ITEM No …8………..

REPORT TO: **PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 26 JUNE 2023**

REPORT ON: **PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE TO 31 MARCH 2023**

REPORT BY: **EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

REPORT NO: **199-2023**

1. PURPOSE OF REPORT

This report provides information on the recent quarter’s operational performance in relation to Pension Administration.

2. RECOMMENDATIONS

Members are asked to note the contents of the report.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications.

4. BACKGROUND

This report focusses on statutory performance and is subject to ongoing development to provide enhanced reporting functionality to improve the quality of information on administration performance and compliance.

5. SERVICE SUMMARY

5.1. Summary of Statutory Performance Requirements

The following table summarises the performance of the fund administration against statutory requirements:

	Received			Completed				Average Days			
Category	Current	Prior	% change	Current	Prior	% change	Statute Days	Current	Prior	% change	Cases beyond Statute at end of Quarter
New member processing	211	205	3%	313	536	-42%	60	27	40	-32%	
Estimate	196	160	23%	195	193	1%	60	74	91	-18%	
Options	462	425	9%	442	508	-13%	60	75	76	-1%	22
Actual	261	270	-3%	266	252	6%	60	19	15	25%	
TV In	22	39	-44%	23	47	-51%	60	52	38	37%	
TV Out	152	127	20%	121	160	-24%	90	37	48	-22%	
Deferred	298	222	34%	284	369	-23%	60	54	75	-27%	1
Death	223	183	22%	223	183	22%	60	15	15	2%	
Death Grant	46	30	53%	30	39	-23%	60	68	73	-7%	
Dependant	88	51	73%	63	51	24%	60	31	36	-12%	
Divorce	20	15	67%	16	28	-43%	90	30	56	-46%	
Total	**1989**	**1724**	**15%**	**1976**	**2366**	**-16%**					

The following provides further detail on statutory task data:

Overall Caseload: Case volumes increased slightly in comparison to the last quarter, and whilst the team were again able to process in excess of received volume, there were a small number of cases were out-with statute at the end of the period. Whilst all efforts were made to bring all cases into statute the team were still dealing with the impact of large call and email volumes. Some key team members remain involved in the training required for new postholders, and sickness absence was also encountered in 2 key senior roles and this impacted the team's ability to fully meet requirements. Whilst resources are prioritised, recruitment exercises were still ongoing at end of the quarter.

Prioritised Tasks:

- **Issue of Pension Options & Pensions Brought into Payment**

  The team continues to give priority to the payment of benefits in line with TPR priorities. Over the period the following points are relevant:

  - Pensions Options, a 9% increase in cases received was noted in the period
  - Pensions brought into payment, a 6% increase in pensions paid was achieved in the period

- **Processing of Death Benefits, Payments of Death Grants, and Dependant Pensions**

  - Death Grant cases complexity continues to result in fluctuating processing times and number of cases completed.
  - An increase in reported deaths of 22% was noted in the period.
  - An increase in dependent cases of 73% was noted in the period.

Other Statutory Tasks:

- **New Member Processing:** These number returned to expected levels for the period.
- **Estimates:** Cases received during the quarter increased against the previous quarter. With the introduction of the ability for members to process their own estimates via the Member Self Service Portal, these estimates are more complex and cannot be processed via MSS by the member.
- **Deferred Member Processing:** An increase of 34% of new cases was seen in this quarter. Although the team were impacted by absence, they were able to achieve a reduction in processing days of 27% over this period for the cases completed.
- **Outbound Benefit Transfers**: Case volumes completed was increased by 20%.
- **Inbound Benefit Transfers**: A reduction both in cases received and processed was noted during this period. Training has been provided to new postholders on the topic and this is reflected in the overall volumes processed.
- **Divorces:** Case volumes received remained consistent form the last quarter, but cases completed saw decrease.

