

Committee:	Date:
Local Government Pensions Board	10 June 2019
Subject: The City Corporation's Pensions Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: Matt Mott – Chamberlain's Department	

Summary

At the Board's meeting on 20 October 2016, it was agreed that information regarding a range of topics in relation to the Corporation's Local Government Pensions Scheme (the Scheme) would be provided at each meeting. Members have indicated that information regarding communications be provided on an annual basis and all of the other items of information will be provided at each meeting except for when there is no updated information since the previous meeting

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix A).
Data Protection Act 2018 (DP18) – Data Retention Policy	Draft Data Retention Policy has been circulated to all Board Member for Delegated Authority. This was approved on 24 May 2019
Information of Scheme Record Keeping	No amendments since the last Board meeting.
The Pensions Board's Risk Register	No amendments since the last Board meeting Risk Register (Appendix B (i)) Risk Matrix (Appendix B (ii))
A record of any complaints or disputes under the Scheme's complaints procedure	No new appeals.
Public Service Pensions Reporting Breaches of Pension Law	None to report
Any audit reports relating to the administration of the Scheme	An internal audit covering the administration of the pension scheme was undertaken in December 2018. The 2018/19 Internal Audit Opinion and Annual Report was presented to the Audit and Risk Management Committee (A&RMC) on 7 May.

	<p>In this report the substantial assurance rating for the administration of the Pension Fund was green.</p> <p>This means there is a sound control environment with risks to system objectives being reasonably managed.</p>
Any reports relating to the administration of the Pension Scheme which have been considered by other Committees	None to report.
Guaranteed Minimum Pensions (GMP) Reconciliation	<p>Pension data is continuing to be analysed and JLT are liaising with HMRC.</p> <p>HMRC have advised that they will issue a final report for each Scheme once final queries have been responded to.</p> <p>Whilst they have not provided a specific date we anticipate that this will be provided by HMRC at the end of Q2 or Q3 2019.</p> <p>JLT will undertake a final analysis of HMRC and Scheme data. We would expect this to be completed by the end of September 2019.</p> <p>A report will be brought to the Board in Autumn/Winter 2019 following the conclusion of the reconciliation.</p>
Automatic Enrolment	<p>The Corporation has a contractual obligation as an employer, to enrol its employees into a pension scheme on their first day of employment (providing their contract of employment is for 3 months or longer).</p> <p>Employees can opt out of the pension scheme whenever they wish. If the employee has opted out of the LGPS and they meet age and pay criteria the Corporation must under Automatic Enrolment Legislation re-enrol them back into the scheme.</p> <p>This occurs every 3 years on the anniversary of the first date that Automatic Enrolment applied to the Corporation. This is known as the Staging Date and for the Corporation that was 1 June 2013 .</p> <p>Employees who opted out were re-enrolled into the LGPS with effect from 1 June 2019. They can if they choose opt out of the scheme again.</p>

50/50 Scheme Re-enrolment	<p>Some scheme members elect to join the 50/50 scheme, whereby they pay half rate contributions to receive a half rate pension.</p> <p>This is a temporary arrangement and the scheme regulations require these members to be re-enrolled into the main LGPS every three years on the Corporation's anniversary of its Staging Date, 1 June 2013.</p> <p>All 50/50 scheme members were re-enrolled to the main scheme on 1 June 2019.</p> <p>They can elect for 50/50 membership again.</p>
Year End & Triennial valuation	<p>Scheme employers including the Corporation have submitted the necessary scheme member data to the Pensions Office, such as pensionable pay, pension contributions, working hours etc.</p> <p>The Pensions Office is currently running this data into the pensions software system, Altair and completing necessary data checks in doing so.</p> <p>This data will be submitted to the actuary in June as part of the triennial valuation.</p> <p>The data is also necessary to provide scheme members with accurate pension benefit values in their annual benefit statements.</p>
City Print contract	<p>APS (the printing contractor) have been provided with templates of the bulk printing the Fund requires throughout 2019.</p> <p>The first two distributions, Pensions Increase letters and pensioner P60s, have been successfully mailed to all pensioners. This amounts to approximately 8000 items of post.</p> <p>The next distribution will be the deferred annual benefit statements. These have to be distributed by 31 August, however, we are on track to deliver them by the beginning of July and will amount to a further 4000 items of post.</p> <p>The service provided by APS will continue to be monitored.</p>
Public Sector Pensions Legal Challenge	<u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u>

	<p>The Court of Appeal has ruled that reforms made to the judges and firefighters pension schemes were discriminatory on behalf of age.</p> <p>This has raised some concerns that all public sector pensions schemes, including the LGPS, may also be discriminatory on behalf of age.</p> <p>The government has sought leave to appeal to the Supreme Court and the decision is expected imminently.</p> <p>Law firm Leigh Day are representing a number of judges and firefighters and await the outcome.</p> <p>Ultimately it could mean that the reforms made to all public sector pension schemes in 2014 and 2015 are deemed as illegal.</p> <p>A press release regarding the case is provided in Appendix C.</p>
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Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

Appendices:

Appendix A – Annual Schedule of Events

Appendix B (i) - Risk Register

Appendix B (ii) - Risk Matrix

Appendix C – Press release

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