what are the rules?

Due to the revocation of the exit cap Regulations, as an employer you are encouraged to revisit cases where former employees have had an exit date between 4 November 2020 and 12 February 2021, and to whom the cap applied, and make payment of any additional sums that your former employee would have expected to receive had the cap never been applied.

What is the redundancy/efficiency process going forward?

Redundancy/efficiency retirements will continue to be processed as they were before. As a reminder we have detailed this process below:

If a member is retired early on redundancy grounds (either through voluntary or forced redundancy) their employment is terminated in the interests of the efficient exercise of the service, their pension benefits are paid immediately if the member satisfies all of the following conditions:

- **They are aged 55 or over at the point they are retired on redundancy or efficiency grounds**
- **They have at least two years membership of the LGPS (or less than 2 years having previously accepted a transfer of former pension rights into the scheme from another LGPS Fund)**

Benefits paid in this way are released with immediate effect after the member's date of leaving and paid for their lifetime without reduction.

Any such retirement is a decision of the employer and not of the employee. In most cases there is a cost to the employer for the release of pension benefits on redundancy or efficiency grounds. Therefore we recommend you request an estimate from the pension team in advance of any decisions being made. We can then calculate in advance the value of the member's pension benefits and the cost (if any) to the employer. You can request an estimate by completing form **EST3** and forwarding this to info@berkshirepensions.org.uk

Link to employer forms including the EST3 form:

<https://www.berkshirepensions.org.uk/bpf/employers/employer-forms>

Award of additional annual pension - a reminder

Please note that in a case of redundancy or business efficiency the member's pension benefits are **not automatically enhanced to their Normal Pension Age**.

Employer's can apply a discretion to fund additional annual pension on behalf of their members, known as '**employer funded APCs**'. Employers can purchase up to £7,194 annual pension. The cost to the employer is based on how much the employer is choosing to purchase and the member's age.

If you are considering awarding additional pension in this way please refer to your policy statement in the first instance. The pensions team will provide you with an APC quotation on request.

Revised LGS15C leaver form

Due to the revocation of the exit cap regulations we have reverted back to the original style '**LGS15C Withdrawal from scheme**' form.

This latest version of the LGS15C is to be used with immediate effect. The form can be found in the 'Employer forms' section of our website:

<https://www.berkshirepensions.org.uk/bpf/employers/employer-forms>

Pensions Increase 2021 - confirmed

The rate of Pensions Increase is currently linked to the Consumer Prices Index (CPI) and is calculated in line with the CPI index based on the 12 months to September. The CARE pension built up each Scheme year is revalued in line with CPI from 1 April.

As the September 2020 CPI rate was 0.5%, pension accounts will be revalued from **1 April 2021** by **0.5%**.

Deferred and retired Scheme members will receive an increase of 0.5% to their pension benefits from **Monday 12 April 2021**.

C Consumer
P Price
I Index

Effective Date	Percentage Increase
12 April 2021	0.5%
6 April 2020	1.7%
8 April 2019	2.4%
9 April 2018	3%
10 April 2017	1%
11 April 2016	0.0%
6 April 2015	1.2%

2021/2022 Contribution Bands

Below are the employee contribution bands which will be effective from 1 April 2021. They are calculated by increasing the 2020/21 employee contribution bands by the September 2020 CPI figure of 0.5 per cent and then rounding down the result to the nearest £100.

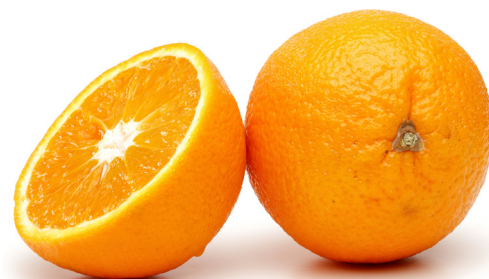
Contribution Rates 2021/2022			
Pay Band		MAIN Section	50/50 Section
1	Up to £14,600	5.5%	2.75%
2	£14,601 to £22,900	5.8%	2.9%
3	£22,901 to £37,200	6.5%	3.25%
4	£37,201 to £47,100	6.8%	3.4%
5	£47,101 to £65,900	8.5%	4.25%
6	£65,901 to £93,400	9.9%	4.95%
7	£93,401 to £110,000	10.5%	5.25%
8	£110,001 to £165,000	11.4%	5.7%
9	£165,001 or more	12.5%	6.25%

Please assess your staff from 1 April 2021 based on the above table. The assessment should be based on the actual pensionable each of your members is expected to receive for the year ahead.

