

## Inside this issue

Spring LGPS updates Contribution Bands for 2021/2022	1
Employer Contribution Rates	3
New APC limit 2021/2022	3
Revised Employer forms 2021/2022	4
LTA and AA limits 2021/2022	6
Redundancy/Efficiency - What are the rules?	7
Active member newsletter published	8
Pension surgery appointments	10
Shared cost AVCs	11
Useful contacts	13

## 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).

## Spring LGPS updates

### Contribution Bands for 2021/2022

Below are the employee contribution bands 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%

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

# Assessing contribution rates

Employers assess their staff from 1 April every year to determine the employee contribution rate that they will pay for the year ahead based on their pensionable pay and the current contribution table.

However where an active member has a material change in their employment that affects their pensionable pay you can determine if a new contribution rate from a different band should be applied.

This discretion forms part of your policy statement. Your policy statement is a public document which should be made available to your staff and reviewed regularly.

You can find out more about formulating or reviewing your employer policy statement by downloading our guide: <https://www.berkshirepensions.org.uk/media/1613/download/>

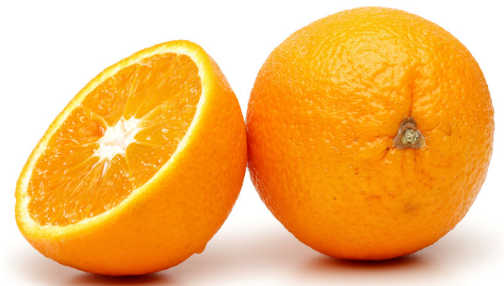
## 50/50 Section

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>



**Example - MAIN section versus 50/50 section**  
based on an annual salary of £20,000.

SCHEME SECTION	MAIN	50/50
Percentage contribution per month	5.8%	2.9%
Annual pension build up	£408.16	£204.08
Death in service grant	£60,000	£60,000

# Employer Contribution rates

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

You should have already received an e-mail in March from Renee Passman confirming 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](mailto:renee.passman@rbwm.gov.uk) 01628 796705

**Kevin Taylor:** [kevin.taylor@rbwm.gov.uk](mailto:kevin.taylor@rbwm.gov.uk) 07792 324393

The 2021/2022 Contribution Return template and accompanying guidance notes can be found in the Employer Forms section of our website:

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

## New APC limit - 2021/2022

Under the LGPS regulations members can elect to purchase additional annual pension through the payment of **Additional Pension Contributions (APCs)**.

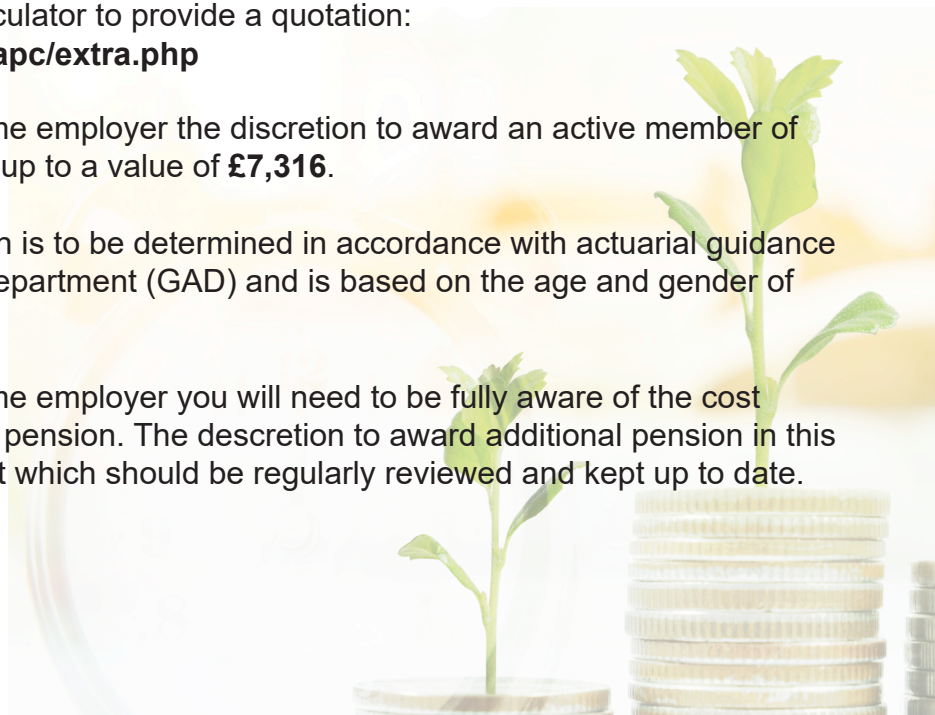
The maximum amount of additional annual pension that can be purchased under the LGPS can change every April to reflect the rise in cost of living. Please note the maximum amount of additional annual pension which can be purchased from 1 April 2021 has increased to £7,316 (the 2020/21 value was £7,194). Scheme members can calculate the cost of buying additional annual pension by using an online calculator to provide a quotation:

