



Staffordshire
Pension Fund
Local Government Pension Scheme

Employer Focus

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 November 2020

Coronavirus Job Retention Scheme - Furlough

The Pension Fund needs to be aware if any scheme members are, or have been, furloughed, in order that any earlier pay protection can be considered, should the member leave within 12 months of the furlough period ending, and also to avoid the Pensions Section needing to contact your Payroll teams regarding unexpected reductions in the members remuneration.

A [simple spreadsheet return](#) is available on our website, which should be completed at the beginning and the end of the furlough period.

The completed forms should be sent to:

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

Further Information

To further assist Employers the following link takes you to the Local Government Association (LGA) website which contains all the latest information including COVID -19 webinars for LGPS Employers and frequently asked questions.

<http://lgpsregs.org/news/covid-EFAQs.php>

McCloud Webpage

In previous communications, we have kept you informed about the McCloud case and the implications for the Local Government Pension Scheme (LGPS) and the additional requirements this will place on Employers and the Pension Fund.



To assist Employers, we now have a dedicated webpage on the Fund's website. The webpage provides Employers with all the latest information, which includes the Employer's regulatory requirements to comply with the McCloud Judgement.

<https://www.staffspf.org.uk/Employers/McCloud-judgement.aspx>

Establishing Key Employer Contacts

As mentioned previously, the key to successfully completing this exercise is that the Fund and Employers work together closely and in partnership. The first step in this project is for us to establish a Key Employer Contacts for Fund Officers to liaise with. This person would ideally be in position of responsibility from within your HR or Internal Payroll Team.

Please note this is an Employer responsibility. Whilst you may delegate the collection of data to a third-party payroll provider, the Key Employer Contact, who we will liaise with, must be employed directly by your organisation.

If you haven't already done so, please arrange to nominate a person from your organisation and send the following details in an e-mail headed "McCloud Key Employer Contacts to:

pensions.comms@staffordshire.gov.uk

- name
- job title
- phone number and/or works mobile
- email address

The £95,000 Exit Payment Cap effective from 4 November 2020

Please note: The Exit Payment Cap applies to all public sector employees and Employers including Councils (Metropolitan, County, District, Borough) Police and Fire Authorities and Academies

You can check if your organisation is impacted by clicking on the following link which provides a list of all employers who are subject to the Exit Payment Cap.

<https://www.legislation.gov.uk/ukxi/2020/1122/schedule/made>



Following the introduction of the £95,000 Exit Payment Cap Regulations coming into force from 4 November 2020, the Local Government Association (LGA) have published an [information note for employers on the exit payment cap](#) (external link to a PDF document).

The LGA guidance sets out the various steps that Employers should consider for redundancy and business efficiency exits that occur from 4 November 2020 until the LGPS regulations are changed to accommodate the exit payment cap. **The guidance applies to exits of LGPS members who are aged 55 and over.**

It is particularly important that you maintain close contact with the Staffordshire Pension Fund throughout the retirement process, for any individuals who may be affected by the exit payment cap.

Further information on the Exit Payment Cap is available on the Fund's website: <https://www.staffspf.org.uk/Employers/Latest-News/Latest-News.aspx>

September 2020 Consumer Price Index

On 21 October 2020, the Office of National Statistics announced that the Consumer Price Index (CPI) increase for September 2020 was 0.5%. Pensions increases and revaluation of members Career Average Revalued Earnings (CARE) pension accounts next April (2021) normally follow the September CPI increase.

LGPS Funds England and Wales 2019/20

Every year the Ministry of Housing Communities and Local Government (MHCLG) publish statistical information on LGPS Funds' expenditure, income and membership for the financial year for England and Wales. On the 4 November 2020, the MHCLG published the statistics for the financial year 2019/20.

<https://www.gov.uk/government/statistics/local-government-pension-scheme-funds-for-england-and-wales-2019-to-2020>

The highlights include:

- total expenditure of £13.4 billion, an increase of 5.6% on 2018/19
- total income of £16.0 billion, an increase of 2.6% on 2018/19
- employer contributions increased by 7.7% on 2018/19 to £7.7 billion



- employee contributions increased to £2.3 billion from £2.2 billion in 2018/19
- the market value of LGPS Funds in England and Wales on 31 March 2020 was £272.4 billion, a decrease of 5.1%
- there were 6.1 million scheme members on 31 March 2020, 2.0 million active members, 1.8 million pensioners and 2.2 million deferred members
- there were 88,232 retirements in 2019/20, an increase of 5.7% compared with 2018/19.

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