



EMPLOYER BRIEFING

MARCH 2019

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SPOTLIGHT

KEY POINTS THIS MONTH



NESPF FINANCE FORUM

The Annual Financial Forum will be held on 24th April. This year's event will focus on investment performance, Brexit and responsible investment.



YEAR END

Year end returns are due by 19th April (or April 30th for those who still do traditional year end returns).



EASTER HOLIDAYS

The Pension Fund will be closed from 4pm Thursday 18th April until Monday 22nd April 2019.

CONTRIBUTION RATES

EMPLOYER CONTRIBUTION RATES

If you have a phased contribution rate for this three year valuation period please ensure that your new rate is applied from 1st April 2019. The Employer Relationship Team will confirm the contribution percentages in due course.

Employer contributions are to be received into the bank by the 19th of the month following deduction from the members pay. This is a regulatory requirement. Any late payments will be noted on our breaches register and appropriate action taken to address the breach, where appropriate this can include reporting the breach to the Pensions Regulator.

EMPLOYEE CONTRIBUTION RATES

The new employee rate bands and lookup table will be issued by the Scottish Government in mid- March. All employers are required to reassess all active members contribution rates based on their pay as at 1st April 2019 and advise members of their new rate prior to deducting pension contributions from their April pay.

The look up tables will be issued to employers as soon as we receive them and will be made available on our website.



NESPF FINANCIAL FORUM 2019

Invitations have been issued to all employers for the 2019 Financial Forum. This years agenda includes presentations from the Scheme Actuary, KPMG and Aberdeen Standard as well as updates from NESPF staff. The event is open to financial decision makers from all participating employers and will take place on Wednesday 24th April 2019. If you would like further information or would like to register your attendance, please contact the Employer Relationship Team (ERT) at employer@nespf.org.uk.

ACCOUNTING REQUIREMENTS 2018/19

The annual exercise for providing employers with their FRS101/102 or IAS19 calculations to meet the requirements of their accounts is under way. Where employers that have not previously had these calculations and have been advised by their auditor that they will require this for their 2018/19 accounts please contact the ERT at employer@nespf.org.uk to discuss costs and timelines.



END OF YEAR RECONCILIATION 2018/19

End of year bulletins were issued to employers on 1st March 2019. Please ensure that you make the necessary changes to your March files or monthly uploads to meet the year end requirements. All submissions of year end data are required by the **19th April** for monthly data and by the 30th for those who continue to provide a traditional annual return.

Any queries regarding year end should be directed to the ERT at employer@nespf.org.uk or on 01224 264157.

COMPENSATORY ADDED YEARS

Employers who pay Compensatory Added Years (CAY) must increase these payments in line with the Pensions Increase.

The full increase rate is 2.4% and is applied from 8th April 2019. Only members who began receiving their CAY pension before 23rd April 2018 should receive the full 2.4%.

Members who started their pension after this date will only receive part of the increase. See our website for a breakdown of the pension increase rates.

Members under 55 should not be paid their increases until they have reached their 55th birthday. Then they can start receiving the new rate based on increases to date.

REVALUATION OF ASSUMED PENSIONABLE PAY

If a member has been on long term sick leave and has passed more than one 31st March date, their assumed pensionable pay (APP) needs to be revalued by 2.4%. The new APP figure should then be used to calculate CARE pay and employer contributions from 1st April 2019.

Please remember that if this is the first time the member has passed a 1st April date then no revaluation is applied.



PRUDENTIAL AVC'S

Prudential have advised us that they are no longer able to offer presentations on the provision and promotion of Additional Voluntary Contributions for LGPS members due to a company wide transformation programme. They continue to offer support to members online, through their telephone team and with promotional material.

TRANSFER CALCULATIONS

The Fund are still awaiting new non-club transfer factors from the Government Actuaries Department (GAD) following changes made to the SCAPE rate as the autumn budget. This means that certain types of transfer calculations are currently being stock piled and will be issued upon receipt of the new factors. The new factors will be received soon allowing the Fund to process any backlogs.



FUNDING INFORMATION

The LGPS is a funded scheme, it's objective is to meet the benefit liabilities as they fall due at a reasonable cost to the participating employers, given that employee contributions are fixed.

The Pension Fund is exposed to asset and investment risks which pose a threat to achieving this objective. Further information is set out our Statement of Investment Principles and Funding Strategy Statement, both available at <http://www.nespf.org.uk/TheFund/Governance/PoliciesStatements.aspx>

In addition, information on our assets is made available (and updated quarterly) at http://www.nespf.org.uk/TheFund/Investment/Fund_Managers.aspx

REGULATIONS

A consultation on the consolidated 2018 regulations is ongoing. Further consultations are imminent for both the transitional regulations (relating to the treatment of past leavers) and the discretionary regulations.

SCHEME STRUCTURE REVIEW

The consultation responses from Employer and Employee Bodies are now available to view on the website of the Scottish Scheme Advisory Board at <http://lgpsab.scot/>

EASTER HOLIDAYS

The Fund will be closed for the holidays from 4pm on Thursday 19th April until Monday 22nd April 2018.

CONTACT US



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