



## Pensions Committee

**Date:** TUESDAY, 29 NOVEMBER 2022  
**Time:** 2.30 pm  
**Venue:** COMMITTEE ROOMS, WEST WING, GUILDHALL

**Members:**

Alderman Ian David Luder (Chairman)	Alderman Sir David Wootton
Timothy Butcher (Deputy Chairman)	Deputy Madush Gupta
Shahnan Bakth	Clare James
Deputy Henry Pollard	Deputy Andrien Meyers
David Sales	

**Enquiries:** Chris Rumbles  
christopher.rumbles@cityoflondon.gov.uk

### Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:  
≤ [www.youtube.com/watch?v=HdZNeoUdU1I](https://www.youtube.com/watch?v=HdZNeoUdU1I) ≥

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
Town Clerk and Chief Executive

# AGENDA

## Future Meeting Date

- Wednesday 8<sup>th</sup> February 2023 2.00pm

### 1. APOLOGIES

### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

### 3. MINUTES

To agree the public minutes and summary of the Pensions Committee meeting held on 27<sup>th</sup> September 2022.

**For Decision**  
(Pages 5 - 10)

### 4. PENSIONS COMMITTEE WORK PROGRAMME 2022/23

Report of the Chamberlain.

**For Information**  
(Pages 11 - 12)

### 5. RISK REGISTER FOR THE PENSIONS COMMITTEE

Report of the Chamberlain.

**For Decision**  
(Pages 13 - 40)

### 6. PENSIONS SCHEME - ADMINISTRATOR'S UPDATE

Report of the Chamberlain.

**For Information**  
(Pages 41 - 46)

### 7. LGPS - COMMUNICATIONS ISSUED TO SCHEME MEMBERS

Report of the Chamberlain.

**For Information**  
(Pages 47 - 106)

### 8. LOCAL GOVERNMENT PENSION SCHEME - KEY PERFORMANCE INDICATORS

**For Information**  
(Pages 107 - 112)

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

11. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

**For Decision**

12. **MINUTES**

To agree the non-public minutes of the Pensions Committee meeting held on 27<sup>th</sup> September 2022.

**For Decision**  
(Pages 113 - 116)

13. **PENSION FUND - INITIAL 2022 ACTUARIAL VALUATION RESULTS**

Report of the Chamberlain.

**For Decision**  
(Pages 117 - 172)

14. **PENSION FUND - DRAFT ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022**

Report of the Chamberlain.

**For Information**  
(Pages 173 - 272)

15. **PRI 2021 ASSESSMENT UPDATE**

Report of the Chamberlain.

**For Information**  
(Pages 273 - 286)

16. **PERFORMANCE MONITORING**

**For Information**

- a) City of London Corporation Pension Fund Quarterly Monitoring Report Q3 2022  
(Pages 287 - 306)

Report of the Chamberlain.

- b) Investment Performance Monitoring to 30 September 2022 (Pages 307 - 322)  
Report of the Chamberlain.

- 17. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
- 18. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## **PENSIONS COMMITTEE** **Tuesday, 27 September 2022**

Minutes of the meeting of the Pensions Committee held at Committee Rooms, West Wing, Guildhall on Tuesday, 27 September 2022 at 2.45 pm and available to view at [www.youtube.com/watch?v=vvPZXm33XE4](http://www.youtube.com/watch?v=vvPZXm33XE4)

### **Present**

#### **Members:**

Alderman Ian David Luder (Chairman)  
Timothy Butcher (Deputy Chairman)  
Clare James  
Deputy Henry Pollard  
Deputy Madush Gupta

#### **In Attendance (Observing Online)**

Shahnan Bakth  
Andrien Meyers

#### **Officers:**

Caroline Al-Beyerty	- Chamberlain
Kate Limna	- Corporate Treasurer, City of London Corporation
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Chris Rumbles	- Town Clerk's Department
Sarah Port	- Chamberlain's Department

#### **Also in attendance:**

Lucy Tusa (Mercer)

The Chairman welcomed Clare James, the newly appointed Co-opted Member, to Pensions Committee.

#### **1. APOLOGIES**

Apologies were received from David Sales.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

#### **3. MINUTES**

**RESOLVED** – That the public minutes and non-public summary of the Pensions Committee meeting on 11 July 2022 be approved as an accurate record of the meeting.

#### **Matters Arising**

**Future Committee Dates** - A Member questioned whether future committee meetings dates had been agreed and circulated to Members. The Town Clerk agreed to provide confirmation of future dates and also to include a standing item on future meeting agendas showing these.

4. **PENSIONS COMMITTEE WORK PROGRAMME 2022/23**

The Committee received a report of the Chamberlain detailing a forward-looking Pensions Committee work programme.

RECEIVED

5. **RISK REGISTER FOR THE PENSIONS COMMITTEE**

The Committee considered a report of the Chamberlain presenting a Pensions Committee risk register for review.

The Chairman referred to the intention of including a Local Government Association (LGA) statement on McCloud with the Annual Benefits Statements and suggested a paragraph could also be included within the covering letter accompanying the statements making it clear that any change in position following resolution of outstanding issues relating to McCloud and a remedy promulgated by Government would automatically be calculated and applied to accounts, with there being no requirement on scheme members to take any action in this regard. The Chamberlain agreed to include a suitable paragraph.

A Member questioned whether information should also be included within the covering letter relating to transfers out of the Local Government Pensions Scheme and the implications of McCloud; the Chamberlain responded that a number of uncertainties still remain and at this point in time it was not advisable to include too much detail in a letter..

A Member remarked on there being administration related risks that did not appear to be fully captured within the risk register e.g., Members' records not being correct, not being calculated accurately and unrecorded deaths. The Chairman asked the Member to liaise with the Pension Team to consider how these risks could be incorporated.

The Chairman welcomed seeing insufficient assets showing as only an amber risk. The Chairman remarked on recent turbulence in the financial market as being likely to present a risk for many schemes and questioned the risk this presented to the City of London Pension Fund. In response, it was explained how recent market turbulence had largely impacted the Gilts market affecting pension schemes with liability driven investment (LDI) portfolios, where sharp increases in gilt yields led to pressure on leveraged LDI positions, however, the City of London Pension Fund does not have LDI. The weakness in sterling potentially helps unhedged pension schemes like the City of London which has no explicit exposure to bonds.

The Chairman referred to performance of London CIV, which he considered as a risk that needed including on the risk register.

The Chairman remarked on how it would be helpful for him to meet the new Chief Executive of London CIV. The Chamberlain responded confirming there would be a three-month handover between the outgoing and incoming Chief Executive of London CIV; a programme was being put in place that would allow the Chairmen of all the London CIV shareholders, an opportunity to meet the new Chief Executive. The Chairman suggested a request be submitted to London CIV at the earliest opportunity to begin the process.

RESOLVED: That Members: -

- Having reviewed the existing risks and actions presented on the Pensions Committee's Risk Register, agreed that further consideration would be needed to agree precise wording of certain risks; with there being a need to ensure key administration related risks were being fully captured.
- Agreed that performance of London CIV was a further risk relating to the services overseen by the Pensions Committee that needed including on the risk register.

#### 6. **PENSIONS SCHEME - ADMINISTRATOR'S UPDATE**

The Committee received a report of the Chamberlain providing a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting.

The Chairman noted that there had been one reporting breach, whilst also noting that the detail behind this breach would need to be taken during non-public session.

A Member referred to specific types of data and performance scores that were not currently being shown when looking at Service Level Agreements and Key Performance Indicators e.g. 10 working days to deal with a retirement case or 5 working days to deal with a death and attainment against these. It was suggested Members would benefit from relevant data being included within the report moving forward and providing a level of re-assurance in these areas. The Chamberlain responded confirming key performance data against KPIs had previously been reported annually, but that they would be happy to incorporate this information within the regular administration update report moving forward.

RESOLVED: That the report be received, and its content noted.

#### 7. **LOCAL GOVERNMENT PENSION SCHEME - COMMUNICATIONS ISSUED TO SCHEME MEMBERS**

The Committee received a report of the Chamberlain providing Members with an update and copy of all standard letters and communications that were issued to members of the Local Government Pensions Scheme.

The Chairman referred to a request of the Committee to see all standard communications issued to members of the Local Government Pension Scheme, with the accepted advice being that these would come in two separate batches given the volume of them. The Chairman referred to the discussion under the previous item and the agreement to include a paragraph on McCould in future

communications where it was appropriate. The Chairman questioned whether Members considered there to be any other areas that would need including or were missing.

A Member referred to Guaranteed Minimum Pension equalisation as another known unknown and where correspondence may be needed moving forwards.

A Member referred to dates included within the letters needing a review to ensure these were accurate, with one date showing as 1<sup>st</sup> June 2019 for enrolment and others appearing to be out of sequence.

The Chairman remarked on the letters appearing readable to a lay person, with the position on opting out of the Local Government Pensions Scheme spelt out clearly and allowing for an informed decision to be taken.

A Member remarked on the current cost of living crisis and questioned whether there had been any increase in the number of Scheme Members requesting to opt out or move to the 50/50 section, to which the Chamberlain responded confirming there had been no marked increase in these requests, but that the position would be kept under observation to see if the numbers started to increase.

The Chamberlain added how a key issue for the Scheme was net cash outflow, with this needing careful monitoring. It was hoped that the pay award this year would assist people this autumn and keep people in the Pension Scheme who may have otherwise thought twice, and with this being monitored very carefully.

The Chairman added that there was a need to remind people of the significant contribution that the City Corporation adds to the Scheme and to ensure Scheme Members were aware of the overall impact of this.

RESOLVED: That the report be received, and its content noted.

8. **LONDON COLLECTIVE INVESTMENT VEHICLE (LONDON CIV) AND MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MIFID II)**

The Committee considered a report of the Chamberlain providing an update relating to the 'Markets in Financial Instrument Directive II' (MiFID II) and a requirement for the City Corporation to update and resubmit an application to maintain elected professional client status as part of the London CIV.

Following the 2022 local elections, London CIV were asking all their clients, including the City Corporation, to update and resubmit professional client assessment applications in order to 'opt-up' and maintain their professional investor status.

The Chamberlain referred to the new Pensions Committee having presented a change in the City Corporation's approach to decision making, with this requiring resubmission of a professional client assessment in order to maintain professional investor status for the City of London.

The Chamberlain referred to a need to ensure that, collectively, Pensions Committee had relevant experience throughout its membership and that appropriate training had been completed. The Chamberlain asked Members to provide information on relevant training that they had completed to date, even where this training had been completed in their workplace, and to return this information by the middle of October.

Members noted that authority was being sought for the Chamberlain to complete a professional client assessment application form to allow the City Corporation to 'opt up' to elective professional client status of London CIV.

The Town Clerk clarified that Members were being asked to approve that the Chamberlain be authorised to complete and submit an application form to London CIV rather than a granting of delegated authority.

The Chairman reminded Members of their obligation to complete the relevant Pensions Regulator (tPR) training modules and asked them to send through certification of this once it had been completed.

RESOLVED: That Members:

- Note the requirement to update and resubmit its application to maintain elected professional client status in order to ensure it can continue to implement an effective investment strategy.
- Agree to authorise the Chamberlain to complete and submit the application to the London CIV.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were no questions.

10. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**  
There were no additional items of business.

11. **EXCLUSION OF THE PUBLIC**  
RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

12. **MINUTES**  
RESOLVED: That the non-public minutes of the Pensions Committee meeting on 11 July 2022 be approved as an accurate record of the meeting.

13. **CITY OF LONDON CORPORATION'S PENSION FUND QUARTERLY MONITORING REPORT Q1 2022**  
The Committee received a City of London Corporation Pension Fund Quarterly Monitoring Report Q1 2022.

14. **INVESTMENT PERFORMANCE MONITORING TO 31 JULY 2022**

The Committee received a report of the Chamberlain relating to investment performance of the pension fund as at 31 July 2022.

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

Members considered a question regarding the draft pension fund account audit.

16. **ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT AND THAT THE COMMITTEE AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no additional items of business.

**The meeting ended at 4.07pm**

-----  
Chairman

**Contact Officer: Chris Rumbles**  
**christopher.rumbles@cityoflondon.gov.uk**

## PENSION COMMITTEE WORK PROGRAMME 2022/23

Timescale	Funding	Investment	Governance	Administration & Communication	Training Items #
Standing items		<ul style="list-style-type: none"> <li>Investment Monitoring</li> <li>LCIV/Pooling Update</li> <li>Responsible Investment Update</li> </ul>	<ul style="list-style-type: none"> <li>Work programme</li> </ul>	<ul style="list-style-type: none"> <li>Administration Update</li> </ul>	
2022/23					
Q3 2022/23 (Nov)*	<ul style="list-style-type: none"> <li>Triennial Valuation Initial Results</li> </ul>	•	<ul style="list-style-type: none"> <li>Draft Annual Report</li> <li>Risk Register</li> <li>•</li> </ul>	•	<ul style="list-style-type: none"> <li>Triennial Valuation Training (Barnett Waddingham)</li> </ul>
Q4 2022/23 (Feb)*	<ul style="list-style-type: none"> <li>Triennial Valuation Final Results</li> <li>Funding Strategy Statement</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Investment Policy Review*</li> </ul>	<ul style="list-style-type: none"> <li>Business Plan/Annual Budget</li> <li>Risk Register</li> </ul>	<ul style="list-style-type: none"> <li>Administration Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Responsible investment/climate action (in house)</li> </ul>
Q1 2023/24 (TBC)		<ul style="list-style-type: none"> <li>Investment Strategy Review</li> <li>Investment Strategy Statement</li> </ul>	<ul style="list-style-type: none"> <li>Risk Register</li> </ul>		<ul style="list-style-type: none"> <li>Pooling (LCIV)</li> </ul>
Future years					
2023/24		•	<ul style="list-style-type: none"> <li>Risk Register</li> </ul>		•

# In addition to training provided either in house or by third party organisations, all Members will be expected to register for tPR online training and complete the modules in respect of **public sector pension schemes** within 12 months of joining the Committee

\*Responsible investment activities are undertaken in conjunction with BHE Board and Financial Investment Board.

This page is intentionally left blank

<b>Committee:</b> Pensions Committee	<b>Dated:</b> 29 November 2022
<b>Subject:</b> Risk Register for the Pensions Committee	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>All</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Amanda Luk – Chamberlain's Department	

## Summary

This report reviews the Risk Register for the Pensions Committee. The Risk Register details the key risks that have been identified alongside a risk score which indicates the likelihood of a risk being realised together with the potential impact to the organisation and the appropriate mitigations.

