



**Staffordshire**  
**Pension Fund**  
Local Government Pension Scheme

# Employer Focus

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**This bulletin from the Staffordshire Pension Fund, focuses on the key responsibilities / actions required by Employers in the submission of their Annual Employer Returns for the year to 31 March 2023.**

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Issue February 2023

## **Important Information for Scheme Employers and Payroll Managers**

- Submission of Year End Pension Data Returns- Deadline **21 April 2023**
- Revised Employer and Employee pension contributions effective from **1 April 2023**

## **Submission of Year End Pension Data Returns**

### **Background**

Employers will be familiar with this annual business critical and regulatory requirement, to maintain the accuracy / integrity of all the Fund Members' pension data. This also enables the Fund to issue our Members' Annual Benefit Statements by 31 August 2023.

### **Deadline for Employer's submission (except Employers using i-Connect)**

As mentioned already the submission of data for the financial year ending 31 March 2023 **must** be received by Pensions Services no later than **21 April 2023**.



**Failure to respond by 21 April 2023 may result in the late issue of Members' Annual Benefit Statements, which constitutes a breach of law. This means the Fund has a legal requirement for the breach to be reported to the Pensions Regulator. This exposes both you, as the Employer and the Fund to reputational risk and also the risk of financial penalty.**

## **Employer Guidance**

To assist Employers with completing their annual return we have a dedicated area of the Pension Fund's website, which contains all the necessary documentation for completion including guidelines and supporting information (please see link below).

[Staffordshire Pension Fund - Year end data \(staffspf.org.uk\)](https://staffspf.org.uk)

The above link includes the following:

Common Employer data return issues [Staffordshire Pension Fund - Common issues with data supplied for previous year end returns \(staffspf.org.uk\)](https://staffspf.org.uk)

How to complete the year end return [Staffordshire Pension Fund - Requirements for the completion of the Contpostmaster spreadsheet \(staffspf.org.uk\)](https://staffspf.org.uk)

How to complete the career average pay [Staffordshire Pension Fund - Guidance for the completion of CARE return for scheme employers \(staffspf.org.uk\)](https://staffspf.org.uk)

Documents you are required to complete [Staffordshire Pension Fund - Year end data \(staffspf.org.uk\)](https://staffspf.org.uk)

LGPS Payroll Guide – if you are uncertain of the data that should be supplied, then please refer to this guide. The guide sets out the requirements for payrolls in respect of the LGPS  
<https://www.lgpsregs.org/employer-resources/guidesetc.php>



## Revised Employer Pension Contributions effective from 1 April 2023

As a participating Employer in the Staffordshire Pension Fund, unless you are a contractor or partner organisation operating on a fixed contribution rate admission basis, you will previously have received notification of your Employer's 2022 valuation schedule which outlines your organisation's expected Employer LGPS contribution rate for the three years commencing 1 April 2023.

To assist Payroll Managers, details of the Employer Contribution rates due from 1 April 2023 for all participating Employers in the Staffordshire Pension Fund, can be found on our website (see link below). Please note at this stage the employer contribution rates are provisional and subject to the Fund's Valuation been signed off.

[Staffordshire Pension Fund - Year end data \(staffspf.org.uk\)](http://staffspf.org.uk)

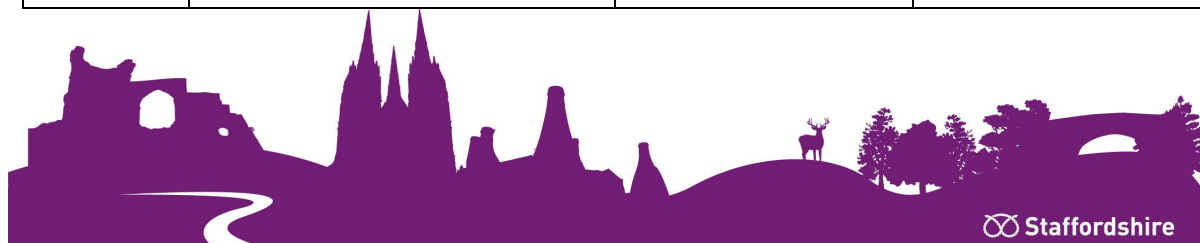
**N.B. If the contribution rate your organisation pays is fixed for the life of your current contract, the Fund Actuarial Valuation will not alter the contribution rate payable.**

### LGPS Scheme Members contribution banding from 1 April 2023

The table below sets out the members contribution bands which will be effective from 1 April 2023. These are based on the actual received pay bands for 2022/23 as increased by the September 2023 Consumer Price Index (CPI) figure.

**Please ensure your HR and Payroll Teams take the necessary action to implement the changes from 1 April 2023**

Band	Pensionable Pay Range	Main Section Contribution Rate	50/50 Section Contribution Rate
1	Up to £16,500	5.5%	2.75%
2	£16,501 to £25,900	5.8%	2.9%
3	£25,901 to £42,100	6.5%	3.25%



4	£42,101 to £53,300	6.8%	3.4%
5	£53,301 to £74,700	8.5%	4.25%
6	£74,701 to £105,900	9.9%	4.95%
7	£105,901 to £124,800	10.5%	5.25%
8	£124,801 to £187,200	11.4%	5.7%
9	£187,201 or more	12.5%	6.25%

### **IMPORTANT - CARE Pay that should include Assumed Pensionable Pay (APP)**

Assumed Pensionable Pay provides a notional pensionable pay to ensure a member's pension is not affected by any reduction in pensionable pay, due to a period of sickness or injury on reduced contractual pay or no pay, or relevant child related leave, or reserve forces service leave.

#### **Why is APP so important?**

Since 1 April 2014, a member's pension has been linked to their earnings in each financial year. For every year they are a member of the scheme they add pension to their individual account.

The pension added each year is based on 1/49th of earnings for that year (1/98th if the member has opted to be a member of the 50/50 section of the scheme).

The pension account is then revalued each year by change in the consumer price index (CPI) up to their retirement date. This is known as a career average revalued earnings (CARE) pension.



## Example calculations of CARE pensions for the financial year 2022/2023

### Member A

A Member who earns £20,000 from 1/4/2022 to 31/03/2023 will build up 1/49th of that pay towards their pension account for that year.

i.e., £20,000 x 1/49th = **£408.16** per annum pension

### Member B

If we take an identical Member who has been on reduced pay of £15,000 due to sickness or relevant child related pay during the same period 1/04/2022 to 31/03/2023

i.e., £15,000 x 1/49th = **£306.12** per annum pension.

- Member A's pension = £408.16 p.a. versus Member B's pension = £306.12 p.a. a difference of £102.04 per annum.
- In this example the Member has 'lost pension' of £102.04 per annum, plus future changes in line with Consumer Price Index (CPI).
- This will result in a lower Member's or spouse's pension than they are entitled to under the LGPS regulations.

### Consequence

In this example, as the Member is on reduced pay due to sickness or relevant child related pay, the Employer must include a notional APP of £5,000, thereby increasing the pensionable pay to the amount the Member would have received had they not been on reduced pay.

**Under the LGPS regulations the Employer is required to ensure a notional APP is included in the Member's pensionable pay which is notified to the Fund in their organisations Year End Returns. The Member's pension contributions based on actual pay plus APP.**

The example above is only a summary of assumed pensionable pay. **For more detailed information of how APP is calculated, please see the HR and Payroll Guide which can be found at the following link:**



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

All completed forms should be sent in an encrypted format or via Staffordshire County Council's Secure File Transfer (SFT) system to:

- **Email:** [pensions.employers@staffordshire.gov.uk](mailto:pensions.employers@staffordshire.gov.uk)

