Suffolk County Council

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Councillor Richard Rout, representing Suffolk County Council.

Ian Blofield, representing all Borough, District, Town and Parish Councils.

Thomas Jarrett, representing all other employers in the Fund.

Scheme Member Representatives:

Pauline Bacon, representing the Unions.

David Rowe, representing Active Members.

Eric Prince, representing Pensioners.

Date: Friday, 10 December 2021

Venue: This meeting will be a remote meeting and therefore will not take place in a physical location.

The live broadcast will be available to watch online whilst the Board is sitting in public session.

Time: 11:00 am

For further information on any of the agenda items, please contact Rebekah Butcher, Democratic Services Officer, on 01473 264371 or committee.services@suffolk.gov.uk

Business to be taken in public:

1.	**Apologies for Absence**	*No papers*
	To note and record any apologies for absence.	
2.	**Declarations of Interest and Dispensations**	*No papers*
	To receive any declarations of interests, and the nature of that interest, in respect of any matter to be considered at this meeting.	
3.	**Minutes of the Previous Meeting**	Pages 5-10
	To approve as a correct record, the minutes of the meeting held on 1 October 2021.	
4.	**Pensions Administration Performance**	Pages 11-13
	To receive a report summarising the compliments, complaints and administration performance of the Fund.	
5.	**Buying Back Lost Pension**	Pages 15-17
	To receive a report on the circumstances, options and potential costs of buying back lost Pension.	
6.	**Communications with Active Members**	Pages 19-58
	To consider a report on improvements in communicating with Active scheme members.	
7.	**Pension Fund Policies**	Pages 59-62
	To receive a report covering the various Fund policy documents.	
8.	**Information Bulletin**	Pages 63-64
	To receive an information bulletin on some recent developments that will be of interest to the Board.	
9.	**Forward Work Programme**	Pages 65-67
	To consider whether there are any matters which the Committee would wish to have included in its Forward Work Programme.	
10.	**Change of Date for Future Meeting**	*No papers*
	The Board is asked to agree a change to its meeting date from 23 September 2022 to 10 October 2022.	

Business to be taken in private:

11. **The Board is invited to consider whether the public (including the press) should be excluded from the meeting during consideration of agenda item 12 pursuant to Section 100(A) of the Local Government Act 1972 (as amended) on the grounds that:** *No papers*

   a) they involve the likely disclosure of exempt information as detailed in paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Parts 1 to 3 of Schedule 12A, as amended, of the Local Government Act 1972 (as amended); and

   b) that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

12. **ACCESS Responsible Investment Guidelines** Pages 69-133

   To receive an update report on the ACCESS pool.

Date of next scheduled meeting: Friday, 11 March 2022 at 11:00 am

Access to Meetings

Suffolk County Council is committed to open government. The proceedings of this meeting are open to the public, apart from any confidential or exempt items which may have to be considered in the absence of the press and public.

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact Democratic Services on:

Telephone: 01473 264371;

Email: committee.services@suffolk.gov.uk; or by writing to:

Democratic Services, Suffolk County Council, Endeavour House, 8 Russell Road, Ipswich, Suffolk IP1 2BX.

Filming, Recording or Taking Photographs at Meetings

Further information about the Council's procedure with regard to the filming, recording or taking of photographs at meetings can be found at:

www.suffolk.gov.uk/council-and-democracy/the-council-and-its-committees/apply-to-take-part-in-a-public-meeting#filming.

Nicola Beach
Chief Executive

Suffolk County Council

Agenda Item 3
Unconfirmed

Minutes of the Suffolk Pension Board Meeting held remotely on 1 October 2021 at 11:00 am.

Present:	Councillor Richard Rout (Chairman) (representing Suffolk County Council), Pauline Bacon (representing the Unions), Ian Blofield (representing all Borough, District, Town and Parish Councils), Thomas Jarrett (representing all other employers in the Fund), Eric Prince (representing Pensioners) and David Rowe (representing Active Members).
Supporting officers present:	Rebekah Butcher (Democratic Services Officer), Paul Finbow (Head of Pensions), Stuart Potter (Pensions Operations Manager) and Sharon Tan (Pensions Technical Specialist).

13. Apologies for Absence

There were no apologies for absence.

14. Declarations of Interest and Dispensations

Eric Prince declared a non-pecuniary interest by virtue of the fact he was in receipt of a local government pension.

Ian Blofield, Thomas Jarrett and David Rowe each declared a non-pecuniary interest by virtue of the fact they were active members of the pension scheme.

15. Minutes of the Previous Meeting

The minutes of the meeting held on 19 July 2021 were confirmed as a correct record and would be signed by the Chairman.

Pauline Bacon joined the meeting at 11:02 am.

16. Annual Report and Accounts 2020/21

The Board received a report at Agenda Item 4 which provided a copy of the Annual Report and Accounts published by the Suffolk Pension Fund and the opinion issued by the Fund’s auditors, Ernst & Young.

The report was introduced by Sharon Tan, Technical Pensions Specialist.

A Member noted an amendment to the report on page 53 as follows:

Board member	Representing	Meetings attended
Gordon Jones	~~Active Scheme Members~~ **Suffolk County Council**	4
David Rowe	Active Scheme Members	3
Eric Prince	Retired members	4
John Chance	Other Local Government	4

Board member	Representing	Meetings attended
Thomas Jarrett	~~Other Members~~ **Other Employers in the Fund**	2
Suzanne Williams	Unions	3

Decision: The Board appreciated the amount of work involved in preparing and auditing the accounts and wished to record its thanks to all involved.

The Board agreed by general affirmation to note the Fund's Annual Report and Accounts subject to the amendment above.

Reason for decision: The Board considered the Pension Fund Annual Report and Accounts an important channel of communication, reporting on the Pension Fund's activities to employers, scheme members and other stakeholders.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

17. Pensions Administration Performance

At Agenda Item 5, the Board received a report which provided an update on the performance of the Pensions Administration Team. The report also included details of compliments and complaints and the receipt of contribution payments.

The report was introduced by Stuart Potter, Pensions Operations Manager and Sharon Tan, Technical Pensions Specialist.

The Board was assured that the Pensions Administration team had resource within the team to continue to clear the backlog of work which was hoped to be completed by 2024. The Head of Pensions confirmed that two individuals employed on fixed-term contracts to work on McCloud were currently involved with the backlog activity. He added that there were three permanent members of staff also involved in the backlog work and officers were confident the backlog could be cleared by this date.

Decision: The Board agreed by general affirmation to note the report.

Reason for decision: The Board was interested in being provided with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

18. ACCESS Update

At Agenda Item 6, the Board received a verbal update from the Head of Pensions in relation to the ACCESS pool.

The Board heard that the ACCESS Joint Committee last met on 6 September 2021. This was the Joint Committee's first in-person meeting, bringing all 11 fund Chairmen together in London for the first time in 18 months.

Members were informed that Councillor Karen Soons, Chairman of the Suffolk Pension Fund Committee, had completed the Communications and Media training session. In her role, she would help develop the Media Strategy and this had now started.

Members also heard that the Joint Committee had discussed its contract arrangements with its operator, Link, and had decided that the contract for the rental model would continue to run until 2025. Members noted that ACCESS were now starting to plan the procurement timetable for a new contract to be put in place by 2025.

In relation to the Responsible Investment (RI) work that Minerva was assisting ACCESS with, a presentation would be delivered to the Joint Committee at a virtual meeting being held in a couple of weeks time. Members noted that a paper would be brought to the Pension Fund Committee and Officers would also share this with the Board at its December meeting.

The Head of Pensions also confirmed that an appointment had been made for a company to undertake the role of Implementation Advisor, providing advice to ACCESS on alternative investments (private equity, infrastructure, private debt, and property). Once the standstill period for the contract had concluded further information would be reported to Members.

In relation to the emerging markets review, Members were informed that the Joint Committee had considered the report and accepted the recommendations. One recommendation was to have a protocol for any future sub-funds, and this protocol would be agreed by the Joint Committee at its December meeting.

The Head of Pensions added that there was an update from ACCESS within the Annual Report and Accounts.

Decision: The Board noted the update.

Reason for decision: The Board was interested in being kept up to date with the progress of the ACCESS pool.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

19. Annual Employers Meeting

At Agenda Item 7, the Board received a report which sought input on the arrangements for this year’s annual employers meeting, as well as reminding Members of the arrangements for last year’s meeting.

The report was introduced by Paul Finbow, Head of Pensions.

The Board noted an amendment to the report at paragraph 8, line 5: ‘… and this contract ends on 31 December 202**1**~~2~~.’

Decision: The Board agreed by general affirmation to:

a) delay the Annual Employers meeting until January 2022 to enable the Actuary to contribute to an item on the triennial valuation.

b) include information on how maternity and adoption leave could affect pension contributions.

c) include information on climate change.

d) include information on Ill-Health Liability Insurance.

e) include information on the benefits of the new pensions administration system and the members' self-service system.

Reason for decision: The Pension Board had been involved in the running of the annual employers meeting for the last five years, as part of their communications strategy with employers in the Fund.

a) Members were aware that the contract for Actuarial services ended on 31 December 2021 and presently there was a procurement exercise taking place for a new Actuarial contract. As the formal triennial valuation would be undertaken by the Fund's appointed actuary in March 2022, and an appointment was still to be made, Members considered the delay to the annual employers meeting appropriate. This would enable the Actuary to speak to the employers at the annual meeting on its preparations for the triennial valuation.

b) A Member raised concerns about the communications to expectant mothers and parents in relation to the implications maternity or adoption leave could have on an individual's contribution payments. The Board heard of an example where a member of staff had taken her full maternity leave entitlement and had not been made aware that they would lose six-months pension, nor made aware that there was an option to buy pension back within a 30-day limit. The Head of Pensions suggested that this could be looked at from two angles; making the employers aware and ensuring they were communicating with their scheme members, but also what the Fund did in terms of its publication of information to scheme members.

c) Members recognised that climate change was a key priority and considered this to be of particular interest to the employers in the Fund.

d) A Member spoke of the significant changes made to Ill Health Liability Insurance for smaller employers. The Board considered this to be timely as it was ahead of the next window for employers to buy-in and ensured that employers were aware of the combined risk to the Fund if this insurance was not taken out.

e) A Member requested that employers be updated on the progress and benefits of the new administration system which was considered to be smoother from an administration perspective and more automated than the previous system. The Board also considered it important to ensure scheme members were continually made aware of the Members Self-Service system as a first port of call.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

20. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 8.

