

# Pension News

Summer 2023



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

### Inside this issue:

Annual Allowance	2
Factor Updates	2
ABS FAQ	3
Fee Schedule of Employer Recharges	4-5
A&G Team Contact Info	6
Contribution Rates	6
Backdated Pay Awards	7
Save the Date	7
Final Pay & Assumed Pensionable Pay	7

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.



## Early Retirement Strain Cost Factors

The Fund needs strain cost factors to determine the added cash which an employer must pay whenever a member takes early retirement on unreduced benefits. These benefits cost the Fund more than it had been expecting, so the employer must pay the additional cost.

Following the 2022 valuation, the Actuary has reassessed the early retirement strain cost factors currently in use and provided revised factors to allow for the updated valuation assumptions; these will be effective from 1 July 2023. This means that for employer led retirements (e.g. redundancy) where the retirement date is on or after the 1<sup>st</sup> July 2023, any associated strain cost will be based on the revised factors.

# Annual Allowance



## Pay information requests for Annual Allowance

Just a reminder that we will be emailing our employer payroll contacts around August this year requesting pay information for members who have potentially exceeded the Annual Allowance (AA) for the tax year 2022/23.



It is vitally important that the pay information you provide following our request is accurate, as this can have tax implications for the member.

It is also important that the information is returned to the Surrey Pension Team on time in order for us to undertake our calculations, as we are lawfully obliged to inform members by 6 October 2023 if they have exceeded the limit, by way of a Pension Savings Statement and if so, those members must complete a self-assessment tax return.

## Factor Updates

### SCAPE discount rate and impact on actuarial factors

On 30 March 2023, the Government announced in a [written ministerial statement](#) that the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate reduced to the consumer price index (CPI) plus 1.7%. This is a change from CPI plus 2.4%.

#### Why is this important?

The SCAPE discount rate is used to set the employer contribution rates in the unfunded public service pension schemes (PSPS) and determine the actuarial factors across all PSPS.



#### What does this mean?

Following the reduction of the SCAPE discount rate, which is effective from 30 March 2023, all of the Scheme's actuarial factors are being revised. Changes to the scheme actuarial factors will be implemented separately as the factors become available and will affect various pension calculations. For example, early retirement reductions and late retirement increases applied to members' benefits at retirement, transfers in and out of the scheme, and the purchasing of additional pension.

Please note that while every effort is made to provide accurate information to members, we must apply the actuarial factors in force at that time.

# Annual Benefit Statement FAQ



## Resources for your intranet

The 2023 Annual Benefit Statement will be available to view on the 'My Pension' portal by 31 August 2023, for your employees who were active members of the LGPS on 31 March 2023.

We will contact your employees directly as their statement becomes available to advise them of this but would be grateful if you could also include this in any communication that you have with your relevant employees.

You may wish to use the communication message below.

Every year, all active members within the Local Government Pension Scheme (LGPS) will receive a statement showing the pension benefits they have built up so far and what they might receive when they retire. If you were an active member of the LGPS on or before 31 March 2023, you will receive a statement.

### How do members view their Annual Benefit Statement?

In order to view their statement online, members will need to logon to the **'My Pension' portal**.

### What if the member isn't registered for the 'My Pension' portal?

It is very easy to register (free of charge) for our online service, but the member must use a computer or laptop whilst registering instead of a smart phone or tablet. They must follow the steps below:

1. Go to:  
<https://mypension.surreycc.gov.uk>
2. Click on **'Request One.'**
3. Enter their Surname, National Insurance number, date of birth and email address.

Within 24 hours, the member will receive an email from 'Altair Live,' and will have to select the link to complete their registration.

If they are still having difficulty registering, they can view the **guidance video** on our website or refer to our Frequently Asked Questions. These can be found on the 'My Pension' portal, under the Help link at the top of the page.

If the member has any other questions about 'My Pension' they can call our technical helpline on 0300 200 1034.