5.2. Other Pension Operations

The following table summarises the other operations undertaken in addition to statutory requirements:

	Received			Completed			Average Days		
Category	Current	Prior	% change	Current	Prior	% change	Current	Prior	% change
Amendments	346	351	-1%	307	355	-14%	24	31	-21%
Certificates	67	31	116%	21	44	-52%	32	64	-50%
Other admin tasks (e.g. age 55 reviews)	718	700	3%	601	625	-4%	37	34	9%
Other pensions processes (e.g. refunds)	1087	685	59%	507	551	-8%	202	153	32%

5.3. Employer Contributions

One employer continued to have issues during the quarter. Both Fund Officers and the team have supported this employer and hopes that this is now resolved, and these issues will not recur next quarter. Another employer also missed the deadline for payment twice and had to be urged for payments. This employer changed ownership and management in recent times, and discussions are being held with them to ensure that they fully understand their statutory responsibilities and that their returns are issued timeously during the next quarter. These employers were accountable for 5 late payments during the quarter.

5.4. Employers and Member Online Portals

MSS Update

On 31/03/2023 we had 16,467 of a possible 40,190 members registered for the Member Self Service Portal with an uptake rate of 41%. We are still exploring the possibility of getting pensioner payslips added to this but we are still having issues with these being able to be uploaded to records due to single payslips being issued to members with multiple records in the Pension Fund. This is a priority to resolve and hope to be able to give further progress on this in the next update to committee

I-Connect update

In the quarter we had 33 employers using the I-Connect system and have advised all employers that as of April 2023 we are expecting both their annual returns via the system as well as their monthly uploads going forward.

5.5 Call Centre

Inbound calls increased following the lull after the of Annual Benefit Statements calls. Calls answered totalled 3361 in the quarter, which is an increase of 936 calls from the last quarter. Over the period, a total of 601 hours was spent on incoming calls, which continues to be a major resource for the team.

5.6 Annual Allowance and Lifetime Allowance

The Spring Budget of 15th March 2023 made some changes to pension tax allowances.

The changes include:

- From 6 April 2023 the Annual Allowance (AA) will increase from £40,000.00 to £60,000.00.
- From 6 April 2023 the Tapered Annual Allowance threshold will increase to only coming into effect where relevant taxable earnings of £260,000 apply and the minimum allowance used in calculations will increase to £10,000.00
- From 6 April 2023 the tax charge applied to those who exceed the Lifetime Allowance (LTA) is removed, however a limit on tax free cash at retirement of £268.275.00 still applies. The exception to that value would apply for members who have fixed or individual protection from HMRC, or for those who have already used their entire Lifetime Allowance.

5.7 Prudential AVC

Disinvestment times remain consistent over the period, with funds being issued by Prudential within approximately 4 weeks after the disinvestment instruction is issued. An invitation from Prudential was received during this period to a Microsoft Teams Forum to be held on May 18th.

5.9 Compliance.

- **National Fraud Initiative:** NFI 2022/23 data has been received. The use of Tell us Once has resulted in a reduction in cases for review from 240 (NFI 2020/21) to 166 for 2022/23. A review of cases will now be undertaken and further details issued over the coming quarters.

- **GDPR:** During the quarter there were no recorded instances of a GDPR breach reported.

5.8 Recruitment

The ongoing recruitment exercise resulted in an appointment of a new Pensions Assistant at the start of the quarter, and in March, interviews were held for the 3 vacant Clerical Assistant Posts and 2 Pensions Assistants posts. Following interview, only 1 Pensions Assistant post remains vacant and this will be re-advertised during the next quarter. Those 4 appointed from the interviews are due to start early in the next quarter.

OTHER ACTIVITIES

5.9 Queries & Complaints

- 4388 emails were received into the generic email account in the quarter to 31st March 2023, this equates to approximately 70 emails per working day over the quarter. This is an increase of 519 emails from the last period. E mail tasks continue to be a significant work allocation to all Pensions Assistants within the Team. The Team advise that queries coming in via email can require a considerable amount of time and review of member records to ensure that a full reply is provided for the member.

- Complaints to Prudential: 1 x member complaint regarding service provision was escalated to Prudential for their review and action.

- Complaints to TPF: One complaint responded to in the period. The complaint was not upheld.