The risks are an amalgamation of the risks that were on the Local Government Pensions Board Risk Register and relevant risks that were on the Financial Investment Board Risk Register. When reviewing the risks, the Pensions Committee should be aware that some similar/generic risks are also included in the (CoL) Police Pension Board or the Financial Investment Board (FIB) Risk Registers: risks CHB Pensions 009 McCloud Remedy, 007 Cyber security and 005 Fraud are on the CoL Police Pensions Board Risk Register and risk CHB Pensions 013 (Responsible Investment Duties) is on the FIB Risk Register.

Following feedback from Members at its meeting on 27 September 2022, 3 new risks have been added and 2 amendments to risks have been made. The narrative "risk update" and "latest note" on associated actions has been amended where necessary.

The Risk Register is included at Appendix 2 and Members of the Committee are asked to review the risks and actions and confirm that appropriate measures are in place.

## Recommendations

Members are asked to:

- review the existing risks and actions present on the Pensions Committee's Risk Register, and confirm that appropriate control measures are in place; and
- confirm that there are no further risks relating to the services overseen by the Pensions Committee.

## Main Report









### Background

1. Prior to the formation of the Pensions Committee, responsibility for the CoL Corporation Pension Fund fell to a number of different Committees, most notably the Financial Investment Board (FIB) around investments. In addition to this, the Local Government Pensions Board (LGP Board), which scrutinises/oversees the operation of the Pension Fund, instigated its own Risk Register.
2. Now that the Pensions Committee has been established and is responsible for all matters relating to pensions, it is logical that the LGP Board's Risk Register forms the basis of the Pensions Committee Risk Register with relevant investment risks moving across from the FIB Risk Register. At the first meeting of the Pensions Committee on 11 July 2022, Members determined they wished to review the Risk Register at each meeting for the coming year.
3. At its meeting on 27 September 2022, the Pensions Committee agreed further consideration was needed to agree precise wording of certain risks, ensuring key administration related risks were being fully captured. Officers were asked to incorporate several changes to the Risk Register following feedback from Members. 3 new risks have been added and 2 amendments to current risks have been made.

### Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy approved by the Audit and Risk Management Committee in May 2014. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at **Appendix 1** of this report. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised "green", "amber" or "red".
5. The Risk Register to be reviewed is set out in **Appendix 2**.

Table 1: Risk Summary

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 009	McCloud Remedy	16	
CHB Pensions 001	Insufficient assets - Pensions Fund	8	
CHB Pensions 010	Targeted returns – Pension Fund	6	
CHB Pensions 006	Employer Insolvency	4	
CHB Pensions 007	Cyber Security	4	
CHB Pensions 011	Service provider failure	4	
CHB Pensions 012	Governance/Legislative Compliance	4	
CHB Pensions 013	Failure to discharge responsible investment duties	4	

Risk code	Risk title	Current Risk Score	Current Risk Score Indicator
CHB Pensions 003	Short term Cash flow (new)	4	✓
CHB Pensions 004	Breach of GDPR/Data Protection regulations (new)	4	✓
CHB Pensions 008	Pension Scheme Administration (new)	4	✓
CHB Pensions 005	Fraud	2	✓
CHB Pensions 002	Actuarial Valuation	1	✓

6. The Risk Register contains thirteen risks which are summarised above. In the table, “Current Risk Score indicator” displays the current “RAG” rating for each risk. Each risk presented in the Risk Register is accompanied by one or more “action(s)” which reflect how the risk is managed and mitigated. A “due date” for required completion is set against each action. Due to the nature of the risks overseen by the Committee, in many cases it is impossible to entirely eliminate a risk, and therefore corresponding actions will always remain live. These ongoing actions are necessary in order to maintain the current risk score. Where this is the case the Risk Register includes an annual due date, which will be renewed each year.

### Amendments and New Risks

7. Following the resolutions made at the Committee meeting on 27 September 2022, the following 2 amendments have been made and 3 new risks have been introduced as detailed below.
- CHB Pensions 005 (Fraud) – Amendment:** this risk has been expanded to more accurately capture that fraud is not limited to unreported deaths and can cover risks including pension transfer scams and theft of assets. Risk actions have been added around ensuring members are aware of potential transfer scams, ensuring Administration staff are aware of guidance, and that robust identity verification processes are in place. The risk score has remained at 2.
  - CHB Pensions 010 (Targeted Returns) – Amendment:** this risk has been adapted to include the London CIV. The London CIV is a pooling vehicle in which the Pension Fund is a shareholder; currently 20% of the Pension Fund is invested in the London CIV and the monitoring of performance of this fund manager is just as necessary to ensure long-term targets are met. The risk score has remained at 6.
  - CHB Pensions 003 (Short term Cash flow) – New risk:** this has been created to acknowledge the importance of cash flow planning and monitoring. This will ensure the Pension fund can meet any immediate and longer term cash flow requirements including drawdown requirements without disinvesting assets or delaying the settling of benefits. The risk score has been set at 4.
  - CHB Pensions 004 (Breach of GDPR/Data Protection regulations) – New risk:** the development of this risk is due to the importance of procedures to ensure personal data is not accidentally released to a third party. Risk actions

have been added to ensure Pension Administration staff are aware of corporate policies, and that any data sent electronically is sent securely keeping in line with GDPR and Data protection legislation. The risk score has been set at 4.

- e. **CHB Pensions 008 (Pension Scheme Administration) - New risk:** this risk has been added to reflect the need for appropriately trained Administration staff to ensure the accuracy of data. Training and succession plans for Administration Staff ensures they all have the necessary skills and knowledge needed so benefits are calculated accurately and paid on time. This ensures no financial penalties are imposed. The risk score has been set at 4.
8. The scores of other risks have been maintained at their previous levels and each of these has been reviewed and updated where necessary in the Register itself. Updates to the Risk Register are underlined throughout.

### **Conclusion**

9. The risks overseen by the Pensions Committee are primarily of low likelihood but represent substantial impact, particularly with regards to financial loss and reputational damage. There is one red risk around the McCloud remedy (CHB Pensions 009). Whilst the Public Services and Judicial Offices Act 2022 has received Royal Assent, its main purpose is to support the implementation of the McCloud remedy, however further guidance and legislation is required before it can be applied to the Local Government Pension Scheme. Once this guidance and legislation is issued, the risk rating and score is expected to decrease substantially.
10. The Pensions Committee is requested to review the risks and confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the Risk Register.

### **Appendices**

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Pensions Committee Risk Register

### **Amanda Luk**

Senior Accountant – Pensions

Chamberlains Department

T: 020 7332 1372

E: [amanda.luk@cityoflondon.gov.uk](mailto:amanda.luk@cityoflondon.gov.uk)

## City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

### (B) Impact criteria

Impact title	Definitions
Minor (1)	<b>Service delivery/performance:</b> Minor impact on service, typically up to one day. <b>Financial:</b> financial loss up to 5% of budget. <b>Reputation:</b> Isolated service user/stakeholder complaints contained within business unit/division. <b>Legal/statutory:</b> Litigation claim or fine less than £5000. <b>Safety/health:</b> Minor incident including injury to one or more individuals. <b>Objectives:</b> Failure to achieve team plan objectives.
Serious (2)	<b>Service delivery/performance:</b> Service disruption 2 to 5 days. <b>Financial:</b> Financial loss up to 10% of budget. <b>Reputation:</b> Adverse local media coverage/multiple service user/stakeholder complaints. <b>Legal/statutory:</b> Litigation claimable fine between £5000 and £50,000. <b>Safety/health:</b> Significant injury or illness causing short-term disability to one or more persons. <b>Objectives:</b> Failure to achieve one or more service plan objectives.
Major (4)	<b>Service delivery/performance:</b> Service disruption > 1 - 4 weeks. <b>Financial:</b> Financial loss up to 20% of budget. <b>Reputation:</b> Adverse national media coverage 1 to 3 days. <b>Legal/statutory:</b> Litigation claimable fine between £50,000 and £500,000. <b>Safety/health:</b> Major injury or illness/disease causing long-term disability to one or more people. <b>Objectives:</b> Failure to achieve a strategic plan objective.
Extreme (8)	<b>Service delivery/performance:</b> Service disruption > 4 weeks. <b>Financial:</b> Financial loss up to 35% of budget. <b>Reputation:</b> National publicity more than three days. Possible resignation leading member or chief officer. <b>Legal/statutory:</b> Multiple civil or criminal suits. Litigation claim or fine in excess of £500,000. <b>Safety/health:</b> Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. <b>Objectives:</b> Failure to achieve a major corporate objective.

## Appendix 1



### (C) Risk scoring grid

Likelihood	Impact			
	X	Minor (1)	Serious (2)	Major (4)
	Likely (4)	4 Green	8 Amber	16 Red
	Possible (3)	3 Green	6 Amber	12 Amber
	Unlikely (2)	2 Green	4 Green	8 Amber
	Rare (1)	1 Green	2 Green	4 Green
				8 Amber

### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

This page is intentionally left blank

CHB Pensions Committee Detailed risk register EXCLUDING COMPLETED ACTIONS

Report Author: Amanda Luk  
Generated on: Thursday 17 November 2022

Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 009 McCloud Remedy	<p><b>Cause:</b> Implementation of the proposed remedy following new pension legislation and scheme specific regulations for the removal of age discrimination from the LGPS due to the McCloud judgement.</p> <p><b>Event:</b> The impact of scheme amendments upon scheme members, Pensions Office and scheme employers due to implementation of the proposed remedy for McCloud.</p> <p><b>Effect:</b> The Pensions Office is unable to adequately comply with legislative and regulatory amendments arising from the proposed McCloud remedy.</p>	<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	16	<p>In December 2018, the Court of Appeal ruled that the “underpin protection” included in the 2014 LGPS reforms directly discriminated against some younger pension scheme members – this is now referred to as the McCloud Judgement or McCloud.</p> <p>On 15 July 2019 the government confirmed that the difference in treatment would be remedied in the LGPS and subsequently published a consultation document that set out options for how the government proposed to remove the discrimination.</p> <p>In February 2021 HM Treasury published its response to the consultation document and set out</p>	<div><div>Likelihood</div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	4	01-Oct-2023	<div></div>

20-Jan-2022 Caroline Al-Beyerty				<p>its preferred remedy choice.</p> <p>Further legislative changes are required before the remedy can be implemented, however, due to the complexity of the proposed remedy pension administrators and pension systems providers have commenced development of systems and processes based on current understandings to enable the remedy to be implemented.</p> <p>On 10 March 2022 the Public Services and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to support the implementation of the McCloud remedy, however further guidance and legislation is required before it can be applied directly to the LGPS.</p> <p><b>17 November 2022</b></p>				Constant
------------------------------------	--	--	--	--	--	--	--	----------

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 009a	DLUHC has confirmed the proposed remedy and the intention to introduce legislation to the statute books from 1 April 2023 but applied retrospectively to 31 March 2012 and 31 March 2014. The Pensions Office will need to understand what this means, develop processes and calculations to apply the regulations for the amended schemes and should be aware of all relevant correspondence issued by the DLUHC, LGA & HMRC and regularly attend seminars, forums, webinars and user groups.	<p>Continue with membership of working groups including South East Counties Senior Officer Group (SECSOG), Aquila Heywood Remedy Implementation Group, to ensure development of software and understanding of legislation.</p> <p>Attend conferences, webinars, forums and seminars as appropriate and keep up to date with bulletins and guidance from the Home Office.</p>	Graham Newman	17-Nov-2022	01-Oct-2023

CHB Pensions 009b	Identification of eligible scheme members who will qualify for the remedy. All data must be reviewed and if necessary amended. In some cases data may be missing and must be requested from employers and previous pension providers.	<p>Perform data review exercise in bulk and individually to identify scheme members who may qualify and/or identify missing data.</p> <p>Software provider currently developing systems to identify qualifying scheme member on bulk reports.</p> <p>Develop data process to request missing information and scheme member record update.</p>	Graham Newman	17-Nov-2022	01-Oct-2023
CHB Pensions 009c	System Development Calculation/Revaluation.	<p>Software provider currently developing calculations and recalculations of deferred benefits and those already in receipt of pension to identify incorrect values and any over/underpayments.</p> <p>Development should include bulk calculations and calculations for individuals, include revised pension amounts, arrears payable/collectible (benefits and contributions) plus interest payable if applicable.</p>	Graham Newman	17-Nov-2022	01-Oct-2023
CHB Pensions 009d	Working in conjunction with LGA to prepare communications and standard responses (FAQs) to be sent to affected scheme members.	<p>It will be essential for communications to be regular and clear. Further detail about the proposed remedy and delivery of it, including scheme members who may be affected, must be known prior to any specific remedy communications.</p> <p>The Pensions Office website carries current information from various sources including DLUHC. Further communications will be added when they are released.</p> <p>The Annual Benefit Statements (ABS) contain a statement on McCloud provided by the LGA.</p> <p>The ABS will need to be amended following implementation of the amended regulations as it is anticipated McCloud data will need to be included for each scheme member.</p> <p>Scheme members who may be affected will need a final communication confirming if benefit values have been amended and if so by how much, including value of arrears and interest if applicable.</p>	Graham Newman	17-Nov-2022	01-Oct-2023

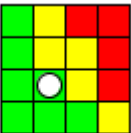




		<p>environment.</p> <p>The 2022 triennial actuarial valuation is currently being undertaken by the scheme Actuary, Barnett Waddingham and once this is completed, the Investment Strategy Statement will be reviewed by the Pensions Committee.</p>			
CHB Pensions 001b	<p>The investment performance of the Pension Fund is measured against absolute return targets required to meet long term objectives. This will be reported to the Pensions Committee throughout the year and is supplemented by market insight from the Corporation's Investment Consultant who will assist any strategic decisions required in between the three-year formal strategy reviews.</p>	<p>The investment performance of the Pension Fund is brought to each Pensions Committee for consideration.</p>	<p>Kate Limna/ Sarah Port</p>	<p>17-Nov-2022</p>	<p>31-Mar-2023</p>


