

# Pension News

Spring 2025



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

### Inside this issue:

End of Year Return	2
Contribution Rates	3
i-Connect	4
Scam Advice	4
Investment Update	5
Retirement	6
Neonatal Care Lave	6
McCloud Remedy	7
New Joiner Webinars	7
AVC Payments	8
SPT LinkedIn	8
Employer Resources	8
Employer Role Training	8

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.



## Customer Relationship Team - Updated Operating Hours

We would like to inform you of the updated opening hours for the Customer Relationship Team (CRT) telephone lines. Our team is available during the following times:

**Monday – Thursday:** 09:00 – 16:00

**Friday:** 08:00 – 12:00

For any queries, please contact us using the details below:

**Mainline:** 0300 200 1031

**Member Self-Service Queries:** 0300 200 1034

**Email:** [crt pensions@surreycc.gov.uk](mailto:crt pensions@surreycc.gov.uk)



# End of Year Return



## To be submitted by 30 April

We are fast approaching the end of the financial year and it's time for your organisation to provide the statutory End of Year Return to us for the Local Government Pension Scheme (LGPS).

If you are not onboarded to i-Connect at this time, then you would have received an email from [Pensions.Technical@surreycc.gov.uk](mailto:Pensions.Technical@surreycc.gov.uk) requesting the Annual Return Spreadsheet 2025 file to be completed as soon as possible after 31 March, but **before 18 April 2025**.

The [spreadsheet](#) is also available to download from the [Surrey Pension Fund Employer website](#).

### Why do Surrey Pension Team need the End of Year information?

The information that you provide is used to calculate the CARE pension built up over the year and produce an **Annual Benefit Statement** for each of your LGPS members who are contributing to the Scheme. This provides the member with the current value of their pension benefits and a projection of their pension to their normal pension age.

It is especially important this year due to the strict deadline set by our actuary to carry out an actuarial valuation which takes place every three years, with 2025 being a valuation year.

The information is also used to determine if a member will, or is close to, exceeding the Annual Allowance so it is vitally important that the figures are accurate.

March's monthly submission will be used to calculate the year end cumulative amounts if you are an employer that is onboarded and providing information monthly via i-Connect.

### Where do I send the completed file to?

The completed return should be sent to us via **Egress secure email** as soon as possible after the end of the financial year to: [Pensions.Technical@surreycc.gov.uk](mailto:Pensions.Technical@surreycc.gov.uk)

### Who do I contact if I have any queries?

Please refer to our [guide video](#) to help you complete the spreadsheet.

If you have any questions that are not answered within the video, please don't hesitate to contact our Customer Relationship Team at [crt pensions@surreycc.gov.uk](mailto:crt pensions@surreycc.gov.uk).

Alternatively, you can give them a call on **0300 200 1031**.



# New Contribution Rates



## For both Employers & Employees

The new Contribution Forms used for submitting information on contributions made from 1 April 2025 will be emailed to all employers in the coming weeks. These should be used for contributions made from 1 April 2025 onwards.

These need to be completed and emailed to [pensions.contributions@surreycc.gov.uk](mailto:pensions.contributions@surreycc.gov.uk) by the 19th of each month, **even if you are signed up to i-Connect**. Payment of these contribution funds are due by the 21st of each month, you can find Surrey Pension Fund bank account details on the form.

### What if there is a Secondary Employer contribution rate?

If there is a Secondary Employer contribution amount payable, please complete the relevant section on the Contribution Form and state in the Comments column whether this is an annual or monthly figure.

Please make sure that the Month and the Employer Name are quoted in both the email subject and payment reference.

If you have any queries, please contact our Employer Team at:  
[Employer.Pensions@surreycc.gov.uk](mailto:Employer.Pensions@surreycc.gov.uk)

# Annual Updates

## For the 2025/26 financial year

The Local Government Association (LGA) have published the [new annual rates](#). These rates apply to employee pension contributions, purchasing of additional pension, automatic enrolment earnings bands, National Insurance (NI) thresholds, and redundancy payments.

The table below shows the pay bands and contribution rates that apply from April 2025.

Band	Actual pensionable pay for an employment	Main section contribution rate for that employment	50/50 section contribution rate for that employment
1	Up to £17,800	5.50%	2.75%
2	£17,801 to £28,000	5.80%	2.90%
3	£28,001 to £45,600	6.50%	3.25%
4	£45,601 to £57,700	6.80%	3.40%
5	£57,701 to £81,000	8.50%	4.25%
6	£81,001 to £114,800	9.90%	4.95%
7	£114,801 to £135,300	10.50%	5.25%
8	£135,301 to £203,000	11.40%	5.70%
9	£203,001 or more	12.50%	6.25%

# Surrey's i-Connect Journey



## Updates and how it can benefit you

Our aim is to roll out Monthly Data Collection to all our Employers by March 2026. Once completed, we will not require the provision of a Year End Annual Return from any employer, as the information will already be provided via i-Connect monthly submissions.

