



## Pensions Committee

**Date:** TUESDAY, 20 JUNE 2023

**Time:** 2.00 pm

**Venue:** COMMITTEE ROOM, 2ND FLOOR WEST WING, GUILDHALL

**Members:** Shahnan Bakth  
Timothy Butcher  
Deputy Madush Gupta  
Clare James  
Alderman Ian David Luder  
Deputy Andrien Meyers, Aldgate  
Deputy Henry Pollard  
David Sales  
Alderman Sir David Wootton

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<https://www.youtube.com/@CityofLondonCorporation/streams>

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.

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

**Ian Thomas CBE**  
**Town Clerk and Chief Executive**

# AGENDA

## Future Meeting Dates

- Tuesday 12<sup>th</sup> September 2023 2.00pm
- Tuesday 21<sup>st</sup> November 2023 2.00pm

### 1. APOLOGIES

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

### 3. ORDER OF THE COURT

To receive the Order of the Court of Common Council dated 27 April 2023, appointing the Committee and setting its Terms of Reference.

**For Information**  
(Pages 5 - 6)

### 4. ELECTION OF CHAIR

To elect a Chair in accordance with Standing Order No. 29.

**For Decision**

### 5. ELECTION OF DEPUTY CHAIR

To elect a Deputy Chair in accordance with Standing Order No. 30.

**For Decision**

### 6. MINUTES

To agree the public minutes and summary of the Pensions Committee meeting held on 8 February 2023.

**For Decision**  
(Pages 7 - 12)

### 7. PENSIONS COMMITTEE WORK PROGRAMME

Report of the Chamberlain.

**For Information**  
(Pages 13 - 14)

8. **PENSIONS SCHEME ADMINISTRATOR'S UPDATE REPORT**

Report of the Chamberlain.

**For Information**  
(Pages 15 - 30)

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 8 February 2023

**For Decision**  
(Pages 31 - 34)

13. **PERFORMANCE MONITORING**

a) Quarterly Report to 31 March 2023 (Pages 35 - 54)

Report of the Chamberlain.

b) Investment Performance Monitoring to 30 April 2023 (Pages 55 - 80)

Report of the Chamberlain.

14. **LONDON COLLECTIVE INVESTMENT VEHICLE (LCIV) UPDATE**

Report of the Chamberlain.

**For Discussion**  
(Pages 81 - 92)

15. **PENSIONS FUND CASHFLOW FORECAST**

Report of the Chamberlain.

**For Discussion**  
(Pages 93 - 98)

16. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY POWERS**

Report of the Deputy Town Clerk.

**For Information**  
(Pages 99 - 100)

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**

**For Information**

LYONS, Mayor	<b>RESOLVED:</b> That the Court of Common Council holden in the Guildhall of the City of London on Thursday 27 <sup>th</sup> April 2023, doth hereby appoint the following Committee until the first meeting of the Court in April, 2024.
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## PENSIONS COMMITTEE

### 1. **Constitution**

A non-ward committee consisting of:

- Up to eight Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- Up to three independent members (i.e., non-Members of the Court of Common Council) co-opted to the Committee on the advice of the Chamberlain, with voting rights.

*N.B. - No Member of the Pension Committee shall be a Member of the Local Government Pensions Board, or be the Chair or Deputy Chair of the Corporate Services Committee, the Finance Committee, or the Policy & Resources Committee simultaneously.*

### 2. **Quorum**

The quorum consists of any three elected Members.

### 3. **Membership 2023/24**

- 2 (2) Shahnaz Bakht, *for two years*
- 2 (2) Andrienne Dominic Meyers, Deputy *for two years*
- 2 (2) Madush Gupta, Deputy *for two years*
- 2 (2) Timothy Richard Butcher, *for two years*
- 2 (2) Ian David Luder, J.P., Alderman
- 2 (2) James Henry George Pollard, Deputy
- 2 (2) David James Sales
- 2 (2) Sir David Wootton, Alderman

Together with the following independent Members referred to in paragraph 1 above:-

#### **Independent Members**

Clare James

### 4. **Terms of Reference**

To undertake statutory functions on behalf of the Local Government Pension Scheme (LGPS) and ensure compliance with the Local Government Pensions Scheme Regulations ("the Regulations"), relevant legislation, and best practice as advised by the Pensions Regulator.

