



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 2021

Exit Credit Policy Consultation

In April 2018, the Government announced a change to LGPS regulations to allow exit credits to be paid to employers for the first time.

Exit credits arise when an employer is leaving the LGPS, and an actuarial assessment shows their pension liabilities have been overfunded and there is a funding surplus at the date of exit. Prior to this change, no exit credits were payable, but employers were responsible for meeting any funding shortfall on exit.

In the months after exit credits were introduced, concerns were raised about unforeseen impacts, specifically where employers had outsourced services or functions and had included specific pensions risk provisions in service agreements. It became clear that service providers were becoming entitled to exit credits where this was not the intention of the letting employer when the services were tendered, and service agreements made.

In May 2019, the Government launched a further consultation on amending the exit credit provisions, to enable an LGPS administering authority to consider a range of factors in determining whether an exit credit is payable, including the level of pension risk that an employer or service provider has borne.

The final outcome of the consultation was announced in February 2020 and was implemented via the Local Government Pension Scheme (Amendment) Regulations 2020 (the 'Amending Regulations'), which came into effect on 20 March 2020.

Consultation

Following the new regulations coming into force, our draft exit credit policy sets out the factors which we will consider in determining whether an exit credit is payable.



The final policy will apply for all employers exiting the Fund. It is most likely to impact existing and future **short-term** employers, such as those undertaking an outsourced arrangement, and the letting authority or organisation. Please note that recent arrangements that have used the Fund's small contractor simplified "pass through" admission process are not impacted by the exit credit requirements.

The consultation is open until **13 February 2021**.

Draft policy

The draft policy was endorsed by the Pensions Committee on 18 December 2020.

The final version of the [draft exit credits policy](#) is subject to the outcome of a period of consultation with employers and other Fund stakeholders.

Please take time to:

- look through the draft policy
- consider how it may impact on your organisation as a participating employer in the Fund
- submit any views and comments you may have via the consultation

Responses and queries

If you wish to submit a response or have any queries, please email us with 'Exit Credit Policy' as the subject title of your email:

- **Email:** pensions.comms@staffordshire.gov.uk

McCloud

The Fund has created a dedicated area of the website to update our employers on any new information we receive on the McCloud Judgment. Please keep an eye on these pages for any updates as they are posted.

Can we also remind any employer who hasn't yet provided us with a main contact for dealing with McCloud queries to send the name over to our Communication Officer martin.griffiths@staffordshire.gov.uk, so a spreadsheet can be created for future mailings.



Pensions Forum Annual General Meeting (AGM)

You are invited to attend our slightly delayed Pensions Forum Annual General Meeting commencing at 10am on Tuesday 23 February 2021. This year, the meeting will be a virtual meeting, held via Microsoft Teams and so, if you are interested in attending, please email martin.griffiths@staffordshire.gov.uk expressing your interest and he will forward you the meeting link. The agenda for the meeting will focus on:

- A General Funding Update
- Presentation of the 2019-20 Annual Report and Accounts
- Actuarial Update from the Scheme Actuary

My Pension Portal (MPP)

During 2020 Staffordshire Pension Fund contacted every active and deferred member of the scheme not already registered to use My Pension Portal (MPP), providing them with an activation key to enable them to access our (MPP) facility.

MPP provides members with direct access to their individual pension record, so they can check the information we hold for them and carry out benefit calculations. Unless members elected to continue to receive paper statements, the 2019/20 Annual Benefit Statements were only available via MPP.

The posters created last year are still available on our website for you to email or place on your intranet, which will continue to support our efforts to get as many members using MPP as possible.

[Staffordshire Pension Fund - Promotion of My Pension Portal \(staffspf.org.uk\)](https://www.staffspf.org.uk)



I Connect

Staffordshire Pension Fund has continued to see a rapid and significant increase in the number and type of different Employers joining the Fund. This has coincided with more complex demands for accurate and regular data updates for the Local Government Pension Scheme 2014 'career average' structure, as well as increased scrutiny on the accuracy and currency of data by the Pensions Regulator.

To comply with these requirements, Staffordshire Pension Fund requires all participating Employers to submit monthly member data through our i-Connect data portal.

Originally our target was to ensure that all our Employers were using the system by April 2020 and past this date, all non-participating Employers, would be asked to pay an administrative charge for the resources needed to administer active members in the Fund, outside of i-Connect.

Current position

Although good progress has been made and we now receive a significant proportion of the Fund's active member data through i-Connect on a monthly basis, it is becoming increasingly apparent that more time will be required before all Employers can be signed up.

As a result, at present there will **not** be an administration charge made to those Employers who have not yet been able to sign up to i Connect. However, we would encourage all Employers not yet using our i-Connect to engage with us as soon as possible, so that we can introduce this new method of data exchange to you at the earliest opportunity.

Once the majority of Employers / payroll providers are using i-Connect we are likely to introduce an administration charge for those not using the service. We will notify you when this is the case.

If you require any further information or clarification, please do not hesitate to contact Martin Griffiths, Communication Officer
martin.griffiths@staffordshire.gov.uk
01785 276070