21. Risk Register

At Agenda Item 9, the Board received a report which set out the Risk Register for the Pension Board and how the risk control measures had been implemented against the risks.

The report was introduced by Sharon Tan, Technical Pensions Specialist.

The Board received two tabled papers, updated versions of appendices 1 and 4. The versions within the agenda pack had some information missing as a result of the conversion process from Excel to PDF.

Decision: The Board:

a) noted the implementation of the risk control measures at Appendix 1.

b) reviewed and approved the Pension Board Risk Register as published at Appendix 4 (via the tabled paper).

Reason for decision: The Board considered that risk management was a key responsibility of those charged with Pension Fund governance with a duty to identify the range of risks that could affect the long-term sustainability of the Fund.

The effective management of risk was also an area which was covered within the CIPFA Knowledge and Skills framework which recognised the importance of understanding the risks that could have an impact on the Pension Fund and what steps could be taken to mitigate such risks.

Alternative options: There were none considered.

Declarations of interest: There were none declared.

Dispensations: There were none granted.

22. Forward Work Programme

The Board received a copy of its Forward Work Programme at Agenda Item 10.

Decision: The Board agreed its Forward Work Programme as published with the following addition:

a) To include an item at its December meeting on how the Fund might increase its communications with active members of the scheme with a view to develop a communication method in 2022.

The Board also discussed how it would hold its meetings going forward. It was decided to hold its December meeting in-person, with a view to alternating between in-person and virtual meetings throughout the year. This would be confirmed at the December meeting.

Reason for decision: The Forward Work Programme was the responsibility of the Board under its Terms of Reference.

a) A Member stated that the Board had spoken for some time about how it communicated with different interest groups. The Board was aware that the employers received an annual meeting, pensioners received a bi-annual newsletter, however active members received very little apart from notification that the annual statement was on the website. Members considered it timely to have a discussion in relation to communications with active members, particularly in light of the suggestion made at Minute 19 b) however noted that it might want to consider other categories as well. It was suggested that a newsletter could be provided to active members which could detail key points such as implications on contribution payments as a result of maternity, adoption, or unpaid leave but could also include topics such as the Fund’s response to the climate emergency.

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The meeting closed at 11:55 am.

Chairman

Suffolk County Council

Agenda Item 4

Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	10 December 2021
Lead Councillor(s):	Councillor Richard Rout
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager *Telephone: 01473 260296 Email: Stuart.potter@suffolk.gov.uk*

Brief summary of report

1. This report provides the Pension Board with an update on the performance of the Pensions Administration Team. This report also includes details of compliments and complaints as requested by the Board.

Action recommended

2. To consider the information provided and determine any further action.

Reason for recommendation

3. To provide the Board with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options

4. There are no alternative options.

Main body of report

Administration

5. This report covers staff performance and team achievements since the previous Board meeting on 1 October 2021.

6. The Service Level Agreements for our ‘key’ processes from September and October are shown below:

   a) Provision of a transfer quote to scheme members within 10 days of the receipt of the estimated value and all necessary information – Total cases **52** percentage completed in SLA **98%**

   b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **73**, percentage completed in SLA **100%**

c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **350**, percentage completed in SLA **100%**

d) Retirement lump sums will be paid within 10 working days of receipt of all necessary information after retirement – Total cases **202**, percentage completed in SLA **100%**

e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **36,** percentage completed in SLA **100%**

f) Outstanding monies owed in respect of a deceased pension, and any death grant, will be paid within 10 working days of receipt of all information – Total cases **49** percentage completed in SLA **100%**

7. Since the update in the previous meeting the Public Service Pensions and Judicial Offices Bill, which is the Bill created to rectify unlawful discrimination following the McCloud case, has continued to go through the parliamentary process. Since the previous update the Bill has gone through the 2nd reading and Committee Stage in the House of Lords and has reached the report stage. Following this there will be a 3rd reading before it is then passed to the House of Commons.

8. In addition to the business-as-usual work, the backlog team have continued to work through a significant number of undecided leaver cases during this reporting period, with the total number reducing during this time by around 500.

9. Further to the information provided in the previous meetings we are continuing to develop our I-connect system that will allow employers to submit monthly data returns.

10. Unfortunately, the delays that were reported previously in relation to the County Council using this new system have continued to happen. While we have received a couple of versions of the reports, data was missing on these, and therefore information has been fed back in terms of what needs to be corrected before we can go live. We are now talking directly to the person creating the reports and we are confident these issues will be resolved soon.

11. We are also discussing the return with a service/payroll provider and hoping to get this live in the next month or two. Again, we are communicating with the relevant people to obtain reports so we can check through these and go live or feedback what needs to be improved.

12. As previously covered, this roll out is being introduced gradually, this ensures that employers are supported through the change and allows the opportunity to ensure everything works as expected, and to incorporate tweaks to the process if needed along the way.

13. The Pensioner Newsletters have been produced in October and published to Member Self Service. Paper copies have also been issued to those members who have requested them.

14. A Senior Pension Officer has resigned and left the team. A recruitment process was run and following this a member of the team has been promoted, commencing this role on 22 November. Adverts are also out to replace his original position and that of two other Pension Officers who have left the team.

15. During this period there have been eight compliments. All of these compliments have been in relation to appreciation for the service received. I have included some of these comments below for you.

16. One member noted on a phone call ‘the excellent service he has received since retirement 35 years ago’ and ‘he was glad to be on the phone and have the chance to mention this’. Another member thanked us for sorting their pension and said they received ‘an excellent service from start to finish’.

17. Other comments included a member saying thank you to the person they spoke to who was ‘helpful, informative and a delight to talk to. Customer service at its very best’. The next compliment was to a manager saying how impressed they were with the service received from a member of the team, stating ‘she was incredibly patient and explained things very well’. Another member of the team received two compliments thanking them for their help with one stating ‘you have been an absolute pleasure to deal with’.

18. During this period there have been no complaints received.

19. During this reporting period there have been no new IDRP cases to report.

20. This report will be ongoing in all future Board meetings and will be developed in accordance with the requirements of the Board.

Contribution payments

21. The administration strategy requires contributions from employers to be received by the Pension Fund within 5 working days of the month end in which the contributions were deducted. The table below summarises the timeliness of receipts received during 2021/22 quarter 1 and 2:

	Quarter 1			Quarter 2		
	Employer	Contributions		Employer	Contributions	
	%	£’m	%	%	£’m	%
On Time	91	29.777	97	91	30.780	99.5
Up to 1 week late	4	0.952	3	2	0.033	0.1
Over 1 week late	5	0.137	0	7	0.125	0.4
Total		**30.866**			**30.938**	

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk County Council

Agenda Item 5

Suffolk Pension Board

Report Title:	Buying Back Lost Pension
Meeting Date:	10 December 2021
Lead Councillor(s):	Councillor Richard Rout
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Head of Finance (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager *Telephone: 01473 260296 Email: Stuart.potter@suffolk.gov.uk*

Brief summary of report

1. This report provides the Pension Board with information on buying back lost pension as requested during the previous board meeting.

Action recommended

2. To consider the information provided and determine any further action.

Reason for recommendation

3. To provide the Board with information on buying back lost pension including the options around this.

Alternative options

4. There are no alternative options.

Main body of report

5. During a member's career there may be times they have a period of unpaid leave. During this time a member is not paying pension contributions and therefore is not building up their pension account.

6. Additionally, members may have a period of no pay or a period of no pay due to a trade dispute and again their pension will not be building up during this period (please note this does not apply to a period of no pay because of illness, or injury, or ordinary or paid additional child related leave)

7. A member can choose to buy back the pension lost during that period by paying Additional Pension Contributions (APC's). This can be done by a member who is in the main or 50/50 section of the scheme.

8. If a member wishes to buy back lost pension resulting from a leave of absence (other than a trade dispute) the employer will meet two thirds of the cost provided the member elects to do so within 30 days of returning to work following the absence.

9. For information, employers are notified about this requirement when they become employers in the scheme. This is covered on page 12 of the employer guide all employers are provided with. We will be reminding employers of this responsibility in their employer newsletter.

10. If the member makes the election after 30 days of returning to work, they can still buy back the lost pension however they will pay the whole cost (unless the employer chooses to contribute to the cost).

11. A member can cover lost pension for a period of absence up to a maximum of 36 months.

12. Any member buying back lost pension following a trade dispute will pay the full cost of this.

13. Members can choose to buy the lost pension by spreading payments of the additional pension contributions over a number of complete years or by making a one-off lump sum (if the member is within a year or over Normal Pension Age they can only pay by lump sum).

14. In order to calculate the amount of pension contributions needed to buy back the pension, the employer is required to provide the member with the amount of lost pensionable pay they have suffered. The member then puts this amount into an online calculator on the LGPS members website, along with some other personal details, and this calculates the amount of contributions that would be due, and the amount of pension that has been lost.

15. If the member chooses to spread out the payments, the additional contributions would be deducted from each pay period and attract tax relief like normal pension contributions.

16. If a member chooses to buy their lost pension via a lump sum, they are credited on their pension account with the full amount of pension bought immediately. If this payment is made via a payroll deduction the member will again attract tax relief.

17. Members who choose to spread the payment of additional pension contributions over a number of years will be credited with the full amount of pension after the payments are complete.

18. If a member ceases payments early then, they are credited with the amount of lost pension that has been bought at that time.

19. It should be noted that in cases where members are retired on ill health grounds and receive an enhanced pension then they will be treated as having paid the full amount of contributions.

20. Buying back lost pension can be an expensive option for members and there are factors that play into this including a members age. For example, let’s take a member who was born in July 1991, employed on an annual salary of £27,000, had 3 months unpaid leave and returned from unpaid leave on 1 November 2021 (within 30 days at the time of creating this report) resulting in them losing £6750 pensionable pay. The annual pension lost as a result of this would be £137.76. If the member chose to repay this in one year, they would pay contributions of £30.40 before tax relief each month, with the employer paying £60.81 a month. If they repaid by a lump sum deduction the member would pay £356.80 while the employer paid £713.60.

21. If the member was older the amount to pay increases, while it reduces the younger the member is. For example, if this member was born in July 1978, then the amounts change to £469.30 for the member and £938.61 for the employer whereas for a member born in July 2000 it reduces to £294.81 for the member and £589.61 for the employer.