To be responsible for: -

- a) formulating, publishing and periodically review strategies and policies around the Pension Fund, for example (but not limited to) investments, responsible investment, funding, and administration.
- b) selecting and appointing suitability qualified external service providers, such as investment managers and advisors as required.
- c) monitoring the Pension Fund's investment arrangements including asset allocation, the performance of investment managers and advisors, and asset pooling arrangements (noting that the Pension Fund is a shareholder of the London CIV pool).
- d) monitoring liabilities, making arrangements for the triennial actuarial valuation of the Pension Fund, and considering and approving the required employer contribution levels for each employer within the Fund.
- e) dealing with the admission and cessation of employers as and when necessary and to review the ability of admitted bodies to meet their obligations to the Pension Fund.
- f) ensuring the Corporation effectively discharges its obligations to scheme members and employers as an administering authority.
- g) considering and approving the Pension Fund's Annual Report as well as all other statutory statements required under the Regulations.
- h) working with, receiving and considering comments from the Local Government Pensions Board (a scrutiny and non-decision-making body established under the Regulations) in pursuit of good governance of the LGPS.
- i) ensuring that arrangements are in place for consultation with stakeholders as necessary.
- j) developing and maintaining the appropriate level of knowledge and understanding to carry out their duties effectively (including completion of the Pensions Regulator's Public Service toolkit).

**NOTE:** whilst it is the expectation and intention that corporate policies are applied in respect of the Pension Committee's activities, such matters must always be considered in light of the specific regulatory requirements that apply to the administration of the LGPS. Therefore, where relevant and insofar as such policies impact the Pension Fund, they will need to be reviewed by the Pension Committee.

## **PENSIONS COMMITTEE** **Wednesday, 8 February 2023**

Minutes of the meeting of the Pensions Committee held at Committee Room, West Wing 2nd Floor, Guildhall on Wednesday, 8 February 2023 at 2.00 pm

### **Present**

#### **Members:**

Alderman Ian David Luder (Chairman)  
Timothy Butcher (Deputy Chairman)  
Clare James  
David Sales  
Deputy Madush Gupta  
Deputy Andrien Meyers

#### **Officers:**

Caroline Al-Beyerty	- The Chamberlain
Kate Limna	- Chamberlain's Department
Graham Newman	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Sarah Port	- Chamberlain's Department
Chris Rumbles, Clerk	- Town Clerk's Department

#### **In attendance:**

Lucy Tusa (Mercer)

#### **1. APOLOGIES**

Apologies were received from Henry Pollard and Sir David Wootton.

#### **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 29 November 2022 be approved as an accurate record.

#### **4. PENSIONS COMMITTEE WORK PROGRAMME 22 / 23**

The Committee considered 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 Chamberlain confirmed that there had been no changes to any of the risks since the last meeting. It was highlighted that on page 33 the target risk rating score for risk 13 'failure to discharge responsible investment duties' had not printed out and Members were asked to note that this had a score of four.

McCloud was highlighted as the biggest risk, with the position on this remaining unclear until regulations come through from Central Government. It was unknown at this point when the regulations would be published.

There was a question raised regarding any potential impact on the Local Government Pensions Scheme as a result of a nuance on the Teachers Pension Scheme and this impacting on McCloud, with the Chamberlain responding confirming she was not aware of this but would follow up with the actuary to establish the position.

A Member sought an assurance regarding short-term cashflow and any impacts as a result of inflation. The Chamberlain confirmed this was in hand with a paper due to follow at the next meeting providing a cash flow update. Currently enough cash flow was coming through to meet all Pension Fund obligations but with this being kept under review and Pensions Committee would be kept up to date.