<https://www.lgpsmember.org/more/apc/extra.php>

In addition regulation 31 gives a Scheme employer the discretion to award an active member of the Scheme additional annual pension up to a value of **£7,316**.

The cost of providing additional pension is to be determined in accordance with actuarial guidance issued by the Government Actuary's Department (GAD) and is based on the age and gender of the member.

If you were considering this as a scheme employer you will need to be fully aware of the cost implications in awarding any additional pension. The discretion to award additional pension in this way forms part of your policy statement which should be regularly reviewed and kept up to date.



# Revised employer forms 2021/2022

The Employer Forms section on our website contains the pension forms we require for completion at different stages of an employee's LGPS scheme membership.

All forms can be downloaded via our website at:

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

Form	Title	Reason for Use
LGS1B	<b>Brief Guide to the Berkshire Pension Fund</b>	Include with new contracts of employment issued from <b>1 April 2021</b>
LGS10	<b>Application to opt-in to the LGPS</b>	Employees wishing to opt-in to the LGPS
LGS10B	<b>Application for re-entry to the MAIN Section from the 50/50 Section</b>	Employees wishing to opt back in to the MAIN Section from the 50/50 Section.
LGS5050	<b>Application to opt-in to the 50/50 Section</b>	Factsheet and application form for members wishing to opt-in to the 50/50 Section of the LGPS
LGS15A(5050)	<b>Notification of Entry to the 50/50 Section of the LGPS</b>	Formal notification to Berkshire Pension Fund advising of a member opting in to the 50/50 Section.
LGS15A	<b>Admission to the Scheme</b>	Formal notification to Berkshire Pension Fund advising of a member joining the LGPS
LGS15C	<b>Withdrawal from the Scheme</b>	Formal notification to Berkshire Pension Fund advising of a member opting-out, leaving or retiring from the LGPS
LGS15C (i-Connect)	<b>Withdrawal from the Scheme</b>	Withdrawal notification for users of i-Connect
LGS15D	<b>Opt-out notification</b>	Formal notification to the Berkshire Pension Fund of a member who has opted-out of the LGPS with no further entitlement to a pension. Please complete this form if the member has received a refund through payroll
<b>Employer Estimate Requests</b>		
EST3	<b>Request for an Estimate of Pension Benefits for an active Member</b>	Please complete this form to request an estimate of pension benefits for an <b>active</b> member. Employer estimate requests will be generated within 5 working days of your request.
EST4	<b>Request for an Estimate of Pension Benefits for a former Member</b>	Please complete this form to request an estimate of pension benefits for a <b>former</b> member. Employer estimate requests will be generated within 5 working days of your request.
LGS44	<b>Early Retirement Costs</b>	A factsheet for employers providing further information surrounding early retirement capital costs.



# LGS1B - Brief guide to the LGPS

As part of an employee's appointment process a Scheme Employer should provide new employees with a copy of the short scheme guide (LGS1B) alongside their contract of employment. The LGS1B provides a summary of the LGPS and what it can provide for members. The 2021/2022 LGS1B can be downloaded from the Employer Forms section of our website. Please include this factsheet in contracts of employment commencing from **1 April 2021**:

<https://www.berkshirepensions.org.uk/media/1653/download/>

The LGS1B highlights the benefits of being a member of the LGPS and provides a brief overview of:

- The cost of being a member of the LGPS
- What type of Scheme is the LGPS?
- The 50/50 Section
- Transferring former pension rights
- Death in service information



## LGS15C Withdrawal from scheme *reminder*

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>



# LTA and AA limits 2021/2022

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 is frozen and will remain at **£1,073,100** until the end of the 2025/26 tax year.