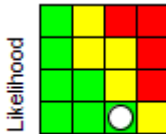



	<p>peer group comparisons; checks on movement of key officers; and reviews on the incorporation of ESG considerations in implementing their investment strategies.</p> <p>Fund managers are invited to meet with Officers and Members to account for their performance as and when deemed necessary/as required.</p>				
<a href="#">CHB Pensions 010b</a>	<p><a href="#">Under the Government pooling agenda, London CIV is the asset pool operator for London LGPS funds.</a></p> <p><a href="#">The LCIV holds monthly updates for Shareholders advising on latest developments for examples, product development and ESG/Climate related actions.</a></p>	<p><a href="#">At the October monthly meeting, the LCIV had no changes to the monitoring status of funds, but were keeping a close watch on how Fund Manager performance particularly in this volatile market.</a></p> <p><a href="#">At a recent meeting the 5 current investors in the Global Alpha Growth Fund were advised that should the number of investors fall below 3, an orderly exit from the fund may be considered.</a></p>	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB Pensions 007 Cyber security</b>          17-Dec-2019 Caroline Al-Beyerty	<b>Cause:</b> IT system failures due to ineffective procedures - Inadequately trained staff.  <b>Event:</b> Breach of Corporate IT systems and Cyber security.  <b>Effect:</b> Inaccurate benefits paid or delayed to scheme members. Financial penalties/ sanctions. (iv) Breach of Data Protection regulations. (v) Loss/corruption of data.	 Likelihood	<b>4</b>	A malicious breach of Corporate IT systems may lead to a failure of the pensions administration system and/or a breach of Data Protection regulations.  A failure of the pensions administration system or a breach of the Data Protection Regulations may mean a failure or inability to calculate benefits accurately and on time which may lead to financial penalties and sanctions being imposed by the governing industry bodies such as the Pensions Regulator or Information Commissioner's Office.	 Likelihood	<b>4</b>	31-Mar-2023	          Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 007a	Pensions administration staff to be aware of the corporate policy regarding cyber security and to follow the guidelines given.	Corporate online training regarding cyber-security to be carried out by all staff and reviewed as required.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007b	Corporate and departmental specific software to be updated as required to ensure the latest and most secure version is being used.	To ensure the most up-to-date software is being used, staff should update their computers as and when prompted.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007c	Ensuring that the pensions administration software is included in the departmental business continuity plans.	Updating the business impact analysis details used in the departmental continuity plan as required.	Graham Newman	17-Nov-2022	31-Mar-2023
CHB Pensions 007d	Pensions administration staff to be aware of Data Protection legislation.	Data Protection reviewed and all staff reminded of the legislation and its importance. Processes amended for home working since 23 March 2020, ensuring the protection of scheme member data.	Graham Newman	17-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB Pensions 011 Service provider failure - Pension Fund</b>  08-Mar-2018 Caroline Al-Beyerty	<b>Cause:</b> Corporate, financial, economic or cybersecurity threats result in service provision withdrawal or liquidation of partner organisations.  <b>Event:</b> Failure of fund manager, investment consultant or other service provider without notice.  <b>Effect:</b> Pension Fund asset valuations at risk or a period of time without service provision.	 Likelihood Impact	4	Officers meet regularly with fund managers, investment consultants and other service providers. Officers write to all counterparties requesting latest internal control report from fund managers and custodian ahead of the closure of accounts.  <b>17 November 2022</b>	 Likelihood Impact	4	31-Mar-2023	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 11a	Detailed due diligence is carried out when new fund managers, investment consultant or other service provider are appointed.	New manager due diligence undertaken in consultation with investment consultant. There are currently no plans to appoint any additional managers. The investment consultant contract was recently re-tendered via the National LGPS procurement framework. Following a rigorous and competitive exercise Mercer were appointed to the role in October 2021.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 11b	Review of internal control reports on annual basis.	Corporate Treasury compile an archive of the most up to date relevant annual internal control reports issued by all issuing fund managers and custodian as part of statement of account compilation across Funds. All internal control reports from the pooled fund managers have been received where available. Officers are in the process of reviewing the findings of the reports to ensure they remain satisfied with the control environments operated by the Corporation's appointed asset managers.	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 11c	Monitor markets regularly through financial publications and seek advice of managers and investment consultant when appropriate.	Officers regularly monitor financial press and industry publications particularly in search of any news regarding entities that have an existing relationship across the Corporation's Funds.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB Pensions 12 Governance/ Legislative Compliance</b>  08-Mar-2018 Caroline Al-Beyerty	<p><b>Cause:</b> Lack of understanding of the applicable statutory requirements such as investment regulations, prudential code etc. Inadequate oversight of the operations and developments at the regional pool operator, the London CIV.</p> <p><b>Event:</b> Committee Members and officers do not have appropriate skills or knowledge to discharge their responsibilities including the calculation and payment off benefits. Regulatory breach. The Pension Fund's pooled assets are managed inappropriately.</p> <p><b>Effect:</b> Inappropriate decisions are made leading to a financial impact or a breach of legislation or service not provided in line with best practice and legal requirements. Potential regulatory fines. The financial value of the Pension Fund's assets is impaired.</p>	 Likelihood Impact	4	As the committee has recently been established, officers will produce a comprehensive training plan incorporating best practice to ensure committee members have access to acquiring the appropriate levels of knowledge and understanding.  <b>17 November 2022</b>	 Likelihood Impact	2	31-Mar-2023	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 012a	Training provided to Committee Members on a range of investment topics and asset classes on a needs basis. Continued Professional Development (CPD) records maintained and updated annually.	A review will be undertaken of the skills set of the Members of the new Pension Committee. All Members of the Committee will be expected to complete the Pension Regulator's Public Services Toolkit within 12 months of joining the Committee.	Amanda Luk; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 12b	Job descriptions used at recruitment to attract candidates with skills and experience related to investment finance. The Corporation maintains membership of CIPFA's Pension Network, the LAPFF, LPFA and PLSA – all providing access to training opportunities via courses, seminars and conferences.	Officers continue to attend training courses, seminars forums, webinars, user groups and conferences were deemed appropriate to enhance understanding of markets, financial instruments, regulatory and statutory reporting issues and administration. The team has successfully recruited to a number of posts following a redesign of the team structure.	: Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023
CHB Pensions 12c	Training plans in place for all staff as part of the performance appraisal arrangements, which are reviewed every six months.	Performance and development appraisals continue to be carried out in line with corporate policy.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

CHB Pensions 12d	External professional advice sought where required.	The investment consultant attends each meeting of the Pensions Committee providing advice on investment matters.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 12e	The Committee maintains regular oversight of the London CIV.	The Chair of the Pension's Committee is the City's representative on the London CIV (with the Deputy chair acting as the alternate representative). The Chair is expected to attend 2 general meetings a year and will also sit on the Shareholder Committee (4 meetings a year)	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB Pensions 013 Failure to discharge responsible investment duties  20-Jun-2019	<p><b>Cause:</b> Insufficient attention is paid to the environmental, social and governance (ESG) dimensions of the Corporation's financial investments.</p> <p><b>Event:</b> The Corporations' financial investments include an underappreciated exposure to negative ESG risks and the means to effectively manage such risks is not understood.</p> <p><b>Effect:</b> The Corporation suffers reputational or financial damage.</p>	<p>Likelihood</p> <p>Impact</p>	4	<p>The newly formed Pensions Committee inherits an advanced approach to responsible investment and asset stewardship. The Corporation (via the Financial Investment Board) has formally recognised its asset stewardship role and the need to manage ESG risks through its Responsible Investment Policy which also outlines the Corporation's approach in this area. The City of London Corporation (as a whole) is a signatory to the Principles for Responsible Investment (PRI).</p> <p>The Financial Investment Board undertook an in depth review of its climate risk exposure in 2021 resulting in a commitment to achieve net zero carbon emissions by 2040 together with the development of interim goals via a transition pathway.</p> <p><b>17 November 22</b></p>	<p>Likelihood</p> <p>Impact</p>	4	31-Mar-2023	
								Decreasing

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CHB Pensions 13a	Reporting on responsible investment activities to the Principles for Responsible Investment is completed	Officers submitted the latest annual submission to the PRI, which covered the City Corporation's responsible investment activities in the calendar year 2020, ahead of			Sarah Port; Kate	17-Nov-2022	31-Mar-2023

	on an annual basis. The Committee (along with other relevant Committees/Boards) will receive an annual Transparency Report from the PRI from which it can evaluate progress against responsible investment goals.	the PRI's deadline on 10 May 2021. Owing to operational issues at the PRI, the Corporation's assessment <del>reports for PRI Signatories were not</del> <u>is now expected to be received in the second half of 2022 (latest target date for release is early September) released until September 2022. The Corporation's assessment report</u> will be reported to this Committee and other Boards which now have investment oversight responsibilities <u>at their next meetings</u> <del>at the earliest opportunity</del> .	Limna		
CHB Pensions 13c	As part of the regular management and monitoring of investment mandates, the Pensions Committee and responsible officers challenge investment managers on ESG issues arising in the portfolio. The Investment Consultant will report to the Committee on its monitoring of ESG risks on a quarterly basis.	The Committee will receive regular updates on ESG standings amongst its appointed investment managers from the Investment Consultant on a quarterly basis. As part of the City's Climate Action Strategy, new climate risk expectations for existing and potential investment managers have been established and these form part of the regular ongoing monitoring of managers' performance.	Sarah Port; Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 13e	There is a general commitment by the City Corporation to meeting the standards of the new 2020 UK Stewardship Code and needs to ensure compliance is developed. The Committee (reviews asset stewardship across its investment mandates on an annual basis and uses the exercise to encourage better ESG outcomes amongst its existing managers (this will need to be done in conjunction with other committees which now have investment oversight responsibilities).	All of the Pension Fund's UK-based pooled fund managers (i.e. excluding the alternative assets portfolio) are signatories to the Stewardship Code. <u>Officers will review the requirements of the 2020 UK Stewardship Code.</u>	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023
CHB Pensions 13f	The Committee (along with other relevant Boards/Committees) has been assigned several key actions which will enable the Corporation to deliver its Climate Action Strategy. Key to this is achieving a clear plan on how to achieve Paris-alignment by 2040.	With the support of a specialist external consultancy firm, an in depth review of the climate risk exposure involving the use of scenario analysis, the development of a transition pathway consistent with a net zero by 2040 commitment, and the establishment of expectations for existing and potential mandates has been completed. The transition pathway itself involves a series of specific actions with various deadlines which the Committee (along with other relevant Boards and Committees) will target over the coming years.	Kate Limna/ Sarah Port	17-Nov-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CHB Pensions 003 Short term Cash flows</b>  17-Dec-2019  Caroline Al-Beyerty	<b>Cause:</b> <u>Inadequate cash flow planning and monitoring.</u> <b>Event:</b> <u>Delayed settling of benefits/ assets disinvested at in opportune time</u>  <b>Effects:</b> <u>Illiquidity or insufficient liquid assets to meet short term obligations</u>	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	<u>4</u>	<u>Insufficient liquidity to meet pension benefit payments, transfer payments and other costs, or to meet cash calls from fund managers.</u>  <b>10 November 2022</b>	<div><div>Likelihood</div><div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div><div>Impact</div></div>	<b>4</b>	31-Mar-2023	<div><div></div></div>   <

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB Pensions 003a	<u>The Pension Fund asset allocation is established to ensure appropriate exposure to asset classes.</u>	<u>The Pension fund asset allocation remains within tolerance of control ranges established by Financial Investment Board</u>	Sarah Port/ Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 003b	<u>Alert fund managers in advance of transferring new monies and Fund managers are required to provide sufficient notice of cash calls and redemption payments.</u>	<u>Fund Managers are aware of the contractual notification period of 10 working days for any drawdowns and Officers alert fund managers Trading + X number of working days in in advance of a withdrawal (X is dependent on the fund manager).</u>	Sarah Port/Kate Limna	17-Nov-2022	31-Mar-2023
CHB Pensions 003c	<u>Cash flow forecasting to ensure adequate monitoring and planning.</u>	<u>A Cash flow forecast is currently being refined to ensure the Pension Fund is able to meet any obligations required of it.</u>	Sarah Port/ Amanda Luk	17-Nov-2022	31-Mar-2023





Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
<a href="#">CHB Pensions 008a</a>	<a href="#">Job descriptions used at recruitment to attract candidates with skills and experience related to LGPS administration. The appraisals process to monitor progress and assess training needs.</a>	<a href="#">Ensuring that candidates with the necessary skills and abilities are employed by the City. Once in post, staff continue to receive relevant training and attend courses, seminars and conferences when appropriate.</a> <a href="#">Have trained multiple team members for extra duties due to parental leave cover.</a>	<a href="#">Graham Newman</a>	<a href="#">10-Nov-2022</a>	<a href="#">31-Mar-2023</a>
<a href="#">CHB Pensions 008b</a>	<a href="#">Pensions administrator staff are trained to use the pensions administration software.</a>	<a href="#">Ensuring that administrators are fully trained to use the pension administration software to enable them to provide accurate and efficient calculations. In addition, administrators should know the correct process to report to the software provider any errors encountered with the system in order that they can be investigated and resolved.</a>	<a href="#">Graham Newman</a>	<a href="#">10-Nov-2022</a>	<a href="#">31-Mar-2023</a>
<a href="#">CHB Pensions 008c</a>	<a href="#">Practical disaster recovery/succession plans in place to ensure continuity in the event that key staff leave or are unable to work for a prolonged period of time.</a>	<a href="#">Ensuring that skill sets are not restricted to one staff member alone.</a> <a href="#">Priority cases and work types are identified to ensure continuation in the event that staff or other resources become unavailable.</a> <a href="#">Disaster Recovery reviewed in light of hybrid working.</a>	<a href="#">Graham Newman</a>	<a href="#">10-Nov-2022</a>	<a href="#">31-Mar-2023</a>
<a href="#">CHB Pensions 008e</a>	<a href="#">Accurate and appropriate checking procedures in place at all areas of administration.</a>	<a href="#">All checking procedures reviewed and where necessary amended due to take account of hybrid working.</a>	<a href="#">Graham Newman</a>	<a href="#">10-Nov-2022</a>	<a href="#">31-Mar-2023</a>
<a href="#">CHB Pensions 008f</a>	<a href="#">Scheme Member records are kept up-to-date, with any amendments being made as appropriate.</a>	<a href="#">Ensuring that all administrative staff are aware of the amendments that must be made to a member record during the course of their scheme membership and that they are trained in how to make the necessary changes and updates.</a>	<a href="#">Graham Newman</a>	<a href="#">10-Nov-2022</a>	<a href="#">31-Mar-2023</a>



	<a href="#">Regulator in respect of transfers-out of the scheme.</a>	<a href="#">spot a transfer scam and/or prevent a payment being made if there is any uncertainty about the receiving scheme.</a>			
<a href="#">CHB Pensions 005d</a>	<a href="#">Robust identity verification processes</a>	<a href="#">Controls in place to verify and ensure the legitimacy of any signed discharge form. This must also include timeframes in respect of how long a letter of authority from a scheme member is valid.</a>	<a href="#">Graham Newman</a>	<a href="#">17-Nov-2022</a>	<a href="#">31-Mar-2023</a>



		<p>Whilst the City Fund accounts have been completed, a wider issue has arisen within local government around accounting for infrastructure assets; this has meant that any local authority accounts that were not signed off prior to this issue being raised cannot be finalised until the issue is resolved. CIPFA is currently conducting an urgent consultation on how to resolve this issue. The draft Annual report for 2020/21 was published on the City's LGPS website by the statutory date of 1 December 2021</p> <p>The delays are beyond Pension Fund control and have no material impact on the Fund's position.</p> <p><a href="#">The Pension Fund Accounts for the year ending 31 March 2022 are currently awaiting publication in draft format within the City Fund Accounts. The City Fund accounts have been completed but are awaiting the resolution of the 2020/21 accounting for infrastructure assets issue. The draft Pension Fund annual report for 2021/22 will be uploaded in onto the City of London Pensions website by 1 December 2022.</a></p>	Kate Limna		
CHB Pensions 002d	Checking for errors or inconsistencies in valuation extract report before submission to the Actuary	Officers review data quality prior to submission to the actuary. Additionally, scheme member data is submitted separately from employer level cash flow data, which are held on two distinct management information systems. As a result, errors are more easily identified during the valuation process itself. For example, if the scheme member data demonstrates that a given number of scheme members belonging to a single employer retired during the valuation period then this should also be evident from the benefit payments reported in the cash flow data.	Graham Newman/ Kate Limna	17-Nov-2022	31-Mar-2023

# Agenda Item 6

<b>Committee(s)</b>	<b>Dated:</b>
Pensions Committee	29 November 2022
<b>Subject:</b> Pensions Scheme – Administrator’s Update	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain’s Department	

## Summary

The administration of the City of London Local Government Pension Scheme (the Scheme) is undertaken by the Pensions Team within the Chamberlain’s Department.