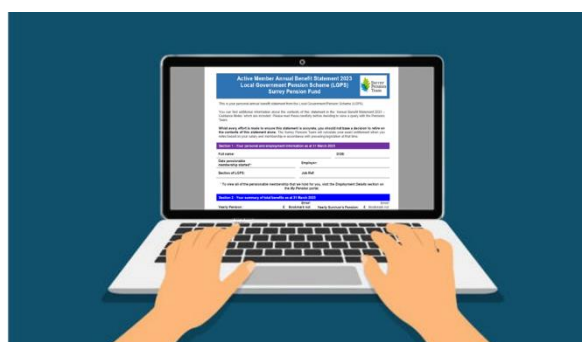
### Where to find more information about the LGPS

Once the member has logged into **'My Pension'** portal, they can select Annual Benefit Statements from the dashboard. The statement can be printed or downloaded and saved.

More detailed information about the LGPS can be found on the **national website for scheme members**.

Scheme guides, factsheets and the Active Member newsletter are available on the **pension fund website**.

If your members have any questions about the LGPS, or about their LGPS benefits, then they can contact the pensions team via email at **crt pensions@surreycc.gov.uk** or call 0300 200 1031.



# Fee Schedule of Employer Recharges



## Table of charges

For new employers joining the Fund, to existing employers and employers leaving the Fund, the Actuary & our Legal representatives will be required to carry out various work.

Going forwards, actuarial & legal administrative work will be recharged back to the Employers.

Below is the table of charges. Please note, the following fees assume that no significant data work is required. If there are difficulties in obtaining clean data, then the figures may be higher.

**Any queries on charges & costs, actuarial or legal must be emailed to [Employer.Pensions@surreycc.gov.uk](mailto:Employer.Pensions@surreycc.gov.uk)**

\*The standard fee is on the basis that the data provided is correct. However, if further data is required by the Actuary, fees could increase.

Calculation of employer contribution rates for new admitted bodies:	Standard Fee *	Notes
Fully Funded Contribution Rate	£841.00	-
Share of Deficit Contribution Rate	£1,962.00	-
Academy Report	£1,962.00	-
Calculation of new Multi-Academy Trust Contribution Rate	£392.00	-
<b>Fully funded Contribution Rate &amp; Full Bond</b>	£1,962.00	This is required for all new employers who join the Fund for valuation purposes
Initial Assets & Liabilities (with report)	£1,681.00	-
Initial Assets, Liabilities & Future Service Rate (without report)	£841.00	-
Assessing effect on ceding employer of outsourcings (separate report)	£2,802.00	-
<b>Payment of additional lump sum into Fund impact on contribution rate assessment</b>	£392.00	-
<b>Pension information Memorandum (Fully funded transfer)</b>	£1,121.00	-

Calculation of Employer Contribution rates for new admitted bodies:	Standard Fee *	Notes
<b>Bonds</b>	-	-
Redundancy Bond	£560.00	-
Market related risk bond	£841.00	-
Redundancy and market related risk bond	£1,121.00	-
Bond Renewals	Fees as above but there would be economies of scale if done as a batch	-
<b>Cessations</b>	-	-
Rollforward (Indicative)	£280.00	-
Cessations – Full valuation (Indicative & Final Assessments)	£3,363.00	Assuming no significant data work
<b>Funding Updates</b>	-	-
Rollforward (Indicative)	£841.00	-
Cessations – Full valuation (Indicative & Final Assessments)	£2,242.00	Assuming no significant data work
<b>FRS102 / IAS 19 Accounting Reports</b>	£400.00 - £2,000.00	Dependent on criteria and type of report requested
<b>Legal Costs</b>	-	-
Standard Admission Agreements	£1,194.00	-
Pensions Advice	£200.00 - £500.00	-
Guarantee & Bond Agreements	£312.00	-





