

Attachment 1 : E-Mail sent to all employers on 12th January 2016

Dear Colleague

### **Annual Benefit Statements & Year-End Contribution returns**

As you are aware, the LGPS2014 Regulations now require that Annual Benefit Statements (ABS) are issued to members by 31<sup>st</sup> August each year. Unfortunately, due to substantial delays in receipt of the 2014/2015 LGPS Year-End returns in relation to the majority of scheme members from their respective employers, we were unable to meet that statutory deadline for the March 2015 ABS.

As a result, Gloucestershire LGPS Fund had to declare this breach of law to the Pensions Regulator (tPR). TPR responded, confirming that they would not take any action against the Fund on this occasion, as they were aware that similar issues were being faced by the majority of LGPS Funds across the Country. I understand that their lenient determination was also largely as a result of the LGA's continued correspondence with them regarding the difficulties experienced by both employers and LGPS funds following the introduction of the LGPS2014. Even taking this into account, **tPR stated that the March 2015 ABS must be dispatched by 30/11/2015 and I am pleased to confirm that we managed to meet that deadline.**

Correspondence from both tPR and from the LGPS Scheme Advisory Board (SAB) to LGPS Funds, have however made clear that there must not be a reoccurrence of this situation again and it is therefore imperative that employers ensure that they have processes in place to ensure that their 2015/2016 and subsequent LGPS Year-end returns are provided to the Fund as a matter of the utmost urgency.

You may be interested to know by way of the context that led to the delays in the production of this year's ABS, that of the 178 Employers within the Gloucestershire scheme who were required to provide a 2014/2015 LGPS Year-end return, only 33% met the agreed deadline of 31st May 2015 for submitting the return, with this percentage rising to 48% meeting the statutory deadline imposed on them of 30<sup>th</sup> June 2015.

The majority who did meet deadlines were the smaller Employers. Therefore, if we instead look to the number of scheme members represented by the returns; only 13% were received within the agreed deadline of 31st May 2015 for submitting CARE reports, with this percentage rising to 24% meeting the statutory deadline of 30<sup>th</sup> June 2015.

In fact, only 39% of scheme membership was represented by returns received by 31st August 2015, this being the date by which the ABS themselves were required to be dispatched to scheme members.

As I am sure you will appreciate, the production of ABS is a substantial project of work for the pensions section with some 30,000+ active and deferred ABS being produced and dispatched. Unfortunately, it is not viable to produce ABS in small batches, as this would create substantially more work and cost to the fund in their production.

For those employers that did provide accurate balanced Year-end returns within the requested timeframe, I would therefore like to pass on my apologies for the delay, but hope that they understand that we have done everything possible to ensure production of the ABS as quickly and cost effectively as possible.

## **2016 LGPS Valuation**

You will no doubt be aware that 2016 is the year of the fund Valuation. This will further increase time pressures and **I therefore confirm that receipt by the Fund of the balanced 2015/2016 LGPS Year-end returns from employers will be required by 30<sup>th</sup> April 2016.** Please note, this is one month earlier than the end of May date which the majority of employers failed to achieve in relation to the 2014/15 returns.

The format of the return and the associated guidance remains the same as was emailed to employers on 27/03/2015 for the 2014/2015 Year. The return and guidance can also be found on the Employer pages of our web site. Please note that for those employers who use the Business Services Centre of Gloucestershire County Council to provide their payroll provision, it is my understanding that they will provide the required return on time on your behalf. You may however wish to seek confirmation of this yourself.

Please note that failure to provide the Year-end return within this timeframe or to ensure that the fund has been notified of all relevant member scheme changes (i.e. Starters, Leavers etc), will result in inaccurate data being provided to the actuary which will in turn impact on the actuaries assessments of your organisations liabilities (and subsequently employer contribution rate).

**As the nominated contact for pensions at your organisation, it is very important that you ensure that this information is forwarded to those colleagues within your organisation who deal with these matters.**

If you have any queries, please contact either Paula Marshall on (01452) 328868 or Pella Fairey (001452) 328870.

Regards

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