



Pensions in partnership

October 2011



IN THIS ISSUE:

- **Pension Administration Strategy**
- **19.3% employer contribution rate**
- **30 Sep with The Pensions Regulator**
- **Pensions politics**
- **Other news**

Pension Administration Strategy

This has been updated and re-launched by Technical Bulletin 40, see

<http://www.spfo.org.uk/Employers/TechnicalBulletins/Archive+2010-/>

19.3% employer contribution rate

At our annual meeting in June we advised that employers could use 19.3% as the common contribution rate for planning purposes for scheme years 2012 / 2013 to 2014 / 2015.

We have now submitted our data to the actuary and expect to have draft results of the valuation during November.

Our intention remains to hold the common contribution rate at 19.3%.

30 Sep with The Pensions Regulator

The full set of slides from the sessions will be made available at

<http://www.spfo.org.uk/Employers/TechnicalBulletins/>

Some key points were:

- an employer's staging date is determined by the PAYE roll that they are part of
- casual employees must be auto-enrolled
- ongoing checks for auto-enrolment must be made at each pay period to check for eligible employees as at that pay period
- employees will not be able to opt out of the LGPS before joining it

Pensions politics

John Swinney's statement to the Scottish Parliament on September 21 2011 when presenting the Scottish Government's draft budget for 2012 / 2013 and the Scottish Government's spending plans for the subsequent two years included the following:

"...we will leave decision making on the Local Government Pension Scheme to those who manage that Scheme. We will not impose on Local Government in Scotland what the UK Government has imposed on us."

This indicates a different treatment for the LGPS compared to the other public sector schemes who we expect will see increases in member contribution rates from April 2012.

The unions are planning a series of national strikes over reform of public sector pensions, see <http://www.tuc.org.uk/economy/tuc-20059-f0.cfm>

The Treasury is considering a spectrum of accrual rates that it will consider acceptable for the career average arrangement it will require all public sector pensions schemes to implement, ranging from 1/50th to 1/80th.

Other news

The LGPS Technical Group is expected to issue guidance on how a link up of deferred pensionable service to current active membership is to be treated for annual allowance purposes. Their guidance is expected to be that only the increase in value by linking up benefits is to be considered and that inflation between date of deferment to date of link up can be taken account of.

Details of September's quarterly Strathclyde Pension Fund Committee meeting are at:

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