



Norfolk Pension Fund



Employer Newsletter June 2023

Welcome to our Employer Newsletter

In this issue we have more details on the recently announced DfE Academy Trust LGPS Guarantee policy, plus an overview of early retirement strain cost factors, which were reviewed as part of the 2022 Valuation.

As part of our governance update, there's a reminder about the two employer representative vacancies on the Pensions Oversight Board. The Board plays a key role to ensure the effective and efficient governance and administration of the scheme, so if you would be interested in making a contribution as an employer representative, please let us know.

We have a packed Agenda for our next hybrid Employer Forum, which will be held on 12 July at The Space in Norwich and online via MS Teams. We will be joined by guest speaker, Alan Nicholls from MaPS (Money and Pensions Service), who will be giving an overview on resources available for employers to help employees access support to cope with the rising cost of living. Please see page 8 for more details.

Best wishes,

Glenn Cossey
Director of the Norfolk
Pension Fund



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DfE Academy Trust LGPS Guarantee policy

For a number of years the Department for Education (Dfe) has provided a financial guarantee for the participation of academy employers in the LGPS nationally, including the Norfolk Pension Fund.

At a local level, this guarantee is a key consideration when setting funding and contribution strategy, and is beneficial to academy employers when contributions rates are being set and in the application of the Employer Contribution Rate Stabilisation Mechanism, which controls the volatility of change in employer contribution rates.

Previously, there was a lack of clarity around the impact of guarantees in outsourcing arrangements.

In a number of cases this has delayed the implementation of contractor admission agreements because academy employers were unable to provide appropriate guarantees.

The Education & Skills Funding Agency (ESFA) has recently released a policy paper regarding the operation of the DfE Academy Guarantee and its application to academy outsourcings. The statement (“the DfE Academy Trust LGPS Guarantee policy”) can be [found here](#).

The headlines from the new policy are:

- An explicit statement that pension liabilities associated with academy outsourcings in the below scenarios are now guaranteed by the DfE. This is an important development as previously outsourcings in scenarios 2 and 3 below were not being covered by the guarantee. This meant that, technically, the academy could not be a guarantor to the



admission agreement. This issue is now resolved.

- The scenarios covered are set out below. This is only applicable to staff who are eligible for the LGPS and if the admission is operating under a ‘pass-through’ arrangement.
 1. Staff currently working for an academy transfer to an outsourced contractor under TUPE.
 2. Staff who transfer to an outsourced contractor under TUPE before the academy converted (i.e. when it was still a maintained school) and the outsourcing contract passes to the academy following conversion.
 3. Staff who currently work for the local authority which is providing services to the academy under a contract, but the contract is then awarded to another third-party contractor and the staff transfer to the contractor under TUPE.

Continued....

DfE Academy Trust LGPS Guarantee policy cont...

- Academies do not need to request ESFA approval in the above scenarios. If the outsourcing is not covered under the scenarios, then academies must still contact ESFA for approval.
- ESFA's view is that this now removes the need for a bond for outsourcings in these scenarios. If an administering authority still insists on a bond, then the contractor has to provide it as academies cannot provide bonds for LGPS liabilities.
- The policy is retrospective in its application.

This is a welcome development as it both streamlines the outsourcing process and closes a

'loophole' in the previous guarantee and its application to outsourcings.

In Norfolk, our admission policy is standardised to a "pass through" basis and the decision on bond is taken by the letting body (as guarantor of the obligations to protect other participating employers).

We will be following a process to review our internal documents and Funding Strategy Statement to ensure it fully reflects the new policy paper. We believe that it fits well with the current operational arrangements we follow.

In the short term, we hope it will remove barriers that some historic admissions have been caught on the question of guarantee.

Member Self-Service

Please remind your employees that Member Self-Service (MSS) offers a great way for them to view their pension details online.

Member Self-Service can be used to :

- View pension account benefits
- Amend personal details
- Update Death Grant nomination details
- Calculate pension benefits with the Benefit Projectors
- View the Annual Benefit Statement
- Upload documents and queries
- Contact us securely

The service can be accessed from the homepage of our website at www.norfolkpensionfund.org by clicking *Member Self-Service* on the menu bar or on the *Member Self-Service* icon.



For support, we have a dedicated Member Self-Service helpline on **01603 22132** and email address pensions.mss@norfolk.gov.uk

To help you promote Member Self-Service to your employees, we have produced a *Keep in touch with your pension online* PDF, which can be [downloaded here](#) to print or email.