5.10 Staff Training

- **Online System Training**

  - New Starts - The recent new recruits to the team have been utilising the Online Training Tool. This has provided the ability to learn how to navigate the specialised pension administration system in a standardised, concise and methodical manner. DCC eLearning in mandatory subjects was also completed.
  - Webinars in respect of pension dashboards were attended over the period. Topics covered ranged from data, reporting and technical standards, code of connection, early connection and governance and design standards consultation.
  - Webinar in forthcoming system releases by Heywood was attended. These give the senior staff in the team an opportunity to see the new release in an active setting prior to the issue of the written guidance and system upgrade.
  - User Groups (hosted by Heywood's) were also held via Ms teams and covered such topics as MSS and IConnect. These User group allow funds from the whole of the UK to come together to discuss common problems/issues and to receive notice of forthcoming system enhancements and upgrades.

- **In House Training**

  During the quarter, both face to face and MS Teams based training was provided to the new employees carrying out Clerical Assistant and Pensions Assistant roles.

5.11 Employers

On January 26th, employers' meetings were held via Microsoft Teams. The topics for discussion included:

- new updates to IConnect,
- end of year processing
- wage awards
- completion of the TPF91 (employee/employer breakdown sheet)

The session was recorded and a copy of the slides along with the recording was issued to all employers.

In March the SPPA released the 2023/2024 tiered contributions guidance and this was issued to all employers in order for them to carry out the annual employee contributions assessment with effect from 1st April 2023 and for use for all new members they may have during the year.

5.12 SCAPE discount rate and impact on actuarial factors

On 31 March 2023, the Scottish Public Pensions Agency (SPPA) contacted administering authorities in Scotland letting them know the superannuation contributions adjusted for past experience (SCAPE) discount rate reduced on 30th March 2023 to the consumer price index (CPI) plus 1.7 per cent. This is a change from CPI plus 2.4 per cent.

This was announced in a written ministerial statement by the Chief Secretary to the Treasury. https://questions-statements.parliament.uk/written-statements/detail/2023-03-30/hcws697

The SCAPE discount rate is used to set the employer contribution rates in the unfunded public service pension schemes (PSPS) and determine the actuarial factors across all PSPS. New employer contribution rates will be implemented across the unfunded PSPS from April 2024. The Government has committed to funding these increases for employers who are centrally funded through departmental expenditure.

The Government also published its response to the June 2021 consultation on the methodology used to set the SCAPE discount rate. The response confirms the rate will continue to be based on the expected long-term gross domestic product (GDP) growth figures. Going forward, the Government will aim to review the level of the discount rate once per scheme valuation cycle (four years) rather than every five years.

Impact to actuarial factors

The reduced SCAPE discount rate is effective from 30 March 2023. SPPA have confirmed the following calculations should be immediately suspended until new factors are issued:

- certain non-club transfers and interfund / intrafund calculations
- certain non-club cash transfer sums
- all cash equivalent values (CEV) for divorce.

It is understood that the Scottish Public Pensions Agency (SPPA) will issue new transfer factors in April/May. They have also confirmed the remainder of the Scheme's actuarial factors will be amended in due course. Their intention is to introduce revised factors over four tranches starting in April /May 2023.

A letter will be issued to those requesting a transfer out/divorce to advise them of the delay.

5.13 Changing the annual revaluation rate

On 7 February 2023, the SPPA contacted administering authorities seeking their views on the merits and value of changing the annual revaluation date from 1st to 6th April. Amending regulations in Scotland are likely to come into force in May 2023. When they do, they will have backdated effect to 31 March 2023.

A change is required to the LGPS regulations due to the impact of the CPI rate of 10.1%. When calculated, the annual allowance (AA) should reflect the increase in a member's pension benefits above inflation. However, since HM Treasury realigned the period over which pension growth is measured with the tax year in 2015/16, inflationary increases are taken into account. As things currently stand, the allowance for inflation in the AA calculation does not match the annual revaluation applied to pension accounts.

