

LOCAL GOVERNMENT PENSION SCHEME 2008
EMPLOYER BULLETIN No. 1 – APRIL 2008
NEW-LOOK LGPS FROM APRIL 2008



Introduction

Welcome to the first employer bulletin for all employers who belong to the Royal County of Berkshire Pension Fund. It is intended that these bulletins will be the method by which the Pension Fund keeps all employers up to date with Local Government Pension Fund issues in the future. A global email will be sent to all employers each time a new bulletin is posted to the Pension Fund website thereby avoiding lengthy emails being circulated.

This first bulletin covers the new-look LGPS and sets out certain procedures to be adopted from 1 April 2008.

You will hopefully find these bulletins a useful source of reference and they can always be referred back to via the website.

Employee Contributions from 1 April 2008

You should all now be fully aware of the implications of the revised employee contribution rates effective from 1 April 2008. No scheme member from 1 April 2008 should pay either 5 or 6% as an employee contribution. Every scheme member will pay one of the 7 rates determined by the pay bands detailed in Regulation 3(2) of the LGPS (Benefits, Membership & Contribution) Regulations 2007.

Remember, it is your responsibility as employers to determine the band into which each of your Scheme members should contribute and if you have employees with more than one post, you need to determine the correct rate for each post in isolation.

You must also notify each member in writing of their revised contribution rate effective from 1 April 2008 in accordance with Regulation 8 of the LGPS (Transitional Provisions) Regulations 2008. This regulation actually states that the notification must be sent before 1 April 2008 but clearly this is not practical and the notification should be sent as soon as possible following that date.

Also, remember that employees paying 5% before 1 April 2008 will be paying a different rate to other members until 1 April 2011 when all members will be paying the same.

Year-end procedures

If you have not already done so, you will soon be receiving a request to provide your 2007/08 year-end data to the Pension Team in Reading. As part of your return please can you include, if possible, details of the revised employee contribution rate for each of your scheme members (each post where multiples employments exist). It is our aim to issue annual benefit statements this year by the end of August so the sooner you are able to submit your data, the more likely we are to achieve this target.

New website and helpdesk email address

Our new-look website has been up and running since 1 April 2008. The address for the website is www.berkshirepensions.org.uk. There is a dedicated employers area that can be accessed via a right-hand navigation button. Please feel free to explore the new web pages and let us have any comments, amendments or additions that you think you would find helpful.

There is also a new pension helpdesk email address which is info@berkshirepensions.org.uk. If, however, you use the old pensions@rbwm.gov.uk address it will still find its way through to us for the time being.

New guides, factsheets and forms

With a new Scheme inevitably comes new standard documentation and the Pension Team have been working hard over the last few weeks in particular, to update and modernise the standard letters, guides and leaflets that are issued by the Pension Fund. It has been decided that, instead of having one large employee's guide to the Scheme, there will be a series of smaller publications which, if linked together, make-up the equivalent of a full guide. This will hopefully cut down on re-printing costs and wastage when amendments have to be made.

All scheme documentation is available from the website and there is a section in the Employers area called 'Standards Forms' where you will find every thing you need to notify the Pension Team with regard to pension related matters.

Some points to note:

Leaflet LGS1B is available from our website and you are free to download and print it as you wish. The Pension Fund will not be supplying copies to you. You can issue this leaflet to all new employees, perhaps as part of your contracts of employment. This replaces the old LGS1 'Look Forward With Confidence' leaflet previously supplied by the Pension Fund and summarises the main benefits of being a member of the LGPS and should provide enough information for a new employee to be able to decide if membership of the Scheme is right for them. Please be aware that this leaflet will need amending every April with the change to contribution bands and the Pension Team will issue a revised version every year for use from the 1st of April. Please ensure that out-dated leaflets are not issued.

Form LGS11 enables a Scheme member to opt-out of the LGPS. You can issue opt-out form LGS11 at the same time as LGS1B if you wish, providing this is not seen as encouraging the employee to opt-out.

Form LGS10 gives an employee who is not automatically admitted to the LGPS the opportunity of electing to join the Scheme.

Form LGS12 provides a member with an opportunity to pay back contributions in order to avoid a break in membership due to a period of absence. You should issue this to all employees who return to work following a period of absence (other than sickness leave).

The *LGS15 forms* have been amended to reflect changes to the scheme regulations. There are now three LGS15 forms:

- LGS15A – Admission To The Scheme
- LGS15B – Changes To Pensionable Status
- LGS15C – Withdrawal From The Scheme

Please use these forms with effect from 1 April 2008.

Form LGS18 continues to be available and can be used to back up your calculation of a member's final pay.

Form LGS26 is the revised Occupational Health, Ill Health Retirement Certificate and takes into account the new-tiered ill health arrangements effective from 1 April 2008.

Everything else will be dealt with by the Pension Team and as part of a welcome pack the new Scheme member will receive:

- LGS1 – A guide for new employees joining the Scheme on or after 1 April 2008 (a fuller version of LGS1B)
- LGS2 – Increasing your pension benefits (including ARCs and AVCs)
- LGS3 – Transferring former pension rights into the LGPS
- LGS4 – Protection for your family (including death in service and ill health retirement)
- LGS5 – Expression of wish for payment of death grant (including expression of wish form)
- LGS6 – Nominating your partner for a survivor's pension (including nomination form)
- LGS7 – Civil partnerships and your pension
- LGS8 – Impact of working part-time
- LGS9 – Keeping your pension records up to date
- LGS33 – Making contributions following a period of absence
- LGS37 – Service standards

Other guides available are:

- PSO6 – Pensions and divorce
- LGS14 – Nearing Retirement
- LGS17 – The 85-year rule and how it applies to you

DVDs and CD-Roms

I have placed an order for a number of DVD scheme guides and upon receipt I will distribute these to all employers.

Policy Statements

All employers are required to produce, publish and maintain a policy statement with regard to a number of discretions available to them under the LGPS regulations in accordance with Regulation 66 of the LGPS (Administration) Regulations 2008. Once produced you need to make all your scheme members aware of where they can view the document and send a copy to the Pension Fund by 30 June 2008.

A copy of the pro forma policy statement document can be found at the bottom of the 'Policy Statements' page on the Employers section of the website.

Action for employers

1. Make sure all scheme members are paying the correct employee contribution rate from 1 April 2008.
2. Write to all scheme members advising them of their revised employee contribution rate from 1 April 2008.
3. Prepare year-end reports for submission to the Pension Team as soon as possible after your 2007/08 closedown.
4. Only use revised and updated standard documentation from 1 April 2008.
5. Prepare, produce, publish and maintain a policy statement on the discretions available under the Scheme regulations and send a copy to the Pension Team by 30 June 2008.

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April 2008

Disclaimer

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