The Chairman referred to the current approach of reviewing the Pensions Committee Risk Register at each meeting. Having established key risks in the early stages of the Committee and with these now being in place, the Chairman proposed a move to bi-annual reporting of the Risk Register and only where a score had worsened or where something was going awry would reporting be required. Members were in agreement with this change in reporting frequency, with an acknowledgement of the comprehensive risk review that had been undertaken during the early stages of the Committee in considering all potential risks and capturing these.

The Chamberlain proposed risk register reporting be done on a six-monthly basis. Where there were proposed changes to the risk register or where a target score was not being met this would continue to be reported as required. Members endorsed this revised timetable for risk reporting.

RESOLVED: That Members

- Reviewed the existing risks and actions present on the Pensions Committee's Risk Register, and confirmed that appropriate control measures were in place; and
- Confirmed that there were no further risks relating to the services overseen by the Pensions Committee and that the Risk Register would be reviewed every six months.

#### 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 Chamberlain highlighted the Key Performance Indicator (KPI) relating to Payment of lump sum death grants and meeting this target being dependent on



all the required paperwork being received in the correct format and with the correct details being provided; this often involved a number of beneficiaries and requiring all the paperwork to be completed by each of them. There were also instances where no death grant form had been completed or where there was a struggle to identify a beneficiary. Delays can often occur where paperwork has to be returned to request additional information, however the KPI starts from the date the application was received by the Pensions Office.

The Deputy Chairman remarked that a five-day target for death grants appeared very tight given all the paperwork involved, adding there was no benefit in having a target that cannot be met and suggesting it should be reviewed. The Chamberlain agreed to review the KPI target for payment of death grants and come back with a target that more accurately reflected the work involved in making the payment.

The Chairman added that the payment of lump sum death grant KPI had been impacted by two payments that had fallen below the target, with this small number having a big percentage impact on the overall target score. The Chairman suggested that officers could consider an appropriate scoring method to avoid a situation of multiple beneficiaries and a delay in one replying impacting on the overall KPI score.

Reference was made to complaints dealt with under the Scheme's Internal Disputes Resolution Process. Members noted that the detail of these complaints would need to be taken in the non-public part of the agenda.

A Member referred to the Pensions Dashboard and questioned if there was any information available on this, with Members noting it was being worked on in the background and that an update would follow. It was agreed that a Pensions Dashboard update would be included in future administration updates to keep Members up to date on progress with this area of work.

RESOLVED: That Members: -

- Receive the report and note its content.

7. **LOCAL GOVERNMENT PENSION SCHEME - ADMINISTRATION STRATEGY**  
The Committee received an Administration Strategy document for the City of London Pensions Fund for their review and to provide feedback thereon.

The Chairman remarked on how the strategy document appeared to codify what was already being done, with the Chamberlain acknowledging this point and confirming the intention to bring the Administration Strategy back every two years for Members' consideration and review.

RECEIVED

8. **FUNDING STRATEGY STATEMENT**  
The Committee considered a Funding Strategy Statement (the 'FSS') that had been produced in accordance with the Public Service Pension Act 2013.

A Member noted reference to consultation with key parties and questioned whether this had included consultation with all employers before the document was published, to which the Chamberlain responded confirming the City Corporation was the major employer in the fund at over 90% and with consultation taking place through Pensions Committee representing the City Corporation. There were other Admitted Bodies in the fund but with most of these having a small number of employees, it not being considered necessary to consult with them. The City Corporation at 90% of the fund would take precedence. The Chairman proposed that the Funding Strategy Statement be presented to Local Government Pensions Board for their information.

The Chairman noted reference within the document to the aims of the fund being to enable primary contribution rates to be kept as nearly constant as possible and suggested additional wording could be included to reference 'taking into account movements in secondary rates' as this had the potential to counteract any movement in the primary rate and therefore see the overall rate being maintained as constant. Following a brief discussion, Members agreed that it should be the overall contribution rate being kept as constant as possible and reference to 'primary' should be removed.