To date, the imbalance has been negligible because inflation has been low, however, the imbalance for tax year 2022/2023 is 7% per cent. This is the difference between the allowance for inflation in the AA calculation of 3.1% and the annual revaluation of 10.1%. Consequently, without changes to scheme regulations, there will be a significant increase in the number of LGPS members breaching the annual allowance and potentially incurring a tax charge.

By moving the annual revaluation to 6 April, the imbalance is effectively removed. Both the AA inflation and the annual revaluation will use the same September CPI, meaning that only members pension savings will count towards the AA.

A consultation was launched by the SPPA on 14th March and it proposed that the regulations remove the impact of inflation on the annual allowance calculation. They would do so by changing the annual revaluation date from 1 to 6 April 2023, and thereafter on each 6 April, for all members.

There is no change in the outcome for:
- all members whose benefits in payment would have increased on 1 April
- death grants of deferred and pensioner members who die in the period 1 to 5 April.

In tax year 2022/23, the annual allowance (AA) calculation does not include any scheme revaluation. This is because the tax year runs from 6 April 2022 to 5 April 2023 and the revaluation date is now 6 April 2023.

From the tax year 2023/24 onwards, the inflationary increase used in the AA calculation and the annual revaluation will both use the same CPI figure. For the tax year 2023/24 this will be 10.1%.

The Scheme year is not changing, it remains 1 April to 31 March. The revaluation that applies on 6 April applies on the CARE balance at 31 March in the previous Scheme year. Although the change is being introduced to take inflation out of scope of the annual allowance calculation, there are other impacts. The following membership categories are affected by the change in revaluation date

- Active, deferred and deferred refund members: The revaluation that applies on 6 April 2023, and each 6 April thereafter, continues to apply to CARE accounts built up to the previous 31 March. This means the opening value of members CARE accounts on 1 April does not include that April's revaluation, because this is not effective until 6 April.

- Pensioner members: It is proposed that the regulations protect pensioners whose benefits would have increased on 1 April, by backdating the payment of revaluation applied on 6 April, to the 1 April or date of payment if later.

- Survivor members: The proposed regulations protect survivor benefits by providing there is no change in the outcome where the member dies:
  - before 1 April, by backdating the payment of revaluation effective on 6 April to 1 April
  - between 1 and 5 April, by deeming the effective date of revaluation to be the date of death.

The amendment required to regulation would seek to provide protection for all cases noted above and amend the definition of revaluation date within schedule 1 of the regulations.

The consultation closed on 27th March 2023.

5.14 Pensions Administration System Procurement

On 19th December 2022, a mini competition (via the Norfolk framework) was published for the provision of a Pensions Administration Software provider. The closing date for this mini competition was 16th January 2023. A single bidder submitted their response (the current incumbent). Following the closing date an evaluation matrix was run against the supplied bid documents and a data protection impact analysis was also performed. A letter of award was issued to Heywood Pension Technologies who have provided administration software to the Fund since 1994. The contract is for a period of 5 years with option to extend for a further 2 years.

6 REGULATIONS

Details of regulatory matters are contained in Appendix 1.

7 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

None

ROBERT EMMOTT

EXECUTIVE DIRECTOR OF CORPORATE SERVICES **16 June 2023**

Appendix 1

REGULATORY COMMUNICATIONS

The Scottish Scheme Advisory Board (SAB)

On 27 March 2023, the SAB published ‘Bulletin March 2023’.

The bulletin outlines key decisions it took at its last meeting on 8 February 2023 covering:
- cost transparency
- actuarial support costs
- LGPS structures
- National Care Service.

His Majesty’s Revenue & Customs (HMRC)

On 6th January the Local Government Association responded to the HMRC consultation on the draft Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023.

On 6 February 2023, the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 were laid. They apply to relevant public service pension schemes and are in force on 6 April 2023.

- **Pension schemes newsletter 146**

On 31 January 2023, HMRC published pension schemes newsletter 146.

It contained articles on:

  - reporting and filing returns
  - migrating to managing pension schemes service
  - helping HMRC
  - pension scheme transfers.

- **Pension schemes newsletter 147**

On 28 February 2023, HMRC published pension schemes newsletter 147.

It contained articles on public service pensions remedy and accounting for tax returns.