22. As with a member's normal pension, any lost pension that has been purchased becomes payable at the members normal pension age. If a member takes their pension early then, unless the reason is ill-health, their lost pension purchased will also be reduced (as the pension is being taken early). If the pension is taken after normal pension age, then it will be subject to an increase as the pension is being taken later.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk County Council

Agenda Item 6

Suffolk Pension Board

Report Title:	Communications with Active Members
Meeting Date:	10 December 2021
Lead Councillor(s):	Councillor Richard Rout
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager *Telephone:01473 260295 Email: Stuart.potter@suffolk.gov.uk*

Brief summary of report

1. This report provides the Pension Board with information on communications with active scheme members and considerations on improvements that could be made in this area.

Action recommended

2. To consider the information provided and determine any further action.

Reason for recommendation

3. To provide the board with information on considerations for improvements to active scheme member communications as requested during the previous meeting.

Alternative options

4. There are no alternative options.

Main body of report

5. When an employee commences employment and is contractually enrolled into the Local Government Pension scheme, they are provided with information about the pension scheme in their contract of employment. Their employer either provides them with the scheme guide for employees or provides a link to the Suffolk Pension Fund website so they can view the up-to-date scheme guide that is accessible through the website. A copy of the summary scheme guide is attached at **Appendix 1**. This is based on the scheme guide produced by the LGA, and is amended to include Suffolk branding and contacts etc

6. We currently provide annual benefit statements each year to all active members. These are either published through Member Self Service (MSS) or paper copies are provided to those members who have requested them. All members who are on MSS will receive an e-mail notifying them their statement is available to view.

7. We currently provide our active members with a Helpdesk service that includes communications via e-mail, contact directly through MSS, telephone and postal. We also contact members to provide them with information via these forums. When required we also meet customers face to face to help them or explain something that is needed.
8. When there are significant changes to the scheme regulations, we communicate these directly with active members via written communications. This is a requirement under the regulations to do this within 3 months.
9. In addition, we provide presentations to active members at the request of the employer. We will either provide these at the employers location or online. Examples of such presentations include scheme changes, showing active members how to use MSS, or providing information to those approaching retirement. However, while this is an open offer, we could contact employers to proactively offer group sessions, and then arrange accordingly. At present we would look to predominantly provide these sessions online.
10. Looking forwards there are several other things that we could consider to help improve our active member communications. Board members may have their own views on what improvements they would like to see, or we could seek views from active scheme members directly.
11. In terms of ideas, we could produce bulk e-mails periodically for those members on MSS reminding them of the importance of keeping their pension information up to date. For example, these could reference death grant nominations or updating their address if they move home. This could also be communicated through employers, including Suffolk County Council's "Inside SCC". This would provide a further opportunity to promote MSS and the website as information tools for these members. This additionally helps us channel our engagement through these systems.
12. It is acknowledged there are members who currently are not signed up to use MSS however when employers move to I-connect this will enable us to capture work e-mails for the majority of active members. This will help us to be able to communicate with these members electronically and encourage more to sign up to MSS with targeted reminder emails.
13. We could look to try and develop a latest news page on either the website or MSS (or both). This could be used to place the most recent information so that members who are looking for updates on pension matters could find it here. We have considered a newsletter for Active members however this relies on needing to have a certain number of articles ready for a specific time of year and it would seem better to have an area that can be updated instantly when information is known. This helps keep the communications effective too.
14. The Local Government Association also have produced a few videos on how the scheme works. This might be something we can utilise either by a link from the Pension Fund website or making them available through MSS. This is something that will be investigated and provides an alternative medium for members to access information without having to read text.
15. Finally, we could look to create an online survey. This could be something that is added to e-mail signatures/placed on our website and could incorporate questions asking about various options in the scheme. For example, asking what age an active member can retire from. The answers to the survey could then be

used to identify what areas members know less about and we could look to push the communication on these areas as a priority.

16. The above ideas are not exhaustive, and we are happy to take feedback and look to work on improving certain areas. Some of these will take time to develop but we're keen to do what we can to improve communication for all members in the scheme.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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A brief guide to the Local Government Pension Scheme (LGPS) for employees in England and Wales

Contents

Where pension terms are used in this guide, they appear in ***bold italic*** type. These terms are defined in the **Some terms we use** section.

Highlights of the LGPS

The LGPS gives you:

Secure benefits:
the Scheme provides you with a future income, independent of share prices and stock market fluctuations.

At a low cost to you:
with tax-efficient savings.

And your employer pays in too:
the Scheme is provided by your employer who meets the balance of the cost of providing your benefits in the LGPS.

You can look forward to your retirement in the LGPS with:

A secure pension:
worked out every ***Scheme year*** and added to your ***pension account.*** The pension added to your account at the end of a ***Scheme year*** is an amount equal to a 49th of your ***pensionable pay*** in that year if you are in the main section. At the end of every ***Scheme year*** the total amount of pension in your account is adjusted to take into account the cost of living (as currently measured by the ***Consumer Prices Index (CPI)***). The ***Scheme year*** runs from 1 April to 31 March.

Flexibility to pay more or less contributions:
you can boost your pension by paying more contributions, which you would get tax relief on. You also have the option to pay half your normal contributions in return for half your normal pension. This is known as the 50/50 section of the Scheme. The 50/50 section is designed to help members stay in the Scheme when times are financially tough.

Tax-free cash:
you have the option when you take your pension to exchange part of it for some tax-free cash.

Peace of mind:
your family enjoys financial security, with immediate life cover and a pension for your spouse, ***civil partner*** or ***eligible cohabiting partner*** and ***eligible children*** in the

event of your death in service. If you ever become seriously ill and you've met the two years ***vesting period***, you could receive immediate ill health benefits.

Freedom to choose when to take your pension:
You do not need to have reached your ***Normal Pension Age*** in order to take your pension. Once you've met the two years ***vesting period***, you can choose to retire and take your pension at any time between age 55 and 75. Your ***Normal Pension Age*** is simply the age you can retire and take the pension you've built up in full. If you choose to take your pension before your ***Normal Pension Age*** it will normally be reduced, as it's being paid earlier. If you take it later than your ***Normal Pension Age*** it's increased because it's being paid later.

Redundancy and efficiency retirement:
if you are made redundant or retired in the interests of business efficiency when you are 55 or over, you will receive immediate payment of the benefits you've built up, provided you've met the two years ***vesting period.*** Your main LGPS benefits would not be reduced for early payment. Any additional pension you have bought would be reduced if you are under your ***Normal Pension Age*** when you retire.

Flexible retirement:
You may wish to consider flexible retirement if:

- you are age 55 or over
- you have met the two years vesting period, and
- your employer agrees.

Flexible retirement helps you ease into retirement. If you reduce your hours or move to a less senior position, you can take some or all the benefits you have already built up. Your benefits may be reduced for early payment.

The Scheme

This guide is a short description of the conditions of membership and main Scheme benefits that apply if you pay into the LGPS on or after 1 April 2014.

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'What is a Pension' and 'How your Pension Works' provide brief introductions to the scheme.

What kind of scheme is it?

The LGPS is a tax approved, defined benefit occupational pension scheme which was set up under the Superannuation Act 1972. Scheme rules are now made under the Public Service Pension Schemes Act 2013.

The LGPS was contracted out of the State Second Pension scheme (S2P) until 5 April 2016. From 6 April 2016, the 'contracted out' status ended for all pension schemes due to the introduction of the single tier State Pension. The LGPS meets the government's standards under the automatic enrolment provisions of the Pensions Act 2008.

The amount of pension you earn in a ***Scheme year*** is worked out each year and added to your ***pension account***. The total amount of pension in your ***pension account*** is revalued at the end of each ***Scheme year*** so your pension keeps up with the cost of living.

The LGPS is very secure because the benefits are set out in law.

Who can join?

The LGPS covers employees working in local government and for other organisations that have chosen to participate in it. To be able to join the LGPS, you need to be under age 75 and work for an employer that offers membership of the Scheme. If you are employed by a designating body, such as a town or parish council, or by a non-local government organisation which participates in the LGPS (an ***admission body***), you can only join if your employer nominates you for membership of the Scheme. Police officers, operational firefighters and, in general, teachers and employees eligible to join another public service pension scheme, such as the NHS Pension Scheme, are not allowed to join the LGPS.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

You will automatically join on the date your employment begins if you are eligible, unless your contract of employment is for less than three months. If your contract is for less than three months, you can elect to join by completing an opt-in form. If you don't elect to join, you may still become a member automatically if your employer:

- extends your contract so that it is for longer than three months, you will join the Scheme from the pay period after your contract is extended
- must enrol you into the Scheme under the Government ***automatic enrolment provisions.*** Your employer must do so if you are an ***eligible jobholder,*** unless your employer decides to postpose the dater you join. An ***eligible jobholder*** is a worker who is age 22 or over, under ***State Pension Age*** who earns more than £10,000 a year (2021/22 figure). you will normally be brought into the Scheme from the ***automatic enrolment date.***

If you join the Scheme you have the right to opt out. You can complete an opt out form once you have started your employment.

How will I know that I have joined the LGPS?

On joining the LGPS, relevant records and a ***pension account*** will be set up and an official notification of your membership of the LGPS will be sent to you. If you have more than one employment in the Scheme, a ***pension account*** will be set up for each one. **You should check your payslip to make sure that pension contributions are being deducted.**

Can I opt out of the LGPS and re-join later?

Yes, you can opt out of the Scheme. If you are thinking of opting out you might first want to consider an alternative option, which is to move to the 50/50 section of the Scheme. In the 50/50 section, you pay half your normal contributions in return for half your normal pension build-up. To find out more, see the section on **Flexibility to pay less**.

If, having considered the 50/50 option, you still decide the LGPS is not for you, you can leave the LGPS at any time on or after your first day of eligible employment by completing an opt out form. An opt out form is available from your LGPS administering authority. Your employer is not allowed to provide you with an opt out form. You might want to take independent financial advice before making the final decision to opt out.

If you opt out of the LGPS before completing three months' membership, you will be treated as never having been a member. Your employer will refund any contributions you have paid through your pay.

If you opt out of the LGPS with three or more months' membership and before completing the two years ***vesting period,*** you can usually take a refund of your contributions (less any statutory deductions) or transfer out your pension to another scheme.

If you opt out of the LGPS after meeting the two years ***vesting period,*** you will have deferred benefits in the Scheme. You will generally have the same options as anyone leaving their job before retirement, except you cannot take your deferred benefits unless you have left your job. If you re-join the Scheme you will not be permitted to join your deferred benefit with the ***pension account*** that will be created when you re-join the Scheme. Instead, you will have two separate sets of pension benefits.

