

LOCAL GOVERNMENT 2017 Pensions Bulletin



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INFORMATION FOR EMPLOYERS

Changes have been announced to accounting regulations which will require pension fund transactions to be recorded in a more detailed manner than is currently the case. The changes are being made so that the Government Actuary's Department (GAD) can obtain a more detailed breakdown of pension fund cashflows and subsequent cost control processes.

The broad principle is that GAD will need to be able to split cashflows, where appropriate into three categories:

- a) Elements that relate to pre-2014 pension benefits
- b) Elements that relate to post -2014 pension benefits (main section)
- c) Elements that relate to post –2014 pension benefits (50:50 section)

The new requirements will be effective from 1st April 2017.

What do I need to do?

You must ensure that you are able to split the following items in your submissions to Pensions:

Employee Basic Pension Contributions:

These must now be split between Main Section and 50:50 contributions. Even if you do not currently have any scheme members in the 50:50 section, it may be prudent to put processes in place to ensure that this can be reported in future.

Employee Additional Pension Contributions:

These must now **be split** between additional contributions that began **prior** to April 2014 e.g. added years, part time buy back, pre 72 contributions and additional regular contributions and those that began **from** 1st April 2014 e.g. additional pension contributions and shared cost additional pension contributions (SCAPCs). Please note; for SCAPCs the employer element can be included with the basic employer contributions. The pensions section can assist in identifying which members fall into each category if required.

These changes will be included in the pensions year end requirements for 2017/18, but not the forthcoming year end submission for 2016/17 due at the end of April 2017.

If you have any questions on this please contact Stuart Wells of the Pensions Section on (0116) 305 6944 or stuart.wells@leics.gov.uk

In addition, the breakdown of your monthly contribution payment submissions to the Investment Team will also need to reflect these changes to the basic and additional employee contributions, starting with the payment in respect of April 2017 contributions. If you have any questions on the formatting of these submissions please contact Colin Pratt of the Investments Section on (0116) 305 7656 or colin.pratt@leics.gov.uk

Regards

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