We currently have approximately 67% of our Employers providing information via the i-Connect solution, this constitutes to around 82% of our active members contributing to the Scheme.

### The Benefits of i-Connect

i-Connect will provide significant benefits to you, your members, and the Surrey Pension Fund, including:

- Secure data transmission
- Accurate data submissions
- Fewer data error investigations
- No need for year-end Annual Returns
- Reducing the need for submission of data via individual forms or spreadsheets
- Reducing the time spent on pensions administration

We plan on resuming our i-Connect onboarding from April 2025, so please be prepared and wait for correspondence to start this journey and move towards our new solution for data collection.

---

## Scam Advice

### Useful resources to share with your employees

Scammers will always be looking for savers to target and your employees could be at risk. We've prepared resources for you to share with your employees to help them remain aware of potential scams and stay vigilant against them.

If you or any of your employees receive unexpected contact related to pensions, we strongly urge seeking financial advice and to verify the credentials of those you are dealing with. Taking these precautions can help safeguard your pension funds and protect you from falling victim to scams.

Further information about pension scams and other types of scams can be found on the following websites:

[FCA's ScamSmart page](#)

[MoneyHelper's pension scams page](#)

[Surrey Pension Fund's avoiding pension scams page](#)

[GOV.UK's fraud awareness page](#)





# Investment Update

## Latest reports & decisions related to investment

2024 was a great year for progress and achievements for our Investment & Stewardship Team. At the end of the year, the value of the Surrey Pension Fund's investment assets was £6.1bn, which increased by 11.6% over the year. This strong increase in value was mainly driven by the rise in global equity valuations, with the US doing particularly well. Ahead of the full valuation later this year, the estimated funding ratio is 152%, this being the comparison of investment assets and the current value of predicted future benefit payments.

During the year, the Fund made a £90m commitment to the Border to Coast Pensions Partnership (BCPP) UK Opportunities Fund. BCPP is the Fund's investment pooling partner and launched this private market fund to make investments dedicated to the UK alone. Investment will be made into areas such as housing, infrastructure and renewable energy. The Fund also made a further commitment of £50m to the Climate Opportunities private market programme run by BCPP, having already committed £235m.

### Signatory status on our first attempt!

In 2024, the Fund targeted becoming a signatory to the UK Stewardship Code, demonstrating the high standards the Fund is working to. The Fund's submission covered 12 principles, including integrating responsible investment (RI) into decision making, holding investment managers to account, and engagement to protect or enhance the value of the Fund's assets. The application was successful and the submission can be found [here](#).

### Net Zero

After reviewing the investable universe, the Fund reaffirmed its commitment to a Net Zero date of 2050 or sooner and once again published a Task Force on Climate-related Financial Disclosures report (TCFD). This document provides all stakeholders with information regarding the Fund's carbon exposure and its change over time. It can be found [on our website](#).

Since 2018, the weighted average carbon intensity (WACI) of the listed equity portfolio has fallen by over 75%. Part of the recent fall in carbon exposure was driven by the switch of assets in 2023 from an index tracking Emerging Markets fund into an actively managed one. This reduced the carbon exposure for this asset class by over 50%, whilst still allowing the Fund to benefit from investments in Emerging Markets.

### Award winning team

The Fund's activities in the RI space have been recognised externally during 2024. It won the Impact Investing Principles Adopter award from Pensions for Purpose, given the Fund's commitment to continuously improve its RI approach and was short-listed for Best Investment Innovation award at the annual LAPF Investment Awards.



## Employee thinking about taking their pension?



### Make sure you know the options available to them

Did you know that your employees do not need to reach their Normal Pension Age to access their LGPS pension? They can retire and take their pension anytime from age 55, provided they have met the two-year vesting period. However, they must take their pension by age 75.

#### Flexible retirement

If your organisation has a policy in place and agrees to the request, employees may be able to take their pension while continuing to work. This can be achieved by reducing their working hours or moving to a lower-paid role - known as **flexible retirement**.

However, if an employee takes their pension before reaching their Normal Pension Age, their benefits may be reduced due to early payment. You can find out more about [flexible retirement](#) on our employer website.

#### Redundancy or business efficiency retirement

Employees aged 55 or over who are made redundant or retire in the interests of business efficiency may receive immediate payment of their built-up pension benefits, provided they have met the two-year vesting period.