If you opt out, you can opt back into the Scheme at any time before age 75, provided you are otherwise eligible to join the Scheme.

If you stay opted out, your employer will normally automatically enrol you back into the LGPS approximately every three years from the date they have to comply with the ***automatic enrolment provisions*** provided you are an ***Eligible Jobholder*** at that time. An ***eligible jobholder*** is a worker who is aged at least 22 and is under ***State Pension Age*** and who earns more than £10,000 a year (2021/22 figure).

Your employer can choose not to automatically enrol you if:

- you had opted out of the LGPS less than 12 months before the date you would have been automatically enrolled in the job, or
- notice to terminate employment has been given before the end of the period of six weeks beginning with what would have been the date you were automatically enrolled in the job, or
- your employer has reasonable grounds to believe that, on what would have been the date they automatically enrolled you, you hold Primary Protection, Enhanced Protection, Fixed Protection, Fixed Protection 2014, Individual Protection 2014, Fixed Protection 2016 or Individual Protection 2016.

What do I pay?

Your contribution rate depends on how much you are paid but it's currently between 5.5% and 12.5% of your ***pensionable pay***. If you elect for the 50/50 section of the Scheme, you would pay half the rates listed below. The rate you pay depends on which pay band you fall into. When you join, and every April afterwards, your employer will decide your contribution rate. If your pay changes throughout the year, your employer may decide to review your contribution rate.

Here are the pay bands and the rates that apply from April 2021.

Table 1: Contribution bands for 2021/22

If your actual pensionable pay is:	You pay a contribution rate of:
Up to £ 14,600	5.5%
£ 14,601 to £ 22,900	5.8%
£ 22,901 to £ 37,200	6.5%
£ 37,201 to £ 47,100	6.8%
£ 47,101 to £ 65,900	8.5%
£ 65,901 to £ 93,400	9.9%
£ 93,401 to £ 110,000	10.5%
£ 110,001 to £ 165,000	11.4%
£ 165,001 or more	12.5%

The contribution rates and pay bands in the table above will be reviewed periodically and may change in the future.

Do I get tax relief?

As a member of the LGPS, if you earn enough to pay tax, your contributions will attract tax relief when they are deducted from your ***pensionable pay***. There are restrictions on the amount of tax relief available on pension contributions. If the value of your pension savings increases in any one year by more than the standard annual allowance of £40,000, you may have to pay a tax charge. Most people will not be affected by the annual allowance.

Contributions

Does my employer contribute?

Your employer currently pays the balance of the cost of providing your benefits in the LGPS. Every three years an independent review is undertaken to calculate how much your employer should contribute to the Scheme.

Is there flexibility to pay less in contributions?

Yes, there is an option known as 50/50. In the 50/50 section you pay half the normal contributions and build up half the normal pension during the time you pay reduced contributions. See the section on **Flexibility to pay less**.

Can I pay extra to increase my benefits?

You can increase your benefits by:

- paying additional pension contributions to buy extra LGPS pension, or
- making payments to the Scheme's ***Additional Voluntary Contributions (AVC)*** arrangement.

See the section on **Flexibility to pay more**.

Re-joining the LGPS

If you re-join the LGPS and you have deferred benefits in an LGPS fund in England or Wales, your deferred benefits will generally be automatically joined with your new active ***pension account***. You will have 12 months from re-joining the scheme to make your decision. Your employer may allow you longer to decide.

Different rules apply if you have deferred benefits in an LGPS fund in England or Wales because you opted out of the Scheme on or after 11 April 2015. You cannot join those benefits with your new active ***pension account***. They will remain as a separate deferred benefit.

If you re-join the LGPS in England or Wales and have a deferred refund this **must** be joined with your new active ***pension account***.

Can I transfer in non-LGPS pensions?

If you have paid into another non-LGPS pension arrangement or to the LGPS in Scotland or Northern Ireland, you may be able to transfer your previous pension rights into the LGPS. You only have 12 months from joining the LGPS to opt to transfer your previous pension rights unless your employer and LGPS administering authority allow you longer. You cannot transfer a pension that is already being paid to you.

What if I’m already receiving an LGPS pension?

If you are already receiving a pension from the Scheme, some or all of which you built up before 1 April 2014, and you are re-employed in local government or by an employer who offers membership of the LGPS, your pension may be affected. You must tell the LGPS administering authority that pays your pension about your new employment, regardless of whether you join the Scheme in your new position or not. They will let you know whether your pension in payment is affected in any way.

If you are receiving a pension from the Scheme, all of which you built up after 31 March 2014, and you are re-employed in local government or by an employer who offers membership of the LGPS, you do not need to inform the LGPS administering authority that pays your pension. There is no effect on your pension in payment. The only exception to this is if you are in receipt of a LGPS ill health pension of the type that is stopped if you are in any gainful employment. If this is the case, **you must inform the employer who awarded you that pension.** They will let you know whether your pension in payment should be stopped.

Contribution Flexibility

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'Looking after your pension' introduces ways that you can pay reduced or extra contributions.

Flexibility to pay less

When you join the Scheme, you will be placed in the main section of the Scheme. However, once you are a member of the Scheme you will be able to elect in writing to move to the 50/50 section at any time.

In the 50/50 section you pay half your normal contributions. This flexibility may be useful during times of financial hardship as it allows you to remain in the Scheme, building up valuable pension benefits, instead of opting out of the Scheme.

You can ask your employer for a 50/50 option form. If you have more than one job in which you contribute to the Scheme, you would need to specify in which of the jobs you wish to move to the 50/50 section.

If you elect for 50/50, you would be moved to that section from the next available pay period. You would then start paying half your normal contributions and build up half your normal pension during the time you are in that section. When you make an election for the 50/50 section, your employer must provide you with information on the effect this will have on your benefits in the Scheme.

If you were to die in service whilst in the 50/50 section of the Scheme, the lump sum death grant and any survivor pensions would be worked out as if you were in the main section of the Scheme. If you are awarded an ill health pension which includes an amount of enhanced pension, the amount of enhanced pension added to your ***pension account*** is worked out as if you were in the main section of the Scheme.

The 50/50 section is designed to be a short-term option for when times are tough financially. Because of this, your employer must re-enrol you back into the main section of the Scheme approximately three years from the date they first have to comply with the ***automatic enrolment provisions*** (and approximately every three years after that). If you wished to continue in the 50/50 section at that point you would need to make another election to remain in the 50/50 section.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

There is no limit to the number of times you can elect to move between the main and the 50/50 sections.

Flexibility to pay more

There are several ways you can provide extra benefits on top of the benefits you are already looking forward to as a member of the LGPS.

You can improve your retirement benefits by paying:

- additional pension contributions to buy extra LGPS pension
- ***Additional Voluntary Contributions (AVCs)*** arranged through the LGPS (in-house AVCs),
- free standing additional voluntary contributions to a scheme of your choice,
- contributions to a stakeholder or personal pension plan.

Your LGPS administering authority can give you more information on the first two of these options. Contact details are at the end of this guide. You may wish to take independent financial advice before you decide to pay extra.

Your Pension

Your LGPS benefits are made up of:

- an annual pension that, after leaving, increases in line with the cost of living every year for the rest of your life, and
- the option to exchange part of your pension for a tax-free lump sum paid when you take your pension benefits.

How is my pension worked out?

Benefits built up from 1 April 2014

Every year, you will build up a pension at a rate of 1/49th of the amount of ***pensionable pay*** (and ***assumed pensionable pay***) you received in that ***Scheme year*** if you are in the main section of the Scheme. You will build up a pension at half this rate if you are in the 50/50 section of the Scheme.

The amount of pension built up during the ***Scheme year*** is added to your ***pension account*** and revalued at the end of each ***Scheme year,*** so your pension keeps up with the cost of living. The ***Scheme Year*** runs from 1 April to 31 March.

What pay is used to work out my pension?

The amount of pension added into your ***pension account*** at the end of the ***Scheme year*** is worked out using your ***pensionable pay*** which is the amount of pay on which you pay your normal pension contributions.

If during the ***Scheme year*** you had been:

- on leave on reduced contractual pay or no pay due to sickness or injury
- on ***relevant child related leave*** or
- ***reserve forces service leave***

then, for the period of that leave, your pension is based on your ***assumed pensionable pay***. Assumed pensionable pay is a notional pay figure used to make sure your pension benefits build up as if you were at work receiving normal pay.

How is my pension worked out – an example

Let's look at the ***pension account*** of a member who joined the Scheme on 1 April 2014 who had:

- ***pensionable pay*** of £24,500 in 2014/15
- increases to their ***pensionable pay*** of 1% each year.

Table 2: Example of pension build-up

Scheme Year	Opening balance	Build-up in Scheme Year Pay / build up rate = pension	Total account 31 March	Cost of Living Adjustment	Total pension
1 2014/15	£0.00	£24,500 ÷ 49 = £500	£500	1.2% = £6	£500 + £6 = **£506**
2 2015/16	£506	£24,745 ÷ 49 = £505	£1,011.00	-0.1% = -£1.01	£1,011.00 + -£1.01 = **£1,009.99**
3 2016/17	£1,009.99	£24,992.45 ÷ 49 = £510.05	£1,520.04	1% = £15.20	£1,520.04 + £15.20 = **£1,535.24**
4 2017/18	£1,535.24	£25,242.37 ÷ 49 = £515.15	£2,050.39	3% = £61.51	£2,050.39 + £61.51 = **£2,111.90**
5 2018/19	£2,111.90	£25,494.79 ÷ 49 = £520.30	£2,632.20	2.4% = £63.17	£2,632.20 + £63.17 = **£2,695.37**
6 2019/20	£2,695.37	£25,749.74 ÷ 49 = £525.50	£3,220.87	1.7% = £54.75	£3,220.87 + £54.75 = **£3,275.62**
7 2020/21	£3,275.62	£26,007.24 ÷ 49 = £ 530.76	£3,806.38	0.5% = £19.03	£3,806.38 + £19.03 = **£3,825.41**

Benefits built up before 1 April 2014

On 1 April 2014, the LGPS changed from a final salary scheme to a career average scheme. If you joined the LGPS before 1 April 2014, you have built up benefits in the final salary scheme. These benefits are calculated differently, using your membership up to 31 March 2014 and your ***final pay***.

For membership built up to 31 March 2008, you receive a pension of 1/80th of your ***final pay*** plus an automatic tax-free lump sum of three times your pension.

