



**Staffordshire
Pension Fund**
Local Government Pension Scheme

Employer Focus

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

Issue July 2023

Annual Benefit Statement – My Pension Portal (MPP)

Every year we issue Members with their Annual Benefit Statement (ABS) on the [My Pension Portal](#) area of the Pension Fund's website. The ABS is a statement that tells Members about the pension benefits they have added to their pension pot over the previous financial year. It is important that they are aware of their ABS and make sure that things such as their pay and contribution levels are correct. Since 2020 all ABSs are only provided online, unless a member makes a written request to continue to receive their ABS in a paper format.

Under the Pension Regulations, each time the Fund uses a website to provide an ABS to an active member, the Fund must first have informed the Member of that fact and explain to them how they can access and read the statement.

The Local Government Association's (LGA) view is that these requirements would be met by bringing the information to the Members attention via Scheme Employers. Therefore, we would very much appreciate your assistance in cascading the following message via your internal mail system, intranet site, news bulletins, notice boards etc.



Draft email – Staffordshire Pension Fund - Your Annual Benefit Statement (ABS)

If you are a Member of the Staffordshire Pension Fund, then your Annual Benefit Statement will be available online via [My Pension Portal \(MPP\)](#) from 31 August 2023.

If you have not yet registered for MPP you will need to do so by applying for an [activation code](#) on the Funds website. The activation code will then be sent to your home address (Please allow up to 20 working days).

Make sure by logging on to MPP after 31 August 2023 to check your annual statement and the other information we hold for you.

By accessing My Pension Portal, you can also:

- View your personal, financial and membership details.
- Produce your own pension quotes, helping you to plan for retirement.
- Run estimates on your pension with pension calculators.
- View the valuable life assurance and dependents pension provided.
- Send online enquiries to us.

Guarantee for Academy Trusts outsourcing arrangements.

On 17 May 2023, [the Department for Education \(DfE\) published their policy](#) for guaranteeing the outsourcing arrangements of academy trusts. This applies to England only.

Education and Skills Funding Agency (ESFA) approval is no longer required by academy trusts seeking pass-through arrangements with their administering authorities for outsourcing contracts for employees covered by the Department for Education (DfE) Guarantee policy. The DfE Guarantee covers employees eligible for the LGPS who:

- are working for the academy trust who are transferred to a contractor or on future re-tenders as part of an outsourcing contract.
- we are working for the local authority in a maintained school, then transferred to a contractor under TUPE, prior to the school becoming an academy, and where the outsourcing contract has passed to the academy trust following conversion to an academy.



- are working for the local authority, which is providing services to the academy trust under a contract, and the trust decides to outsource this contract to a third-party provider. Therefore, the employees transfer from the local authority to the new contractor.

Key Points

1. Provided the circumstances of an outsourcing contract match one or more of the scenarios outlined in the [policy document](#) the academy trust does not need to seek ESFA approval for pass-through arrangements.
2. If the circumstances of an outsourcing contract are not covered in the policy document, the academy trust must seek ESFA approval using the [Education and Skills Funding Agency enquiry form](#).
3. All contracting arrangements currently in place that meet the criteria outlined in the policy document are eligible for pass-through under the DfE Guarantee.
4. Where academy trusts have already entered arrangements that do not meet the criteria outlined in the policy document, they may discuss alternative options with the relevant administering authority.
5. Under a pass-through arrangement, if the contractor external to the academy trust ceases to trade, then the LGPS liabilities will remain with the trust. The trust may then choose to seek a new provider or bring services in-house.
6. The policy means the administering authority should no longer require a bond for pension liabilities. However, if they insist, that would be for the external contractor to provide, as an academy trust cannot provide a bond for LGPS pension liabilities. Where this happens, academy trusts should notify ESFA through the Education and Skills Funding Agency enquiry form.

It is important that we work closely with you to successfully meet the regulatory requirement when outsourcing employees. Consequently, if we can assist you in anyway, please let us know by contacting pensions.employers@staffordshire.gov.uk




Employer Pensions Discretions Reminder

All employers will be aware that they have a legal requirement under the Local Government Pension Scheme (LGPS) regulations to prepare and publish their employer's pension discretions.

We are aware that some employers have not published their pension discretionary policy. To assist our employers to formulate and publish policies we have produced a template setting out the [pensions discretions and factors you should consider](#).

The Local Government Association has also produced detailed employer discretions guidelines:

-  [Discretionary policies for scheme employers](#) - external link to a PDF document

Please note failure to formulate and keep under review a discretions policy as required by the regulations is a breach and will be recorded as such for consideration by the Pension Fund as to whether it is material and should be referred to the Pensions Regulator. This could lead to fines or further action at a national level.

Pensions and Life Savings Association (PLSA)

The PLSA has been working on implementing the recommendations made in the report, **The Local Government Pension Scheme: Today's Challenges, Tomorrow's Opportunities**, which identified areas where existing good practice can be fortified and where action can be taken to address the ever-increasing regulatory and environmental challenges facing the scheme.

As part of this work, they have updated [their PLSA best practice guide to help employers participating in the LGPS](#) to understand and fulfil the significant financial commitments, administrative responsibilities and regulatory requirements associated with the scheme.

There have been a number of additions and amendments to this best practice guide since it was last published in 2017, including new sections on the:

- Benefits of being an LGPS employer.
- Internal Dispute Resolution Procedure (IDRP).



This guidance will help employers to adopt:

- a sound HR strategy for employees in the scheme.
- a good governance process for managing participation in the scheme.
- robust financial and risk management with respect to contributions and liabilities within the scheme.
- good contract management if they have come to participate in the scheme as an admission body; and
- the ability to evidence this best practice to stakeholders.

If you require any further information or clarification on the content on this Newsletter, please do not hesitate to contact pensions.comms@staffordshire.gov.uk