The table below provides a summary of general information around a range of topics in relation to the administration of the Scheme since the last Committee meeting on 27 September 2022. Members are asked to note the report and provide feedback.

<b>Item</b>	<b>Update</b>
Annual schedule of events for the administration of the Pensions Scheme	Appendix A provides details of the events / dates that form the main diary of the Scheme administration.
Information of Scheme Record Keeping	<p>As the Scheme’s administrating authority, the City is responsible for making sure the scheme has good records.</p> <p>The City is required to ensure it has accurate, complete and up-to-date records and should have controls and processes in place to maintain these standards.</p> <p>Failure to maintain complete and accurate records can risk not meeting legal obligations as set by the Pensions Regulator which could lead to fines and/or enforcement action being taken.</p> <p>The City’s scheme data is measured once a year and the data scores are submitted to the Pensions Regulator (tPR) in the annual scheme return.</p>
Complaints or disputes under the Scheme’s Internal Disputes Resolution Process (IDRP)	One IDRP has been received.
Public Service Pensions Reporting Breaches of Pension Law	None to report.

Any audit reports relating to the administration of the Scheme	None to report.
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>A requirement has been placed upon all UK Pension Schemes by the Department for Work and Pensions (DWP) and the Pensions Regulator (tPR) to ensure scheme data is accurate and this includes Guaranteed Minimum Pensions (GMP) data which is jointly held by each scheme and by HMRC.</p> <p>Due to the ceasing of Contracting Out with effect from April 2016 HMRC will no longer process GMPs, therefore, each pension scheme is responsible for checking the data they hold matches that of HMRC.</p> <p>Contracting Out enabled scheme members to opt out of the State Second Pension (S2P), formerly known as State Earning Related Pension Scheme (SERPS), which is the element of the state pension based on National Insurance contributions. In return the member would receive a pension equivalent to S2P (had they not contracted out) payable from the scheme the member had contracted out with. This is known as the Guaranteed Minimum Pension (GMP)</p> <p>Mercers (formally JLT) have been commissioned to facilitate this project which is expected to complete by 31 March 2023. A report will be brought to the Committee following the conclusion of the reconciliation.</p>
Pension System Administration	<p>The City uses a pensions administration system known as Altair that is provided by the supplier Heywood.</p> <p>A project was started in 2021 to update the system and the pension data from the City's servers was successfully moved to a hosted environment provided by Heywood in November of that year.</p> <p>The Pensions Office met with Heywoods in September 2022 to begin discussions in respect of implementing the Member Self-Service system.</p> <p>Once in place, this will allow scheme members to directly access their data, run basic estimate calculations and update their personal details. This system may also be used for providing Annual Benefit Statements.</p> <p>The current working plan is that testing will begin in the new calendar year and will go live in the new financial year.</p>
Public Sector Pensions Legal Challenge	<u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u>

	<p>With effect from April 2015 (April 2014 for the LGPS) all public sector pension schemes were subjected to reforms that changed the way benefits were accrued and the date from which they would become payable.</p> <p>However, the legality of these reforms were successfully challenged and they were found to be discriminatory on the grounds of age. This challenge came to be referred to as 'McCloud'.</p> <p>The government consulted on what method of 'Remedy' should be used to remove the discrimination and on 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent.</p> <p>The main purpose of the Act was to set out the intention of the 'McCloud Remedy' and implement it in the public service pension schemes.</p> <p>However, the Act did not provide specific information as to how the remedy is to be implemented for individual schemes and further guidance and legislation is required before any action can be taken in respect of the LGPS.</p> <p>The City of London Pension Fund is compliant with current guidance and all available information has been recorded on the Fund's website,</p> <p><a href="http://www.cityoflondonpensions.org/resources/">www.cityoflondonpensions.org/resources/</a></p> <p>An update was included with the 2022 Annual Benefit Statements.</p>
Pension Committee Training	<p>All Members of the Committee are asked to register for tPR online training and complete the modules in respect of <b><u>public sector pension schemes</u></b>.</p> <p>The link for the online training is: <a href="https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes">https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/understanding-your-role/learn-about-managing-public-service-schemes</a></p> <p>Details in respect of training modules completed by each Member will be circulated at the meeting under the Non-Public agenda</p>

### Recommendation

The Committee is asked to note the report and provide any feedback in relation to this information.

### Appendices:

Appendix A – Annual Schedule of Events (Administration)

### Graham Newman

Pensions Manager | Chamberlain's Department

T: 020 7332 1132

E: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

This page is intentionally left blank

**Local Government Pension Administration - Schedule of Events 2022/23**

<b>Date Due</b>	<b>Event</b>	<b>Completed</b>
1 December 2021	Publication of Pension Fund Accounts and Annual Report	Draft accounts published only. Awaiting sign off on City Fund Accounts.
31 <sup>st</sup> January 2022	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	26 January 2022
February 2022	Tax Return for Quarter 3 (to 31/12/2021)	12 January 2022
1 April 2022	Employee Contribution band review/implementation.	1 April 2022
1 April 2022	Revaluation of CARE benefits.	1 April 2022
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	11 April 2022
May 2022	Tax return for Quarter 4 (to 31/3/2022)	29 April 2022 – Successfully migrated to the new HMRC Managing Pension Schemes service
31 May 2022	Pensioner P60s distributed	23 May 2022
1 June 2022	Automatic Enrolment for City of London Employees	1 June 2022
June/July 2022	Valuation data to the pension fund's actuary	6 July 2022
31 July 2022	Publish draft City Fund Accounts (including the Pension Fund Accounts)	TBC
August 2022	Tax return for Quarter 1 (to 30/06/2022)	18 August 2022
31 <sup>st</sup> August 2022	Issue of Annual Benefit Statements deadline.	11 August 2022
30 September 2022	Employee Contribution Band review	30 September 2022
5 October 2022	Issue of Annual Allowance (AA) Saving Statements deadline	5 October 2022
31 October 2022	Automatic re-enrolment declaration to the Pensions Regulator	31 October 2022
November 2022	Tax return for Quarter 2 (to 30/09/2022)	15 November 2022
November 2022	Scheme Return to the Pensions Regulator	TBC
1 December 2022	Publication of Pension Fund Accounts and Annual Report	

**Appendix A**

31 <sup>st</sup> January 2023	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	
February 2023	Tax Return for Quarter 3 (to 31/12/2022)	
1 April 2023	Employee Contribution band review/implementation.	
1 April 2023	Revaluation of CARE benefits.	
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	
May 2023	Tax return for Quarter 4 (to 31/3/2023)	

# Agenda Item 7

<b>Committee(s)</b>	<b>Dated:</b>
Pensions Committee	29 November 2022
<b>Subject:</b> LGPS – Communications issued to Scheme Members	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain's Department	

## Summary

At the Committee's meeting on 11 July 2022, it was agreed that a copy of all standard letters and communications that are issued to members of the Local Government Pension Scheme would be provided at the next meeting, for information.

Following further discussions with the Chairman, it was decided that because of the number of documents that are used by the Pensions Office, they would be provided to Members over two Committee meetings.

Letters sent to all starters and leavers in the Local Government Pension Scheme with the City of London were provided for the September 2022 Committee meeting. The remaining letters and correspondence are attached as appendices 1 – 18. Appendix A is a table that provides a brief description of each letter that has been included.

All letters have been written with reference to the legislative details set out in the Scheme Regulations and, where possible, using templates provided by the Local Government Association.

## **Recommendation**

The Committee is asked to note the report and provide any feedback in relation to this information.

### **Appendices:**

Appendix A: List of documents supplied as appendices 1 – 18.

Appendices 1 - 18: Copies of all communications which are circulated to Scheme Members

### **Graham Newman**

Pensions Manager | Chamberlain's Department

T: 020 7332 1132

E: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

This page is intentionally left blank

**Glossary of Pensions Office Communications  
Attached as Appendices 1 – 18.**

<b>Appendix Number</b>	<b>Brief Description of Communication</b>
Appendix 1	Interfund-in transfer quotation to member  Letter sent to scheme member in respect of the potential transfer of their previous LGPS benefits.
Appendix 2	Interfund-in transfer finalised – confirmation to member.  Letter sent to scheme member to confirm the transfer of their previous LGPS benefits to the City of London has been completed.
Appendix 3	Transfer-in quotation to member.  Letter sent to scheme member in respect of the potential transfer of previous (non-LGPS) pension rights.
Appendix 4	Transfer-in finalised – confirmation to scheme member.  Letter sent to member to confirm the transfer of their previous (non-LGPS) pension rights to the City of London has been completed.
Appendix 5	Interfund-out transfer quotation to new scheme.  Transfer-out quotation sent to new local authority pensions office.
Appendix 6	Interfund-out transfer payment letter.  Letter to new local authority confirming that payment of the transfer has been made.
Appendix 7	Transfer-out quotation to receiving scheme.  Transfer-out quotation to a non-LGPS pension provider – sent to potential receiving scheme.
Appendix 8	Transfer-out letter to member.  Initial letter sent to scheme member considering transferring their benefits out of the LGPS
Appendix 9	Transfer-out quotation to scheme member.  Transfer-out quotation to a non-LGPS pension provider – sent directly to scheme member.
Appendix 10	Freedom & Choice Leaflet  Leaflet produced by the Local Government Association and issued together with the transfer-out quotation letter sent to scheme members.

Appendix 11	<p>Pension Scams Leaflet</p> <p>Leaflet produced by the Financial Conduct Authority and the Pensions Regulator and issued together with the transfer-out quotation letter sent to scheme members.</p>
Appendix 12	<p>Covid-19 Leaflet</p> <p>Leaflet produced by the Financial Conduct Authority, the Pensions Regulator and the Money and Pensions Service and issued together with the transfer-out quotation letter sent to scheme members.</p>
Appendix 13	<p>Transfer-out payment letter.</p> <p>Transfer-out payment confirmation letter to non-LGPS pension scheme.</p>
Appendix 14	<p>Retirement estimate letter</p> <p>Estimate of potential retirement benefits to scheme member</p>
Appendix 15	<p>Unpaid leave letter to scheme member.</p> <p>Letter to scheme member in respect of their options following a period of unpaid leave.</p>
Appendix 16	<p>DWP Trace letter.</p> <p>Letter sent to ex-scheme member via the Department of Work and Pensions where contact has been lost.</p>
Appendix 17	<p>Initial letter in respect of the death of a pensioner.</p> <p>Letter sent to next of kin / executor / personal representative following the notification of the death of a pensioner.</p>
Appendix 18	<p>Active member Annual Benefit Statement.</p> <p>Statement sent to active scheme members to confirm the value of their accrued benefits at 31/03 together with a forecast of their potential value at Normal Pension Age – includes the accompanying notes.</p>

Dear M

## Local Government Pension Scheme

You have re-joined the Local Government Pension Scheme (LGPS) and we note that you have previous deferred benefits in the LGPS with \*\*\*\*\*.

If you were awarded those deferred benefits as a result of choosing, on or after 11 April 2015, to opt out of membership of the Scheme, those benefits will remain deferred in the Scheme and you cannot add them to the benefits you are accruing in the Scheme in your current job.

If, however, you were awarded those deferred benefits as a result of ceasing employment, or as a result of choosing, before 11 April 2015, to opt out of membership of the Scheme, you have a decision to make about what should happen to those deferred benefits and this is explained below.

## Decision Required

Unless you tell us otherwise, the amount of pension in your deferred pension account will automatically be transferred and added into your new active pension account.

However, you can elect to keep your deferred benefit separate and, if you wish to do so, this must be done within 12 months of re-joining the scheme and while you are still paying into the scheme.

If you make an election to keep your benefits separate you cannot change your decision. If you do not make a decision within 12 months of re-joining the scheme your deferred benefit will automatically be combined with your new active pension account.

## What do I need to consider before making my decision?

At the moment, you have a separate deferred benefit for your previous employment in the LGPS. If you take no action this will be automatically transferred into your new active pension account.

You need to think about the following things when considering whether or not you should keep your benefits separate:

- How will the benefits from my previous employment be worked out?
- When will my benefits be payable?
- Are there other key areas to consider?

## How will the benefits from my previous employment be worked out?

Your benefits from your previous employment will be worked out in the same way if they are combined or if they are kept separate.

## When will my benefits be payable?

The **Normal Pension Age** applicable to your benefits in the scheme is the same regardless of whether or not you combine your benefits or keep them separate. Your **Normal Pension Age** is linked to your State Pension Age. For more information on **Normal Pension Age** see the glossary.