RESOLVED: That Members: -

- Agreed the revised Funding Strategy Statement, subject to removal of the word 'primary'.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were none.

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 29 November 2022 be approved as an accurate record.

**Complaints or disputes under the Scheme's Internal Disputes Resolution Process (IDRP)**

At this point in the meeting, Members received an update on complaints that were being dealt with under the Scheme's Internal Disputes Resolution Process.

13. **PENSION FUND - FINAL DRAFT ACTUARIAL VALUATION AS AT 31 MARCH 2022**

The Committee considered a report of the Chamberlain presenting a Pension Fund – Final Draft Actuarial Valuation as at 31 March 2022.

**14. PERFORMANCE MONITORING PENSION FUND TO 31 DECEMBER 2022**

**a) City of London Corporation Pension Fund Quarterly Monitoring Report Q4 2022**

The Committee received a report of the Chamberlain providing a Pension Fund quarterly monitoring report for Q4 2022.

**b) Investment Performance Monitoring to 31 December 2022**

The Committee received a report of the Chamberlain providing an update on Investment Performance Monitoring to 31 December 2022.

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

A question was raised in relation to the following item:

**GMP Reconciliation**

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

An additional item of business was considered as follows:

**Responsible Investment Statement**

**The meeting ended at 3.00pm**

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Chairman

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

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## PENSION COMMITTEE WORK PROGRAMME 2023/24

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					
Q1 2023/24 (June)	<ul style="list-style-type: none"> <li>Cashflow forecast</li> </ul>	<ul style="list-style-type: none"> <li>Investment Strategy Review</li> </ul>	<ul style="list-style-type: none"> <li>London CIV Update</li> </ul>		
Q2 2023/24 (Sep)		<ul style="list-style-type: none"> <li>Investment Strategy Statement</li> <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>Updates to member communication letters (if required)</li> </ul>	<ul style="list-style-type: none"> <li>Responsible investment/climate action (in house)</li> </ul>
Q3 2023/24 (Nov)			<ul style="list-style-type: none"> <li>London CIV Update</li> </ul>		<ul style="list-style-type: none"> <li>Pooling (LCIV)</li> </ul>
Q4 2023/24 (Pending)			<ul style="list-style-type: none"> <li>Risk Register</li> </ul>		
Future years					
2024/25					

# 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.

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# Agenda Item 8

<b>Committee(s)</b> Pensions Committee	<b>Dated:</b> 20 June 2023
<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 8 February 2023. 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	<b>Appendix A</b> provides details of the events / dates that form the main diary of the Scheme administration.
Information of Scheme Record Keeping	As the Scheme’s administrating authority, the City is responsible for making sure the scheme has good records.  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.  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.  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.
Complaints or disputes under the Scheme’s Internal Disputes Resolution Process (IDRP)	None to report.
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 and a report will be brought to the Committee following the conclusion of the reconciliation.</p>
Pension Administration System	<p>The Pensions Office is currently in the process of implementing the Member Self-Service system. This system has the potential to allow members to access their pension record, make amendments to selected personal data (i.e. name, partnership status, death grant nominees) and to run their own retirement estimates. It may also provide a platform for providing annual benefit statements and other bulk mailings.</p> <p>In-house testing of the system will begin shortly and it is expected to go live in August 2023.</p>
Public Sector Pensions Legal Challenge	<p><u>Lord Chancellor and Secretary of State for Justice v McCloud and others</u></p> <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</p>



