



# EMPLOYER BRIEFING

OCTOBER 2021

## IN THIS ISSUE

[Accounting Requirements  
\(FRS & IAS\)](#)

[Closure of Furlough Scheme](#)

[Ill Health Retirement](#)

[Casual Staff Members](#)

[Cessations](#)

[General Updates](#)

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# Key Highlights



## FRS & IAS

Videos to help you and your auditors understand our Actuary's accounting schedules and results are now available

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## End of Furlough

A reminder that any redundancies now or in the future could have additional cost implications

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## Training Opportunities

Training for HR and Payroll staff is available as well as presentations and seminars for members



# £6,156million

The assets held within the  
NESPF at at 30 June 2021

# Accounting Requirements (FRS & IAS)

The scheme actuary, Mercer, has put together a couple of short videos to outline some of the features of the accounting schedules that are calculated as a requirement of your annual accounts.

These videos draw out the key details of the schedules and supplementary papers with a view to assisting the Fund, its employers and their auditors in the understanding of the results. The videos are intentionally generalised to cover all employers and does not cover the experience items relating to the 2020 valuation.

Please take the opportunity to watch the videos and pass the link to your auditors if you feel it would be beneficial.

<https://www.uk.mercer.com/what-we-do/wealth-and-investments/local-government-pension-scheme/lgps-accounting.html>

## Closure of Furlough Scheme

Some of our participating employers had to make use of the governments furlough scheme during the COVID pandemic. With the removal of the scheme thoughts may have turned to whether it is financially viable for these employees to return to work.

If there is any possibility of redundancies now or in the future please remember that there may be implications in relation to members of the NESPF and that there may be costs associated where members will be automatically entitled to early payment of their pension benefits if they are over age 55 (or 50 if they have been in the scheme continually since 5th April 2006.)

If you would like further information on this or wish to discuss this further please contact the Employer Relationship Team at [employer@nespf.org.uk](mailto:employer@nespf.org.uk)

# Ill Health Guide

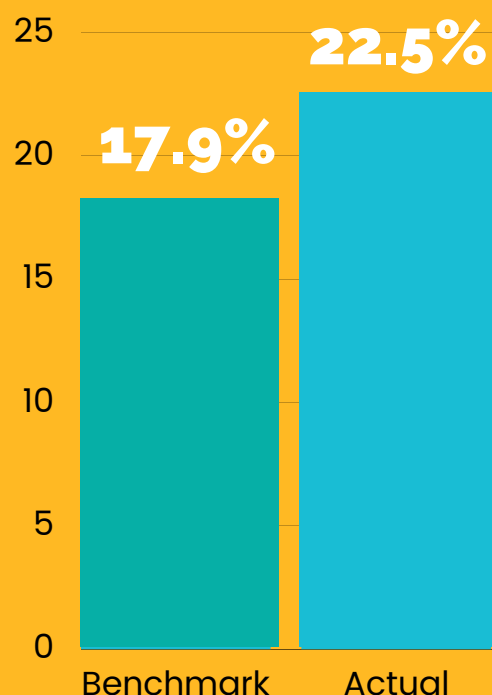
In order for an active member to access their pension benefits early due to ill health they must meet the criteria set out within the LGPS (Scotland) Regulations 2018. Your Independent Registered Medical Practitioner (IRMP) is responsible for determining whether or not the member meets these criteria but, as the employer, you will decide whether ill health retirement should be awarded based on all of the information provided (as per the attached guide.)

All ill health retirements from active service are the responsibility of the employer and therefore, where a member is unable to continue their job due to their health, you should ensure that consideration has been given to this option, before the member leaves service.

The Fund is responsible for the any requests for ill health retirement where a member has become ill after they have left service only (ill health from deferred.) The updated ill health retirement guide is available here: [LGPS\(S\) IHR Guide 0.pdf](#) ([pensions.gov.scot](#)). A link has also been added to the Pen 3.1 (Ill health retirement form) for reference.

Please ensure that all members of staff that have responsibilities in relation to ill health retirements have access to the guide.

**Investment performance has been outstanding with the average across all asset classes for the last 12 months being calculated as 22.5% against a benchmark of 17.9%.**



# Casual Staff Members

For any members that do not have contracted hours they should now be held as casual (C) on your i-Connect monthly file and the NESPF administration database. This is a change from the previous requirement to use hours of 00.01/37.00 or 01.00/36.25, etc. This amendment will allow the Fund to easily identify these members and ensure that the correct annual benefits statements are issued annually.

Additionally, for casual members of staff who leave or are removed from the payroll extra caution should be taken when completing the notification of leaving (Pen 2.0 – Cessation.) The date of leaving should reflect the day the member left or was removed from the payroll however the calculation of the Full Time Equivalent (FTE) Pay should be done for the 365 days prior to the date the member last paid contributions and not the date that the member left. Providing this information automatically will result in less queries from the Pensions Team when processing the benefits.

## Cessations (Pen 2.0)

For members of staff who only have post 01 April 2015 service (CARE scheme benefits) there is no requirement to provide a cessation. This is because we are receiving monthly information on contributions and CARE pay through the i-connect uploads.

However, there are exceptions to this. Where a member has retired through ill health or died in service we will always require a cessation to be provided automatically.

In addition, the Fund may request a cessation due to underpin protections or if records have been combined. In these circumstances the Fund will request a cessation which should be provided as soon as possible.

# General Updates



## Annual Report & Accounts

The audited NESPF annual report and Accounts have been presented to Pensions Committee in September 2021. The final, printed version of the accounts will be sent to employers by 30th November 2021.



## Memorandum of Understanding (GDPR)

The Fund provided a Memorandum of Understanding (MoU) for all participating employers as a result of the GDPR legislation coming into force in May 2018. The MoU outlines how the Fund deals with data in respect of its active employees and confirms that both the Fund and the employers act as data controllers.

We have now updated this document to reflect recent amendments to the regulations which is available on our website:

<https://www.nespf.org.uk/about/data-privacy/>



## Employer Training

The NESPF offer training for HR and payroll staff in relation to the requirements for administration of the scheme. In addition, we offer presentations for new staff around the benefits of joining the scheme, as well as pre-retirement presentations for those considering accessing their pension benefits.

If you would like further information or wish to arrange some training, please contact the ERT on [employer@nespf.org.uk](mailto:employer@nespf.org.uk).