



Pensions in partnership

January 2011



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CAY excluded from AA calculations

Following a written answer from Mark Hoban, Financial Secretary at HM Treasury, to a question raised on our behalf in parliament, we will not be including compensatory added years (CAY) awards on redundancy retirements in our calculations of “deemed contributions” for “annual allowance” purposes, see

<http://www.spfo.org.uk/NR/exeres/4A016ADA-EE74-4EDF-88C2-696F34C9873B.htm>

Employers paying CAY lump sums

We have issued **Technical Bulletin No 36** advising employers of their new responsibilities.

The Independent Public Service Pensions Commission

Our response to Lord Hutton’s **call for evidence** is available at:

<http://www.spfo.org.uk/News/News.htm>

LGE Bulletin 76

<http://www.lge.gov.uk/lge/core/page.do?pagelid=4074489>

provides more information on:

- “Linking up”.
- Buying back pre April 1988 survivors benefits.
- Pension credit members taking benefits from 60.
- The new (accelerated to 66) state pension ages.

RPI / CPI

The SPPA is moving forward CPI (as opposed to RPI) as the inflation measure for the LGPS, see: http://www.sppa.gov.uk/local_gov/consult.htm

Taxation (paying AA charges)

The Treasury has issued a consultation document on the options for meeting annual allowance charges from pension benefits, see:

http://www.hm-treasury.gov.uk/d/consult_pensions_301110.pdf

Excels embedded in retirement forms

We have made some small changes to these to further improve our range of forms, so please ensure that you continue to **download the latest versions** from our website and to **not alter the format** of the Excels.

Other news

We were crowned Funds Europe European Public Sector Institutional Investor of the Year for the third year running on 2 December 2010.

The Treasury is consulting on allowing access to 25% of pension funds before retirement:

http://www.hm-treasury.gov.uk/consult_early_access_pension_savings.htm

We expect active annual benefit statements to go out end Feb / early Mar. These will contain pensionable service histories.

Best wishes for 2011!