	<p>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 was required before any action can be taken in respect of the LGPS.</p> <p>In April 2023, the Scheme Advisory Board, in collaboration with the Department for Levelling Up, Communities and Housing (DLUHC), published a factsheet summarising the remedy for members – see <b>Appendix B</b>. This factsheet has been added to the City's Pensions website and a link will be included in the 2023 Annual Benefit Statements.</p> <p>The draft scheme regulations which would implement the remedy have been published and can be found at: <a href="https://bit.ly/43sT9DG">bit.ly/43sT9DG</a> DLUHC are seeking views in respect of this document with the consultation due to close on 30 June 2023.</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>public sector pension schemes</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>
Pensions Office Key Performance Indicators	<p>As requested at the Committee meeting of 29 November 2022, <b>Appendix C</b> provides statistics in relation to the performance of the Pension Scheme Administration.</p> <p>Please note, further to comments made by the Committee at the meeting of 8 February 2023, the Target time in which the payment of Death Grants is measured has been extended from 5 days to 14 with effect from 1 April 2023. In addition, the working processes followed by the Pensions Team for these cases are being assessed to ensure the statistics accurately reflect the work involved.</p>
Pensions Dashboards	<p>Introduced by the Department for Work and Pensions (DWP), Pensions Dashboards have been designed to</p>

	<p>provide an online platform that will allow individuals to access details of their accrued pension benefits from multiple sources in one place. The intention is to support better planning for retirement, and help individuals reconnect with any pension pots they may have lost over time</p> <p>In respect of Public Sector Pension Schemes, the initial expectation was that schemes would be required to connect to the online dashboard infrastructure by 30 September 2024.</p> <p>However a written Ministerial Statement made on 2 March 2023 stated that delays setting up the dashboard programme has meant that the original timetables will be re-written and that the staging / connection dates will be pushed back to dates yet to be confirmed.</p> <p>Multiple dashboard providers are expected in the marketplace. Individuals will navigate to a dashboard of their choice and submit a request to view their pensions information. The dashboards will then issue electronic requests to all pension schemes to search for the individual's pension. Where a match is found, the scheme returns the location to the dashboard, allowing the individual to view their pension details online. Where partial matches are made, schemes will have a short timeframe to investigate and confirm whether it is an exact match, and then provide details as required.</p> <p>It is expected that much of the technical infrastructure will be handled by our software provider and processing of day-to-day "find requests" from individuals will be automated. However, there are also likely to be day-to-day member enquires once dashboards are up and running.</p> <p>We now await confirmation from The Pensions Regulator as to the revised deadline for the LGPS. DWP are expected to provide an update on dashboards to Parliament before the summer recess.</p>
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**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)
- Appendix B – SAB McCloud Factsheet
- Appendix C – KPI Details

**Graham Newman**

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

<b>Date Due</b>	<b>Event</b>	<b>Completed</b>
1 December 2021	Publication of 2020/21 Pension Fund Accounts and Annual Report	Draft accounts published only. Awaiting sign off on City Fund Accounts.
1 December 2022	Publication of 2021/22 Pension Fund Accounts and Annual Report	Draft accounts published only. Awaiting sign off on City Fund Accounts.
2 January 2023	Scheme Return to the Pensions Regulator	29 December 2022
31 <sup>st</sup> January 2023	HMRC Event 22 Report – List of Annual Allowance cases exceeding the Previous years' threshold.	31 January 2023
February 2023	Tax Return for Quarter 3 (to 31/12/2022)	31 January 2023
1 April 2023	Employee Contribution band review/ implementation.	1 April 2023
1 April 2023	Revaluation of CARE benefits.	1 April 2023
1 Monday in April following Tax Year End	Pensions Increase (PI) – Annual Inflation increase.	10 April 2023
May 2023	Tax return for Quarter 4 (to 31/3/2023)	28 April 2023
31 May 2023	Pensioner P60s distributed	31 May 2023
31 May 2023	Publish draft City Fund Accounts 2022/23 (including the Pension Fund Accounts)	The Pension Fund accounts are ready in draft format, but the City Fund Accounts are yet to be finalised. A notice of delay has been published on the CoL website.
June/July 2023	Valuation data to the pension fund's actuary	
August 2023	Tax return for Quarter 1 (to 30/06/2023)	
31 <sup>st</sup> August 2023	Issue of Annual Benefit Statements deadline.	
30 September 2023	Employee Contribution Band review	
5 October 2023	Issue of Annual Allowance (AA) Saving Statements deadline	
November 2023	Tax return for Quarter 2 (to 30/09/2023)	
1 December 2023	Publication of Pension Fund Accounts and Annual Report	

