
This bulletin from the Staffordshire Pension Fund, focuses on current issues that you should be aware of relating to the Local Government Pension Scheme (LGPS)

Issue January 2020

Internal Dispute Resolution Procedure (IDRP) – New Guide for Employers

Over the course of a Local Government Pension Scheme (LGPS) member's employment and even after they have left, certain decisions are made that can affect the member's benefits. The law provides the member with the opportunity to challenge decisions that they disagree with. Within the LGPS we have a formal **IDRP** to enable this to happen.

Over recent months Employers have contacted the Fund seeking clarification and guidance on the Employers' role and responsibilities under the IDRP process. As a result, we have worked in partnership with the Employer Focus Peer Group to review the IDRP process, documentation and guidance to create a new dedicated area of our website to support Employers through the IDRP legislation.

As part of this review we have taken the opportunity to remove duplication between the Employer and Fund roles within the Stage 1 IDRP against the Employer. This improves the process and reduces timescales.

Under the new IDRP process, the complainant is no longer required to submit their Stage 1 IDRP to the Staffordshire Pension Fund. The complainant will now be directed to submit their Stage 1 IDRP directly to the Employer (unless the IDRP is against the Fund). The Employer will then acknowledge receipt of the IDRP and respond to the claimant within the statutory timescales.



The new process comes into effect from 1 February 2020

You can access the new documentation by clicking on the following link

<https://www.staffspf.org.uk/Employers/Internal-Dispute-Resolution-Procedure.aspx>

The webpage includes:

Employers' Operational Guide, this document provides Employers with a step by step guide through the IDRP process, including your obligations as to, what you must consider / investigate, how you should respond to an IDRP and the members right to appeal to the Pensions Ombudsman.

Template Letters – there is a suite of example letters, including an acknowledgement letter, Stage 1 & 2 appeal letter etc. The templates provide guidance on the information you must provide when responding to a member's IDRP.

Members Guide to raising a complaint – this document provides Members with a step by step guide through the IDRP process, including how to resolve complaints without raising an IDRP, what action they can take if they are still dissatisfied, what information they should provide when raising an IDRP and where they can obtain additional help and contact details

Members IDRP application form – members can download a form, complete, sign and return to the body they wish to make the complaint about e.g. their Employer or the Staffordshire Pension Fund.

Pensions Made Simple – Member Videos

We are pleased to announce that the 'Pensions Made Simple' member videos are now available to view on the LGPS member website www.lgpsmember.org in both the desktop and mobile versions.

We would be very grateful; if you could draw them to the attention of your staff, who will find them of assistance.

The videos could also be used at Team Meetings and Induction Courses to provide bite size information.



Annual Report and Accounts

Staffordshire Pension Fund Annual Report and Accounts 2018/2019 are now available on our website for you to view:

<https://www.staffspf.org.uk/Finance-and-Investments/Annual-Reports-and-Accounts/Reports-and-Accounts.aspx>

Annual Benefit Statements (ABS) Online

Annual Benefit Statements (ABS) for active and deferred scheme members will be available during 2020 to view via on our online facility - 'My Pension Portal'.

Members will be able to log in to their online account and view their 2020 statement along with previous Annual Benefits Statements. Access to the 'My Pension Portal' is available via the following link:

<https://www.staffspf.org.uk/Calculator/Self-Service-Calculator.aspx>

Alternatively if members would like to receive a hard copy of their statement every year instead of the online version they can contact us on 01785 278222 or e-mail pensions.enquires@staffordshire.gov.uk.

It is essential that members do view their annual benefit statements on a regular basis to track their pension build up and ensure that the data we hold on their records is correct. Any errors can have a dramatic impact on the value of their future benefit entitlement if not spotted.

Every active and deferred member will be sent a letter during 2020 to give them details of how to log in and create their own online account on the 'My Pension Portal'.

Staffordshire Pension Fund would appreciate your support in encouraging Employees to sign up to use this facility to assist with this the Fund will make available a variety of different forms of communication material.

If you would like to speak to a member of Pension Services about My Pension Portal, please email martin.griffiths@staffordshire.gov.uk.



New Employer Admissions – Important Reminder

Employers, who are considering TUPE transferring services to an external company, should contact the Pension Fund at the earliest opportunity to ensure that pension implications and potential costs are considered at the outset of any tendering process.

This will ensure that the Employer can factor in any pension issues and costs in their tender documents and prospective contractors can price these costs accurately into their bids. This will avoid potential and unnecessary delays and complications at later stages of the tender process or after the contract has been awarded.

Legal Obligations

Where applicable a TUPE transfer of employees who are members of, or are entitled to be members of, the Local Government Pension Scheme (LGPS) must adhere to the principles of **‘Best Value Direction’ and the ‘New Fair Deal’ pension protections**

These HM Treasury documents set the pension protection requirements for staff compulsorily transferring from the public sector to independent providers delivering public services under TUPE.

Which Organisations does Best Value Direction and New Fair Deal apply to?

Best Value Contractors: Unitary Authorities (including Schools), Town Councils, Parish Councils, Fire and Rescue Authorities.

Fair Deal: Academies and Maintained Schools (where staff are not employed by the local authority),

For the organisation types listed above the above protections mean that in most cases the transferring staff must be given continued access to membership of the LGPS and the new Employer is required to apply for Admitted Body status in the Staffordshire Pension Fund.



Admitted Body Status

Under the LGPS Regulations the letting Employer and the new Employer (Contractor) must sign and enter into an Admission Agreement. The setting up of an Admission Agreement will incur a legal / actuarial cost.

Where an Employer (Contractor) is to be treated as a 'standalone' body, there will also be additional Actuarial Costs relating to the need for the Actuary to make an appropriate assessment of an on-going Employers contribution rate for monies that should be paid to the Fund on behalf for transferring Employees. An early indication of such may also be helpful to include as information for prospective tenderers.

The Fund is mindful that the legal / actuarial costs are borne by the letting Employer / new Employer (Contractor) and has therefore explored ways to reduce and cap the legal costs.

As a result standard legal / actuarial charges for Admission Agreements have been introduced, which are detailed below: **1) TUPE transfer of 10 or more employees**

Legal Costs

Description	Cost
Non – negotiable Standard Admission Agreement	£1,500+Vat
Complex / Negotiated Admission Agreement	£2,250+Vat

Initial Actuarial Costs

Description	Cost
Pensions Information Memorandum (Employer contribution and risk assessment)	£2,300+Vat

2) TUPE transfer of less than 10 employees – small Employer / Contractor



A small Employer / Contractor being admitted to the Fund is deemed to be one that has less than 10 active members and a contract length of less than 5 years.

Legal Costs

Description	Cost
Non – negotiable Standard Admission Agreement	£1,500+Vat
Complex / Negotiated Admission Agreement	£2,250+Vat

In these circumstances, this type of Admission will be treated as a “pass through” arrangement, whereby the assets and liabilities remain with the letting Employer at the end of the contract period. The Employer contribution rate for the contractor will normally be aligned with the unadjusted “Primary” contribution rate the Actuary has agreed for your organisation at the previous Pension Fund valuation.

This will be the default option for small Employers unless we are advised that ‘standalone’ Admission arrangement is preferred in which case the costs will be in line with those outlined in 1) above.

If you are in any doubt how this process can work with your organisation, please contact the Pensions Section for more information

**If you require any further information or clarification, please do not hesitate to contact Martin Griffiths, Communication Officer
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01785 276070**