For membership built up from 1 April 2008 to 31 March 2014, you receive a pension of 1/60th of your ***final pay***. There is no automatic lump sum for membership

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

built up after March 2008, but you do have the option to exchange some of your pension for a tax-free lump sum.

If you were paying into the LGPS on 31 March 2012 and were within 10 years of age 65 at 1 April 2012, you may qualify for an additional protection called **the underpin.** If you are covered by the underpin, you will get a pension at least equal to the pension you would have received if the Scheme had not changed on 1 April 2014.

The underpin can also apply if:

- you were an active member of another public service pension scheme on 31 March 2012,
- you were within 10 years of age 65 on 1 April 2012, and
- you subsequently join the LGPS and transfer your pension benefits from the other public service pension scheme into the LGPS.

If you are covered by the underpin, a calculation will be performed when you stop contributing to the Scheme, or at your protected ***Normal Pension Age*** if earlier. The purpose of the calculation is to check that the pension you have built up is at least equal to the pension you would have received if the Scheme had not changed on 1 April 2014. If it isn't, the difference will be added into your ***pension account*** when your pension is paid to you.

The underpin calculation is slightly different if you have been in the 50/50 section of the Scheme at any time. The pension you would have built up in the main section of the Scheme is compared with the pension you would have received if the Scheme had not changed on 1 April 2014.

More information on the underpin is available from the **national website for LGPS members**.

A recent court case has ruled that certain younger members should also qualify for the underpin. The Government is currently finalising changes to achieve this.

Can I exchange part of my pension for a lump sum?

You can exchange part of your pension for a one-off tax-free cash payment. You will receive £12 lump sum for each £1 of annual pension given up. You can take up to 25% of the capital value of your pension benefits as a lump sum. The total lump sum must not exceed £268,275. If you have previously taken payment of (crystallised) pension benefits, you can take 25% of your remaining lifetime allowance as a lump sum. Details of the maximum tax-free cash payment you can take will be given to you shortly before you take your LGPS pension. It is at that time you need to make a decision.

Taking AVCs as cash

If you pay ***Additional Voluntary Contributions (AVCs)*** in the LGPS, you may be able to take your AVC fund as a tax-free lump sum. This option will be open to you if:

- you take your AVC at the same time as your main LGPS benefits
- your AVC plus your LGPS lump sum is less than 25% of the overall value of your LGPS benefits (including your AVC fund) and
- the total lump sum doesn't exceed £268,275. If you have previously taken pension benefits, the lump sum must not exceed 25% of your remaining lifetime allowance.

Details of this option will be given to you shortly before you take your LGPS pension.

Leaving the Scheme before retirement

If you leave your job before retirement and have met the two years *vesting period,* you will have built up an entitlement to a pension. You will have two options:

- you can choose to keep your benefits in the LGPS. These are known as deferred benefits and will increase every year in line with the cost of living, or
- you may be able to transfer your deferred benefits to another pension arrangement.

If you leave your job before retirement and **have not** met the two years ***vesting period,*** you will have three options:

- you will normally be able to claim a refund of your contributions, or
- you may be able to transfer your benefits to a new pension arrangement, or
- you can delay your decision until you either re-join the LGPS, transfer your benefits to a new pension arrangement, or want to take a refund of contributions. A refund of contributions must be paid within five years of the date you left the Scheme, or by age 75 if earlier. Your LGPS administering authority will set a deadline by which you can elect to transfer out.

Refund of contributions

If you leave with less than two years' Scheme membership or opt out of the Scheme with more than three months but less than two years' membership, you will normally be able to take a refund of your contributions. There will be a deduction for tax and the cost, if any, of buying you back into the State Second Pension scheme in relation to any membership before 6 April 2016. A refund of contributions must be paid within five years of the date you left the Scheme, or by age 75 if earlier.

Deferred benefits

If you leave before your ***Normal Pension Age*** and you meet the two years ***vesting period,*** you will be entitled to deferred benefits within the LGPS. Your deferred LGPS benefits will be calculated as described in the **How is my pension worked out?** section.

While your pension benefits are deferred, they will increase each year in line with the cost of living.

Your deferred benefits will normally be paid unreduced at your ***Normal Pension Age***, unless one of the following happens:

- You transfer your deferred benefits to another pension scheme or arrangement.
- Your benefits are paid early on health grounds. Your benefits could be paid in full if:
  - you are permanently incapable of doing the job you were working in when you left the LGPS and
  - you are unlikely to be capable of undertaking any gainful employment within three years of the date you applied for your LGPS pension to be paid because of ill-health or by your ***Normal Pension Age***, if this is earlier.
- You elect to receive your deferred benefits early from age 55 onwards.
- You elect not to receive your deferred benefits at your ***Normal Pension Age*** and defer receiving your pension until later. Your benefits must be paid by age 75.

Benefits paid earlier than your ***Normal Pension Age***, other than on the grounds of permanent ill health, may be reduced to take account of their early payment and the fact that your pension will be paid for longer. Benefits paid after your ***Normal Pension Age*** will be increased.

What if I have two or more LGPS jobs?

If you:

- have two or more jobs in which you pay into the LGPS at the same time
- leave one or more but not all of them, and
- you are entitled to deferred benefits from the job (or jobs) you have left

your deferred benefits from the job that has ended are automatically transferred to the active ***pension account*** for the job you are continuing in, unless you elect to keep them separate. If you wish to keep your deferred benefits separate, you must elect to do so within 12 months of leaving that job, unless your employer allows you longer. If you are not entitled to deferred benefits from the job (or jobs) you have left, you cannot have a refund of your contributions and you must transfer your benefits to the ***pension account*** for the job you are continuing in.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Transferring your benefits

If you leave the Scheme and you are entitled to deferred benefits or a refund you can generally transfer the cash equivalent of your pension benefits into another pension arrangement or a new employer's pension scheme. This may even be to an overseas pension scheme or arrangement that meets HM Revenue and Customs conditions.

You cannot transfer your deferred benefits if:

- you leave less than one year before your ***Normal Pension Age***
- you elect to transfer less than 12 months before your ***Normal Pension Age***
- you are still paying into the LGPS in another employment or
- you are receiving an LGPS pension.

Your new pension provider will require a transfer value quotation which your LGPS administering authority will guarantee for three months.

You may also be able to transfer out your ***Additional Voluntary Contributions (AVCs)*** to a different pension arrangement. The conditions for transferring an AVC are different from those set out above. You can transfer your AVC without transferring your main LGPS benefits.

If you leave the LGPS with a deferred benefit and later re-join the Scheme, your deferred benefits will normally automatically be transferred to the active ***pension account*** for your new job, unless you elect to keep it separate. If you wish to keep your deferred benefit separate, you must normally elect to do so within 12 months of re-joining the LGPS. Your employer may allow you longer to decide.

If you leave the LGPS and are entitled to a refund of contributions (normally because you have less than two years' membership) and you:

- do not take a refund of contributions, and
- re-join the LGPS

then this deferred refund **must** be joined with your new active ***pension account***.

Transferring your benefits to a defined contribution scheme

Flexible benefits were introduced by the Government from 6 April 2015 to allow members of defined contribution schemes, who are over age 55, more freedom on how they take money from their pension pot.

The LGPS is not a defined contribution pension scheme, it is a defined benefit scheme. It is not directly affected by these changes. However, if you stop paying into the LGPS and you have three or more months' membership, then unless you are retiring with immediate effect due to redundancy, business efficiency or ill health, you will have the right to transfer your LGPS pension to a defined contribution scheme providing flexible benefits. The transfer must be completed more than 12 months before you reach your ***Normal Pension Age*** in the LGPS.

You will be required by law to take independent financial advice if the value of your pension benefits in the LGPS (excluding AVCs) is more than £30,000. You are not required to take independent financial advice if the value of your benefits is less than £30,000. However, transferring your pension rights is not an easy decision to make. Seeking the help of an independent financial adviser before you make a final and irreversible decision to transfer could help you to make an appropriate decision.

There are four main options for members aged over 55, who are in a defined contribution scheme which provides flexible benefits:

- purchasing an annuity
- flexi-access drawdown
- taking a number of cash sums at different stages
- taking the whole pot as cash in one go.

Keep in touch – remember to let the LGPS administering authority know if you move house.

Retirement

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'Life after work' covers your options when you take your pension.

When can I retire and take my LGPS pension?

You can choose to retire and take your pension from the LGPS at any time from age 55 to 75, provided you have met the two years ***vesting period*** in the Scheme.

The ***Normal Pension Age*** in the LGPS is linked to your ***State Pension Age,*** with a minimum of age 65. If the ***State Pension Age*** changes in the future, then this change will also apply to your ***Normal Pension Age*** for benefits built up after 31 March 2014.

If you voluntarily leave your employment before, on or after your ***Normal Pension Age*** you can defer taking your benefits, but you must take them before age 75. If you take your pension after your ***Normal Pension Age***, it will be paid at an increased rate to reflect late payment.

If you were a member of the LGPS before 1 April 2014 then you will have built up benefits in the final salary scheme. These benefits have a different ***Normal Pension Age***, which for most people is age 65.

You may have to retire at your employer's instigation, perhaps because of redundancy, business efficiency or permanent ill health. Provided you have met the two years ***vesting*** period, in these circumstances your LGPS benefits will provide you with an immediate retirement pension.

Will my pension be reduced if I retire early?

If you choose to retire before your ***Normal Pension Age*** your benefits will normally be reduced because they will be paid for longer. Your benefits are calculated as set out in the **How is my pension worked out?** section and are then reduced. How much your benefits are reduced by depends on how early you take them.

If you were a member of the LGPS at any time between 1 April 1998 and 30 September 2006, some or all your benefits paid early could be protected from the reduction if you have rule of 85 protection.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

What if I lose my job through redundancy or business efficiency?

If you are aged 55 or over you will be entitled to the immediate unreduced payment of your LGPS benefits, provided you have met the two years ***vesting period*** in the Scheme. Any additional pension paid for by additional pension contributions or by shared cost additional pension contributions would be paid at a reduced rate if you retire before your ***Normal Pension Age***. If you have bought additional pension by Additional Regular Contributions, that additional pension would be paid at a reduced rate if you retire before your pre-1 April 2014 ***Normal Pension Age*** which, for most, is age 65.

What happens if I have to retire early due to ill health?

If you have to leave work due to illness you may be able to receive immediate payment of your benefits.