Reminder about the 50/50 Section

If you have any employees who are in the 50/50 section you must re-enrol them into the MAIN section of the scheme if the following occurs:

- The member returns to work following a period of unpaid leave
- You go through your auto-enrolment / re-enrolment process.



The 50/50 election form and factsheet is available from our website:

<https://berkshirepensions.org.uk/media/1657/download>

Employer Contribution rates 2021/2022

Please ensure you deduct the correct employer contribution rate from 1 April 2021.

The amount each employer contributes is outlined in the **Rates & Adjustment Certificate** that forms part of the formal valuation of the Pension Fund. Your employer contribution rate for 2021/2022 can be found on the Rates and Adjustment Certificate (pages 30-47) contained within the Valuation Report link below:

https://www.berkshirepensions.org.uk/sites/default/files/2020-06/bpf_berkshire_valuation_report_march_2019.pdf

You should also receive an e-mail in March from Renee Passman who will confirm your employer rate for the coming year. If you have a query on the employer contribution rate you should be paying from 1 April 2021 please contact Renee Passman (in the first instance) or Kevin Taylor:

Renee Passman: renee.passman@rbwm.gov.uk 01628 796705
Kevin Taylor: kevin.taylor@rbwm.gov.uk 07792 324393

LGPS Employers FAQs

The LGA have created a Covid-19 FAQ web page for LGPS employers. The FAQs are based around questions and feedback from the LGA's Covid-19 employer webinars. The FAQs are designed to help employers understand pension issues that may arise during the pandemic.

<http://www.lgpsregs.org/news/covid-EFAQs.php>

You can also access recordings of previous webinars on this page.



Your Local Pension Board needs you!

A vacancy has arisen for a scheme employer representative to join the Pension Board. Formed in 2015 to meet the requirements of both the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations 2013, the Berkshire Pension Board meets 4 times a year, and has an important oversight role on behalf of both scheme members and scheme employers in making sure the Royal Borough of Windsor & Maidenhead (RBWM) as administering authority for the Royal County of Berkshire Pension Fund is running the Pension Fund properly.

Since 2015, the employer representatives have always come from the major local authorities in the County, but following a review the Board and senior managers of the Pension Fund would like to see a representative of smaller employers, particularly those in the Education (Academy) Sector is included but we would be happy to hear from anyone who might be interested in the pension scheme and how it operates.



Because of Covid, the 2020 meetings have taken place by Zoom and a recording of them plus all meeting papers can be found at

<https://rbwm.moderngov.co.uk/ieListDocuments.aspx?CId=298&MId=7632&Ver=4> which prospective applicants may find helpful.

Key areas the Pension Board considers include:

- Operational risks involved in governing and administering the Local Government Pension Scheme;
- How the Pension Fund meets statutory requirements and evidence it is doing so;
- Monitoring performance in line with the pension administration strategy ;
- Monitoring pension contributions payments and other sums due to the Pension Fund ;
- Whether circumstances have arisen that should be reported to the Pensions Regulator.

This is by no means a definitive list but it is clear from guidance issued by the Pensions Regulator that there are certain key objectives to be achieved:

- To protect the benefits of scheme members;
- To identify, manage and reduce the risks involved in managing the scheme;
- To promote, and improve understanding of good administration of work-based pension schemes;
- To maximise compliance with the duties and safeguards in the Pensions Act and associated legislation.

Practically, the role of the Pension Board is to assist the Scheme Manager (i.e. RBWM) in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and with any requirements imposed by the Pensions Regulator.

The terms of reference for the Pension Board are set out in the Council's Constitution with membership of the Board (by law) consisting equally of scheme member and scheme employer representatives (currently three of each).