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# The McCloud judgment and your LGPS pension

**This factsheet summarises the McCloud judgment and changes the Government is making to the Local Government Pension Scheme (LGPS) in England and Wales.**

## At a glance



The changes may affect you if:

- you were paying into the LGPS or another public service pension scheme before 1 April 2012
- you were also paying into the LGPS between 1 April 2014 and 31 March 2022
- you have been a member of a public service pension scheme without a continuous break of more than 5 years



<b>What is the McCloud judgment?</b>	2
<b>How is the LGPS changing?</b>	3
<b>Am I affected?</b>	4
<b>What do I need to do?</b>	6
<b>Will my pension increase?</b>	6
<b>Do the changes affect me if I qualified for original underpin protection?</b>	7
<b>How can I find out more?</b>	7
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## What is the McCloud judgment?

When the Government reformed public service pension schemes in 2014 and 2015, transitional protections were introduced for older members. In December 2018, the Court of Appeal ruled that younger members of the judicial and firefighters' pension schemes had been unlawfully discriminated against because the protections did not apply to them.<sup>1</sup>

This ruling is called the McCloud judgment, after a member of the Judicial Pension Scheme involved in the case. Because of the ruling, there will be changes to all public service pension schemes that provided transitional protection, including the LGPS.

The changes are called the McCloud remedy and are intended to remove the age discrimination found in the McCloud court case.

**The changes are called the McCloud remedy and are intended to remove the age discrimination found in the McCloud court case**



<sup>1</sup> Lord Chancellor and another v McCloud and others  
Secretary of State for the Home Department and others v Sargeant and others  
[2018] EWCA Civ 2844



## How is the LGPS changing?

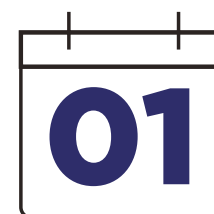
In 2014, the LGPS changed from a final salary scheme (a pension based on your pay when you leave) to a career average scheme (a pension which builds up based on what you earn each year).

Older members who were closer to retirement were protected from the changes. This means when a protected member takes their pension, the benefits payable under the career average scheme are compared with the benefits that would have been built up, had the final salary scheme continued and they receive the higher amount. This protection is called the underpin.

To remove the McCloud age discrimination, qualifying younger members will now receive the underpin protection too. This change will come into force on 1 October 2023. Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022. The underpin will have stopped earlier if you left the scheme or reached your final salary normal retirement age (usually 65) before 31 March 2022.

From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.

**The LGPS McCloud  
remedy will come into  
force on 1 October 2023**



**1 October  
2023**



## Am I affected?

You may qualify for underpin protection if you were a member of the LGPS before 1 April 2012 and at any time between 1 April 2014 and 31 March 2022, as long as you did not have a disqualifying break. A disqualifying break is a continuous period of more than five years when you were not a member of a public service pension scheme.

