

Pension News

Autumn 2023



An update for Employers in the Local Government Pension Scheme (LGPS)

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We are pleased to publish the latest edition of our Employers' Newsletter; keeping you informed of your responsibilities as a Local Government Pension Scheme (LGPS) employer. Inside you'll also find the latest developments in the LGPS and any changes in the services we offer.



Save the Date

Surrey Pension Team are delighted to invite you to the forthcoming Pensions Fund Annual Engagement, formally known as the AGM, on **Friday 24 November 2023**.

Arrival at 9:30. Start Time 10:00 until 13:30.

The venue will be at: Surrey County Council, Woodhatch Place, 11 Cockshot Hill, Reigate, RH2 8EF.



Ill-Health Retirement Guidance

Free training available

We have been asked for some clarification between the ill health retirement process for active and deferred members. We have broken down the two processes below:

Active Members:

An employee must have met the 2-year vesting period in the LGPS. Ill-health retirement is considered when an employee is permanently incapable of efficiently performing their current job/duties due to ill health or infirmity of mind or body.

The employee must also not be capable of immediately undertaking any gainful employment (at least 30 hours per week for a minimum of 12 months).

Medical Assessment

An Independent Registered Medical Practitioner (IRMP) qualified in occupational medicine must provide a certificate confirming the employee's eligibility for ill-health retirement.

It's the IRMP's role to provide their opinion on whether an employee is eligible for ill-health retirement. The decision on whether an employee is entitled to early payment of their pension is made by the employer.

Categories of Ill-Health Retirement

There are 3 tiers of ill-health retirement, and employers must determine which category applies to each case based on the outcome of a medical assessment.

More information on the difference between these tiers can be found on our [employer website](#).

If a tier 3 is awarded, the member is responsible for notifying their former employer if they obtain gainful employment within 3 years from the date the pension began. The employer is responsible for undertaking a review at 18 months from the date the pension began.

Deferred Member:

When a former employee requests early payment of their deferred benefits due to ill-health reasons, the employer must follow a specific procedure. This procedure involves obtaining an opinion from an Independent Registered Medical Practitioner (IRMP) before reaching a decision.

The regulations stipulate that the assessment should focus on the individual's ability to perform the duties of the job they held immediately before leaving the Scheme. Consequently, it is crucial for employers to maintain records detailing employees' duties and responsibilities, typically documented in the form of a job description.

A request for ill-health retirement from a deferred scheme member must be directed to the employer in the first instance. If ill-health retirement is awarded by the employer then we should be informed appropriately.

Further information

Check out these [frequently asked questions](#) related to ill health retirement under the 2014 Scheme.

Free training courses

The LGA have released free ill health retirement training on [the employer bite-size training page](#) of www.lgpsregs.org

It covers the ill health retirement process, including the criteria, decision-making process and benefits payable. There are separate courses cover active and deferred members.

Employer Online Webinar Reminder

Join us on 27 September

All employers should have received an invitation to our free online webinar happening on 27 September.

The 1-hour webinar will be on the requested topic of 'What to do when you have a change of payroll provider' and will cover:

- The changing payroll provider process
- The change of payroll provider notification form
- What data we require from the new payroll provider
- What information we require from you the employer
- The i-connect rollout.



If you are interested in attending, please [sign up here!](#)

If you cannot attend but would be interested in receiving a copy of the recording, please let us know.

Customer Insights

Help us to help you (and your employees!)

You may be aware that over the last three years, the Surrey Pension Team (SPT) has been through a period of transformation, from operating under the Orbis partnership, undertaking pension administration for several Local Authority pension funds, to our new "one pension team" concentrating solely on the administration of the Surrey Pension Fund.

As part of our transformation, we developed and presented our [3 year Strategic Plan](#) to our Committee following approval by our Local Pension Board. The first pillar in the SPT Strategic Plan is Customer Focus.

Our goals are the achievement of customer satisfaction ratings and service delivery metrics that lead our industry. To achieve this, we first need to understand how our

stakeholders perceive us and the service we provide. We have planned to undertake qualitative stakeholder research initially and use the results from this to build on and improve our service.

We're looking for volunteers to talk to an independent research company about; our relationship with you and your employees, the service you receive from us, your thoughts, and ideas on how we can improve our relationship to the benefit of our scheme members. The meetings are planned to take place in October.

If you'd like to be considered to take part, please email our Customer Relationship Team Manager, Beth Evans at beth.evans@surreycc.gov.uk

We look forward to hearing from you!