Lifetime Allowance		Annual Allowance
2021/22	£1,073,100	£40,000
2020/21	£1,073,100	£40,000
2019/20	£1,055,000	£40,000
2018/19	£1,030,000	£40,000
2017/18	£1,000,000	£40,000

## Pensions Increase 2021

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 were revalued from **1 April 2021** by **0.5%**.

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



Active Members		Deferred/Retired Members	
Date	Percentage	Date	Percentage
1 April 2021	0.5%	12 April 2021	0.5%
1 April 2020	1.7%	6 April 2020	1.7%
1 April 2019	2.4%	8 April 2019	2.4%
1 April 2018	3%	9 April 2018	3%
1 April 2017	1%	10 April 2017	1%
1 April 2016	-0.10%	11 April 2016	0%
1 April 2015	1.2%	6 April 2015	1.2%

# Redundancy/Efficiency - what are the rules? - a reminder

As previously reported the exit cap Regulations (originally made on 4 November 2020) were revoked on 12 February 2021. Any redundancy or efficiency retirement cases are now processed as they were before the cap was introduced.

## What is the redundancy/efficiency retirement process?

If a member is retired early on redundancy grounds (either through voluntary or forced redundancy) or 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:

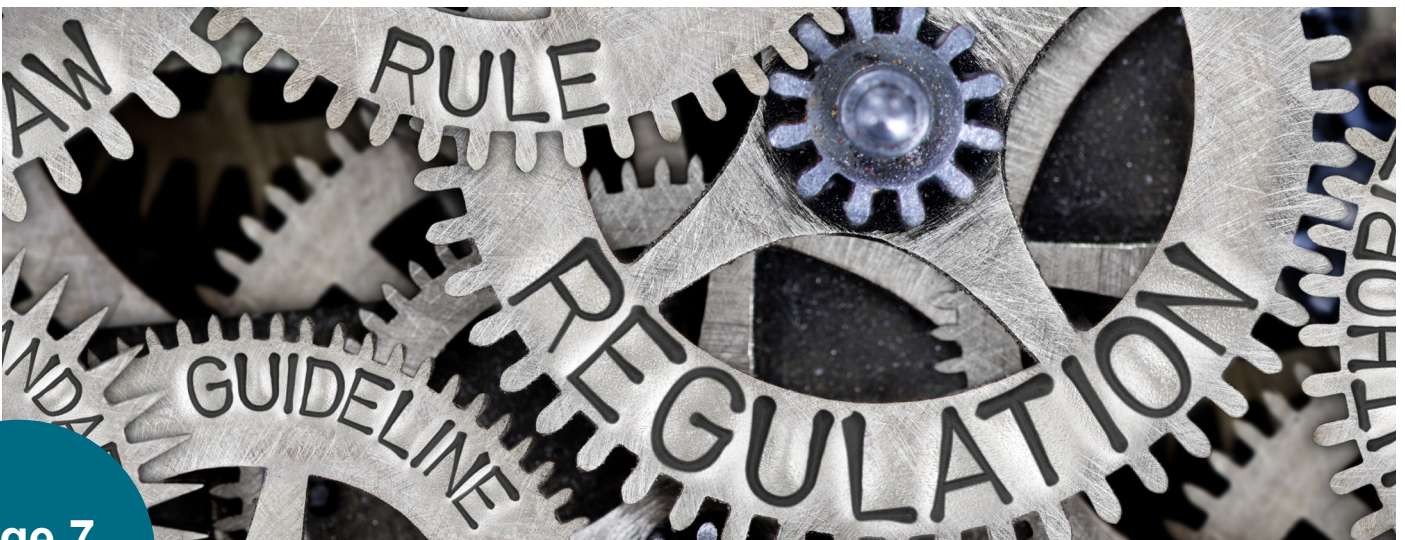
- They are aged 55 or over at the point they are retired on redundancy or efficiency grounds
- They have at least two years membership of the LGPS (or less than 2 years having previously accepted a transfer of former pension rights into the scheme from another LGPS Fund)

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 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](mailto:info@berkshirepensions.org.uk)

**Link to employer forms including the EST3 form:**

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





# Active member newsletter published

Our Spring newsletters have been published for our active and retired members.

The newsletters are available on our website and via our online portal - 'my pension ONLINE'.

Please notify your staff that the newsletter is available for them to view.