To qualify for ill health benefits:

- you must have met the two years ***vesting period*** in the Scheme, and
- your employer, based on an opinion from an independent occupational health physician appointed by them, must be satisfied that:
    - you will be permanently unable to do your own job until your ***Normal Pension Age*** and
    - you are not immediately capable of undertaking gainful employment.

Ill health benefits can be paid at any age and are not reduced for early payment. In fact, your benefits could be increased to make up for your early retirement if you are unlikely to be capable of gainful employment within three years of leaving.

Can I have a gradual move into retirement?

This is known as flexible retirement. If your employer agrees, from age 55:

- if you reduce your hours or
- move to a less senior position

  and
- provided you have met the two years ***vesting period*** in the Scheme

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

you can take some or all of the pension benefits you have built up, helping you ease into retirement. You must take any benefits you built up before 1 April 2008.

If you take flexible retirement before your ***Normal Pension Age,*** your benefits may be reduced because of early payment, unless your employer agrees to waive the all or part of the reduction. If your employer agrees to flexible retirement, you can still receive your pay from your job on the reduced hours or grade and continue paying into the LGPS, building up further benefits in the Scheme. Flexible retirement is at the discretion of your employer and they must set out their policy in a published statement.

What if I carry on working after my Normal Pension Age?

If you carry on working after your ***Normal Pension Age*****,** you will continue to pay into the LGPS, building up further benefits. When you eventually retire you will receive your pension unless you choose to delay taking it. Your pension must be paid to you by age 75. Your pension will be paid at an increased rate because it will be paid for a shorter time.

How does my pension keep its value?

On retiring on or after age 55, your LGPS pension increases in line with the cost of living every year throughout your retirement. As the cost of living increases, so will your pension. If you retire on ill health grounds, your pension is increased each year regardless of your age.

Protection for your family

You can find out more about the Scheme in the LGPS member videos: Pensions Made Simple. 'Protection for you and your family' covers death benefits in the LGPS.

What benefits will be paid when I die?

On your death, pensions will be paid to your:

- ***eligible children***
- spouse, ***civil partner,*** or, if certain conditions are met, ***eligible cohabiting partner****.*

A lump sum death grant will also be paid if you–

- die in service as a member of the LGPS
- leave before retirement with deferred benefits and die before receiving them
- die after receiving your pension, before age 75, if less than ten years' pension has been paid.

How much will the lump sum death grant be?

This will depend on whether you die in service, after leaving but before you take your pension or when you are receiving your pension.

If you die in service as a member of the LGPS, the lump sum is three times your ***assumed pensionable pay***.

If you leave before retirement with deferred benefits and you die before receiving them, the lump sum is five times your deferred yearly pension. If you are also an active member of the Scheme in another employment, this may impact on the death grant that is paid.

If you die when you are receiving your pension and before age 75, the lump sum is ten times the yearly amount of your pension before giving up any pension for tax-free lump sum, reduced by any pension and tax-free lump sum already paid to you. There is a slight difference to this calculation for any part of the pension you were receiving which relates to membership before 1 April 2014. If you are also an active member of the Scheme in another employment, this may impact on the death grant that is paid.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Who is the lump sum death grant paid to?

The LGPS allows you to say who you would like any death grant to be paid to by completing an expression of wish form. This form is available from your LGPS administering authority. The administering authority, however, retains absolute discretion when deciding who to pay any death grant to. You can find out how to contact your administering authority at the end of this guide.

What will be paid to my surviving partner?

Your spouse, civil partner or eligible cohabiting partner will receive a proportion of your pension. It will be paid for the rest of their life. Generally, this is:

- 30.625 per cent of the pension you built up from April 2014
- 37.5 per cent of the pension you built up between April 2008 and March 2014
- 50 per cent of the pension you built up before April 2009.

If you die in service as a member of the LGPS, the pension will include a proportion of the enhancement you would have received if you had retired on ill-health.

If you leave before retirement with deferred benefits and die before taking them, the pension is the relevant percentage of your deferred pension.

If you die after receiving your pension, the pension is the relevant percentage of your pension before giving up pension for tax-free lump sum and before any reductions or increases for early or late payment.

Some parts of your pension are not counted. This includes additional pension bought by paying additional pension contributions.

If you were in the 50/50 section, this does not affect the value of the survivor's pension.

Pensions for ***civil partners*** or survivors of same-sex marriages are based on your membership after 5 April 1988. Pensions for ***eligible cohabiting partners*** are also based on your membership after 5 April 1988, unless you elected before 1 April 2014 to pay extra contributions for membership before 6 April 1988 to count.

The survivor's pension may be less if you entered into a civil partnership or marriage after leaving.

Help with pension problems

Who can help me if I have a query or complaint?

If you have a problem or question about your LGPS membership or benefits, please contact your LGPS administering authority**.** They will try to put things right and answer any questions as quickly and efficiently as possible. If your query is about your contribution rate, please contact your employer’s HR or payroll section so they can explain how they have decided which contribution rate you should pay.

If you are still dissatisfied with any decision made in relation to the Scheme you have the right to have your complaint reviewed under the Internal Disputes Resolution Procedure. There are also a number of other regulatory bodies that may be able to assist you.

Internal Disputes Resolution Procedure

In the first instance, you should write to the adjudicator appointed by the body who made the decision that you wish to appeal about. You must do this within six months of the date of the notification of the decision or the act or omission about which you are complaining (or such longer period as the adjudicator considers reasonable).

This is a formal review of the initial decision or act or omission and is an opportunity for the matter to be reconsidered. The adjudicator will consider your complaint and notify you of his or her decision. If you are dissatisfied with that person’s decision or their failure to make a decision, you may apply to the Scheme's administering authority to have it reconsidered.

A leaflet explaining the Internal Disputes Resolution Procedure including relevant time limits is available from the LGPS administering authority.

The Pensions Advisory Service (TPAS)

TPAS provides independent and impartial information about pensions, free of charge, to members of the public. TPAS is available to assist members and beneficiaries of the Scheme with any pension query they have or any general requests for information or guidance concerning their pension benefits. TPAS can be contacted:

In writing: 120 Holborn, London, EC1N 2TD
By telephone: 0800 011 3797

Website: www.pensionsadvisoryservice.org.uk (where you can submit an online enquiry form).

The Pensions Ombudsman (TPO)

TPO deals only with pension complaints. It can help if you have a complaint or dispute about the administration and / or management of personal and occupational pension schemes. Some examples of the types of complaints it considers are (this list is not exhaustive):

- automatic enrolment
- benefits: including incorrect calculation, failure to pay or late payment
- death benefits
- failure to provide information or act on instructions
- ill health
- interpretation of scheme rules
- misquote or misinformation
- transfers.

You have the right to refer your complaint to TPO free of charge. There is no financial limit on the amount of money that TPO can make a party award you. Its determinations are legally binding on all parties and are enforceable in court.

Contact with TPO about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later, within three years of when you first knew about it (or ought to have known about it). There is a discretion for those time limits to be extended.

You can contact TPO:

In writing: 10 South Colonnade, Canary Wharf, E14 4PU
Telephone: 0800 917 4487
Website: www.pensions-ombudsman.org.uk (where you can submit an online complaint form).

The Pensions Regulator (TPR)

This is the regulator of work-based pension schemes. TPR has powers to protect members of work-based pension schemes and a wide range of powers to help put matters right, where needed. In extreme cases, the regulator is able to fine trustees or employers, and remove trustees from a scheme. If you have a concern about your workplace pension you can contact them:

By telephone: 0345 600 7060
Website: www.thepensionsregulator.gov.uk

How can I trace my pension rights?

The Pension Tracing Service holds details of pension schemes, including the LGPS, together with relevant contact addresses. It provides a tracing service for ex-members of schemes and their dependants with pension entitlements who have lost touch with previous schemes. All occupational and personal pension schemes have to register if the pension scheme has current members contributing to the scheme or people expecting benefits from the scheme. If you need to use this tracing service:

Write to: The Pension Tracing Service, The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU
Telephone: 0800 731 0193
Website: www.gov.uk/find-pension-contact-details

Don't forget to keep your pension providers up to date with any change in your home address or other contact details.

Pension terms in ***bold italic*** type are defined in the Some terms we use section.

Some terms we use

Additional Voluntary Contributions (AVCs)

These are extra payments to increase your future benefits. You can also pay AVCs to provide additional life cover.

All local government administering authorities have an AVC arrangement in which you can invest money through an AVC provider, often an insurance company or building society. AVCs are deducted directly from your pay and attract tax relief.

Admission body

An admission body is an employer that chooses to participate in the Scheme under an admission agreement. These tend to be employers such as charities and contractors.

Assumed pensionable pay

Assumed pensionable pay is a notional pay figure that employers must calculate when your ***pensionable pay*** is reduced because you are absent from work in certain circumstances, such as sickness or child related leave. This notional pay figure is used to make sure your pension benefits build up as if you were at work receiving normal pay.

Assumed pensionable pay is also used to work out:

- any enhancement to your pension awarded as a result of ill health retirement
- any lump sum death grant following death in service, and
- any enhancement which is included in survivor benefits following death in service.

Automatic enrolment date

This is the earlier of:

- the day you reach age 22, provided you are earning more than £10,000 (2021/22 figure) a year in the job, or
- the beginning of the pay period in which you first earn more than £10,000 (2021/22 figure) in the job, on an annualised basis, provided you are aged 22 or more and under ***State Pension Age*** at that time.

Earnings are assessed by converting your pay in a pay period to a yearly figure.

Automatic enrolment provisions

Each employer must automatically enrol their workers who are ***eligible jobholders*** into a workplace pension scheme unless the employer decides to postpone for a period up to three months. In certain cases, the employer does not have to an enrol a person. For example, if the person recently opted out.

Where a person is enrolled into a scheme, the person can choose to opt out. If they do, generally, the employer must automatically re-enrol them back into a scheme at regular intervals, about every three years.

Civil partnership (civil partner)

A ***Civil Partnership*** is a relationship between two people of the same sex or opposite sex which is formed when they register as civil partners of each other.

Consumer Prices Index (CPI)

The ***Consumer Price Index (CPI)*** is the official measure of inflation of consumer prices in the United Kingdom. This is currently the measure used to adjust your ***pension account*** at the end of every ***Scheme year*** when you are an active member of the Scheme. Each April after you have left the Scheme, it is used to adjust the value of your deferred pension or pension in payment. The adjustment ensures your pension keeps up with the cost of living.

