



Pensions In Partnership



January 2020

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2020

Happy New Year!

We don't know exactly what the next 12 months will bring, but in this issue of PIP we will highlight a few things to look out for in the world of the Strathclyde Pension Fund (SPF) and the Local Government Pension Scheme (LGPS).

We will provide further details of these as they become available during the year.

First, though, a few of key dates in January.

Reminder - January Training Day

Our third training day will take place in our offices on Wednesday 15th January.

The topic to be covered will be Unique Identification Numbers, one of the three matching criteria used for the Year End return.

It is anticipated that this will be a popular topic so 2 sessions will be available - 10am and 2pm.

Please advise Karen Sweeney at Karen.sweeney@glasgow.gov.uk if you wish to attend, stating your preferred time along with any examples you'd like to be covered as part of the session.

Reminder - Employer Services

A further 2 training sessions have been arranged for 21st Jan (am) and 23rd Jan (pm).

If you have staff you wish to attend please send names and contact details to Karen.sweeney@glasgow.gov.uk stating your preferred session.

Administration Strategy

Comments are welcome on our draft [revised strategy](#) until 31st January 2020. It will become effective from 1st April 2020.

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Annual Allowance

The 2018/19 online self-assessment deadline will fall on January 31st 2020.

You may wish to remind any staff who could be subject to an Annual Allowance Tax Charge (AATC). HMRC have produced guidance for individuals on how they should complete their online self-assessment.

See:

<https://www.gov.uk/guidance/who-must-pay-the-pensions-annual-allowance-tax-charge>

Actuarial Valuation

The 3-yearly actuarial valuation of SPF will be carried out as at 31st March 2020.

Member data is the basis for the valuation so we would be grateful for an early and accurate year-end return from all employers. This will ensure that the valuation results are as early and accurate as possible.

We expect to have a high-level result by November and to issue employer results during December.

The valuation will set employer contributions from 1st April 2021 for either 3 or 4 years (this is still to be confirmed by Scottish Government).

Valuation Issues

(i) Since the 2019 **McCloud** judgement found the scheme underpin introduced in 2015 to be age discriminatory, scheme interests have been working with government to develop a remedy. It seems likely that this will involve an extension of some form of the underpin to members who are not currently protected by it. It is unlikely that this will be agreed before the end of 2020 so will remain an issue for the actuarial valuation and employers' accounting valuations.

(ii) The current interim solution to GMP indexation for the LGPS is set to expire in 2021, though it is perhaps most likely that the government will extend it at some point during the year. Again this creates uncertainty for valuations.

(iii) Lastly, the Government Actuary's Department Cost Cap valuation of the scheme in Scotland remains on hold and we understand that this will be the case until a McCloud remedy is agreed.

I-Connect

As previously advised, all employers will need to start using our data management solution, i-Connect, by 31st March 2021, so most should be adopting it during 2020.

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Pensions Bill

The new government's legislative programme for next year includes a Pensions Bill. Most of its proposals will be aimed at private rather than public sector schemes, though it will see increased powers for the Pensions Regulator.

For Reference

The LGA has published [bulletin 192](#) It includes the following which may be of interest:

- The LGPS (Increased Pension Entitlement) (Miscellaneous Amendments)
- Section 13 report published