## Who to Contact within the A&G Team



### Reminder of inbox addresses for relevant queries

#### [Employer.pensions@surreycc.gov.uk](mailto:Employer.pensions@surreycc.gov.uk)

- Employer querying their employer contribution rate
- Employer requesting to join the pension fund
- Any TUPE queries from the employer requesting an update or if there are any changes
- Invoice and recharges queries
- Employer changing payroll provider
- Academy conversion queries

#### [Governance Manager – Adele Seex adele.seex@surreycc.gov.uk](mailto:Governance.manager@surreycc.gov.uk)

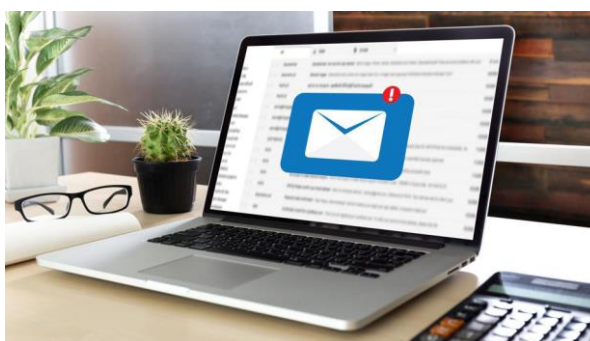
- Approve [Independent Registered Medical Practitioners \(IRMP\)](#)
- Pension Enquires for [Freedom of Information](#), via the Surrey County Council FOI portal and maintain [disclosure log](#)
- Advocate for [MySurrey](#)
- First point of Contact for Board and Committee Members, relating to Local Board Meetings and Surrey Pension Fund Committee meetings.
- Public questions
- Record Breaches log
- Any governance issues

#### [Technical Manager – Sandy Armstrong sandra.armstrong@surreycc.gov.uk](mailto:Technical.manager@surreycc.gov.uk)

- LGPS Regulations and related legislation
- Technical or complex queries
- Assisting with Internal Dispute Resolution Procedure
- Reviewing Pension Fund Policy documents
- Reviewing Employer and Pension Fund discretions

#### [Pensions.contributions@surreycc.gov.uk](mailto:Pensions.contributions@surreycc.gov.uk)

- Contribution Forms
- Employer Contribution queries
- Invoice and recharges queries



## Contribution Rates Reminder

### Information on contribution rates

Following the March 2022 Valuation, all Employers will have received their Contribution Rates effective from 1 April 2023. Please can you check and ensure you are using the correct Contribution Rates.

The new Contribution Forms have been emailed out. If you have any questions, please contact [Pensions.Contributions@surreycc.gov.uk](mailto:Pensions.Contributions@surreycc.gov.uk).

## Backdated Pay Awards

The LGA have put together a FAQ for employers on the payment of backdated pay awards and pension contributions. This can be found in the employer resources section of the [LGPS Regulations and Guidance Website](#).

The HR and Payroll guide within the employer resources section have also been updated to reflect the annual updates for 2023/24.



## Final Pay & Assumed Pensionable Pay

Need help calculating Final Pay? [Check out our Employer website for calculation examples](#) for full time, part time and term time members.

If you have a question about calculating Assumed Pensionable Pay (APP), [our Employer website has a page on calculating Pensionable Pay and APP](#).

Or, why not check out the Bite-size training courses available on the Employer Resources page of the LGPS Regulations website. Select the links below to be taken directly to the course:

[Assumed pensionable pay \(APP\) training course](#)

[Final Pay training course](#)

## Save the Date

Our next Employer Meeting is planned for 27 September 2023. More information and agenda to follow soon.



### Our Contact Details

☎ 0300 200 1031  
 📧 Surrey Pension Team  
 PO Box 465  
 Reigate, RH2 2HA

### Useful Links:

[employers.surreypensionfund.org.uk](http://employers.surreypensionfund.org.uk)  
[www.surreypensionfund.org](http://www.surreypensionfund.org)  
[lgpsregs.org/employer-resources/](http://lgpsregs.org/employer-resources/)