Eligible children

Eligible children are your children. At the date of your death they must be your:

- natural child (who must be born within 12 months of your death)
- adopted child, or
- step-child or a child accepted by you as being a member of your family and be dependent on you. This doesn’t include a child you sponsor for charity.

Eligible children must be:

- under age 18, or
- aged between 18 and 23 and in full-time education or vocational training. Your administering authority can continue to treat the child as an eligible child notwithstanding a break in full-time education or vocational training, or
- unable to engage in gainful employment because of physical or mental impairment and either:
  - under age 23, or

- the impairment is, in the opinion of an independent registered medical practitioner, likely to be permanent and the child was dependent on you at the date of your death because of that mental or physical impairment.

Eligible cohabiting partner

An ***eligible cohabiting partner*** is a partner you are living with who, at the date of your death, has met all the following conditions for a continuous period of at least two years:

- you and your cohabiting partner are, and have been, free to marry each other or enter into a ***civil partnership*** with each other, and
- you and your cohabiting partner have been living together as if you were a married couple, or ***civil partners***, and
- neither you nor your cohabiting partner has been living with someone else as if you/they were a married couple or ***civil partners***, and
- either your cohabiting partner is, and has been, financially dependent on you or you are, and have been, financially interdependent on each other.

Your partner is financially dependent on you if you have the highest income. Financially interdependent means that you rely on your joint finances to support your standard of living. It doesn't mean that you need to be contributing equally. For example, if your partner's income is a lot more than yours, he or she may pay the mortgage and most of the bills, and you may pay for the weekly shopping.

A survivor's pension would be paid to your cohabiting partner if:

- all the above criteria apply at the date of your death, and
- your cohabiting partner satisfies your LGPS administering authority that the above conditions had been met for a continuous period of at least two years immediately before your death.

You are not required to complete a form to nominate your cohabiting partner. However, you can provide your LGPS administering authority with your cohabiting partner's details. On your death, your LGPS administering authority will require evidence that the conditions for a cohabiting partner's pension are met.

Eligible jobholder

An ***eligible jobholder*** is a worker who is aged at least 22 and is under ***State Pension Age*** and who earns more than £10,000 a year (2021/22 figure). Earnings are assessed by converting the pay in the relevant pay period to a yearly figure.

Final pay

This is usually the pay in respect of (ie due for) your final year of Scheme membership on which you paid contributions, or one of the previous two years if this is higher. It includes your normal pay, contractual shift allowance, bonus, contractual overtime, Maternity Pay, Paternity Pay, Adoption Pay, Shared Parental Pay and any other taxable benefit specified in your contract as being pensionable. It does not include non-contractual overtime.

Normal Pension Age

Normal Pension Age is linked to your ***State Pension Age*** for benefits built up from 1 April 2014, with a minimum of age 65. It is the age at which you can take the pension you have built up in full. If you choose to take your pension before your ***Normal Pension Age*** it will normally be reduced, as it's being paid earlier. If you take it later than your ***Normal Pension Age,*** it's increased because it's being paid later.

You can use the Government's ***State Pension Age*** calculator (www.gov.uk/calculate-state-pension) to find out your ***State Pension Age***.

Remember that your ***State Pension Age*** may change in the future. If it does, this would also change your ***Normal Pension Age*** in the LGPS for benefits built up from 1 April 2014. Once your LGPS pension is being paid to you, any subsequent change in your ***State Pension Age*** will not affect your ***Normal Pension Age*** in the LGPS.

If you were paying into the LGPS before 1 April 2014, your final salary benefits retain their protected ***Normal Pension Age*** which for most is age 65.

All pension benefits paid on normal retirement must generally be taken at the same time. You cannot choose to have your final salary pension (built up before April 2014) paid at age 65 and your pension in your ***pension account*** (built up from April 2014) at your ***State Pension Age***. Different rules may apply if you take flexible retirement.

Pension account

Each ***Scheme year*** the amount of pension you have built up during the year is worked out and this amount is added into your active ***pension account***. Adjustments may be made to your account during the ***Scheme year*** because of:

- a transfer of pension rights into the account during the year
- additional pension you purchased during the year

- additional pension which is granted to you by your employer
- a reduction due to a Pension Sharing Order or qualifying agreement in Scotland (following a divorce or dissolution of a ***civil partnership***) and
- a reduction due to an Annual Allowance tax charge that you have asked the Scheme to pay on your behalf.

Your account is revalued at the end of each ***Scheme year*** to take account of the cost of living. This adjustment is carried out in line with the Treasury Revaluation Order index which is the rate of the ***Consumer Prices Index (CPI).***

You will have a separate ***pension account*** for each employment.

In addition to an active member's ***pension account*** there are also:

- a deferred member's ***pension account***
- a deferred refund account
- a retirement pension account
- a flexible retirement ***pension account***
- a deferred pensioner member's account
- a pension credit account and
- a survivor member's account.

These accounts will be adjusted by any debits for any Pension Sharing Order or qualifying agreement in Scotland (following a divorce or dissolution of a ***civil partnership***) and for any Annual Allowance tax charge that you have asked the Scheme to pay on your behalf. These accounts are currently increased each April in line with the ***Consumer Prices Index (CPI)***. A deferred refund account will not be adjusted in these ways.

Pensionable pay

The pay on which you normally pay contributions is your normal salary or wages plus any shift allowance, bonuses, overtime (both contractual and non-contractual), Maternity Pay, Paternity Pay, Adoption Pay, Shared Parental Pay and any other taxable benefit specified in your contract as being pensionable.

You do not pay contributions on:

- any travelling or subsistence allowances
- pay in lieu of notice

- pay in lieu of loss of holidays
- any payment as an inducement not to leave before the payment is made
- any award of compensation (other than payment representing arrears of pay) made for the purpose of achieving equal pay
- pay relating to loss of future pensionable payments or benefits
- any pay paid by your employer if you go on reserve forces service leave nor
- the monetary value of a car or pay received in lieu of a car (apart from some historical cases).

Relevant child related leave

Relevant child related leave includes periods of:

- Ordinary Maternity or Adoption Leave (normally the first 26 weeks)
- Paid Additional Maternity or Adoption Leave (normally after week 26 and up to week 39)
- Paternity Leave
- Paid Shared Parental Leave or
- Paid parental bereavement leave.

Reserve forces service leave

This occurs when a Reservist is mobilised and called on to take part in military operations. The period of mobilisation can be up to a maximum of 12 months. During a period of ***reserve forces service leave*** you will, if you elect to stay in the LGPS during that leave, continue to build up a pension based on your ***assumed pensionable pay***.

Scheme year

The Scheme year runs from 1 April to 31 March.

State Pension Age

This is the earliest age you can receive the basic state pension. ***State Pension Age*** for women was increased between 2010 and December 2018 to be equalised with the ***State Pension Age*** of 65 that applied to men up to December 2018. The ***State Pension Age*** increased to 66 for both men and women between December 2018 and October 2020.

Under current legislation, the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the Government has announced plans to bring forward the rise to 68 to between 2037 and 2039.

Vesting Period

The ***vesting period*** in the LGPS is two years. You will meet the two years ***vesting period*** if:

- you have been a member of the LGPS in England and Wales for two years, or
- you have brought a transfer of pension rights into the LGPS in England or Wales from a different occupational pension scheme or from a European pensions institution and the length of service you had in that scheme or institution was two or more years or, when added to the period of time you have been a member of the LGPS is, in aggregate, two or more years, or
- you have brought a transfer of pension rights into the LGPS in England or Wales from a pension scheme or arrangement where you were not allowed to receive a refund of contributions, or
- you have previously transferred pension rights out of the LGPS in England or Wales to a pension scheme abroad (ie to a qualifying recognised overseas pension scheme), or
- you already hold a deferred benefit or are receiving a pension from the LGPS in England or Wales (other than a survivor's pension or pension credit member's pension), or
- you have paid National Insurance contributions whilst a member of the LGPS and cease to contribute to the LGPS in the tax year of attaining pension age, or
- you cease to contribute to the LGPS at age 75, or
- you die in service.

Further information and disclaimer

This guide is for employees in England or Wales and reflects the provisions of the LGPS and overriding legislation as at May 2021.

The national website for members of the LGPS is www.lgpsmember.org

This guide cannot cover every personal circumstance. It does not cover all ill health retirement benefits nor rights that apply to those whose benefits are subject to a pension sharing order following divorce or dissolution of a civil partnership. Nor does it cover rights that apply to a limited number of employees, such as those:

- whose total pension benefits exceed the lifetime allowance (currently £1,073,100)
- whose pension benefits increase in any tax year by more than the standard annual allowance (£40,000 in 2021/22) or for high earners, the tapered annual allowance, or
- to whom protected rights apply.

You can find out basic information about the lifetime allowance and the annual allowance in the LGPS member videos: Pensions Made Simple.

In the event of any dispute over your pension benefits the appropriate legislation will prevail. This short guide does not confer any contractual or statutory rights and is provided for information purposes only.

More detailed information about the Scheme is available from the Suffolk Pension Fund: pensions@suffolk.gov.uk

Suffolk County Council

Agenda Item 7

Suffolk Pension Board

Report Title:	Pension Fund Policies
Meeting Date:	10 December 2021
Lead Councillor(s):	Councillor Richard Rout
Director:	Chris Bally, Deputy Chief Executive
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151)
Author:	Sharon Tan, Lead Accountant (Pensions) *Telephone: 01473 265636; Email: Sharon.tan@suffolk.gov.uk*

Brief summary of report

1. This report sets out an overview of each of the policies that are implemented by the Pension Fund.

Action recommended

2. The Board is asked to note the range of Policies that the Fund has in place to ensure appropriate governance is established and is used in the operation and administration of the Pension Fund.

Reason for recommendation

3. The Pension Board is responsible for assisting the administering authority in securing compliance with the regulations and legislation. Policies are the key statements to uphold the governance of the Fund.

Alternative options

4. There are no decisions to be made.

Main body of report

Introduction

5. There are a number of policies and strategy statements which cover how the Fund is governed, how it manages its investments and cash and how the Fund is administered. This report includes an overview of each, and when they were last reviewed by the Pension Fund Committee.

Funding Strategy Statement

6. The Funding Strategy Statement (FSS) was approved by the Pension Fund Committee at its meeting on 28 February 2020 on completion of the March 2019 valuation. This was further updated following regulation changes in June 2020. The Board reviewed this statement in December 2019 as part of the consultation process.