The newsletter confirms there will be new questions on the accounting for tax returns when reporting and paying charges. The questions apply to public service pension schemes impacted by the McCloud remedy. As a consequence, the bulk upload templates will also change for annual allowance and lifetime allowance.

- **Pension schemes newsletter 148**

On 16 March 2023, HMRC published pension schemes newsletter 148.

It contains articles on the Spring Budget 2023, net pay arrangements for low earners, accounting for tax returns and event reporting.

The newsletter also confirms where unfunded public service pension schemes operate final salary and CARE scheme as different arrangements, the Government will introduce legislation later this year treating them as one arrangement when calculating the annual allowance.

Department of Work & Pensions (DWP)

- **Tell Us Once**

  DWP is currently working to move users onto their Change Reporting System Application Service Management environment (CRSASM). The new environment will allow administering authorities to access:

  - management information
  - bulk downloading/printing
  - marital status/surviving spouse details.

- **Automatic enrolment trigger remains the same**

  On 26 January 2023, DWP published its review of automatic enrolment thresholds for 2023/24.

  The Pensions Act 2008 requires DWP to annually review various thresholds relevant for automatic enrolment rules. The earnings trigger remains at £10,000 for 2023/24.

- **DWP new appointments**

  The Department for Work and Pensions (DWP) announced the appointment of Sara Weller CBE as the new permanent Chair of the Money and Pensions Service (MaPS).

  DWP appointed Mary Starks to lead review of the Pensions Regulator (TPR), which will examine how it's performing its role and where it can improve, providing greater efficiency and value to taxpayers. The report into the review is due in May 2023.

- **Expansion of auto enrolment**

  On 3 March 2023, the DWP issued a press release confirming it will support the private members bill expanding auto-enrolment. The Pensions (Extension of Automatic Enrolment) (No.2) Bill 2023 proposes to give Government regulatory powers to:

  - abolish the Lower Earnings Limit for contributions – currently £6,250, and
  - reduce the age of auto enrolment for eligible jobholders from 22 to 18.

  Government has not given a timetable for when they intend to use these new powers.

- **State Pension age review**

  On 30 March 2023, DWP published its 2023 review of the State Pension age. The Government is required to undertake a regular review of the State Pension age in accordance with the Pensions Act 2014.

  State Pension age (SPa) is currently age 66 and will rise to age 67 between 2026 and 2028 before rising again to age 68 between 2044 and 2046. At the first review in 2017, the Government accepted the recommendation that the State Pension age should rise to age 68 over the period 2037 to 2039; however, it outlined this would be subject to further review.

  The 2023 review confirms the rise to age 67 between 2026 and 2028 is still appropriate. However, the Government does not intend to change existing legislation to implement the recommendation of the 2017 review at the current time. It plans to have a further review within two years of the next Parliament to consider whether the rise to age 68 should occur earlier. The Government must publish the report no later than 29 March 2029.

HM Treasury (HMT)

- **Confirmation of annual revaluation, earnings and pensions increase**

On 20 February 2023, HMT published a written ministerial statement confirming the rates of annual revaluation, earnings and pensions increase (PI) due to apply in April 2023.

The statement confirms:

- public service pensions will increase on 10 April 2023 by 10.1%, in line with the Consumer Prices Index (CPI) up to September 2022
- annual revaluation of 10.1%

When applying annual revaluation to earned pension credited from a Club transfer, the following rates will apply:

- Police – 11.35%
- Firefighters – 7%
- Civil service – 10.1%
- National Health Service – 11.6%
- Teachers – 11.7%
- Armed forces – 7%
- Judicial – 10.1%

- **Pensions Increase multiplier tables**
  On 20 February 2023, HMT published the 2023 pensions increase multiplier tables. https://www.gov.uk/government/publications/public-service-pensions-increase-2023

- **Spring budget 2023**
  On 15 March 2023, the Chancellor of the Exchequer delivered his Spring budget. https://www.gov.uk/government/topical-events/spring-budget-2023

  The Finance (No.2) Bill 2022/23 was published on 23 March 2023.
  https://bills.parliament.uk/bills/3435