Items include:

- **The latest on the McCloud judgement**
- **Contribution tables for 2021/2022**
- **Revocation of Public Sector exit cap**
- **Pensions Increase 2021**

The current issue can be found at:



[https://www.berkshirepensions.org.uk/sites/default/files/2021-04/bpf\\_active\\_quill\\_spring\\_2021.pdf](https://www.berkshirepensions.org.uk/sites/default/files/2021-04/bpf_active_quill_spring_2021.pdf)

Previous member newsletters can be found via the link below:

<https://www.berkshirepensions.org.uk/bpf/publications/pension-fund-newsletters>

## 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 was **30 April 2021**.

Year-end Timetable 2021	
<b>31 March 2021</b>	End of the Scheme Year
<b>By 30 April 2021</b>	All year end files to have reached the Pension Fund.
<b>During 1 April 2021 to 31 May 2021</b>	The Pension Fund to process year end files
<b>During 1 April 2021 to 15 June 2021</b>	Scheme employers to respond to year end queries within two weeks.
<b>During 1 April 2021 to 31 July 2021</b>	The Pension Fund to process responses from scheme employers.
<b>During 1 August 2021 to 31 August 2021</b>	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](mailto: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.



# Pension Surgery appointments

In light of the current social distancing restrictions in place we do not know when we will be able to resume our face to face pension surgery events.

As an alternative we are able to offer a virtual pension surgery for your staff.

We can arrange a pension surgery to take place on a particular date (or over two days) and your staff members can request a 20 minute appointment either via Microsoft Teams or over the telephone.

If you would be interested in offering a pension surgery for your staff please contact Joanne Benstead - [joanne.benstead@rbwm.org.uk](mailto:joanne.benstead@rbwm.org.uk)

## LGPS bite-sized videos

The LGA have made a series of bite-sized videos aimed at Scheme members - “**pensions made simple**”. A new ‘Transferring your pension’ video has recently been added to the collection.

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
- Transferring your pension

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>

Pensions  
made  
simple.

Pensions  
made  
simple.

1  
What is a  
pension?

# 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.**

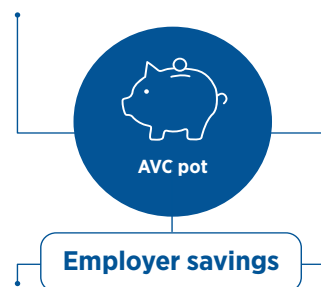
**Here's an example of how much you could be saving:**



£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](mailto: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



# Useful contacts

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

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



# 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?
<b>1</b>	Final Pay	<ul style="list-style-type: none"> <li>• What is Final Pay?</li> <li>• Protected Final Pay</li> <li>• How to calculate Final Pay?</li> <li>• Final Pay calculation examples</li> <li>• Notification of Final Pay</li> <li>• Calculating Pension based on Final Pay</li> </ul>
<b>2</b>	CARE Pay	<ul style="list-style-type: none"> <li>• What is CARE?</li> <li>• Pension Build Up</li> <li>• How does a CARE Scheme Work?</li> <li>• CARE Scheme Example</li> <li>• Completion of CARE Pay on LGS15C</li> </ul>
<b>3</b>	Contributions	<ul style="list-style-type: none"> <li>• Employee Contributions - MAIN and 50/50 Sections</li> <li>• Assessing the Employee Contribution Rate</li> <li>• Employer Contributions</li> <li>• Paying Contributions to the Fund</li> <li>• Employer Policy Statement</li> <li>• Additional Contributions</li> <li>• Employer Contributions</li> <li>• Opting Out</li> </ul>
<b>4</b>	Pensionable Pay	<ul style="list-style-type: none"> <li>• Pensionable Pay</li> <li>• Definition of Pensionable Pay</li> <li>• Pensionable Pay Checklist</li> <li>• Assumed Pensionable Pay</li> <li>• Ill-Health and Death in Service APP</li> </ul>
<b>5</b>	Retirement	<ul style="list-style-type: none"> <li>• Normal Retirement</li> <li>• Early Retirement</li> <li>• Flexible Retirement</li> <li>• Redundancy and Efficiency Retirement</li> <li>• Ill-health Retirement</li> <li>• Late Retirement</li> <li>• Notice periods and forms</li> <li>• Estimate requests</li> </ul>

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:

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

## 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](mailto:info@berkshirepensions.org.uk)**

**[www.berkshirepensions.org.uk](http://www.berkshirepensions.org.uk)**