7. The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded, and how employers pay for their own liabilities.

8. It is developed based on three broad principles:

   - **Prudence**. The Committee's objective to ensure the right balance between risk and reward in setting the funding and investment strategy of the fund, and in setting the individual employers' contributions to the fund.
   - **Stability.** The Committee's objective to ensure, as far as possible, that employer contributions should not vary significantly from one valuation to the next.
   - **Affordability.** The Committee's objective to recognise the impact of changes in employers' contributions on their overall budgets and resources, and to mitigate the adverse impact that any required changes might have, for example by the phasing of additional contributions, where this is feasible and prudent.

9. The FSS forms part of a framework which includes:

   - LGPS Regulations.
   - Rates and Adjustments Certificate.
   - The Fund's policies on admissions, cessations, and bulk transfers.
   - Actuarial factors for valuing individual transfers, early retirement costs and the costs of buying added service.
   - The Investment Strategy Statement.

Investment Strategy Statement

10. The Investment Strategy Statement (ISS) must be reviewed, and if necessary revised, following any material change in the factors which are judged to have a bearing on the stated investment policy, and at least every three years. This was last reviewed by the Pension Fund committee in March 2021. The Pension Board reviewed this in October 2018.

11. The Pension Fund Committee consults with the Pension Board and employers in the Fund on any material change to the Investment Strategy Statement.

12. The authority must invest, in accordance with its investment strategy, any fund money that is not needed immediately to make payments from the Fund.

13. The ISS includes:

    - Investment Beliefs and Environmental, Social & Governance Considerations.
    - Asset allocation.
    - Currency hedging.
    - Pooling arrangements.
    - Risk Management.
    - Stock Lending.
    - Voting at company meetings.
    - Investment Management Guidelines.

Governance Policy

14. This policy statement sets out Suffolk County Council's arrangements for discharging its responsibilities for Pension Fund matters. This is updated on an annual basis and was last approved by the Pension Fund Committee in July 2021. The Pension Board last reviewed the policy in July 2018.

15. Under the Cabinet structure in local government, management of the Pension Fund is a non-executive function, and this is reflected in the Suffolk governance structure.

16. The Governance Policy includes:

    - Pension Fund Committee terms of reference and operational procedures.
    - Pension Board terms or reference and operational procedures.
    - Responsibilities of the Section 151 Officer (Chief Financial Officer).
    - ACCESS investment Pool governance.

Governance Compliance Statement

17. The Governance Compliance Statement is presented with the Governance Policy. This is updated on an annual basis and was last approved by the Pension Fund Committee in July 2021. The Pension Board last reviewed the compliance statement in July 2018.

18. This sets out general good practice guidelines for the Governance Policy and whether the Suffolk Pension fund is compliant, partially compliant or not compliant.

19. The main areas the statement covers are:

    - Management of the Fund.
    - Key stakeholders' representation.
    - Training.
    - Frequency of meetings.

Administration Strategy

20. The Administration Strategy sets out the quality and performance standards expected from the Pension Fund and the Scheme Employers and how unsatisfactory performance is addressed. This is kept under regular review and was last reviewed by the Pension Fund Committee in November 2021.

Communications Strategy

21. The Communications Strategy sets out the expectations and performance standards expected of the Pension Fund. This is kept under regular review and was last reviewed by the Pension Fund Committee in February 2021. The Pension Board last reviewed the policy in March 2021.

22. The main areas the statement covers are:

    - Delivery of communications.
    - Key messages for active, deferred and pensioner members.
    - Promotion of the scheme to prospective members.
    - Communications with Scheme Employers.

Treasury management Strategy

23. The Treasury Management Policy sets out the operational treasury management arrangements under the terms of the Treasury Management Practices approved by Suffolk County Council. This reviewed annually and was last presented to the Pension Fund Committee on March 2021.

24. The Pension Fund cash is either held with Lloyds Bank and managed by the Treasury Management staff of the County Council or held with the Pension Fund's custodian and managed by the Pension Fund officers.

25. The Strategy sets out:

    - How cash is managed by the Treasury Management Team.
    - How cash held by the Fund's custodian is managed.
    - Borrowing arrangements.

Voting Policy

26. The Voting policy sets out the proposed voting policy for UK shares held in the name of the Suffolk Pension Fund. As the UK Equity shares invested in by Blackrock have now been pooled with ACCESS, the voting policy now is only referred to by the Pension Fund Officers for voting at meetings for the property investments invested in by Schroders.

27. This was last reviewed by the Pension Fund Committee in February 2017 and reviewed by the Pension Board in December 2018.

Discretions Policy

28. The Discretion Policy sets out various regulations that the Suffolk Pension Fund can make a decision on such as to extend timescales or to whom dependent payments can be made to. This is updated only when new regulations are issued that allow the Pension Fund discretion to the set the rules. This was last reviewed in September 2014, with an additional discretion added in March 2015.

Breaches Policy

29. The Breaches Policy sets out the procedure for deciding whether a breach of law has occurred and whether it needs to be reported to the Pensions Regulator. This is updated only when the need arises. This was last reviewed by the Pension Fund Committee in June 2019. The Pension Board last reviewed the policy in September 2015.

Conflicts of Interest Policy

30. The Conflicts of Interest Policy is in place to ensure conflicts of interest are properly identified and monitored. This is updated when the need arises and was last reviewed by the Pension fund Committee in July 2020.

31. This sets out the responsibilities of the Pension Fund Committee members, Pension Board members, and officers involved in the management, administration and governance of the Fund and specific responsibilities and operational procedures for advisers and suppliers to the Pension Fund.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

Suffolk County Council

Agenda Item 8

Suffolk Pension Board, 10 December 2021

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Board as well as information that a service considers should be made known to the Board.

This Information Bulletin covers the following items:

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1. Procurement for Investment Consultancy and Actuarial Services

1.1 Work continued to procure for investment consultancy and actuarial services using the LGPS national frameworks for both exercises.

1.2 Letters on the results of the evaluation were sent out to all bidders and then a 10-day standstill period commenced which was in place until mid-night Monday 29 November. There were no representations made by the unsuccessful bidders during this period.

1.3 Hymans Robertson have been awarded both the investment consultancy and actuarial services contract.

1.4 The new contracts will commence on 1 January 2022.

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2. Custodian Transition to Northern Trust

2.1 The Custodian contract transferred from HSBC to Northern Trust on 1 October 2021. Work continues to embed the new service for reporting on the quarter ending 31 December 2021.

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3. Pension Fund website

3.1 The Pension Fund website format has been updated and refreshed. The redesign also incorporates improved mobile device access.

3.2 The link to the website is www.suffolkpensionfund.org

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4. New Employers

4.1 In the quarter up to 30 September 4 new employers have joined the Fund.

a)	St Eds & Ipswich Dio – Bedfield CEVC Primary School	Academy
b)	St Eds & Ipswich Dio – Elmset CEVC Primary School	Academy
c)	C.E.T. – Whitehouse Community Primary School	Academy
d)	C.G.M – Unity Schools Partnership	Admission Body

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For further information on any of these information items please contact:

Paul Finbow, Head of Pensions
Email: paul.finbow@suffolk.gov.uk Telephone: 01473 265288.

Suffolk County Council

Agenda Item 9

Suffolk Pension Board Forward Work Programme

Purpose

The purpose of this forward work programme is to support the Pension Board in promoting and strengthening corporate governance across the Council.

Terms of reference

The terms of reference of the Suffolk Pension Board are:

a) to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
b) to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
c) to secure the effective and efficient governance and administration of the LGPS for the Suffolk Pension Fund
d) in such other matters as the LGPS regulations may specify
e) to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

Meeting date (see Note)	**Date added**	**Subject**	**Short description**	**How is it anticipated the Committee will deal with this issue?**
Friday, 11 March 2022	Added 19 July 2021	Complaints, Compliments and Administration Performance	To receive a report on the complaints and compliments received by the Fund.	Written Report
	Added 19 July 2021	Administration and management expenses	To receive a report on the administration and management expenses for 2021/22 and the budget for 2022/23.	Written Report
	Added 19 July 2021	Suffolk's progress on Pooling of Assets	To receive an update on the progress of pooling assets.	Presentation
	Added 19 July 2021	Pension Board Risk Register	To review the Pension Board Risk Register.	Written Report
	Added 19 July 2021	Recent Developments	To receive an information bulletin covering recent developments that the Board has an interest in.	Written Report
	Added 19 July 2021	Forward Work Programme	To approve the Forward Work Programme for the Suffolk Pension Board.	Written Report
Wednesday, 20 July 2022	**Added 10 December 2021**	**Complaints, Compliments and Administration Performance**	**To receive a report on the complaints and compliments received by the Fund.**	**Written Report**
	Added 10 December 2021	**Suffolk's progress on Pooling of Assets**	**To receive an update on the progress of pooling assets.**	**Presentation**
	Added 10 December 2021	**Board Training Programme**	**To consider the Board's Training programme for the next 12 months.**	**Written Report**
	Added 10 December 2021	**Investment Performance**	**To receive a report on the investment performance of the Fund in 2020/21.**	**Written Report**

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
	Added 10 December 2021	**Recent Developments**	**To receive an information bulletin covering recent developments that the Board has an interest in.**	**Written Report**
	Added 10 December 2021	**Forward Work Programme**	**To approve the Forward Work Programme for the Suffolk Pension Board.**	**Written Report**
Monday, 10 October 2022	**Added 10 December 2021**	**Complaints, Compliments and Administration Performance**	**To receive a report on the complaints and compliments received by the Fund.**	**Written Report**
	Added 10 December 2021	**Annual Report and Accounts 2021/22**	**To review the annual report and Accounts of the Pension Fund**	**Written Report**
	Added 11 December 2020	**Suffolk's progress on Pooling of Assets**	**To receive an update on the progress of pooling assets.**	**Presentation**
	Added 10 December 2021	**Pension Board Risk Register**	**To review the Pension Board Risk Register.**	**Written Report**
	Added 10 December 2021	**Recent Developments**	**To receive an information bulletin covering recent developments that the Board has an interest in.**	**Written Report**
	Added 10 December 2021	**Forward Work Programme**	**To approve the Forward Work Programme for the Suffolk Pension Board.**	**Written Report**

Note: Additions and amendments to previous Forward Agenda are marked in bold.

If you have any questions or queries, please contact Paul Finbow. Email: paul.finbow@suffolk.gov.uk, Telephone: 01473 265288.

Revised: December 2021

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