What key differences are there if I elected to keep my deferred benefit separate?		
	Combined Benefits	Separate Benefits
Redundancy/ Business Efficiency	<p><b>Benefits paid early because of redundancy or efficiency would include the value of earlier deferred benefits that have been transferred.</b></p> <p>If you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits would be payable immediately and would include the value of the pension that transferred from your deferred benefit.</p>	<p><b>Benefits paid early because of redundancy or efficiency in your new employment would <u>not</u> include the value of earlier deferred benefits.</b></p> <p>If you are made redundant or lose your job for business efficiency reasons when aged 55 or over then your benefits would be payable immediately but would <b>not</b> include the value of your deferred benefit (because you had elected to retain that as a separate deferred benefit).</p> <p>Subject to the information in the boxes below, the separate deferred benefits would be payable at your <b>Normal Pension Age</b>.</p>
Ill- health	<p><b>Any benefits paid early because of ill-health would include the value of earlier deferred benefits that have been transferred.</b></p> <p>Your benefits will become payable immediately if your</p>	<p><b>Benefits paid early because of ill-health would <u>not</u> include the value of earlier deferred benefits.</b></p> <p>Your benefits will become payable immediately if your</p>

	<p>employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would include the value of your pension that transferred from your deferred benefit.</p>	<p>employer decides, based on the opinion of an independent doctor, that you are permanently unable to perform the duties of your employment due to ill-health and you are not capable of undertaking other gainful employment. Your pension would be paid at an increased level if you are unlikely to be capable of undertaking other gainful employment within 3 years of leaving. The payment would <b>not</b> include the value of your deferred benefit (because you elected to retain that as a separate deferred benefit).</p> <p>Your separate deferred benefit may become payable but that would only be if your former employer decided in light of the view from an independent doctor that you are permanently incapable of the job you were working in when you left their employment and that you are not likely to be capable of undertaking other gainful employment before your <b>Normal Pension Age</b> or for at least 3 years, whichever is the sooner.</p>
Early payment of benefits	<p>You can voluntarily choose to draw the combined benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the combined benefits would be payable at the same time (i.e. cannot be paid at different times) and</p>	<p>You can voluntarily choose to draw benefits from as early as age 55 (at, normally, a reduced rate to account for the early payment).</p> <p>However, the deferred benefits do not have to be drawn at the same time as the benefits from your new employment. The deferred benefits can be</p>

	cannot be paid until you have ceased your new employment.	drawn later than, at the same time as or, subject to being at least age 55, earlier than the benefits from your new employment (even if you are still in your new employment at the time you wish to draw the deferred benefits).
Cost of living increases	The combined benefits will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the <b>Consumer Prices Index</b> (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.	<p>The benefits in the active pension account will be subject to revaluation each year in accordance with HM Treasury Orders. The revaluation is currently in line with the rise in the <b>Consumer Prices Index</b> (see glossary for more information). However, in times of negative inflation, the revaluation under a HM Treasury Order could be negative.</p> <p>The benefits in the deferred pension account will be subject to revaluation each year under the Pensions (Increase) Act 1971. Future revaluation is currently in line with the rise in the <b>Consumer Prices Index</b> (see glossary for more information). In times of negative inflation, the revaluation under the Pensions (Increase) Act 1971 would be 0% (i.e. it cannot be a negative amount).</p>

### Are there any other key areas to consider?

#### Death in Service lump sum

As a member of the LGPS if you die in service a lump sum of three times your annual pensionable pay would normally be payable. If you have a deferred pension, and die before it is paid, a lump sum equal to 5 times the deferred pension is paid. However, only one amount for lump sum life cover is payable from the LGPS so, even if you keep your deferred

benefits separate from your active pension account, only the greater of the lump sum life cover for your deferred benefit or for your active pension account would be payable.

### **Paying extra contributions**

Have you paid extra contributions towards buying additional pension? This would include Additional Voluntary Contributions (AVCs) and Additional Pension Contributions (APCs). Please read the information ***paying extra contributions*** in the glossary to find out what your choices in respect of these are.

### **Transferring the value of your deferred benefit to another pension scheme**

Please note that even if you choose not to combine your benefits you will not be able to transfer the value of your deferred benefits to another pension scheme whilst you are contributing to the LGPS or if you have less than one year to go before reaching your ***Normal Pension Age***.

### **What next?**

Please complete the attached option form to tell us whether or not you wish to combine your benefits. This will enable us to take the appropriate action in respect of your pension rights as quickly as possible. If we do not receive your completed form within 12 months of the date you re-joined the scheme, your previous deferred benefit will automatically be transferred to your new active pension account at the end of the 12 month period.

If you have any queries please contact .....

Yours sincerely



City of London Pension Fund  
Local Government Pension Scheme (LGPS)

**Aggregation of previous LGPS deferred benefits**

Forename(s)		Mr/Mrs/Miss/Ms/Other (please specify)	
Surname		National Insurance Number:	<div style="display: flex; justify-content: space-between; width: 100%;"> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> <div style="border: 1px solid black; height: 20px; width: 20px;"></div> </div>

**Relationship Status:** Single /Married Civil Partnership /Divorced / Dissolved Civil Partnership / Cohabiting Partnership / Widow(er)

I have read the attached letter regarding the aggregation of my deferred benefit held with \*\*\*\*\* and hereby give notice that:

(Please tick)

**Option 1** – I elect to combine my deferred benefit with my active pension account.

☐

**Option 2** - I elect to retain my deferred benefit separately. I understand that I will not have an option to combine it with my active pension account at a later date

☐

I understand that once I have made an election my decision is binding.

Signed:		Date:	
---------	--	-------	--

Ref: PEN/A2/.../\*\*\*\*\*

Dear M

### **Local Government Pension Scheme Regulations 2014**

I write to inform you that the transfer of your pension rights from  
has now been completed.

Your period of service from \*\*/\*\*/\*\*\*\* to 31/03/2014 is now included with your current  
record at the City of London. The pension built up from 01/04/2014 to \*\*/\*\*/\*\*\*\* amounts  
to £xx.xx and has also been transferred into your active pension account.

If you have any queries please contact .....

Yours sincerely

This page is intentionally left blank

## **Appendix 3**

### **Local Government Pension Scheme Regulations 2014**

#### **Transfer In**

Further to your request to investigate a transfer of your pension rights held with \*\*\*\* to the Local Government Pension Scheme (LGPS), I am pleased to be able to supply that information to you.

Your previous pension provider has informed me that a transfer value of £\*\*\*\* is available in your case. **This amount is guaranteed until 00/00/000. /This amount is not guaranteed.***(delete as appropriate)* If you elect to transfer this into the LGPS it would buy extra pension of £\*\*\*\* which would be added to your pension account in the current scheme year.

This pension will increase in line with inflation (Consumer Price Index) and will be payable unreduced from your Normal Pension Age (NPA). Your Normal Pension Age is linked to your State Pension Age (SPA), but with a minimum of age 65. If you are unsure what your SPA is you can find out at [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension) You should be aware that if changes are made to the SPA in the future this would also change your NPA.

The transfer would also provide for a surviving partner's pension of £\*\*\*\* which would become payable in the event of your death. This would be payable to a legal spouse, civil partner or an eligible cohabiting partner and would be payable for life immediately after your death. The value of this pension will also increase in line with inflation (Consumer Price Index).

At retirement you will have the opportunity to convert some of your annual pension to provide for a lump sum payment; every £1 of annual pension converted will provide a lump sum of £12.

You will need to carefully consider whether to transfer or not, as a transfer may not always be advantageous. For example, you should compare the amount of extra pension the transfer payment will buy in the LGPS, when that pension is normally payable from (i.e. your NPA) and the other LGPS benefits (e.g. the ability to retire and draw benefits earlier than NPA, death and survivor benefits, etc.) against the value of the package of benefits if left with your previous pension scheme provider.

**Further information about the LGPS can be found on our website -**

<http://www.yourpension.org.uk/CityofLondon/Home.aspx>

**Transferring your pension rights is not always an easy decision to make, and you may wish to seek the help of an independent financial adviser.**

You should be aware that if you decide to proceed with the transfer the extra pension credited to your account may differ as it will be recalculated at the time the payment is received. It may, therefore, be in your interests to deal with this matter as soon as possible, as if a lower amount is received, or prevailing conditions change the amount of extra pension credited may change.

From April 2015 changes were introduced to give individuals greater flexibility to access “defined contribution” (DC) pension savings **from age 55**. /One of the main changes is that individuals are able to take the whole of their pension fund as a lump sum instead of having to buy an annuity with part of it. *(delete as appropriate)*

If you transfer your previous pension rights from a defined contribution (Money Purchase) pension scheme to the LGPS which is a defined benefit scheme you will lose the flexibilities on offer. Further information can be found here - <https://www.pensionwise.gov.uk/pension-pot-options>

Please be aware that you only have **12 months** from your date of joining the scheme in which to elect to transfer your benefits.

If you choose not to proceed with the transfer at this time you may, if you wish, start the process again at a later date as long as your application is made before the first anniversary of your membership to the pension scheme. Please be aware however that your previous pension provider may charge to provide more than one transfer quotation within a 12 month period.

Please let me know your decision by completing and returning the enclosed option forms.

If you have any queries, please contact ..... whose details are given at the top of this letter.

Yours sincerely



City of London Pension Fund  
Local Government Pension Scheme (LGPS)

**Transfer of Pension Benefits Option Form**

Forename(s)		Mr/Mrs/Miss/Ms/Other (please specify)											
Surname		National Insurance Number:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>										
Relationship Status	Single / Married / Civil Partnership / Divorced / Dissolved Civil Partnership / Cohabiting Partnership / Widow(er) <b>(circle as appropriate)</b>												

I have read the attached letter regarding the transfer of my pension rights from \*\*\*\* to the City of London Pension Fund and hereby give notice that:

I wish to transfer my previous pension rights to the LGPS

☐

I do not wish to transfer my previous pension rights to the LGPS

☐

Please tick the appropriate option

Signed:		Date:	
---------	--	-------	--

Ref: PEN/.....

This page is intentionally left blank

Dear Mr ...

**Local Government Pension Scheme Regulations 2014 (as amended)  
Transfer of Pension Benefits**

I write to inform you that the transfer of your pension rights from ..... has now been completed.

You have been credited with an additional pension of £..... in the Local Government Pension Scheme (LGPS). This will be added to the pension you are currently accruing in the LGPS.

If you have any queries, please contact ..... whose details are given at the top of this letter.

Yours sincerely

This page is intentionally left blank

Dear Sir/Madam

**Local Government Pension Scheme - Interfund Adjustment**

**Re: (scheme member's name)      National Insurance number: .....**

I refer to the above named person who ceased pensionable employment with the City of London on .....

As the member holds a deferred benefit with the City of London I have attached a copy of the scheme member summary print for your information. I will forward payment for the transfer upon receipt of a positive election from the member or after 12 months has expired from the date of re-joining the LGPS with you when aggregation will become automatic.

Please note all our transfer payments are made via **CHAPS**. If you are unable to accept CHAPS payments please confirm this on your payment request letter.

If you have any queries please contact .....

Yours faithfully

This page is intentionally left blank

Dear Sir/Madam

**Local Government Pension Scheme Regulations 2014**

**Re:** (scheme member's name) **NI No:**

I write in response to recent correspondence regarding the above named scheme member who has elected to transfer their pension benefits.

I have arranged for a payment of £\*\*\*\* to be credited to your bank account shortly.

Please find enclosed a copy of the transfer calculation.

If you have any queries please contact ....

Yours faithfully

This page is intentionally left blank

Dear Sir/Madam

**Local Government Pension Scheme Regulations 2014 (as amended)  
Transfer of Pension Rights**

**Re : M**

**National Insurance number :**

**Date of birth :**

With reference to your recent correspondence, I can advise that the current estimated cash equivalent transfer value in respect of the pension benefits held by M\* \*\*\*\* under the Local Government Pension Scheme (LGPS) is £\*\*\*\*. This amount is guaranteed for three months until \*\*/\*\*/\*\*\*\*.

If the transfer is to proceed please advise me of the type of arrangement to which the payment is to be made and I will arrange to send you the appropriate discharge and warranty forms for completion.

An election to transfer must be made at least 12 months before the member's Normal Pension Age under the LGPS (i.e. \*\*).

A copy of M \*\*\*\* 2022 annual benefit statement is enclosed.

For your reference, the Local Government Pension Scheme (LGPS) is approved by virtue under Chapter 2 of Part 4 of the Finance Act 2004 and is a relevant Statutory Scheme under Part 1 of Schedule 36 of the Finance Act 2004.

The LGPS is a salary-related, occupational pension scheme and is a member of the public sector "Club" transfer arrangements. For further information regarding the scheme please visit our website at <https://www.cityoflondonpensions.org/>

The HMRC Pension Scheme Tax Reference number for the LGPS is **00329946RE**.

The City of London will not charge for supplying the initial transfer quote. However, we reserve the right to levy a charge of £150.00 plus VAT for each additional transfer quote requested within 12 months of the original request.

A copy of this letter has been sent to M\*\*\*

If you have any queries, please contact .....

Yours faithfully

This page is intentionally left blank

Dear M

## Local Government Pension Scheme Regulations 2014 (as amended)

You recently contacted us requesting information about transferring your Local Government Pension Scheme (LGPS) benefits.

Before we process your request, we must let you know about two requirements that could apply if you decide to go ahead with a transfer:

- If we decide there are any pension scam risks associated with your transfer, we may require that you attend an appointment about pension scams with MoneyHelper before the transfer can proceed. Depending on the level of risk we may, in some circumstances, refuse the transfer
- If the total value of your LGPS benefits is more than £30,000 and you want to transfer to a defined contribution pension scheme, such as a personal pension scheme, you must take appropriate independent advice at your own cost.

## What we will do to protect you from pension scams

Unfortunately, pension scams are on the rise in the UK. In some cases, the scammer will try to persuade you to transfer your pension to a different scheme, often a scheme the scammer has set up themselves. Falling victim to a pension scam could mean that you lose some or all of your pension savings.

The Government has identified common pension scam risks which, if present, may suggest you are in danger of being scammed. The Government calls these red and amber flags.

If you elect to transfer, to help protect your pension from scammers, the Government requires us to decide whether any red or amber flags are present. We will not need to do this if you transfer to a different public service pension scheme, an authorised master trust scheme or an authorised collective defined contribution scheme.

## Red flags

Examples of when a red flag is present are:

- you request a transfer to an occupational pension scheme and we do not have enough information to link you with an employer that participates in that scheme
- you request a transfer to an overseas scheme and, we either do not have enough information to link you with an employer that participates in that scheme, or prove that you are resident in the country the scheme is based in
- someone has provided, or agreed to provide, you with advice about your transfer and they do not have the necessary permissions from the Financial Conduct Authority to do this

- you request a transfer following direct marketing, such as cold calling, texts and emails about your pension, by a person or firm that you have previously had no contact with
- you have been offered an incentive to transfer such as, but not limited to, a bonus, a loan from your pension savings, access to your pension savings before age 55 or limited time investment offers
- you feel you have been pressured to transfer.

If we decide there are any red flags present, we must stop the transfer. If this happens, we will let you know in writing within seven working days of our decision.