Early Retirement Strain Cost Factors

As you will be aware, when an employee, age 55 or over who has a benefit entitlement in the LGPS, leaves employment due to redundancy or business efficiency, there is an additional pension cost or pension strain you must meet in accordance with Scheme regulations.

There may also be strain costs in other circumstances, such as flexible retirement or the waiving of an early payment actuarial reduction.

The Fund Actuary reviews the appropriate level of this cost as part of each Valuation, which is calculated using 'Early Retirement Strain Factors'.

At Valuation, the cost of an early retirement could go up or down depending on the prevailing financial and demographic conditions.

The Fund Actuary has completed the review of these factors as part of the 2022 Valuation and they will be implemented by the Fund for all applicable retirements with a leaving date on or after 1 September 2023.



Although the exact changes in the factors are sensitive to the individual retirement, overall, there is an increase in the average strain cost for an early retirement event compared to the current factors in use.

If you have any queries regarding this, or are planning a review of your workforce and require potential strain costs, please contact

Debra Keeling on 01603 495784 or at

debra.keeling@norfolk.gov.uk

Norfolk Pension Fund's approach to ESG investment

The primary objective of the Norfolk Pension Fund is investing money to provide pension benefits to our members, which we do responsibly.

More details about how we do this can be found in our *Statement on Disinvestment/ Exclusion & ESG (Environmental, Social and Governance)* which is available on the [Investment and stewardship](#) page of our website www.norfolkpensionfund.org together with the latest *Climate risk reporting* on our quoted equity portfolio.

Please contact us to request a printed copy of either document.



Norfolk Pension Fund governance

Norfolk County Council, as Administering Authority of the Norfolk Pension Fund, delegates its pensions functions to **Pensions Committee** to administer the scheme on behalf of all participating employers and scheme members. All public sector pension schemes are also required to have a Local Pension Board (known in Norfolk as the **Pensions Oversight Board**), to assist the Ad-

ministering Authority in ensuring the effective and efficient governance and administration of the scheme.

The Governance Strategy Statement details our governance arrangements. It can be viewed on our website www.norfolkpensionfund.org under the 'Resources' section.

Pensions Committee news

The Pensions Committee met on 13 June 2023 with the usual contributions from Norfolk Pension Fund officers and advisors.

Following the local elections in May, Cllr Robert Colwell was welcomed as a new member, representing Norfolk County Council. We are awaiting the Norfolk Leaders Board to confirm the second District Councillor member.

One of the items discussed and approved was the Norfolk Pension Fund Mission Statement and the

supporting Strategic Objectives, which you can read more about on page 7.

You can watch a recording of the public section of the meeting on the Norfolk County Council YouTube channel [here](#).

Pensions Committee papers can be viewed on the Norfolk County Council website [here](#).

Pensions Committee next meets on 12 September 2023.

Norfolk County Councillors

Judy Oliver (Chairman)

Alison Birmingham

Robert Colwell

William Richmond

Martin Storey



District Councillors

John Fuller

Vacancy - TBC



Staff representative

Steve Aspin

Pensions Oversight Board vacancies

Following on from Glenn Cossey's email you will have received in May, just a reminder that there are currently two opportunities to join our Pensions Oversight Board (POB) following the end of Chris Walker and Howard Nelson's tenure on the Board as Employer Representatives.

We would very much welcome expressions of interest for this important and interesting role from our employer colleagues. There is information below about the Board and the role, and on our [website](#), but of course please contact us directly if you have any questions. Terms of appointment are typically for four years.

What is the Pensions Oversight Board?

The Norfolk Pension Fund Pensions Oversight Board is a regulatory body established in 2015 under the Public Services Act 2013. It is an important part of the governance of the Norfolk Pension Fund, sitting alongside Pensions Committee. Its role is to assist Norfolk County Council as the Administering Authority of Norfolk Pension Fund to secure compliance with regulations and the requirements of The Pensions Regulator, and to ensure the scheme is effectively and efficiently governed and managed.

Pension Boards are required to have an equal number of Scheme Employer and Scheme Member representatives. The Norfolk Pension Fund Pensions Oversight Board has three Employer Representatives (one from Norfolk County Council, two from other employers) and three Scheme Member representatives (one nominated by the trade unions and the rest drawn from the total Norfolk Pension Fund membership). An independent chair (currently Mr Brian Wigg) oversees the smooth running of the Board.