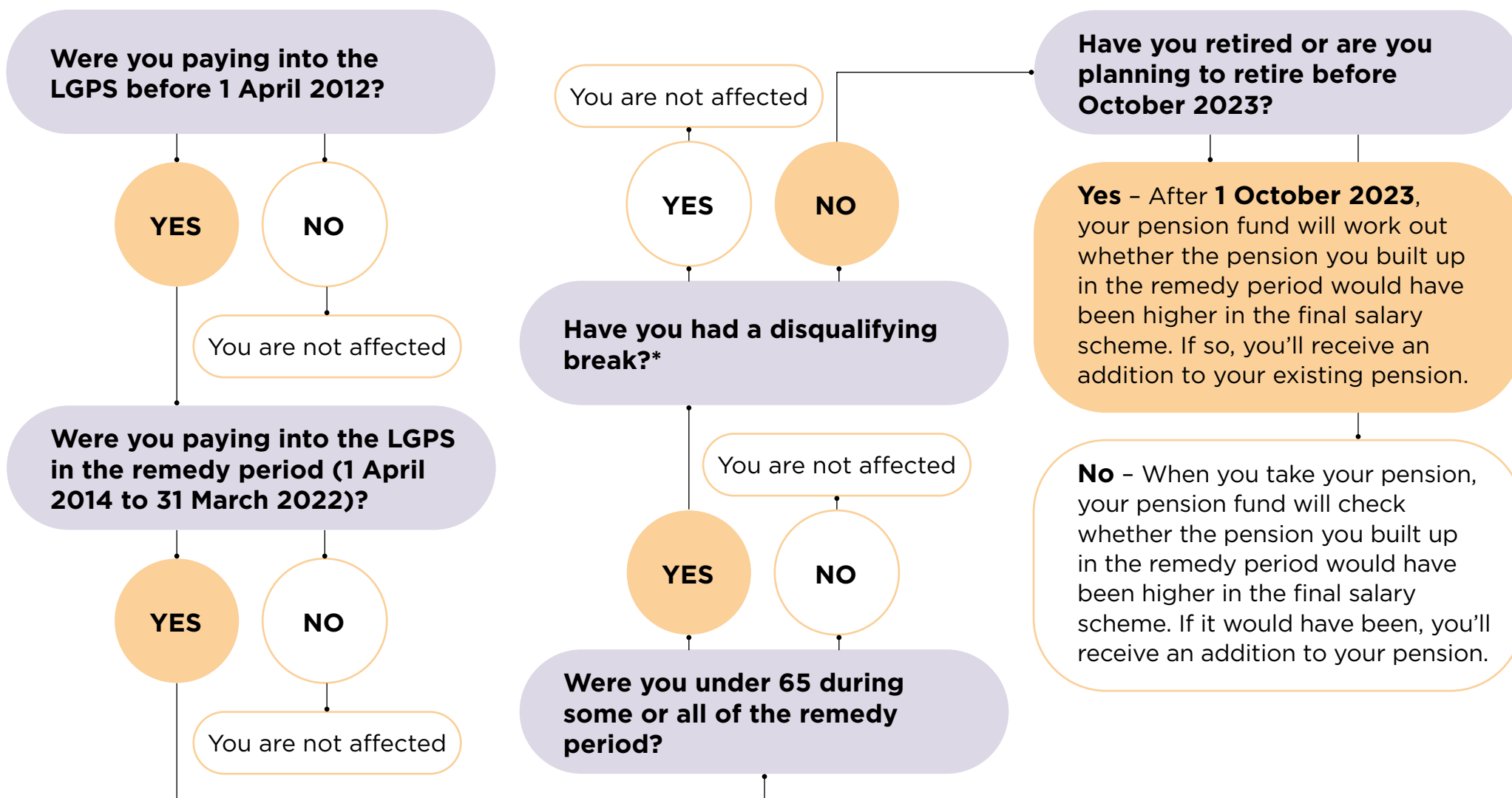
If you have had more than one period of LGPS membership, the Government is considering if those periods have to be joined up or 'aggregated' to determine whether you qualify for underpin protection. The Government will seek views on this in 2023, ahead of announcing a final decision.

You may also qualify for protection if you were a member of another public service pension scheme before 1 April 2012 and you transferred that membership to the LGPS. The Government is considering whether you should also qualify for underpin protection if you have not transferred that membership to the LGPS. The Government will seek views on this in 2023, ahead of announcing a final decision. You can use the tool on the next page to see if the changes could affect you.

**You may qualify for underpin protection if you were a member of the LGPS before 1 April 2012 and at any time between 1 April 2014 and 31 March 2022**







\* If you have changed jobs, underpin protection could apply to you. This will depend on your circumstances and the rules of aggregation which are being considered by the Government.