  With effect from 6 April 2023, the Bill proposes to enact some of the changes announced at the Spring budget. In particular:

  - increasing the annual allowance (AA) from £40,000 to £60,000
  - increasing the money purchase AA from £4,000 to £10,000
  - increasing the adjusted income level for the tapered AA from £240,000 to £260,000
  - increasing the minimum tapered AA from £4,000 to £10,000
  - abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events (BCE) occurring on or after 6 April 2023
  - allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023
  - changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (i.e. taxable at marginal rate rather than 55 per cent)
  - ensuring that payments of (or any part of) serious ill-health lump sums defined benefit lump sum death benefits or an uncrystallised funds lump sum death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income (i.e. taxable at marginal rate rather than 55 per cent).

The LTA will be abolished completely from the 2024/2025 tax year. This will be done through a future Finance Bill.

Except where protections apply, the maximum pension commencement lump sum (PCLS) a member can take remains the lower of 25 per cent of:

- the capital value of the pension benefits the member is taking, or
- their remaining LTA (the standard LTA is £1,073,100 and 25 per cent of this is £268,275).

Administering authorities will need to continue to operate lifetime allowance checks in the 2023/24 tax year when paying benefits; however, there will be no requirement to report LTA charges on the accounting for tax return.

An administering authority assesses a member for the LTA at the date of the benefit crystallisation event (BCE). A BCE for a scheme pension occurs when the member has an actual right to the pension without having to fulfil any further conditions or take any further actions. The BCE for the PCLS occurs immediately before then. This means that even if a member elected to take payment of their benefits before 6 April 2023, if the BCE does not take place until after 5 April 2023, the member will not pay an LTA charge.
https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm088200

On 27 March 2023, HMRC published a Lifetime allowance guidance newsletter.
https://www.gov.uk/government/publications/lifetime-allowance-guidance-newsletter-march-2023/lifetime-allowance-guidance-newsletter-march-2023

- **McCloud – Judgment on cost cap mechanism handed down**

On 10 March 2023, the High Court ruled that HM Treasury's decision to include the McCloud remedy in the cost cap mechanism was not unlawful. The unions consulting with their legal team regarding any appeal.

Other matters

- **National LGPS Technical Group**

  On 27 March 2023, the minutes of the National LGPS Technical Group meeting held on 10 March 2023 were published. https://www.scotlgpsregs.org/bulletinsetc/tgminutes.php

  Topics discussed include:
    - dashboards
    - McCloud remedy
    - transfer out process where a member holds multiple records
    - additional voluntary contributions.

The next meeting will be held on 9 June 2023.

- **PSIG interim practitioner guide published**

  On 20 March 2023, the Pension Scams Industry Group (PSIG) published version 3 of the Practitioner guide on Combating Pension Scams ('the guide') and a short summary. The guide takes effect immediately.

  The guide has been updated to reflect the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 ('the regulations').
  https://www.legislation.gov.uk/uksi/2021/1237/contents/made

  It is published as an interim guide because of the mismatch between the DWP stated policy intent and the regulations. The areas of greatest concern to the PSIG are the inclusion of widely defined 'overseas' investments in the receiving scheme as an amber flag and the broad definition of an 'incentive' as a red flag. A further version of the guide will be issued when the key regulatory issues are resolved.

  The guide forms part of the Code of Good Practice on Combating Pension Scams. It summarises the regulations, setting out information on how schemes can comply with them, including practical steps for sending schemes. https://pensionscamsindustrygroup.co.uk/the-code-of-good-practice/

- **McCloud remedy consultations**

Over the last month, relevant Government departments published consultations setting out the proposed McCloud remedy for the following schemes:

- Armed Forces Pension Scheme - closes on 29 May 2023
- Firefighters Pension Scheme – closes on 23 May 2023
- National Health Service Pension Scheme - closes on 6 June 2023
- Police Pension Scheme - closes on 23 May 2023
- Principle Civil Service Pension Scheme - closes on 14 May 2023
- Teachers' Pension Scheme - closes on 4 June 2023.