The Board usually meets four times a year



(currently it meets once a year in person and the rest of the meetings are virtual). Meetings typically last for approximately 2.5 hours.

You can find more information about the Board on our [website here](#), and view the Board's [Terms of Reference here](#), and also in the [Pensions Oversight Board Role Description](#).

New Board members have access to full training and support for the role, including on the LGPS scheme, the law relating to pensions and other relevant regulations to give them the appropriate knowledge and understanding to fulfil the role.

If you would like to know more, to propose someone or nominate yourself for the vacant positions, please contact Jo Quarterman, Head of Governance at jo.quartermen@norfolk.gov.uk

Norfolk Pension Fund Mission Statement

The revised Norfolk Pension Fund Mission Statement and supporting Strategic Objectives were discussed at the Pensions Committee meeting held on Tuesday 13 June.

One of our key objectives is customer focus to ensure we meet the needs of employers and support you in your decision making and listening to your views.

Our Mission Statement is:

To manage the Norfolk Pension Fund efficiently, effectively and fairly on behalf of our stakeholders so that pensions benefits are paid as they are due.

Our Strategic Objectives are:



Customer focus

to design a service around the need of scheme members and employers, supporting their decision making and ensuring that stakeholder views are heard.



Effective and transparent governance

to uphold high standards of effective governance and oversight to ensure compliance with legislation, regulation and best-practice, to effectively manage risk and to support good decision-making in order to deliver our strategic objectives and mission.



High quality scheme manager

to maintain high standards of efficient and effective operational performance and delivery, including maintaining the quality, security and integrity of systems, processes and data and to invest in continuous improvement, embracing innovation and new technologies.



Investment strategy

to maintain an investment approach which delivers returns (commensurate with appropriate levels of risk) and ensures that the Fund can meet both its immediate and long-term liabilities.



Responsible investment

to develop and maintain responsible investment strategies in accordance with the Fund's investment beliefs.



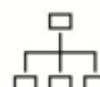
Scheme funding

to maintain a funding strategy that ensures sufficient likelihood of having enough monies to pay future benefits, considering the desire for employer contribution rates to be stable and affordable.



Our fund

to be active and engaged locally and nationally, to understand the issues and advocate on behalf of our scheme members and employers celebrating success, promoting excellence and supporting careful innovation to influence and inform policy, strategy and solutions that deliver benefits for our stakeholders.



Our team

to recruit and retain, invest in and develop a highly skilled professional and motivated workforce to meet the current and future service requirements, committed to our mission and engaged in improving our services.

Hybrid Employer Forum

Wednesday 12 July

Please join us on **Wednesday 12 July** for our next hybrid Employer Forum which you can join by either:

- Attending in person at the **The Space, Roundtree Way, Norwich, NR7 8SQ** or;
- Virtually online via MS Teams.

AGENDA

The Agenda includes the following items:

- Valuation and general funding update from the Fund Actuary (Hymans Robertson)
- Accounting move to a surplus position, why it's happened and what it means for employers
- Overview of the DfE Academy Trust LGPS Guarantee policy for outsourcing
- Resources available for employers to support employees with the cost of living – a presentation from Alan Nicholls of the Money and Pensions Service (MAPS)
- Pensions Committee and Pensions Oversight Board news – including the latest on the appointment of Pensions Oversight Board employer representatives
- Ask the Panel – your opportunity to put your questions to Hymans Robertson and the Norfolk Pension Fund.



The Forum also offers a great opportunity to get an update on the latest news from the Norfolk Pension Fund, the LGPS and other relevant pension issues and understand their impact on you as an employer.

The meeting will commence at 10.00am. If you plan to attend at The Space, you're welcome to register and join us for a coffee from 9.30am.

We hope to finish by 12.30pm, followed by a buffet lunch, giving you the opportunity to speak 1:1 with Hymans Robertson and our team members, and chat to other employer colleagues.

If you would like to join the Forum virtually, or in person, please email: pensions@norfolk.gov.uk by Friday 7 July.



Be scam aware!

The Pension Regulator (TPR) expects there to be an increase in scam activity in relation to the rising cost of living.

Fraudulent activity can take many forms (texts, emails, phone calls, fake websites etc) and relate to pension transfers, insurance policies, high risk investments and crypto assets and currencies.