Net Zero Announcement

2050 or sooner

We are pleased to announce that our Pension Fund Committee has agreed a carbon Net Zero target of 2050 or sooner for the Pension Fund investment portfolio.

Councillor Nick Harrison, the Chair of the Surrey Pension Fund Committee, said: “Following persuasive analysis the Committee has come to the decision to set a Net Zero goal of 2050 or sooner, consistent with the goals set by the Paris Agreement.” He continued, “We have already overperformed against many of our currently laid out targets and believe that the market will look vastly different in the future. The Fund has already reduced its UK equity carbon footprint by 38% since 2019. As others join this journey with us, we will continue to review our Net Zero goal”.

Head of Investment and Stewardship, Lloyd Whitworth, explained, “Setting a Net Zero date was a key priority from our new Responsible Investment policy. I’m pleased that after rigorous analysis and debate the Committee has reached this decision that furthers our responsible investment goals, whilst also supporting Fund investments to pay members’ future benefits.”

The Chair of the Responsible Investment sub-committee, Councillor Trefor Hogg, notes, “Action on climate change is absolutely necessary ... We need to be partners with and continuously engage with the companies we invest in to make Net Zero a future reality”.

The Senior LGPS Officer for Surrey, Neil Mason, adds, “I am incredibly proud of the process that has got us to this point. It culminates over a years’ worth of work of officers, advisors, collaboration with our pooling partners, Border to Coast, and most importantly the endeavours of the Responsible Investment sub-committee, in setting a target that is not only an ambition but has a measurable delivery plan”.

[Visit our website](#) to find out all the ways Surrey Pension Fund are taking responsible investment seriously.





Guidance on the retirement process

Share our guide with your staff

Deciding to retire can be both exciting and stressful. Knowing the process for receiving your pension and what to expect at each stage can help members feel better prepared.

That's why we have produced a comprehensive, step-by-step guide for members on claiming their Surrey LGPS pension upon their departure from your employment.

To make it even more accessible, we've compiled a [guide](#) that meticulously walks members through each stage, detailing what to anticipate, who to expect guidance from, and when, while also shedding light on vital tax and AVC-related information.

Please [share this valuable retirement guide with your staff](#).

Advance & Final Leaver Notifications

Clarity on the LG4 Retirement Datafile

Managing employee departures can be complex, especially regarding pension entitlements. We've been asked to deliver some clarity on a section of the [LG4 Retirement Datafile](#) – available on our [Employer website](#).

When filling out the Datafile, employers are asked to state in **Column K** whether it is an Advanced or Final Leaver notification.

We'd like to take a moment to remind you of the crucial difference between the 2 two types of notifications.

Advanced Leaver Notification

As an employer, you should send this when informed that an employee is leaving and intends to claim their pension entitlement. The advanced notification gives a projection of the employee's pay up to the leaving date.

By providing this projection in advances, you enable us to take proactive steps. We can then send a pension quotation and claim forms to the member in advance of their last day. This

early communication ensures a smoother transition for both you and your employees.

Final Leaver Notification

A Final Leaver Notification is a follow-up step that is sent by you after the employee's last salary payment. This is crucial as it confirms the actual pay received by the employee up to their leaving date.

Upon receiving this and the employee's completed pension claim form, the Surrey Pension Team can promptly process the pension benefits. Timely submission of this notification and the required documentation expedites the entire process.

LG4 Datafile

In summary, by sending 2 versions of the [LG4 Retirement Datafile](#), one with an Advanced Leaver Notification and another with a Final Leaver Notification, you ensure a smooth and efficient process for your employees' pension claims.

Strike Action FAQs

The LGA have published frequently asked questions (FAQs) covering common questions asked when LGPS members take strike action.

You can access the:

- Employer FAQs on the **employer guides and documents** page of www.lgpsregs.org
- Member FAQs on the **frequently asked questions** page of www.lgpsmember.org.

Feel free to share the member FAQs on your internal networks or intranets.



Survey Reminder

When employers change their payroll providers, this can cause disruption and, in some cases, a loss of important pension information. That's why we want to make sure that these moves are as seamless as possible.

If you haven't already, please take a moment to [complete the employer questionnaire](#).

Your responses are important in helping us provide the support you need and guaranteeing a smooth transition for all our employers going forwards.

We appreciate your responses, as these will allow us to quickly gather valuable information. It also helps us stay up to date with payroll provisions across the diverse range of employers in our Pension Fund.



Our Contact Details

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Useful Links:

employers.surreypensionfund.org.uk
www.surreypensionfund.org
lgpsregs.org/employer-resources/