

Scheme Employer

Welcome to the Winter 2008/09 edition of Scheme Employer, the newsletter for Employing bodies which participate in the Essex Pension Fund.

Feedback is very important to us as it helps us to review and improve the service we provide to our customers so please do not hesitate to let us have your comments or suggestions.



NEW FULL SCHEME GUIDES

We have ordered a supply of new scheme guides with the intention of providing you with sufficient quantities for you to be able to provide a copy to all of your contributing employees. Once the new guides have been printed we will contact you to let you know when they will be despatched to you for distribution to members.

ILL-HEALTH STATUTORY GUIDANCE

CLG has now issued the long awaited Statutory Guidance on ill-health provisions in the LGPS which includes sample certificates prepared by the LGPC for use by employers. Copies have already been sent to all employers. If you haven't seen a copy it can be accessed on the CLG website at www.xoq83.dial.pipex.com under 'What's new 2008'.

RETIREMENT NOTIFICATIONS

If you have a member retiring, please remember that it is extremely important that you notify Pensions Services as early as possible. You should send us advance notification (using form PN1A) as soon as you know the member's retirement date so that we can make arrangements and obtain all necessary information/declarations from the member. You should then send us forms PN1, PN68 & P45 (& PN142 if appropriate) at least a week before the retirement date. Failure to do so will result in the late payment of the member's pension and lump sum.

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REGULATIONS

FINAL

The Local Government Pension Scheme (Miscellaneous) Regulations 2008—SI 2008 No.2425

Laid before Parliament 17th September 2008 and came into force on 17th October 2008.

These regulations amend the Administration, Benefit and Transitional Regulations and also the LGPS 1997 Regulations. The majority of amendments to the LGPS 1997 and the 2008 Scheme Regulations are minor changes to clarify definitions of terms and meet the requirements of the 2006 Tax Regime and have no direct impact on employing authorities.

Of interest to some employers, Regulation 17 amends the Benefits Regulations so that where a member leaves on the grounds of redundancy or efficiency an employer resolution to increase total membership [‘augmentation’] can be made up to six months after the member leaves his employment. Regulation 7 also amends the 1997 Regulations in the same way with effect from 1st April 2007.

Amendments to the Transitional Regulations are largely to add to the saved provisions of the 1997 Regulations those regulations amended by the Miscellaneous Regulations. In addition they amend Local Government (Management and Investment of Funds) Regulations 1998 chiefly by a complete cross reference to the 2008 Scheme Regulations.

The Local Government Pension Scheme (Administration) (Amendment) Regulations 2008—SI 2008 No. 3425

Laid before Parliament 23rd December 2008 and came into force on 1st April 2009. No impact on employers in the Essex fund, it deals with the appropriate funds following local government re-organisation in Bedfordshire and Cheshire.

The Local Government Pension Scheme (Amendment) (No. 2) Regulations 2008—SI 2008 No. 2989

Laid before Parliament on 24th November 2008 and largely came into effect on 16 December 2008. No impact on employers in the Essex fund, it deals with the consequence of the dissolution of the Housing Corporation, and the establishment of the Homes and Communities Agency and the Regulator of Social Housing, by the Housing and Regeneration Act 2008.

Copies of the above SIs can be viewed at :- www.opsi.gov.uk/stat

RECENT OR CURRENT DRAFTS/CONSULTATIONS

Local Government Pension Scheme (Miscellaneous) Regulations 2009

The draft Local Government Pension Scheme (Miscellaneous) Regulations 2009 were issued on 28 November 2008 by Communities and Local Government (CLG) which, if enacted, will make a number of corrective changes to the former LGPS Regulations in England and Wales as well as to those governing the new scheme from April 2008. Minor corrective changes are also suggested to discretionary compensation legislation. If implemented as drafted, a number of the proposed changes

DRAFTS/CONSULTATIONS (continued)

will have an effective date backdated to 1 April 2008, with other changes effective from 1 April 2009. This consultation can be viewed on LGE website at : www.lge.gov.uk

SUSTAINING THE LOCAL GOVERNMENT PENSION SCHEME IN ENGLAND AND WALES

CLG have drafted amendment regulations which basically introduce a revised timetable to replace the current Regulation 40 (Benefit Regs) which requires the Secretary of State to issue guidance on cost sharing before 31 March 2009. This consultation closed on 23 January 2009 and details can be viewed on CLG website at : www.xoq83.dial.pipex.com

LGPC BULLETINS & CIRCULARS

Bulletin 53 This bulletin covers a variety of issues which will be of interest to employers and is available both in full or in summary form.



Circular no.215 This deals with Maternity and Adoption Leave, etc and ,amongst other things, confirms how to treat Keeping in Touch (KIT) days for pension purposes and how to calculate final pay where a member has been on maternity or adoption leave. I can confirm that Essex County Council agree with LGE's interpretation of how final pay should be calculated in such cases. If you have a case where you are grossing up pay/notional full pay because of an unpaid period (where the member has not elected to pay contributions for the unpaid period) during the final year then you should show the grossing up calculation somewhere on the PN68 form which you submit.

Circular no. 218 Confirms LGE's latest understanding of position of casual employees.

Circular no. 221 This includes slightly revised ill-health certificates plus some additional certificates for use when reviewing 3rd tier ill-health cases.

Circular no. 222 This refers to an LGPC survey on pensions provision for councillors.

Circular no. 223 This deals with some "Understanding" workshops and of particular interest to employers will be the workshops being run on 'Employer Discretions and Policies'.

The bulletin and the circulars can be found on the LGE website at : www.lge.gov.uk

EMPLOYER GUIDE

A hard copy of the new Employer Guide has been sent to all employers. Please can you make sure that the appropriate staff in your organisation are aware of, and have access to, the guide. The guide is an important tool to help you to understand your responsibilities under the LGPS as a Scheme employer.

HOW TO CONTACT US



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NATIONAL INSURANCE CONTRACTING-OUT

Introduction of Upper Accrual Point

You will probably already be aware that HMRC National Insurance Services to the Pensions Industry (NISPI) have announced the introduction of an Upper Accrual Point (UAP) from April 2009. The weekly limit for the UAP will be set at £770 and will remain frozen at that amount. The introduction of the UAP from April 2009 will affect contracted-out rebates including those received at source through payment of lower contracted-out rates of National Insurance contributions (NICs).

Employers and employees with contracted-out occupational pension schemes pay a lower contracted-out rate of NICs. The introduction of the UAP will mean that the contracted-out rebate will be limited to earnings between the Lower Earnings Limit (LEL) and the UAP. Standard rate NICs will be payable from the UAP to the Upper Earnings Limit (UEL).

P11s/P14s or their equivalents completed by employers will need to include additional information (earnings between the UAP and UEL). Column 1(c) will represent the earnings between the Earnings Threshold and the UAP and column 1(d) will show the earnings between the UAP and the UEL. The contracted-out earnings will continue to be the total of columns 1b and 1c but these columns will, from the 2009–2010 tax year, be earnings between the LEL and the UAP.

Further information can be obtained from :

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ABOUT US

Essex County Council are the Administering Authority for the Local Government Pension Scheme (LGPS) in Essex.

There are more than 400 scheme employers participating in the Essex County Council Pension Fund and Pensions Services administer the LGPS for in excess of 100,000 scheme members including active, deferred and pensioner members.

Investments & Insurance deal with the investment of the Pension Fund itself and with the collection of contributions from employers. If you have any questions on these subjects they can be contacted on 01245 431301 (Investments) or 01245 431733 (Contributions)



We're on the Web:

www.essexcc.gov.uk/pensionservices