

Local Government Pension Scheme

Employer Training Workshop

Estimates, Early Leavers and Retirements



Agenda

- Responsibilities
- Expectations
- Timescales

Across ...

Estimates, Early Leavers and Retirements

Estimates

What are the responsibilities of the employer?

- Determine type of estimate
- Provide the relevant information
- How it should be provided
- Understand these Timescales
- Instruct us where/when the members pension figures should be sent

What are the expectations of the member?

- What do you promise them?
- Are members aware of what they can obtain themselves and which can only be requested by the employer
- MPP – Do you use the [Promotion material](#) produced by the Fund to make them aware of this facility?

Where can you find out more information?

- Demo of the website, Staffordshire Pension has a dedicated area of it's [website](#) for employers to access guidance and any forms that you may require.
- Do you need access?
 - martin.griffiths@staffordshire.gov.uk
- What is your experience of the Website?

Types of Estimates

Redundancy / Business Efficiency

- Strain (cost to employer)
- Over 55 Pension figures to member on your request
- No deferred figures issued to under 55s
- Timescales – Plan ahead

Types of Estimates

Flexible Retirement

- Employer Policy Required
- Strain (waive not waive)

Could still be a cost to the employer!

- Paperwork to process case
- Figures to be issued to member, following clear steer from employer
- Timescales – Plan ahead

Types of Estimates

III Health

- Strain
- Death in Service
- Permanent III Health Award

Types of Estimates

Age Retirements

- MPP
- GDPR Requirements
- [Regulation 30 \(8\)](#)

Early Leavers

What are the responsibilities of the employer?

- Determine reason for leaving
- Provide the relevant information in the correct format
- Ensure forms are submitted in a timely manner

Where are the forms?

- Demo website
 - Pen LV1 (Word)
 - Excel Termination Form
- Even if an i-connect submission is received you may still be required to complete the LV1 Leavers form

Types of Early Leavers

Opt Out

- Under and over 3 months

Types of Early Leavers

Voluntary Resignation –

- Under 60 – Deferred Benefit Awarded if greater than 2 years service
- If want to claim pension (55-60) need to let the Fund know as three months notice is required
- Over 60 – will discuss under retirements

Types of Early Leavers

Redundancy / Business Efficiency

- Under 55 – Deferred Benefit Awarded if greater than 2 years service
- Over 55 – will discuss under retirements

Types of Early Leavers

TUPE

- Need to make it clear on the leaver form that it is TUPE
- Make Fund aware as soon as possible

Types of Early Leavers

Dismissal / Capability

- Right of Appeal is included within decision letter
- IDRP – Can appeal decision (employer) or challenge calculation process (Fund)

Retirements

Communicating to Retiring members

- What do you communicate to your retiring employees?

Finding Information

- Demo Website

➤ Fact Sheets

Types of Retirements

Redundancy / Business Efficiency

- Strain (cost to employer)
- Over 55 pension payable immediately unreduced

Types of Retirement

Flexible Retirement

- Employer Policy Required
 - Over 55 and Reduction in hours/grade
- Separate Form - PENFR1
- Strain (waive not waive)
- Estimates been provided

Types of Retirements

III Health

- Level of tier awarded – on LV1
- Copy of LGPS medical certificates
 - IRMP short report
 - Dismissal letter

Types of Retirements

Age Retirements

- Over 60 – Pension options will be sent
- 55 – 60 – Deferred Pension will be calculated unless employer or member states otherwise
- Late Retirement – Over SPA
- Upper Limit is age 75 (will need to be opted out)

Process and Timescales

What do you need to provide to the Fund?

- Leaver Forms to be provided in all cases
- Termination Details to include
 - Date
 - Reason for leaving
 - Pay (please note, we may need 13 years worth of Final Salary)

Actual Retirement Process

2 stage process

Stage 1 – Commutation Quotation

- Disclosure requirement
 - 2 months if leaving under SPA
 - 1 month if at or over SPA
 - Breach is reportable to regulator if not met
- Service Standards
 - 15 working days from receipt of the leaver form

Actual Retirement Process

Stage 2 – Actual Payment

- Service Standard member to receive payment of any Lump Sum Retirement Grant within 13 working days of us receiving all information/documentation
- Pension will be paid (with arrears) at the end of the next pay period

Exit Payment Cap Update

- Exit payment cap paused – 12 Feb 2021
- MHCLG wrote to Chief Finance Officers in May 2021 requesting historical exit payments data (back to 2014/15)
- Deadline to submit response in 30/06/2021
- The data will be used to inform delivery of the Government's policy to end excessively high exit payments in the public sector.
- No changes to pensions or compensation regulations without a further consultation exercise – watch this space !!

Questions?