### **Amber flags**

Examples of when an amber flag is present are:

- information about the receiving scheme indicates:
  - the scheme invests in high-risk or unregulated investments
  - the investment structure is unclear, complex or unorthodox
  - overseas investments are included
  - there are unclear or high scheme charges
- our records show that there is a sharp or unusual rise in transfers to the receiving scheme or involving the same adviser.

If we decide there are any amber flags present, we must pause the transfer until you provide us with evidence that you have attended an appointment about pension scams with MoneyHelper. MoneyHelper offers free, impartial guidance backed by Government on money and pension choices. The appointment will help you identify the common risks involved in transfers, highlight the dangers of pension scams and help you consider whether you still wish to transfer.

We will let you know in writing if you need to attend an appointment with MoneyHelper and provide us with evidence that you have done so. If you don't provide us with the required evidence, we must stop the transfer.

### **Information**

To inform our assessment, we may need to ask you to give us more information. We will only ask for information that we reasonably need and will only use it for this purpose. If you wish to transfer to an occupational pension scheme, we must ask you to give us information about your employment status. If you wish to transfer to an overseas scheme, we must ask you to give us information about your employment or residency status.

If we ask for more information, it is important you give us all the information we ask for in a timely manner. You must give us the information yourself. Other than in limited

situations, such as power of attorney, no one else can give us the information on your behalf. Failing to do so will result in your transfer been paused or ultimately stopped.

You can find more information about pension scams, such as how they work, how to avoid them and what to do if you suspect a scam at [https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423\\_pensions\\_consumer\\_leaflet\\_screen.ashx/](https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx/)

### **Requirement to take appropriate independent advice**

If you wish to transfer to a defined contribution pension scheme (for example, a personal pension scheme) and the total value of your LGPS benefits is more than £30,000, you must take appropriate independent advice at your own cost. Unless you tell us otherwise, we will always assume that you wish to transfer to a defined contribution scheme.

To prove you have taken that advice, you must return the Transfer Advice Confirmation Form, which we will send you with the transfer information. You must return this within three months beginning with the day we provide you with the guaranteed transfer value.

Appropriate independent advice is not the same as attending an appointment about pension scams with MoneyHelper. Depending on where you wish to transfer and the value of your LGPS benefits, you might need to take appropriate independent advice **and** attend an appointment with MoneyHelper.

- **Next steps**

To be able to receive the information you have requested, you must meet certain conditions in addition to those set out in this letter. If you meet those conditions, we will send you the transfer information along with the necessary forms and explain any action you need to take. If you do not, we will let you know and the reasons why. We aim to give you the information within 20 working days. In any case, we will give you this within three months of your request.

The transfer information will tell you more about whether you will need to take appropriate independent advice and what information you need to give us if you decide to go ahead with a transfer.

Yours sincerely

This page is intentionally left blank

Dear M\* \*\*\*

**Local Government Pension Scheme Regulations 2014 (as amended)**  
**Transfer of Pension Rights**

I am writing with reference to your recent request for a current cash equivalent transfer value figure in respect of the pension benefits you hold under the Local Government Pension Scheme/City of London Pension Fund.

I can confirm that the estimated cash transfer sum available is £\*\*\*. This amount is guaranteed until \*\*/\*\*/\*\*\*\*.

A copy of your (year) deferred annual benefit statement is enclosed. The benefits are due to come into payment with effect from age \*\*. They increase each year in line with the Consumer Price Index both during deferment and once in payment.

Should you decide to proceed with a transfer, please refer to the requirements set out in my previous letter dated \*\*\*\*\*. We may need to request further information from you to enable us to make the necessary assessments. You will be notified what information we may need, if appropriate.

The City of London will not charge for supplying the initial transfer quote. However, we reserve the right to levy a charge of £150.00 plus VAT for each additional transfer quote requested within 12 months of the original request.

An election to transfer must be made at least 12 months before your Normal Pension Age under the LGPS (i.e. age \*\* /your State Pension Age).

I am enclosing the leaflet "Q&A for LGPS members – Freedom & Choice – Transfers from the LGPS to Defined Contribution Schemes" for your information.

We are advised to forward you the enclosed guidance from The Pensions Regulator for your information. For further information regarding the Local Government Pension Scheme, please visit our website at [www.yourpensions.org.uk/cityoflondon](http://www.yourpensions.org.uk/cityoflondon).

I am also attaching a leaflet issued jointly by The Pensions Regulator, Financial Conduct Authority and the Money & Pension Service issued in response to the current pandemic. The information provided by these organisations should be noted when making any decision to transfer.

If you have any queries, please contact .....

Yours sincerely

Encl: - copy 2022 ABS

- Freedom & Choice leaflet
- TPR Scamsmart leaflet
- TPR/FCA/M&PS pandemic leaflet

This page is intentionally left blank



## Q&A for LGPS Members

### Freedom and Choice - Transfers from the LGPS to Defined Contribution Schemes

From 6 April 2015, the Government introduced greater flexibility ('Freedom and Choice') in the way individuals, aged 55 and over, can access any Defined Contribution (DC) pension savings they may have.

It's important that as a member of the Local Government Pension Scheme (LGPS) you understand that you are a member of a public sector Defined Benefit (DB) scheme and therefore the flexibilities introduced under 'Freedom and Choice' do not impact on how you can take your Defined Benefits from the LGPS.

There are, however, some indirect changes that do impact upon any members of the LGPS who are considering transferring the value of their accrued LGPS Defined Benefit pension rights from the LGPS to a DC arrangement offering 'flexible benefits'.

The following questions and answers aim to help you understand these changes.

#### List of Questions

[Q1. What is Freedom and Choice?](#)

[Q2. Does Freedom and Choice impact on LGPS members at all?](#)

[Q3. Are there any new rules around transfers from the LGPS to a defined contribution scheme?](#)

[Q4. Are there any exemptions to the rule on advice?](#)

[Q5. How will I know what the total value of my LGPS benefits is?](#)

[Q6. What happens to my LGPS benefits if I do transfer to a defined contribution scheme?](#)

[Q7. Who do I need to get authorised independent advice from?](#)

[Q8. Can the LGPS Pension Fund give me names of an authorised independent adviser or appointed representative?](#)

[Q9. How much will this advice cost and who pays for it?](#)

[Q10. Do I have to follow the advice that I receive from the authorised independent adviser or appointed representative?](#)

[Q11. If I follow the advice to transfer what protection do I have?](#)

[Q12. How will the LGPS Pension Fund know I have taken appropriate independent advice?](#)

[Q13. Are there any other new rules which could impact on the transfer value of my accrued LGPS pension benefits?](#)

- [General Points to note about transferring from the LGPS](#)

## **Q1. What is Freedom and Choice?**

**A1.** From 6 April 2015 members of certain pension schemes have more freedom over how they take their money from their pension pot.

These changes affect pension scheme members who are:

- age 55 or over, and
- have a pension based on how much has been paid into their pot (a Defined Contribution pension).

There are now four main options for members who are in a Defined Contribution pension scheme which offers flexible benefits from their pension pot, including:

- purchasing an annuity (annual pension) or scheme pension if offered by the scheme
- flexi-access drawdown
- taking a number of cash sums at different stages
- taking the entire pot as cash in one go

These new flexibilities do not apply to any Defined Benefits you have in a Defined Benefit pension scheme, including the LGPS, and therefore they have no direct impact on your Defined Benefits from the LGPS.

## **Q2. Does Freedom and Choice impact on LGPS members at all?**

**A2.** Not directly. However, if you cease membership of the scheme with 3 or more months' membership then, unless you are retiring with immediate payment of your benefits on the grounds of redundancy, business efficiency or ill-health, you will be given information about your right to transfer your benefits built up in the LGPS. If you then choose to use the right to transfer the value of your LGPS Defined Benefits to a Defined Contribution pension scheme which offers flexible benefits, you will be able use the 'Freedom and Choice' flexibilities under that scheme.

## **Q3. Are there any new rules around transfers from the LGPS to a defined contribution scheme?**

**A3.** Yes, if you cease membership of the LGPS and wish to use the right to transfer the value of your LGPS Defined Benefits to a Defined Contribution pension scheme which offers flexible benefits you will be obliged by law to obtain appropriate independent advice, at your own cost, from an authorised independent adviser who is registered with the Financial Conduct Authority (FCA), or from an appointed representative (see Q7 for more information). You must prove that this advice has been taken before any payment of a transfer can be made from the LGPS Pension Fund(s) to a Defined Contribution pension scheme offering flexible benefits.

You are only entitled to request one transfer quotation in any 12 month period and, if you wish to proceed with a transfer, the election to proceed must be made at least 12 months before your Normal Pension Age in the LGPS or, if you are a Pension Credit member<sup>1</sup>, at least 12 months before your Normal Benefit Age.

---

<sup>1</sup> A Pension Credit member is a person who, as part of a settlement following divorce or dissolution of a civil partnership, has been given a share of their ex-spouse's or ex-civil partner's pension benefits in the Scheme which the Pension Credit member now holds in the Scheme in their own right..

In addition you can only transfer benefits from the LGPS if you have left the scheme and you have not already drawn benefits from the LGPS (either in your current employment or any earlier employment).

#### **Q4. Are there any exemptions to the rule on advice?**

**A4.** Yes, if the total value of all your LGPS benefits<sup>2</sup> across all LGPS Pension Funds is £30,000<sup>3</sup> or less then you are not legally required to take advice. However, given the impact on your LGPS benefits, you are recommended to take such advice regardless of the legal requirement.

In addition, if you leave the LGPS with 3 or more months but less than 2 years membership (and you do not have an entitlement to a deferred benefit in the LGPS in respect of that membership) you would not legally be required to take advice. However, given the impact on your LGPS benefits, you would again be recommended to take such advice regardless of the legal requirement.

#### **Q5. How will I know what the total value of my LGPS benefits is?**

**A5.** You will need to request a transfer value quotation from all LGPS Pension Funds in which you have benefits in the scheme. The total value of your benefits is the sum of all these transfer values. If the total amount is more than £30,000 then you will be legally required to take advice.

#### **Q6. What happens to my LGPS benefits if I do transfer to a defined contribution scheme?**

**A6.** From the point of transfer all rights to any benefits of any description in any circumstance in the LGPS included in the transfer are extinguished.

If you hold more than one deferred benefit under the Scheme, in either the same or separate Funds, it is not possible to transfer out only one of the deferred benefits; if you wish to transfer out you must elect to transfer all or none of the deferred benefits you hold.

This restriction only applies to deferred benefits held under the same Scheme. As the LGPS in England & Wales, Scotland and Northern Ireland are all different schemes, a member holding a deferred benefit in both LGPS England & Wales and LGPS Scotland can decide to transfer out one and not the other.

#### **Q7. Who do I need to get authorised independent advice from?**

**A7.** You must by law receive appropriate independent advice from an independent adviser who is authorised by the Financial Conduct Authority (FCA), or from an appointed representative. You can check if an adviser is authorised by the FCA using the Financial Services Register on the [FCA website](#).

An independent adviser must not only be authorised but also must be qualified to give specific advice on transfers between pension schemes. From 6 July 2016 an appointed representative of an authorised financial adviser is also permitted to provide this advice, providing the authorised financial adviser has the permissions to

---

<sup>2</sup> LGPS benefits include active, deferred, deferred refund and pension credit benefits.

<sup>3</sup> This £30,000 limit is across the scheme so if you are a member in the LGPS in England and Wales it's the value of all benefits in that scheme, if you are a member in the LGPS in Scotland it's the value of all benefits in that scheme and if you are a member in the LGPS in Northern Ireland it's the value of all benefits in that scheme.

advise on pension transfers. It is important that you ensure that this is the case before committing to the receipt of advice.

Please do not ask your LGPS Pension Fund to advise you as you cannot by law receive advice on this matter from them. They are not authorised by the FCA to provide such advice

**Q8. Can the LGPS Pension Fund give me names of an authorised independent adviser or appointed representative?**

**A8.** No. You can however locate details of an authorised independent adviser on the [Financial Services Register](#), the [Personal Finance Society website](#), the [Association of Professional Financial Advisers](#) website or contact the [Citizens Advice Bureau](#).

You should be aware that appointed representatives will not be shown on the Financial Services Register as they only act as agents for firms that are directly authorised by the FCA. However, the details of the authorised independent adviser who appointed the appointed representative should be available on the Financial Services Register instead.

**Q9. How much will this advice cost and who pays for it?**

**A8.** The cost will vary depending on the authorised independent adviser or appointed representative you decide to use. You, as the member choosing to transfer, will be expected to meet the cost of the advice. You should ensure that you get a clear and understandable quote of the cost from the authorised independent adviser or appointed representative before committing to receiving advice from them.

**Q10. Do I have to follow the advice that I receive from the authorised independent adviser or appointed representative?**

**A10.** No. However, if you choose to ignore the advice and proceed with the transfer to a registered Defined Contribution scheme offering flexible benefits (or to a qualifying recognised overseas pension scheme) you will have no redress from either the authorised independent adviser/appointed representative or from the LGPS Pension Fund, should that decision prove to be financially disadvantageous to you.

**Q11. If I follow the advice to transfer what protection do I have?**

**A11.** If the advice you are given from an authorised independent adviser or appointed representative is to proceed with the transfer and it proves to be financially disadvantageous to you, you would need to seek redress from the authorised independent adviser or appointed representative who provided that advice. There will be no redress from, or reinstatement in, the LGPS Pension Fund from which the benefits have been transferred.

**Q12. How will the LGPS Pension Fund know I have taken appropriate independent advice?**

**A12.** If you are required to take appropriate independent advice you will have to prove to your LGPS Pension Fund(s) that this advice has been taken before the Fund can release the transfer value payment. As part of the transfer information provided by the LGPS Fund there will be an 'Advice Confirmation Form' which the adviser/representative must complete. The information on this form will include confirmation:

- that advice given to you was specific to the transfer
- that the adviser is authorised to provide such advice, or in the case of an appointed representative, that the principal financial adviser is authorised to provide such advice
- of the FCA reference number of the company for whom the adviser works or for whom the representative is an agent
- your name, and the name of the scheme from which the transfer is being sought and in respect of which the advice was given.

You must also sign that 'Advice Confirmation Form' and return it as part of any other application forms to transfer your LGPS benefits which your LGPS Pension Fund may send you.

On receipt of the above proof of advice the LGPS Pension Fund must check the authorisation status of the adviser's/representative's company. They will do this by checking the company's entry in the [Financial Services Register](#) using the FCA reference number provided by the adviser/representative on the 'Advice Confirmation Form'.

If you are not required to take appropriate independent advice (because the total value of your benefits in the LGPS is £30,000 or less or the scheme to which you are transferring benefits is not one that offers 'flexible benefits') you will be asked to confirm this in writing.

