

<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	<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)	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://www.dluhc.gov.uk/consultations/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><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>
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

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