Section 13 report published

On 24 March 2023, the Government Actuary's Department (GAD) published the section 13 report on the valuations as at 31 March 2020. GAD consider whether the following aims were achieved:

- compliance
- consistency
- solvency
- long-term cost efficiency.

- **The Pensions Ombudsman (TPO)**

On 16 January 2023, Dominic Harris started as the Pensions Ombudsman. Dominic's term of office is five years. You can find out more about Dominic on the 'who we are' page of TPO's website. https://www.pensions-ombudsman.org.uk/who-we-are

- **Pensions Dashboards**

The Pensions Dashboards Programme (PDP) published an explainer video on consumer protection. https://www.youtube.com/watch?v=GC3mdsyD-vw&feature=youtu.be. The video explains what protections will be in place to ensure dashboards are safe and secure. Please see the consumer protection page of PDP 's website for more information on this topic. https://www.pensionsdashboardsprogramme.org.uk/consumer-protection/

- **DWP announce delays to dashboards connection deadlines**

On 2 March 2023, the Local Government Association forwarded a communications to stakeholders on behalf of the Pensions Regulator (TPR) confirming the Government's intention to legislate to amend schemes' connection deadlines.

This follows a written ministerial statement issued by DWP announcing the delays. https://questions-statements.parliament.uk/written-statements/detail/2023-03-02/hcws594

The statement says delays are necessary to give the Pensions Dashboards Programme (PDP) the time it needs to meet the challenges in developing the digital architecture. DWP will provide an update on dashboards to Parliament before summer recess.

It is not clear if connection deadlines for public service pension schemes will change
.
TPR confirms it:

- will write to those schemes affected by the announcement to confirm when new deadlines are set
- has published updated guidance and checklist to help schemes focus on what they should be doing now to prepare for their dashboard duties. https://www.thepensionsregulator.gov.uk/en/trustees/contributions-data-and-transfers/dashboards-guidance
- will produce a 'content toolkit' with key messages for administering authorities to use, as appropriate, in their communications.

- **GAD blog on dashboards**

On 22 March 2023, the Government Actuaries Department (GAD) published a blog on matching members for dashboards. The blog looks at the questions administrators need to ask when deciding what matching data to use. It also emphasises the need for regular data quality reporting and cleansing. https://actuaries.blog.gov.uk/2023/03/22/guess-who-matching-members-for-pensions-dashboards/

In March 2023, The Pensions Dashboard Programme published their latest news on dashboards. https://www.pensionsdashboardsprogramme.org.uk/

There are articles on:

- DWP 's written ministerial statement on pensions dashboards connection times
- FAQs on connection deadlines and revised timeline
- pensions dashboards myth busting videos
- signing up for a new FAQs newsletter
- new PDP website homepage.

- **PASA dashboards guidance**

On 29 March 2023, the Pensions Administration Standards Association (PASA) released two new pieces of dashboards guidance.
https://www.pasa-uk.com/pasa-releases-two-new-pieces-of-dashboards-guidance/

The first covering communications for savers. The second looks at matching without a national insurance number and possible match responses.

- **The Pensions Regulator (tPR)**

On 12 January 2023, TPR published a new version of the Dealing with transfer requests guidance, with updates made to the 'Direct members to mandatory guidance from MoneyHelper' section. https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/dealing-with-transfer-requests#3f7f1149a3714d068362024b4ff84497

The guidance assists pension schemes when applying the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021. When telling members, they must receive guidance about scams from MoneyHelper, schemes should provide a link to book online or by telephone. https://www.moneyhelper.org.uk/pension-safeguarding

The guidance now makes it clearer that members must use this link to book a MoneyHelper safeguarding guidance appointment. Otherwise, they may accidentally book a Pension Wise appointment or obtain general MoneyHelper advice.
The guidance also asks pension schemes to advise members who are transferring multiple pensions to wait until they have requested all transfers before booking their MoneyHelper safeguarding guidance appointment. This will avoid them having to book more than one.

