



# Pensions in partnership

March 2011



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### New 2010/11 accounting requirement

Scottish Statutory Instrument 2011 No. 64 requires local authority accounts for years 2010/11 onwards to include a Remuneration Report (RR). RRs will need to include the employer pension contribution and individual value of the pension rights as at 31 March 2011 and 2010 for everyone whose salary / fees / bonuses total £150K+.

We plan to develop a timetable and standard data set suitable for delivering the information you will need to comply with the new requirement, that will of course identify **your deadline** for providing us with pay details for the members in question. For details of this pensions and the various other RR requirements, see

<http://www.legislation.gov.uk/ssi/2011/64/made>

### Forms: new S11 Feb (2) 11

We have added "Date of joining SPF" to the new S11(Feb (2) 11) for you to download from our website.

### Pensions politics

Contracting out rebate levels from April 2012 to 2017 will be **3.4%** for employers (down from 3.7%) and **1.4%** for employees (down from 1.6%).

Audit Scotland have issued a report entitled "The cost of public sector pensions in Scotland", see <http://www.audit-scotland.gov.uk/media/article.php?id=163>

### Contribution rates for 2011 / 2012

Employee contribution rates for 2011 / 2012 have been announced by the SPPA, Scottish Public Pensions Agency:

On FTE earnings up to and including £18,500 **5.5%**.

On earnings above £18,500 and up to £22,600 **7.25%**.

On earnings above £22,600 and up to £30,900 **8.5%**.

On earnings above £30,900 and up to £41,200 **9.5%**.

On earnings above £41,200 **12%**.

The general employer contribution rate will be **19.3%**.

**Please make the necessary changes to your payroll and accounting to ensure that you collect and remit the appropriate amounts to us.**

### CPI

The House of Commons rubber stamped the switch from RPI to CPI on 17 Feb, passing the Social Security Benefits Up-rating Order 2011 by 247 votes to 19, see

<http://www.theyworkforyou.com/debates/?id=2011-02-17a.1173.0&m=40483>



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### New employees: no need for S1As

Prospective employees must be notified of their right to opt out of the LGPS prior to taking up employment. However, there is no requirement for employers to provide employees with a form to do so.

Therefore we would suggest that employers **do not enclose an S1A** (Election not to join the pension scheme) with their job offers.

Making it easier for employees not to join is not in employers' interests as a higher joining rate of new members has a beneficial effect on employer contribution rates over time.

### "I'm in..."

"I'm in..." is the theme for our latest campaign to reassure members about the LGPS and to encourage non-members to join.

Copy for intranets or "all staff" emails, gifs for intranets and pdfs will be issued for you to use in your employee comms after Lord Hutton's report comes out. It is expected on 9 March.

## Other news

We have issued **Technical Bulletin 37**, providing further information on CAY.

As we have amended a number of our forms, please ensure that you download the **Feb 11** versions from our website.

We have not yet issued the sample "all staff" email about benefit statements promised in last month's PIP, as we would like members to have received their statements before we publicise their issue and ask for feedback.

We would like to remind you about **returning the pre 2011 valuation data query proformas**.

We won **Large Scheme Of The Year** at the UK Scheme Awards in February.

16,000 of our active members aged 50+ and earning £20K+ will be reminded about AVCs in a one page letter going out in the week of 28 Feb.

Our annual meeting will be on **Friday 17 June**.