Scammers are sophisticated and opportunistic and target the vulnerable. Beware of investments or offers that appear to be too good to be true, as they are more than likely to be a scam.

Please protect yourself, and encourage your employees to protect themselves by:

- rejecting offers that come out of the blue
- beware of adverts on social media channels and paid for or sponsored adverts online

- use the FCA's (Financial Conduct Authority) [Financial Services Register](#) and [Warning list](#) to check who you are dealing with
- not click links or open emails from senders you don't know
- avoid being rushed or pressured into making a decision
- not give out personal details, bank account details, your address or information about your existing insurance policies, pensions or investments.

**If you suspect a scam, call
Action Fraud straight away on
0300 123 2040**

The TPR Pledge

The Norfolk Pension Fund recently signed up to The Pension Regulator's (TPR) pledge in an effort to combat pension scams.

The Pledge means that we will combat pension scams by raising awareness, educating and protecting scheme members in a number of ways including:

- Regularly warning members about pension scams
- Encouraging members asking for cash drawdown to get impartial guidance from Pension Wise



- Getting to know the warning signs of a scam and best practice for transfers
- Using resources on the [Financial Conduct Authority \(FCA\) ScamSmart website](#)
- Reporting concerns about a scam to the authorities and communicating this to the scheme member

Please visit the [TPR website here](#) for more information.

A reminder of LGPS benefits

The rising cost of living means many people are struggling to cope with everyday finances.

With money tight, some may be reconsidering their LGPS membership.

With these challenges, you may want to remind your employees of the benefits of their LGPS membership and, if they are struggling financially, there's the flexibility to reduce monthly contributions using the 50/50 option as an alternative to opting out of the scheme - please see pages 11 and 12 for more details.

To help you help your scheme members understand their pension, the Norfolk Pension Fund and the LGPS provide a range of resources with information on the Scheme.

A good starting point is to visit our website www.norfolkpensionfund.org and by reading the *A Brief Guide to the LGPS* booklet.

There's also a range of posters and short videos which you could use to promote LGPS to your employees.

Posters

To help signpost members to the benefits of the LGPS, we provide a range of five posters as PDFs which you can print and display locally or use electronically via email or on your intranet site.

The posters are aimed at members, or potential members, at different stages of their working life and can be download at the links below.

[Approaching retirement?](#)



[Thinking about your pension?](#)



[Keep in touch with your pension online](#)



[Want to boost your pension?](#)



[Planning your future?](#)



A reminder of LGPS benefits

***Pensions made simple* videos**

The LGPS provides a range *Pensions made simple* videos to help members learn more the options and benefits the Scheme offers.

What is a pension?

The importance of saving for later life, how you join the LGPS and your employer pays in too.

How your pension works

How pension accounts work and what happens if you leave the LGPS before you take your pension.

Looking after your pension

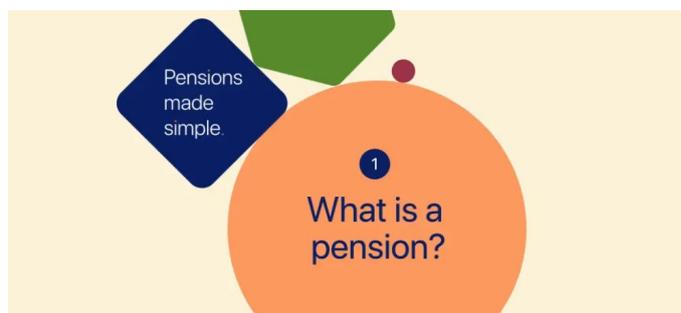
How much you pay and how you can increase or decrease your payments.

Protection for you and your family

How the LGPS looks after you and your loved ones by providing protection if you have to retire due to ill health and a range of death benefits.

Life after work

How and when you can take your pension and the decisions you will have to make.



Your annual allowance

Tax rules limit how much pension you can build up each year without having to pay a tax charge. This video explains how the annual allowance works.

Your lifetime allowance

Tax rules limit how much pension you can build up over your lifetime without having to pay a tax charge. This video explains how the lifetime allowance works.

Transferring your pension

What to consider if you are thinking about transferring your pension to a defined contribution scheme.

The LGPS is a valuable benefit

The LGPS is one of the main public sector pension schemes and is considered to be one of the best in the country.

