

# TECHNICAL BULLETIN

NO. 43

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**TO ALL EMPLOYERS WITH MEMBERS IN THE LGPS.  
PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.**

## **Strain on the Fund: new "Pay as you Go" charging procedure Effective: 1<sup>st</sup> October 2014**

### **Background**

Technical Bulletin 23 of April 2008 details the current process for employers to pay strain on the Fund charges.

### **New: paying strain charges at the date of retirement**

Strain on the Fund will be changing from an annual invoicing exercise to a "pay as you go" invoicing process.

From 1 October 2014 employers will be invoiced as each individual retirement is processed.

### **Transitional arrangements**

During October this year, all strain cases from 1 Oct 2013 to 30 Sep 2014 and any historical cases will be swept up and invoiced to employers in an aggregate charge as in previous years. This will be the last time this happens. From 1 Oct 2014, all new strain charges will be invoiced on the pay as you go basis.

### **Recalculations of benefits**

If a member has their benefits recalculated, for example as a result of a backdated pay award that was not taken account of at the date of retirement, employers will be invoiced for any additional strain on the Fund charges as and when the member's benefits are increased.

### **SPFO contact**

If you require further information, please get in touch with one of our Liaison Officers:

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