Board members are unpaid but have a duty to be conversant with the LGPS regulations, any document recording policy about the governance and administration of the scheme and to have an understanding of the law relating to pensions. Most therefore have a background in HR or Finance, but this is not particularly necessary as training is provided so the Board can be effective.

If you would be interested in being an employer representative of the Pension Board or you wish to find out more about the role please email **Kevin Taylor, Pension Services Manager** at kevin.taylor@rbwm.gov.uk

Employer resources

The LGPS Regs website has been updated with some changes to make it easier for Scheme employers to access information and resources that are relevant.

<http://www.lgpsregs.org/employer-resources/index.php>

- **Employer guides and documents**

Containing guides and documents relevant to the LGPS Employers in England and Wales.

<http://www.lgpsregs.org/employer-resources/guidesetc.php>

- **LGPS Employer bite-size training**

As part of the LGPS Regs website update the LGA have launched bite-sized training section.

<http://www.lgpsregs.org/employer-resources/employer-bite-size-training.php>

There are currently six modules on Assumed Pensionable Pay (APP).

Further employer training modules will be added to the website when they are completed.



Year-end 2021 timescales

You or a colleague will have received during week commencing Monday, 8 February an e-mail from Philip Boyton providing you with year-end 2021 guidance.

In preparation for the 2021 year-end process we have provided revised '**Year-end 2021 Scheme Employer Guidance Notes**'. The guidance notes can be accessed through the link below: A copy of the accompanying year-end Excel spreadsheet is also attached:

The year-end 2021 scheme employer guidance and year-end spreadsheet can downloaded via the following link:

<https://www.berkshirepensions.org.uk/bpf/employers/year-end-procedures>

The guidance notes have been designed to assist you as a scheme employer to meet your obligations under the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended) when preparing to provide your year end data to the Royal County of Berkshire Pension Fund for the scheme year ending 31 March 2021. The deadline for submission of your 2020/2021 year-end file will be **30 April 2021**.

Year-end Timetable 2021	
31 March 2021	End of the Scheme Year
By 30 April 2021	All year end files to have reached the Pension Fund.
During 1 April 2021 to 31 May 2021	The Pension Fund to process year end files
During 1 April 2021 to 15 June 2021	Scheme employers to respond to year end queries within two weeks.
During 1 April 2021 to 31 July 2021	The Pension Fund to process responses from scheme employers.
During 1 August 2021 to 31 August 2021	The Pension Fund to extract LGPS member data to send to printers. Issue Annual Benefit Statements to LGPS members in line with statutory obligation.

If you have any questions regarding year-end please contact **Philip Boyton** on **01628 796 752** or e-mail philip.boyton@rbwm.gov.uk

- If you are a user of i-connect you will not be required
- to submit a year-end return. However you may still be
- contacted with queries identified as part of the month 12
- reconciliation process but it is anticipated the number of
- queries will be low in number.



Updated LTA and AA limits 2021/22

Revised Annual Allowance (AA) and Lifetime Allowance (LTA) limits apply from **6 April 2021**. The Annual Allowance remains unchanged at **£40,000** for 2021/22. The Lifetime Allowance limit increases to **£1,078,500**.

Lifetime Allowance		Annual Allowance
2021/22	£1,078,500	£40,000
2020/21	£1,073,000	£40,000
2019/20	£1,055,000	£40,000
2018/19	£1,030,000	£40,000
2017/18	£1,000,000	£40,000

LGPS bite-sized videos

The LGA have made a series of bite-sized videos aimed at Scheme members - “*pensions made simple*”

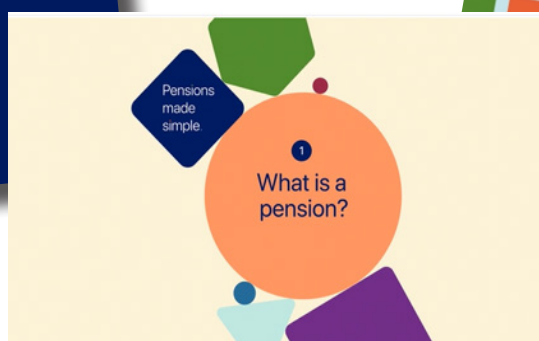
Each video is less than 4 minutes long and provides a short summary around a specific LGPS topic.