- **Blog from TPR Chief Executive**

In March 2023, Charles Counsell stood down from the role of Chief Executive at the Pensions Regulator (TPR). On leaving, Charles published a blog, reflecting on developments since becoming Chief Executive in 2019. https://blog.thepensionsregulator.gov.uk/2023/03/21/data-is-king-as-we-deliver-for-the-next-generation-of-pension-savers/?_gl=1*1eg6hvw*_ga*MTgwNTgyNDIxOS4xNTkxMTExNTcw*_ga_3TNQC2MS2Q*MTY3OTQwODc1NC4xNS4wLjE2Nzk0MDg3NTQuMC4wLjA

The blog also confirms TPR expect to launch its long-awaited single code of practice later this spring. The code will be called the 'General Code of Practice'. Nausicaa Delfas has replaced Charles as the Chief Executive.

- **Additional pension limit for 2023/24**

Regulations 16(6) and 30(2) of the LGPS (Scotland) Regulations 2018 state that the additional pension limit is increased on 1 April each year as if it were a pension beginning on 1 April 2015 to which the Pensions (Increase) Act 1971 applied.

- The pensions increase due on 1 April 2023 is that from 11 April 2022 (as the 2023 increase does not take effect until 10 April 2023).
- The additional pension limit under regulation 16(6) of £7,075 is increased by 3.1% to £7,294 from 1 April 2023.
- The additional pension limit under regulation 30(2) of £5,444 is increased by 3.1% to £5,612 from 1 April 2023.

Miscellaneous

- **Consultation on holiday entitlement for part-year and irregular hours workers**

On 12 January 2023, the Department for Business, Energy and Industrial Strategy launched a consultation on calculating holiday entitlement for part-year and irregular hours workers. The consultation closes on 9 March 2023. https://www.gov.uk/government/consultations/calculating-holiday-entitlement-for-part-year-and-irregular-hours-workers

The consultation proposes to pro-rata holiday entitlement for these workers based on the annual hours they work. The proposals follow a recent Supreme Court judgment: Harper Trust v Brazel. The proposals apply to England, Scotland and Wales.

- **Government response to committee report published**

On 23 January 2023, the Work and Pensions Committee published the responses it received from Government to its report 'Protecting pension savers – five years on from the pension freedoms: saving for later life'. This also included responses from the Financial Conduct Authority, the Pensions Regulator and the Money and Pensions Service. https://committees.parliament.uk/work/1725/protecting-pension-savers-five-years-on-from-the-pension-freedoms-saving-for-later-life/publications/

The Committee originally published the report in September 2022. The report looked at who is not saving enough for retirement and how to address this. This included recommendations on:

- evaluating the stronger nudge policy
- building a consensus on what an adequate income in retirement is
- implementing the 2017 automatic enrolment reforms
- maximising take-up of the government's solution to the pension tax relief anomaly for low earners
- defining and reducing the gender pensions gap
- producing regular and reliable statistics on pension sharing orders
- clarifying the boundary between advice and guidance.

- **GAD calculator for McCloud published**

On 17 February 2023 GAD published their retirement calculator, developed by pensions experts following the McCloud legal ruling. The calculator is not for members of local government pension schemes.

The calculator helps eligible members in unfunded public service pension schemes make an informed decision on which scheme is most suitable. Either the legacy scheme (the final salary scheme) or the reformed scheme (the 2015 CARE scheme).

- **The Bereavement Benefits (Remedial) Order 2022**

On 15 December 2022, the Department for Work and Pensions re-laid the above order and published their response to last year's consultation.

The Order extends eligibility for Widowed Parent's Allowance (WPA) and the higher rate of Bereavement Support Payment (BSP). Eligibility now includes surviving cohabiting partners with dependent children, who were not in a legal union with the deceased on the date of death. It has retrospective effect back to the 30 August 2018.

Before the changes, only those who had been married to, or in a civil partnership with, their deceased partner would be eligible for WPA or BSP.

Currently:

- WPA is up to £126.35 per week
- BSP is a one-off amount of up to £3,500 and 18 monthly payments of up to £350.

Eligible beneficiaries can claim back to 30 August 2018.