## What do I need to do?

You do not need to do anything. If you qualify for underpin protection, your pension fund will work out if an addition is due to be paid to you when you take your pension. If you have already retired, your pension fund will work out if you are due an addition to your existing pension. They will do this as soon as they can after 1 October 2023.

## Will my pension increase?

This depends on the pension that you have built up when you take your pension. You don't need to do anything – your pension fund will work out whether you are due any additional pension.

Many members won't see an increase because the pension they build up in the career average scheme will be higher than what they would have built up in the final salary scheme.

**Your pension fund will work out if an addition is due to be paid to you when you take your pension**





## Do the changes affect me if I qualified for original underpin protection?

If you already qualified for protection under the original rules for protection, your pension fund will work out if you are due an addition to your existing pension. They will do this as soon as they can after 1 October 2023.

## How can I find out more?

This factsheet doesn't cover all circumstances or provide a detailed explanation of the McCloud remedy, which will be set out in legislation. For more information on how the McCloud remedy may affect you, contact your pension fund. Contact details for all LGPS funds are available here: [www.lgpsmember.org/contact-your-fund](http://www.lgpsmember.org/contact-your-fund)

For further information on how the McCloud remedy may affect you, **please contact your pension fund**



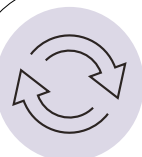


## Key dates



### 1 April 2012

Members in the LGPS before this date may be in scope of protection



### 1 April 2014

The LGPS changes from a final salary scheme to a career average scheme



### 1 October 2023

The LGPS McCloud remedy regulations become law. Qualifying members' pensions will be reviewed from this date onwards

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

### < 1 April 2014 to 31 March 2022 >

The remedy period, during which underpin protection may apply for qualifying members

### 1 April 2022 >

The underpin protection ends, and all LGPS members build up their pension on a career average basis without underpin protection



### 31 August 2025

Annual benefit statements issued by this date will include information about underpin protection for all qualifying members

### City of London Local Government Pension Scheme - Administration Key Performance Indicators

Task	Target	Result 2021/22	Result 2020/21	Result 2019/20
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 dependants in respect of benefits due:	5 days	94.44 %	100.00 %	93.75 %

Task	Target	Quarter 4: 01/01/2023 – 31/03/2023	Result for the year 01/04/2022 – 31/03/2023
Initial payment of retirement benefits	5 days	94.83 %	97.35 %
Process refunds and make payments <sup>(1)</sup>	5 days	96.15 %	94.85 %
Statement notifying estimate of retirement benefits	20 days	100.00 %	97.04 %
Statement detailing transfer-in credit	20 days	100.00 %	100.00 %
Transfers-out payments	20 days	100.00 %	100.00 %
Answering general correspondence	10 days	98.59 %	96.50 %
Payment of lump sum death grants <sup>(2)</sup>	5 days	100.00 %	92.59 %
Letters to dependant's in respect of benefits due	5 days	100.00 %	98.36 %

**Notes:**

1. 'Process refunds and make payments': During the reporting period (01/04/2022 – 31/12/2022) there were a total of 71 cases of which 67 were completed within target. Payment of the refund is reliant upon the scheme member returning the required paperwork in the correct format and with the correct information. Where claim forms need to be returned to the member (for example they have completed it too early, failed to sign it or they have provided incorrect bank details) the target we set ourselves may not be met as the countdown will have started as the original paperwork was received.
2. Payment of lump sum death grants. During the reporting period (01/04/2022 – 31/12/2022) there were a total of 22 cases of which 20 were completed within target. Payment of the death grant is reliant on the correct completion of the claim forms from all of the parties that are making a claim. The target countdown begins the moment that the first completed claim forms are received, but where the grant is being paid to several recipients the countdown does not stop until the final completed form is received and processed. The 2 cases where the target was not met were caused by delays in receiving the necessary paperwork from all claimants.

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