- What is a pension?
- How your pension works
- Looking after your pension
- Protection for you and your family
- Life after work
- Your annual allowance
- Your lifetime allowance



Please feel free to add the link below to your intranet sites or online communications to staff.

Click on the link below to view the videos:
<https://www.lgpsmember.org/more/Videos.php>



The McCloud case - *update and timeline*

In 2014 the Government introduced reforms to public service pensions, meaning most public sector workers were moved into new pension schemes in 2014 and 2015.

In **December 2018**, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judges' and firefighters' pension schemes, as part of the reforms, gave rise to unlawful discrimination.

On **15 July 2019** the Chief Secretary to the Treasury made a written ministerial statement confirming that, as 'transitional protection' was offered to members of all the main public service pension schemes, the difference in treatment will need to be removed across all those schemes for members with relevant service.

The changes to the LGPS include transitional protection for members who were within 10 years of their Final salary Scheme normal pension age on 1 April 2012, ensuring that they would receive a pension that was at least as high as they would have received had the scheme not been reformed to a Career Average Revalued Earnings scheme from 1 April 2014.

Like all LGPS Pension Funds we are currently analysing the membership whilst working closely with both our actuary, Barnett Waddingham, and pension software provider, heywood Limited, to identify those members impacted by this judgement leading to a recalculation of deferred and in payment scheme member benefits. Once this analysis has been completed the Pension Fund will be in a position to contact you again for details of any changes to hours and weeks of pensionable employment that have occurred since 1 April 2014 for all or only those scheme members identified.

Keep updated with the latest at

<https://lgpsboard.org/index.php/structure-reform/mccloud-page>



Employer resources

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<http://www.lgpsregs.org/employer-resources/index.php>

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There are currently six modules on Assumed Pensionable Pay (APP).

Further employer training modules which will be added to the website when they are completed.

Shared Cost AVCs

As reported in previous editions of *Inscribe* the AVC provider for the Berkshire Pension Fund, Prudential now support the payment of Additional Voluntary Contributions (AVCs) through a salary sacrifice shared cost arrangement.



Prudential don't have a facility in place to do this directly for employers, however AVC Wise was been created by PSTAX to assist with this initiative. PSTAX are the leading tax specialists within the Public Sector.

LGPS members already benefit from tax relief on the AVC payments they make, but by establishing an AVC salary sacrifice arrangement both the employer and the employee will make a saving on the National Insurance contribution paid every month.

Further information and contact details for AVC Wise can be found on the next page.

Make valuable savings for your organisation, and your staff...

Shared Cost Additional Voluntary Contributions (Shared Cost AVCs) facilitated by experts in both Tax and the Local Government Pension Scheme (LGPS).

AVC Wise Ltd, brought to you by PSTAX, manage the employee onboarding and ongoing management of salary sacrifice Shared Cost AVC schemes for members of the LGPS.

When making contributions on a shared cost basis, you and your employees enter into a salary sacrifice arrangement, which means you both make contributions into the AVC fund held by your current provider, Prudential.

Employer savings - your organisation will enjoy National Insurance contribution (13.8%) and Apprenticeship Levy* (0.5%) savings

Employee savings - your staff benefit from National Insurance contribution savings in addition to Income Tax

Working with AVC Wise makes launching a Shared Cost AVC scheme easy:

- Complete end to end project management
- Bespoke webinars for your staff to learn more about their retirement options
- Free highly effective employee communication plan to increase take up

Save your organisation money at this crucial time.

Contact AVC Wise today for a personalised proposal of how much we could help your organisation save.