### **Q13. Are there any other new rules which could impact on the transfer value of my accrued LGPS pension benefits?**

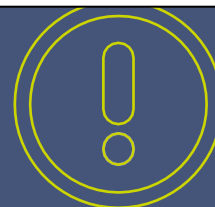
**A13.** Potentially, yes. In circumstances where the Government is convinced that the number of transfers to Defined Contribution schemes offering flexible benefits may result in a risk to the LGPS Pension Fund and, hence, to local taxpayers, the amount of the transfer value can be reduced. Your LGPS Pension Fund will confirm if this applies when you are considering your transfer.

### **General Points to note about transferring from the LGPS:**

- You cannot transfer your benefits, other than Additional Voluntary Contributions (AVCs), if you leave the scheme when you are less than one year away from your Normal Pension Age.
- An option to transfer must (other than in respect of AVCs) be made at least 12 months before your Normal Pension Age or, if you are a Pension Credit member, at least 12 months before your Normal Benefit Age.
- If you wish to investigate a transfer of your pension rights, your Pension Fund has to (other than in respect of AVCs) provide you with a transfer value quotation within three months of receiving your request and the quotation will be guarantee for a period of three months from the date of calculation (known as the 'Guarantee Date').
- If you wish to proceed with the transfer, a written option to proceed must be received by the LGPS Pension Fund within three months of the 'Guarantee Date'.
- If you opt to proceed, the normal time limit for payment of the guaranteed transfer value will be six months from the 'Guarantee Date'.

- If payment is not made within this period your Pension Fund will need to recalculate the value as at the actual date of payment and pay the recalculated value or, if it is greater, the original value plus interest.
- If you are considering whether to transfer benefits, make sure you have full information about the two pension arrangements i.e. details of what your benefits are worth in the LGPS and details of what your benefits would be worth in the new pension scheme, if transferred.

V1.3 19/10/2016



# Don't let a scammer enjoy your retirement

Find out how pension scams work, how to avoid them and what to do if you suspect a scam.



Scammers can be articulate and financially knowledgeable, with credible websites, testimonials and materials that are hard to distinguish from the real thing.

Scammers design attractive offers to persuade you to transfer your pension pot to them or to release funds from it. It is then invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units, or simply stolen outright.

## Scam tactics include:



- contact out of the blue



- promises of high / guaranteed returns



- free pension reviews



- access to your pension before age 55



- pressure to act quickly

### If you suspect a scam, report it

- Report to the Financial Conduct Authority (FCA)  
by contacting their Consumer Helpline on **0800 111 6768** or using the reporting form at [www.fca.org.uk](http://www.fca.org.uk)
- Report to Action Fraud  
on **0300 123 2040** or at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)
- If you're in the middle of a transfer, **contact your provider immediately** and then get in touch with The Pensions Advisory Service (TPAS) at [www.thepensionsadvisoryservice.org.uk](http://www.thepensionsadvisoryservice.org.uk)

[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

# Four simple steps to protect yourself from pension scams

1

## Reject unexpected offers

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Fortunately, research shows that 95% of unexpected pension offers are rejected.\*

2

## Check who you're dealing with

Check the Financial Services Register ([www.register.fca.org.uk](http://www.register.fca.org.uk)) to make sure that anyone offering you advice or other financial services is FCA-authorised.

If you don't use an FCA-authorised firm, you also won't have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme. So you're unlikely to get your money back if things go wrong. If the firm is on the FCA Register, you should call the Consumer Helpline on 0800 111 6768 to check the firm is permitted to give pension advice.

Beware of fraudsters pretending to be from a firm authorised by the FCA, as it could be what we call a 'clone firm'. Use the contact details provided on the FCA Register, not the details they give you.

3

## Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down an 'amazing deal'. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4

## Get impartial information and advice

The Pensions Advisory Service ([www.thepensionsadvisoryservice.org.uk](http://www.thepensionsadvisoryservice.org.uk)) – Provides free independent and impartial information and guidance.

Pension Wise ([www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)) - If you're over 50 and have a defined contribution (DC) pension, Pension Wise offers pre-booked appointments to talk through your retirement options.

Financial advisers – It's important you make the best decision for your own personal circumstances, so you should seriously consider using the services of a financial adviser. If you do opt for an adviser, be sure to use one that is regulated by the FCA and never take investment advice from the company that contacted you or an adviser they suggest, as this may be part of the scam.

Be ScamSmart with your pension. Check who you are dealing with.



Dear Member

We are writing to you as you may be considering transferring your pension. In these times of financial uncertainty, we are asking you to be very careful. Since the coronavirus outbreak began, stock markets have fallen and are likely to go up and down for some time. However, your pension remains a safe, long-term investment for your retirement, and transferring it is a serious decision so please do not do anything in haste.

If anyone approaches you directly to offer transfer advice, be on your guard. The government has banned cold calling for pensions, so if anyone calls you out of the blue about yours, just hang up – it could be a scam. You can also visit the ScamSmart website at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart) to check the firm you are dealing with is regulated and to see whether what you're being offered is a known scam or has the signs of a scam.

There are two types of pension – defined benefit (DB) and defined contribution (DC). If you have a DB pension, the benefits you'll get in retirement (including how much you get paid each month) are specified – whereas with a DC pension, your benefits will depend on the performance of investments and the level of contributions made by you and your employer before your retirement.

Legislation gives you the right to 'transfer' your pension. However, whilst you have this right, in most cases, transferring out of a DB pension scheme into a different type of pension arrangement is unlikely to be in your best long-term interests as you'll be giving up a valuable level of predictability in your retirement income.

**Please remember that you can't change your mind once you've transferred out of a DB pension.**

It is therefore really important that you get guidance or advice before making a decision. The Pensions Advisory Service (TPAS) is part of the Money and Pensions Service and offers free specialist pensions guidance and will help answer any questions you may have. If your transfer value is more than £30,000, you are required by law to take advice from a suitably qualified financial adviser regulated by the Financial Conduct Authority (FCA), before you can transfer your benefits to a DC pension scheme.

Take your time to make all the checks you need – you can find suggested questions to ask your adviser on the FCA's website: <https://fca.org.uk/consumers/what-ask-adviser> with further information on pension transfers at <https://www.fca.org.uk/consumers/pension-transfer>

We hope that you are able to stay safe and well in these difficult times.

Yours sincerely

Dear Sir/Madam

**Local Government Pension Scheme Regulations 2014 (as amended)**  
**Transfer of Pension Rights**

**Re : M\*\***

**N.I. No: \*\*\*\***

I write with reference to your recent correspondence requesting payment of the Cash Transfer Sum/Cash Equivalent Transfer Value in respect of the above named.

A payment for £\*\*\* has been paid by CHAPS directly into your nominated bank account.

For your reference, the Local Government Pension Scheme (LGPS) is approved by virtue under Chapter 2 of Part 4 of the Finance Act 2004 and is a relevant Statutory Scheme under Part 1 of Schedule 36 of the Finance Act 2004.

The LGPS is a salary related, occupational scheme and is a member of the public sector "Club" transfer arrangements.

The HMRC Pension Scheme Tax Reference number for the LGPS is **00329946RE**.

If you have any queries, please contact \*\*\*\* whose details are shown at the top of this letter.

Yours faithfully

This page is intentionally left blank

Dear Mr

### Local Government Pension Scheme

I refer to your recent request for an estimate of your pension benefits in the above Scheme.

If your employment with the City of London were to cease on ..... I have estimated that you would be entitled to an award of preserved retirement benefits as detailed below:

<b>Annual Pension</b>	<b>£ 0.00</b>
<b>Lump Sum</b>	<b>£ 0.00</b>

Please note that your preserved retirement benefits will become payable from your State Pension Age which is currently .....; you may elect to receive payment of reduced benefits from ..... The reduced amounts that would be payable are detailed below:

<b>Annual Pension</b>	<b>£ 0.00</b>
<b>Lump Sum</b>	<b>£ 0.00</b>

The figures above are based on current salary information and the current scheme rules. Your actual pension benefit will be calculated at the date of your retirement and the amount payable may be different.

### Calculation of Final Salary Pension benefits

Your pension benefits up to 31 March 2014 are based on your membership and your final pay on leaving. Your final pay is usually the pensionable pay in respect of your final year of scheme membership or one of the two previous years' if this is higher. If you were working part-time your final pay is the pay that you would have received had, you worked whole-time.

If we have used a previous year's pay in the figures above and you subsequently receive an increase to your salary (e.g. due to a pay award or a bonus payment) your final year's pay may become higher and pension increases would apply from a later date. This means that although your basic pension benefit may increase the cost of living increases may be less and consequently the total pension benefit payable could be lower.

### Calculation of Career Average Revalued Earnings (CARE) benefits

From 1 April 2014 your pension is calculated each year by taking 1/49<sup>th</sup> of your pensionable pay in that year and adding it to your Pension Account. The amount of pension in your Pension Account at the end of each scheme year will be adjusted in line with the cost of living.

### **Exchanging annual pension for lump sum**

At retirement you will have an option to convert some of your annual pension to provide for a larger lump sum. For every £1.00 of annual pension converted, you would receive an additional lump sum of £12.00.

The amount you are allowed to convert is limited by HM Revenues and Customs. Based on the figures quoted above, the maximum pension available for conversion would be £0.00, which would provide you with an additional lump sum of £0.00.

If you have any queries, please contact .....

Yours sincerely

Dear

### **Local Government Pension Scheme - Unpaid Leave**

I have been informed that you recently took a period of unpaid leave from 00/00/20XX to 00/00/20XX.

This period will not count for pension purposes unless you elect to pay Additional Pension Contributions (APCs) to purchase the amount of pension lost. If you decide to buy it within 30 days of the date of this letter your employer will contribute towards the cost.

Buying back the whole of the pension lost will ensure the unpaid period is included when calculating certain protections if you were a member of the scheme before 1 April 2014. For example, if you are a member to whom the [Underpin](#) or [Rule of 85](#) applies. Further information about this can be found at <https://lgpsmember.org>

I have calculated the pension you have “lost” during the period of unpaid leave to be £00.00. The cost of buying this pension is based on the actual rate of pay you would have received had you been at work on full pay.

You can choose to buy the lost pension by spreading payment over a number of complete years (unless you are within 1 year of your Normal Pension Age under the scheme) or by means of a one off lump sum. Your employer will meet two thirds of the cost of buying back the lost pension other than for an absence due to a trade dispute, provided you apply within 30 days of the end of this letter.

To calculate the cost and apply you will need to access the online calculator at <https://lgpsmember.org/more/apc/index.php>. You need to select the buy lost pension option and complete the relevant information. The lost pensionable pay figure that should be entered in field 3 of the application form is £00.00. Please print off the application form that is created as part of the online process and forward it to me within 30 days of the date of this letter. If you are electing to buy back lost pension within 30 days of this letter you should tick the “30 day override” box in section 6 of the application form.

**If I do not hear from you within 30 days of the date of this letter I will assume that you do not wish to proceed.**

If you have any queries please contact .....

Yours sincerely

This page is intentionally left blank

Dear M

### Local Government Pension Scheme

We have tried to contact you at your last known address but have been unable to do so. We have asked the Department for Work and Pensions to assist us by forwarding this letter to you. They have not provided us with your address. We need to contact you regarding information about your Local Government Pension Scheme.

Please complete your details below and return to [.....](#). **Do not send to the Department for Work and Pensions.**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

NI number: \_\_\_\_\_

Email: \_\_\_\_\_

Signature: \_\_\_\_\_

Yours sincerely

This page is intentionally left blank

Dear

**Local Government Pension Scheme Regulations**

The City has been made aware that your husband/wife/partner has sadly passed away. Please accept my condolences on your bereavement.

I would be grateful if a copy of the death certificate and the enclosed Spouse benefit form, could be forwarded to the address below at your earliest convenience.

Thank you for your assistance, and please do not hesitate to contact ....., should you require any further information.

Yours sincerely

This page is intentionally left blank

## LGPS Personal Benefit Statement

Issue Date: .....

### Section 1: Personal Details

Full Name and title  
 Date of Birth  
 National Insurance Number  
 Partnership Status  
 Employment Number  
 Reference Number  
 Employer at ...  
 Date Joined Scheme  
 Section of scheme at ...  
 CARE Pensionable Pay in year to ...  
 Final Salary Pensionable Pay

It is important that the details above are correct as any inaccuracies will affect all of the calculations below. If any of the above details are incorrect please inform your Pensions Department.

**PLEASE NOTE:** The following amounts have NOT been reduced by the Pension Debit amounts resulting from your Pension Sharing Order(s). The amount of the deductions will be calculated when benefits are drawn.

Current value of Pension Debit	£0
Current value of Lump Sum Debit	£0
Current value of Spouse's Pension Debit	£0

**PLEASE NOTE:** The following amounts have NOT been reduced by any "Scheme Pays" Offset amounts resulting from previous Pension Input Periods. The amount of the deductions will be calculated when benefits are drawn.

Current value of Scheme Pays Offset	£0
-------------------------------------	----

## Section 2: Summary of Total Benefits at 17

Name: 2 3

NI Number: 13

### Your benefits accrued at ... (as detailed in sections 3 and 4)

Annual pension	£0	Automatic lump sum	£0
----------------	----	--------------------	----

### Death in service benefits

Death in service lump sum	£0	Annual survivor's pension	£0
---------------------------	----	---------------------------	----

## Your Nomination Details

Name: 2 3

NI Number: 13

### Nomination Comments:

**PLEASE NOTE:** The benefits calculated in this section of the statement are based on the pay figures below. It is important that you check this and the pension build-up on the line below and contact your employer to report any perceived inaccuracies.

Pensionable Pay for year to ... in Main section	£0
---	----

Pensionable Pay for year to ... in 50/50 section	£0
--	----

## Section 3: Career Average Pension Benefits at 17

### Amount of pension built up in the year to ...

Name: 2 3

NI Number: 13

Main Section		50/50 Section		Additional		Transfers in	Total
Pay/ 103	+	Pay/ 104	+	Pension Bought	+		
£0		£0		£0		£0	£0

### Total Career Average Pension in the year to ...

Previous year closing balance		Increase for the cost of living		In year build up (as shown above)		Total Career Average Pension at ...
£0	+	£0	+	£0		£0

**Section 4: Final Salary Benefits at 17  
(payable from 99)**

**Name: 2 3**

**NI Number: 13**

Final Salary pay	Annual pension	Automatic lump sum
£0	Total	£0
	Including 60ths	£0
	+ 80ths	£0
	+ Additional Pension	£0

**Section 5: Projections if you remain contributing to the scheme until 41**

802

**(ie to your Normal Pension Age (NPA) of 140) 803**

**Name: 2 3**

**NI Number: 13**

Total Pension at NPA	£0	Automatic lump sum at NPA
Including projected Career Average Pension to NPA	£0	£0
and projected Final Salary pension to NPA	£0	

Prospective survivor's annual pension if you remain in the scheme to NPA	£0
Including projected Career Average Pension to NPA	£0
and projected Final Salary pension to NPA	£0

**Annual Allowance**

Pension Input for tax year 20...	£0
Unused allowance carry forward in respect of 20....	£0

Please refer to the notes for further information about the Annual Allowance.