Membership provides a secure, regular **income in retirement linked to inflation**, along with other valuable benefits including:

- A **reliable pension for life** in retirement, based on membership and pay – not linked to the ups and downs of financial markets
- Option to take a **lump sum** on retirement
- A **pension for dependants** on death of the member
- **Valuable life cover** – if an active scheme member dies, their nominated beneficiary will receive a lump sum death grant based on 3 x member's assumed pensionable pay.

(If the member has either a separate deferred benefit or are receiving a pension in the LGPS when they die, this may impact on the death grant payable)

- A member may qualify for an **early pension** if they have to retire through ill health at any age or are made redundant after age 55

Other LGPS benefits your employees get:

- Your **employer contribution** into their pension is typically twice as much as they pay!
- They **may pay less tax** as their pension contributions are taken out of their pay before tax. For example, if they pay £100 a month into their pension, their tax is reduced by £20 a month (if they are paying tax at the basic 20% rate).

A reminder of LGPS benefits

50/50 option for when money is tight

When times are hard and a member needs to pay less for a while, they could join the 50/50 section.

For any period spent in the 50/50 section the member pays half of their normal monthly contributions and build up half of their normal pension in return. They will still get the same level of life and ill-health cover as they would in the main section of the scheme.

Members can choose to move to the 50/50 section at any time and can switch between the main and 50/50 section as many times as they like - they just need to send an [Option to switch between sections of the Scheme](#) form to you.



The 50/50 section is designed to be a short-term solution, so you as their employer will always bring them back into the main section when:

- they choose to move back into the main section of the scheme
- it's the employer automatic enrolment anniversary date
- they get nil pay due to sickness or injury.

Further help with the rising cost of living

There are a couple of useful resources you can direct your employees towards to get information about coping with the rising cost of living.

[MoneyHelper](#) provides help and guidance about managing money in uncertain times – this includes practical advice about living on a squeezed income and help if someone is struggling with bills and payments.

Help is also available from [Citizens Advice](#) – it provides information about what support is available from the local council, the Government and other organisations.



Want to know how you can support your employees with the rising cost of living?

Please join us at our Employer Forum on Wednesday 12 July when Alan Nicholls from MaPS (Money and Pensions Service) will be talking about resources available to employers to help employees manage their costs and finances.

Please see page 8 for details on how to book your place to join the Forum.

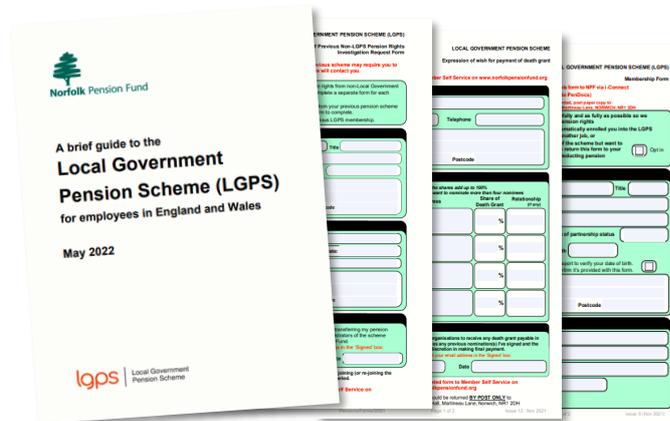
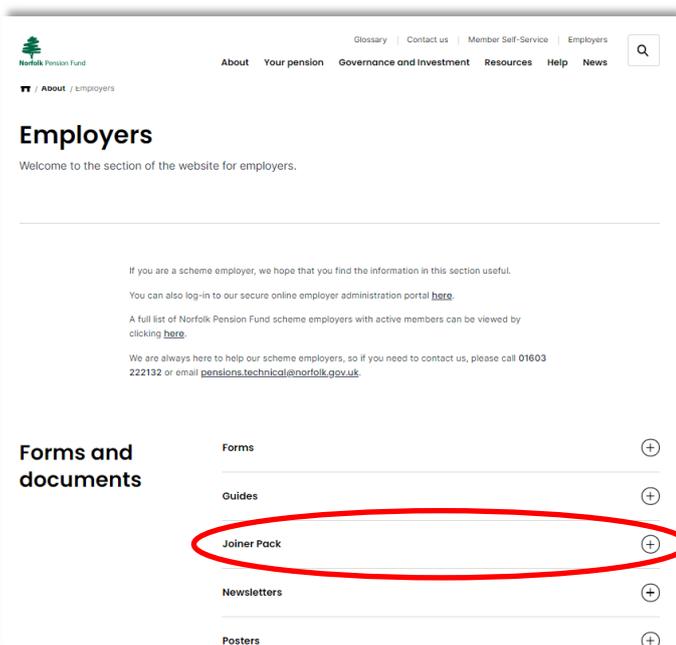
New Member Joiner Pack

When you have a new employee, please provide them with New Joiner Pack items which can be downloaded from the Employers section of www.norfolkpensionfund.org under *Forms and documents/Joiner Pack*.