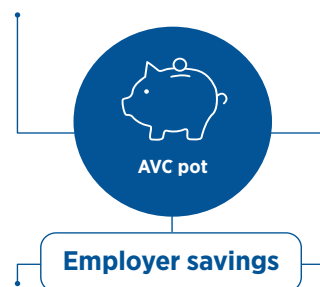
Here's an example of how much you could be saving:



£1 tax relief contribution



£199 contribution via salary sacrifice



£34,148 saved
in total per year



£341.48 saved
per employee
per year

E-mail Jonathan.Kempson@AVCWise.co.uk

Call **01252 784 546**

/AVCWiseOfficial

@AVCWise

AVC WISE

*Only applicable to employers with a payroll over £3m where the full Apprenticeship Levy fund is not used

Teachers' Pension Scheme - Employer contribution grant

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The Government updated its guidance for further education providers on 21 January 2021, covering the teachers' pension grant for the financial years 2019 to 2020 and 2020 to 2021.

The guidance can be viewed via the link below:

<https://www.gov.uk/government/publications/teachers-pension-scheme-employer-contribution-grant-further-education-providers>

Useful contacts

Please find detailed below some further links to external websites containing information relating to the LGPS.

Berkshire Pension Fund website	https://www.berkshirepensions.org.uk
Employer' Section	https://www.berkshirepensions.org.uk/bpf/employers
Employer Self Service facility	https://www.berkshirepensions.org.uk/bpf/employers/employer-self-service
National LGPS website	https://www.lgpsmember.org
LGPS Regs website	http://lgpsregs.org/index.php
HR Guide	http://www.lgpslibrary.org/assets/gas/ew/HRv3.11c.pdf
Payroll Guide	http://www.lgpslibrary.org/assets/gas/ew/Pv3.9c.pdf
The Pensions Regulator	http://www.thepensionsregulator.gov.uk/en/employers
State Pension Age calculator	https://www.gov.uk/state-pension-age
State Pension information	https://www.gov.uk/check-state-pension
'my pension ONLINE'	https://mypensiononline.berkshirepensions.org.uk/

Employer Factsheets

'Pension Pointers' are a series of topical factsheets exclusively designed for employers administering the Local Government Pension Scheme within Berkshire. Each factsheet contains information on a particular LGPS topic. The factsheets are available to download from our website.

Factsheet No.	Name	What's inside?
1	Final Pay	<ul style="list-style-type: none"> • What is Final Pay? • Protected Final Pay • How to calculate Final Pay? • Final Pay calculation examples • Notification of Final Pay • Calculating Pension based on Final Pay
2	CARE Pay	<ul style="list-style-type: none"> • What is CARE? • Pension Build Up • How does a CARE Scheme Work? • CARE Scheme Example • Completion of CARE Pay on LGS15C
3	Contributions	<ul style="list-style-type: none"> • Employee Contributions - MAIN and 50/50 Sections • Assessing the Employee Contribution Rate • Employer Contributions • Paying Contributions to the Fund • Employer Policy Statement • Additional Contributions • Employer Contributions • Opting Out
4	Pensionable Pay	<ul style="list-style-type: none"> • Pensionable Pay • Definition of Pensionable Pay • Pensionable Pay Checklist • Assumed Pensionable Pay • Ill-Health and Death in Service APP
5	Retirement	<ul style="list-style-type: none"> • Normal Retirement • Early Retirement • Flexible Retirement • Redundancy and Efficiency Retirement • Ill-health Retirement • Late Retirement • Notice periods and forms • Estimate requests

All the above factsheets can be found on our website via the link below:

<https://www.berkshirerpensions.org.uk/bpf/employers/employer-factsheets>

Contact us

If you would like to discuss any items contained in this newsletter please do not hesitate to contact us on the numbers below:

Kevin Taylor	Pension Services Manager	07792 324393	kevin.taylor@rbwm.gov.uk
Philip Boyton	Pension Administration Manager	01628 796752	philip.boyton@rbwm.gov.uk
Sandra Rice	Deputy Pension Administration Manager	01628 796743	sandra.rice@rbwm.gov.uk
Joanne Benstead	Assistant Pensions Manager	01628 796754	joanne.benstead@rbwm.gov.uk
Rachael Granger	Technical Analyst	01628 796765	rachael.granger@rbwm.gov.uk

Royal County of Berkshire Pension Fund

Minster Court, 22-30 York Road, Maidenhead, Berkshire, SL6 1SF

Helpdesk: 01628 796 668

E-mail: info@berkshirepensions.org.uk

www.berkshirepensions.org.uk

