

Avon Pension Fund

Local Government Pension Scheme

Employer Factsheet 26B



Administering the Local Government Pension Scheme (LGPS)

Duties & Responsibilities of an Academy under the Local Government Pension Scheme (LGPS) Regulations

Pensionable Employees

- Automatically enrol eligible new staff into the LGPS where their contract is for 3 months or more. Teaching staff are covered by the Teachers' Pension Scheme
- Decide what percentage of pay the employee must pay into the LGPS and make the necessary deductions from their salary.
- Employer and employee pension contributions must be paid over to the APF by a specified day of the following pay period.
- Keeping the APF informed of any relevant changes to your pensionable employees ie;
 - a. change of name, or
 - b. change of contractual hours, or
 - c. notification of any unpaid leave or maternity / paternity / adoption leave, or
 - d. notification of any strike breaks
- You must inform the APF when a pensionable employee leaves employment or opts out of the LGPS. The information that will be needed by the APF to calculate any benefits that may be due will be the employee's;
 - a. date of leaving,
 - b. reason for leaving,
 - c. final year's pensionable pay

Ill-Health Retirements

- You must appoint an Independent Registered Occupational Health Medical Practitioner who has to be approved by the APF. You can contact the APF for a list of approved medical practitioners.
- Retirement on ill-health grounds can be at any age.
- You must obtain a medical certificate (using the appropriate form provided by the APF) from your approved Independent Registered Occupational Health Medical Practitioner.
- You must decide which one of 3 ill-health tiers the pensionable employee is entitled to.
- The cost of ill-health retirement benefits is met by your employer's contributions rate.
- When you use the services of your Independent Registered Medical practitioner you will be charged directly by him or her.

Deferred Benefits

These benefits arise when an employee leaves employment without being entitled to the immediate payment of their accrued benefits. From that point until the benefits become payable (usually age 65) the Academy will be responsible for dealing with a request from the former employee for the early payment of these benefits on the grounds of ill-health or the Academy's consent.

Disputes / Complaints

There is a two stage dispute procedure which deals with complaints from LGPS members. If the complaint is in respect of a decision made by the Academy under the LGPS regulations you must deal with Stage 1

of the procedure and must have an appointed officer to deal with such cases. If the member is not satisfied with the outcome of Stage 1 he / she can refer the problem to the APF under Stage 2 of the procedure.

Employer Discretions

The Academy must publish policies on how they will exercise some of the discretions they have under the LGPS Regulations, no later than 3 months after it has become a Scheme Employer and forward a copy to the APF. The discretions that the Academy must publish policies on are:

- The early payment of benefits on the request of an employee who is leaving employment and is over 55 years of age and under the age of 60 and the waiving of any actuarial reduction in these benefits.
- Flexible retirement and the waiving of any actuarial reduction in the employee's benefits.
- Increasing an employee's membership by up to an extra 10 years' service.
- Award of an additional pension to an employee by up to £5,000 per annum.

Strain on the Fund Cost

This cost arises when;

- An employee is made redundant or leaves on efficiency grounds and is age 55 or over, the LGPS regulations provide the member with immediate payment of their benefits.
- An employee is retired from age 55 on flexible retirement grounds or by consent of the Academy
- The Academy chooses to waive an actuarial reduction to the employee's where the employee retires on flexible retirement or by consent.

Other Costs

- If an employer's discretions allow the award to a member of additional service and / or an additional annual pension the cost of either of these awards must be paid immediately to the Pension Fund. This will be in addition to any 'Strain on the Fund Cost' that has accrued.
- Each year you will require IAS 19 figures for your accounts and you will be invoiced for the cost to the Fund actuary to provide you with this information.
- If there is any other information you might need that only the actuary can supply then you will be charged for the work to be done.
- Any payment due to the Pension Fund from the Academy which is paid over a month late will incur interest.

End of Year Information

- Provide the APF with an annual return at the end of each financial year which gives details of employee contributions paid and pensionable pay.

Employer Factsheets

- These are available on the Avon Pension Fund website and explain the duties and responsibilities in more detail. <http://www.avonpensionfund.org.uk/employers/factsheets/index.htm>

For more information or if you have a problem or question about administering the LGPS, please contact:

Address:

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Disclaimer

The information in this fact sheet applies to participating employers of the Local Government Pension Scheme. The Factsheet was up-to-date at the time of publication and in the event of any dispute over the duties of a participating employer; the appropriate legislation will prevail as this leaflet is provided for information purposes only.

Updated December 2011