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Cc: Matthew Davies; Zoe Johnston
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Employer Newsletter
May 2024



Casual Members

We have recently identified a number of members who have not earned pension benefits for a considerable period across our employers.

His Majesty's Revenue and Customs (HMRC) state it is good practice to remove employees from the payroll system if they have not been paid for a significant period.

By leaving these employees as active members of the Local Government Pension Scheme, not only could there be an increase in your liabilities due to incorrect membership data at the next valuation, but there could also be death benefits payable if a member were to die in service.

We recommend taking an opportunity to review your current casual roster. Find out when the members last worked or were paid and consider whether or not to make them a leaver, if they haven't worked for a significant time.

If you decide to make them a leaver, please record the leaving date and reason on your next i-Connect submission. As a reminder casual members should only be brought into the scheme when they are ready to pay their first contribution.

If you have any questions, please contact the Employer team on employerdata@cornwall.gov.uk

Academy outsourcing via a Pass-through

Pass-through arrangements are becoming more common when employers are outsourcing a service to a contractor. In the past, the traditional approach has been for the awarding authority to pass the pensions risk and costs to the contractor, in return the contractor receives assets so that they are fully funded at commencement. However, risk sharing is becoming more common in LGPS Funds as contractors become more aware of pension risk and the financial consequence of an adverse experience whilst participating in Funds. Under these agreements, awarding authorities agree to cover some of the pension risks that would have transferred to the contractor under the traditional approach.

We are still able to accept new admitted bodies into the Fund using the traditional route with a bond to protect the Fund, i.e. not via pass-through, if the Academy is not willing to accept a pass-through arrangement, but pass-through will now be our preferred stance for all Academy outsourcings.

If you are considering outsourcing a service, please let the Fund know in advance so we will be able to advise of the employer contribution rate for the new service provider. If the contract is to be awarded on pass-through then this employer contribution amount will typically be higher than your employer contribution amount, as we have built in a higher level of prudence for outsourced service providers.

A copy of our Pass-through Policy can be found on our website here: <https://www.cornwall.gov.uk/jobs-and-careers/cornwall-pension-fund/employers/>

If you have any queries regarding pass-through or TUPE please contact Zoe Johnston on Zoe.Johnston@cornwall.gov.uk

REMINDER | Employer meetings

We extend our gratitude to everyone who joined us at our latest employer meetings.

Our next employer meetings will be as follows:

- 10 September 2024 – 10:30
- 11 September 2024 – 11:00
- 11 September 2024 – 14:00
- 12 September 2024 – 14:00

In order to provide better availability for all our employers we have decided to open our employer meetings to all types of employers in the Cornwall Pension Fund. These meetings provide a valuable opportunity to learn about pertinent issues in the LGPS and offers a platform to address any concerns you may have. Each meeting lasts approximately 1 hr. To get booked into one of these meetings please contact Daniel Pattingale on Daniel.Pattingale@cornwall.gov.uk.

If there are any topics or issues you would like us to cover within these meetings, please do not hesitate to contact Daniel Pattingale on Daniel.Pattingale@cornwall.gov.uk with your suggestions.

Training update

Thank you to those who participated in our recent training on Assumed Pensionable Pay (APP). Looking ahead, we are excited to announce that more training opportunities on key topics will be available in the future. Additionally, we are prepared to offer customised training sessions tailored to the unique needs of your organisation.

Later this year we will be rolling out comprehensive training on pension administration. This program will cover various aspects of pensions, spanning from contributions to discretions, TUPE to ill health. We will keep you informed when the training is available.

Should you have any questions or require further information, please contact Daniel Pattingale on Daniel.pattingale@cornwall.gov.uk.

Employer discretions

Under the Local Government Pension Scheme (LGPS) Regulations, each Scheme Employer **must** create, publish, and keep under review a discretions policy outlining certain pension discretions they can exercise in relation to their employees. This is also stipulated in our Pension Administration Strategy.

Employers must provide a copy to the Fund within 3 months of joining the Fund and then keep under review every 3 years and this should be forwarded to us accordingly after each review. Thank you to those employers who have already submitted their policy to us. To date, we have still not received the employer discretions policies from a considerable number of employers, **please forward this to us as soon as possible to comply with the LGPS regulations and the Pension Administration Strategy.**

If you have not submitted your discretions policy to us, you will not be able to exercise any of the options covered in those discretions. For example, you will not be able to permit any of your employees to take flexible retirement until your discretions have been submitted.

The Cornwall Pension Fund cannot influence the approach of Scheme Employers completing their policy. This should be decided by the employer and align with the organisation's wider policies. However, we do offer a guide the discretions required, this is available on request through Daniel.pattingale@cornwall.gov.uk.

Annual Allowance limits

Most people won't pay any tax on their pension until they have retired, at which point regular income tax is applied. The government does set allowances for the amount which your pension can increase by in a year. The Annual Allowance (AA) limit remains at £60,000 for the 2024/25 tax year.

Members will receive notifications if they are at risk of exceed their AA, along with clear guidance on the next steps in the process.

More information on Annual Allowance can be found on our website: <https://www.cornwall.gov.uk/jobs-and-careers/cornwall-pension-fund/employers/is-my-pension-taxable/>

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