You can also download the documents by clicking on the item names below.

- [A Brief Guide to the LGPS](#)
- [Membership Form \(SR95\)](#)
- [Non LGPS Benefits Transfer-In Request \(SR96\)](#)
- [Death Grant Form \(SR81\)](#)

The forms can be completed electronically, so you can email a copy to the employee and submit the completed form via i-Connect.



Staff transfers

Just a reminder that if you are considering options for reshaping and/or reorganising your service delivery, such as outsourcing, please let us know at the earliest stage of your planning.

What you are considering could have significant pension implications...

We can help you understand these and take account of them upfront, for example, considering what pension information you may need to include in tender documentation.



If you are considering making any changes to your service delivery, please contact **Alex Younger** at alexander.younger@norfolk.gov.uk

Pre Retirement Planning Course

If you have any employees within two years of retirement, they may benefit from the Pre Retirement Planning Course delivered by Norfolk County Council on our behalf.

The course, which is held virtually over two half day sessions via MS Teams, covers general LGPS scheme information, the process of retiring and information members should know before they leave work.

The course is free to all members of the Norfolk Pension Fund and the content includes:

- Creating a new future and managing change
- Investment and finance planning
- Ideas for leisure, sporting, and cultural activities
- Volunteering opportunities
- Information about the Local Government Pension Scheme (LGPS)



Next Course Dates

- 21 & 28 September 2023 (two half days)
- 7 & 14 November 2023 (two half days)

To book a place please contact

Norfolk Development Team

01603 224114

hrlid@norfolk.gov.uk

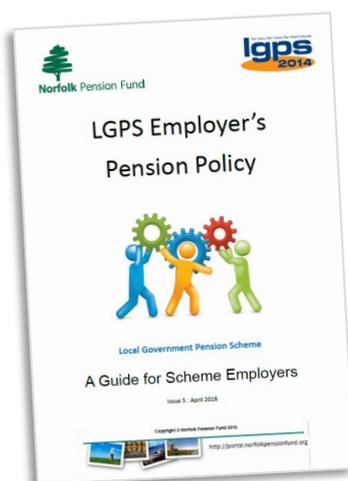
Norfolk County Council employees can book via myOracle Learn.

Employer's Pension Policy and Internal Disputes

Just a reminder of the importance of keeping your Employer Pension Policy up to date.

Your Employer Pension Policy should be sent to graham.trussell@norfolk.gov.uk within one month of joining the scheme and as soon as possible after making any update.

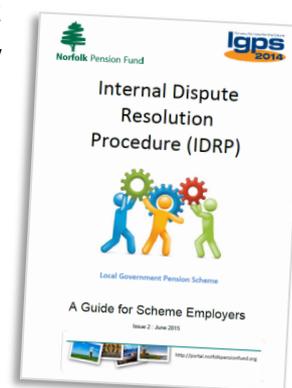
For more information, please see the [Employer Pensions Policy Guide \(G060\)](#) available on the Employers section of our website www.norfolkpensionfund.org under 'Forms and documents/Guides'.



The Policy usually specifies the person that your employees should contact in the first instance of any dispute.

For more information about managing Internal Disputes, please refer to the [Employer IDRPs Guide \(G070\)](#) which can be found on the Employers section of our website www.norfolkpensionfund.org under 'Forms and documents/Guides'.

There is also the [Scheme Member Guide to Disputes \(G071\)](#) available at www.norfolkpensionfund.org/help/compliments-complaints-and-disputes/



Contact details

**Norfolk Pension Fund
County Hall
Martineau Lane
Norwich
NR1 2DH**

**Pensions Administration
pensions@norfolk.gov.uk
01603 495923**

**Investment, Accountancy and Actuarial Services
pensions.finance@norfolk.gov.uk
01603 222139**

**Online, Technical and i-Connect Queries
pensions.technical@norfolk.gov.uk
01603 222132**

www.norfolkpensionfund.org



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