Their main LGPS benefits will not be reduced for early payment, but any additional pension they have purchased will be subject to reductions if taken before their Normal Pension Age. You can find out more about [redundancy](#) on our employer website.

#### Upcoming changes to the minimum pension age

Under the Finance Act 2022, the Normal Minimum Pension Age (NMPA) will increase from 55 to 57 from **6 April 2028**.

## New Regulations for Neonatal Care Leave and Pay

### Effective from 6 April 2025

New regulations have been applied to [Neonatal Care Leave \(NCL\) and Pay](#), effective from 6 April 2025. Changes introduced by these regulations include new statutory entitlement. This applies to employed parents if:

- their child is born after 5 April 2025,
- the child receives neonatal care starting within 28 days of birth,
- and if the child goes on to spend 7 or more continuous days in care.

Eligible parents will be entitled to up to 12 weeks of NCL in addition to existing

entitlements, such as maternity, adoption and paternity. It must be taken within 68 weeks of the baby's birth.

This amends the definition of 'child-related leave' under the LGPS Regulations in England and Wales, treating NCL similarly to most other types of child-related leave.

Members who are on paid NCL will be treated as receiving Assumed Pensionable Pay (APP). Those on unpaid NCL can choose to buy back lost pension through a Shared Cost Additional Pension Contract (SCAPC).

---

# McCloud Remedy in the LGPS



## Understanding the changes and your responsibilities as an employer

### What is the McCloud Remedy?

When the LGPS transitioned from a final salary to a career average pension scheme in 2014, protections were put in place for older members. However, a court ruling later determined that these protections were discriminatory as they did not apply to younger members.

This ruling, known as the McCloud Judgment or McCloud Remedy, has led to new legislation requiring Public Sector Schemes to address this issue. The final regulations came into effect on **1 October 2023**.

### What do employers need to do?

As an employer, you have already provided service data for the remedy period 1 April 2014 to 31 March 2022. This information is being reviewed and applied to pension records to ensure the correct protections are calculated. If there are any outstanding queries regarding the data, we will contact you directly.

### What do members need to do?

LGPS members **do not** need to take any action or submit a claim. Unlike other Public Sector Schemes, there is no requirement for them to choose between different pension benefits as the protection will be applied automatically.

For further details, please direct members to [our website](#) and the [National LGPS Member website](#) for more information.

---

## Free Webinar for Members

### Informative sessions for new scheme members

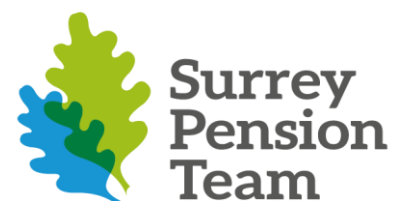
Do you know someone with any questions about the Local Government Pension Scheme (LGPS)?

If you do, share our monthly [‘Introduction to the LGPS’ webinars](#) with them.

Reoccurring monthly, this online webinar is perfect for new members or anyone who wants to learn more about their pension benefits.

Sharing this with your colleagues will allow them to get all of the information they need to make the most of their pension. Our experts will guide them through the world of Local Government pensions and answer any questions they may have.

Don't miss this opportunity to help your colleagues to learn more about their pension!



## Submission of AVC Payments and Payroll Files

Any in-house Additional Voluntary Contributions (AVC) payable must be paid directly to Prudential, Surrey's in-house AVC provider.

Prudential have put together a [payroll guide](#) for employers, which covers how and when payments should be made to them.



## Check out our LinkedIn

Want to keep up to date on what the Surrey Pension Team are doing beyond our quarterly newsletter? If you do, why not follow our [LinkedIn](#).

We've recently shared posts promoting our recent accomplishments, such as nominations for awards in pensions. We also often share our recent Pension Fund activities, such as conferences that we are attending or presenting at.

We also always share the agendas for our upcoming Pension Board and Committee meetings.

## Employer Resources

The Surrey Pension Team have a dedicated [employer website](#). Where you will find lots of helpful information for you as an employer.

This includes:

- Procedures
- Terminology
- Your responsibilities as an employer
- Forms

You can also find [helpful guides](#) on the LGA website, as well as free bitesize training covering ill health retirement, Assumed Pensionable Pay (APP) and Final Pay.

## Employer Role Training

The Local Government Association (LGA) are running an employer role workshop aimed at LGPS employers.

The cost to attend the course is £255 + VAT. The training will be held online on Microsoft Teams, with attendees receiving a PDF training manual for their own use.

For more information about the course and date availability please visit the [course website page](#).

### 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/)