### Section 6: Your Membership Details for Final Salary Benefits

Name: 2 3

NI Number: 13

Your employer supplies us with your membership information.

We have shown any other pension scheme membership transferred to the Local Government Pension Fund.

If a break in service is shown, by /B appearing at the end of the service line, it will be detailed in the Breaks in Service Details section below, and the Period of Membership will have been reduced.

If you believe any of the details are incorrect, please let us know.

800

Employer	Period		Calendar length years/days	Percentage of whole time	Period of membership years/days
	From	To			

Break in Service Details			
Break Start Date	Break End Date	Reason for Break	Period of Break Years/Days

## **Local Government Pension Scheme (LGPS)**

### **Annual Benefit Statement 2022**

Enclosed is your annual pension benefit statement for 2022. It is important that you read this statement and these explanatory notes.

If you believe any of the details on the statement are not correct (as at 31st March 2022) please email – [pensions@cityoflondon.gov.uk](mailto:pensions@cityoflondon.gov.uk)

#### **Annual Benefit Statement Contents**

##### **Sections**

1. [Your personal details including pensionable pay](#)
2. [The total value of your pension at 31 March & your nomination details](#)
3. [CARE pension value in the 12 months to 31 March & total CARE value built up to 31 March](#)
4. [Final Salary pension values at 31 March](#)
5. [Total projected pension at your normal pension age & Annual Allowance estimate](#)
6. [Scheme membership details](#)

Since 1 April 2014 the LGPS has been a Career Average Revalued Earnings (CARE) Scheme, benefits build up at the rate of a 1/49th of your pensionable pay (if you are a member of the main section of the Scheme), or at the rate of 1/98th of your pensionable pay (if you are a member of the 50/50 section of the Scheme) and then revalued in line with increases in the Consumer Price Index (CPI) on 1 April each year.

The CARE benefits shown on this statement have had the 2021 inflationary increase of 0.5% applied to them.

All benefits built up to 31 March 2014 will continue to be based on final pensionable pay. This statement shows that benefits have been calculated on the 1/80th pension and automatic 3/80ths lump sum basis in respect of membership up to 31 March 2008, plus 1/60th pension with no automatic lump sum from membership built up between 1 April 2008 and 31 March 2014.

If there is no survivor's pension shown and you are married, in a civil partnership or have a co-habiting partner, then we have not seen verification that you are in a qualifying relationship. Therefore, please send to the Pensions Office either the appropriate certificate or a completed Notification of Co-habiting Partner form available on the pensions office website - <https://www.cityoflondonpensions.org/resources/>

Also, if the "Nomination Details" section is blank you should complete an "Expression of Wish" form (also available on the Pensions Office website) in order to indicate to whom you would like the Death Grant to be paid.

#### **When can I retire?**

Since 1 April 2014 you can choose to leave your employment and receive payment of your pension anytime from age 55 but the longer you work the more your pension will be. Your pension will be reduced if you choose to retire before your normal pension age and increased if you retire later.

Normal pension age is no longer fixed at 65; it will be the same as your current state pension age - with 65 as the earliest age but see the protection section below. If you are unsure of your

state pension age have a look at - [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)

If you were age 55 or over as at 31 March 2021 your figures do not show any early retirement reduction which would apply had you retired on this date.

Also included in your statement is a projection to your normal pension age. **If you were over your Normal Pension Age as at 31 March 2022 section 5 has been left blank intentionally.**

### **Protections**

If you were a member of the Scheme on 1 April 2014, you automatically joined the career average pension scheme and will continue to build up benefits in the LGPS. The entire pension you have built up in the LGPS before this date is fully protected.

**All benefits built up before 1 April 2014 will continue to be based on your final year's pay when you leave or retire**, as these benefits were built up in the final salary scheme. That means that all the membership you built up to 31 March 2014 will be used to calculate your final salary benefits when you leave.

**Your Normal Pension Age** is also protected. This means that the benefits you built up before 1 April 2014 retain their Normal Pension Age under final salary scheme rules, which for almost all scheme members is age 65.

### **Rule of 85**

If you have rule of 85 protection this continues to apply from 1 April 2014. The only occasion where this protection does not automatically apply is if you choose to voluntarily receive payment of your pension on or after age 55 and before age 60, further information can be found here - <https://www.lgpsmember.org/more/eightyfive.php>

### **Underpin**

Protections are in place if you are nearing retirement to ensure that you will get a pension at least equal to that which you would have received in the scheme had it not changed on 1 April 2014. This protection is known as the 'underpin'.

The underpin generally applies to you if you were: Paying into the Scheme on 31 March 2012 and, you were within 10 years of your Normal Pension Age on 1 April 2012, further information can be found here - <https://www.lgpsmember.org/more/pre2014.php>

This underpin protection has now been extended to apply if you were an active member of a different public service pension scheme (e.g. Civil Service Pension Scheme) on 31 March 2012 and you were within 10 years of age 65 on 1 April 2012; if you transfer the pension benefits from the other public service pension schemes into the LGPS and part or all of that transfer buys final salary benefits in the LGPS the underpin will apply to you.

This change is being backdated to take effect from 1 April 2014.

### **Age Discrimination**

When the LGPS changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often called the 'McCloud judgment'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS. This means it has not been possible to reflect the impact of the judgment in your annual benefit statement this year. If you qualify for protection it will apply automatically - you do not need to make a claim.

For more information, visit our website [www.cityoflondonpensions.org](http://www.cityoflondonpensions.org) or see frequently asked question on the national website [www.lgpsmember.org](http://www.lgpsmember.org)

### **Transfers into the LGPS**

If you have been a member of the LGPS with City of London Pension Fund for less than 12 months you can elect to transfer your previous pension rights into the scheme. However, you do need to make an election before the 12 months expires.

### **Additional Contributions (if applicable)**

If you are paying or have paid to Purchase Additional Years the value at 31 March 2022 is **included** in the illustration amounts

If you are paying or have paid Additional Regular Contributions (ARCS) the value at 31 March 2022 is **included** in the illustration amounts

If you are paying or have paid Additional Pension Contributions (APC) the value at 31 March 2022 is **included** in the illustration amounts

If you are paying or have paid Additional Voluntary Contributions (AVC) values are **not included** in the illustration amounts. AVC annual statements will be provided separately by your AVC provider.

### **Changes to Pre - April 2014 AVC contracts**

If you pay or have paid Additional Voluntary Contributions (AVCs) and the contract to pay those AVCs started before 1 April 2014, you will see some changes to your AVC plans and how you can receive payment of them.

When you take the main scheme benefits you will no longer be able to leave the AVC invested and take it at a later date.

All scheme members can now buy additional pension from the LGPS with the AVC plan when they take their benefits from the scheme. Previously, this option was only available to scheme members who took immediate payment of their main scheme benefits (i.e. pension and lump sum) and their AVC plan when they left the scheme.

If you die before taking the AVC and a lump sum is to be paid from your AVC plan, the pension fund now has absolute discretion over who to pay that sum to (rather than it having to be paid to the estate). If the lump sum is paid at the discretion of the pension fund it does not form part of the estate and will not be subject to inheritance tax.

For scheme members currently paying AVCs:

- You can now pay up to 100% (rather than 50%) of your pensionable pay into the AVC plan.
- AVCs will now also be deducted from any voluntary overtime you work (if you pay AVCs as percentage of your salary).

### **Divorce Pension Debits**

If you have been divorced and your former spouse awarded part of your LGPS benefits as part

of the divorce settlement your pension values will be reduced. The current and projected pension values shown are before the pension debit has been deducted.

### **Annual Allowance (AA)**

This is the amount by which your pension can grow before you may have to pay additional tax. The limit is currently **£40,000** but if your taxable earnings are over **£200,000** for the tax year 21/22 the limit may be reduced to a minimum of **£4,000**.

We will write to all scheme members who we think may be affected by 6 October 2022.

Most scheme members will not be affected by the annual allowance tax charge, however, we have included the estimated value of your pension input amount in this year's statement based on the information we hold with regard to your LGPS benefits up to 31 March 2022. You should add this value to any other pension benefits you have accrued during the year.

If you exceed the annual allowance you may be allowed to bring forward any unused allowance for the last three years to off-set the excess. This means that even if the value of your pension savings increase by more than £40,000 in a year you may not be liable to pay the annual allowance tax charge.

There are, however, some things that the Fund will not know about but could affect your AA. For example, income from other employments, income from property rental and any other pension provision you may have.

If you think you are at risk of exceeding the annual allowance you should seek advice. Further information can be found at - <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

**If your LGPS benefits exceed the threshold for AA in 2021/22 we will contact you separately in October.**

### **Membership Details**

The membership used for calculating your final salary benefits are recorded under section 6 of the statement. The final salary scheme ended on **31 March 2014** and if you were a member on this date your membership of the final salary scheme ended on this date.

With effect from 1 April 2014 the LGPS introduced the CARE scheme and the pension values you have built up in the CARE scheme, including any pensions transfers purchasing CARE benefits, are recorded under Section 3 of the statement.

## **City of London Pension Fund**

### **Contact Details**

Email: [pensions@cityoflondon.gov.uk](mailto:pensions@cityoflondon.gov.uk) \_

Change of address forms and Expression of Wish forms can be found on our website (see below). Both forms need your signature, so please print and sign, then send to the email address above as an attachment.

Web: [www.cityoflondonpensions.org](http://www.cityoflondonpensions.org)

Post: Pensions Manager, City of London, Guildhall, PO Box 270, London EC2P 2EJ

If you have a query regarding this statement, please email: [pensions@cityoflondon.gov.uk](mailto:pensions@cityoflondon.gov.uk)

**Nothing in this statement can override the provisions of the Local Government Pension Scheme Regulations**

**YOU SHOULD NOT MAKE ANY FINANCIAL COMMITMENT BASED ON THIS STATEMENT**

### **Important**

It is important to note that your annual benefit statement is for guidance only and you should not base an irreversible decision to retire solely on the figures in this statement.

The benefit values shown in this statement are illustrative values **ONLY**, based on the LGPS regulations in force at the time of production and do not constitute an offer to pay the benefit values shown.



# Agenda Item 8

<b>Committee(s)</b>	<b>Dated:</b>
Pensions Committee	29 November 2022
<b>Subject:</b> Local Government Pension Scheme – Key Performance Indicators	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Graham Newman – Chamberlain's Department	

## Summary

At the Committee's meeting on 27 September 2022, it was agreed that statistics in respect of work carried out by the Pensions Administration Office in relation to the Local Government Pension Scheme would be provided at the next meeting, for information.

There are eight Key Performance Indicators (KPIs) used to measure the performance of the pensions administration team and these are reported in the Annual Report; these KPIs are as follows:

<b>Task</b>	<b>Target Time</b>
Initial payment of retirement benefits	5 days
Process refund and make payment	5 days
Statement notifying estimate of retirement benefits	20 days
Statement detailing transfer-in credit	20 days
Transfers-out payments	20 days
Answering general correspondence	10 days
Payment of lump sum death grants	5 days
Letters to dependant's in respect of benefits due	5 days

The performance indicators are derived from the pension's system software, which has a workflow measurement facility. Appendix A shows the year-end KPIs for 2019/20, 2020/21 and 2021/22 together with the KPIs from 1 April 2022 to 31 October 2022. Appendix B is a summary of the scheme membership date (actives, deferreds and pensioners) as at 31 March 2021 and 31 March 2022.

Subject to any comments Members may have, for future meetings the KPIs will be reported as part of the Administrator's Report.

## **Recommendation**

Members are asked to note the report and provide any feedback in relation to this information.

### **Appendices:**

Appendix A: Key Performance Indicator data.

Appendix B: Scheme Membership Data.

### **Graham Newman**

Pensions Manager | Chamberlain's Department

T: 020 7332 1132

E: [graham.newman@cityoflondon.gov.uk](mailto:graham.newman@cityoflondon.gov.uk)

## Appendix A

**City of London Local Government Pension Scheme  
Administration Key Performance Indicators**

<b>Task</b>	<b>Target</b>	<b>Result 2021/22</b>	<b>Result 2020/21</b>	<b>Result 2019/20</b>
Initial payment of retirement benefits	5 days	98.61 %	97.58 %	98.88 %
Process refund and make payment	5 days	98.44 %	100.00 %	100.00%
Statement notifying estimate of retirement benefits	20 days	96.17 %	97.78 %	97.03 %
Statement detailing transfer-in credit	20 days	100.00 %	100.00 %	100.00 %
Transfers-out payments	20 days	100.00 %	100.00 %	100.00 %
Answering general correspondence:	10 days	96.83 %	96.41 %	96.42 %
Payment of lump sum death grants:	5 days	100.00 %	95.45 %	96.51 %
Letters to dependant's in respect of benefits due:	5 days	94.44 %	100.00 %	93.75 %

<b>Task</b>	<b>Target</b>	<b>Result to-date 01/04/2022 – 31/10/2022</b>
Initial payment of retirement benefits	5 days	97.42 %
Process refund and make payment	5 days	93.44 %
Statement notifying estimate of retirement benefits	20 days	94.83 %
Statement detailing transfer-in credit	20 days	100.00 %
Transfers-out payments	20 days	100.00 %
Answering general correspondence:	10 days	94.85 %
Payment of lump sum death grants:	5 days	89.47 %
Letters to dependant's in respect of benefits due:	5 days	97.14 %

This page is intentionally left blank

**City of London Local Government Pension Scheme  
Scheme Membership Data**

<b>Local Government Pension Scheme Membership</b>		
	<b>Data as at 31 March 2021</b>	<b>Data as at 31 March 2022</b>
<b>Actives</b>	<b>4,638</b>	<b>4,729</b>
<b>Deferred</b>	<b>5,037</b>	<b>5,118</b>
<b>Pensioners</b>	<b>4,359</b>	<b>4,565</b>
<b>Totals</b>	<b>14,034</b>	<b>14,412</b>

**Active Members**

Scheme members that are currently paying into the Scheme.

**Deferred Members**

Members that have left the scheme before retirement age and have been awarded a 'Deferred Pension'.

**Pensioner Members**

Scheme members in receipt of their pension.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank