



It's been a busy time of year for everyone involved in the financial services sector closing the old financial year and the start of a new one. For Pensions it's no different!

We've been busy engaging with you and your payroll providers to update the contact details on our records so we can target our communications to the correct people. This hard work has come to fruition as we have promptly received time sensitive information. So if you haven't replied to our email to update your contacts please do so as soon as possible. Remember, if you have any contact changes in the future, please up date us so that we can keep in touch with you!

INSIDE THIS ISSUE



Just click on the page link below to take you to the article.

[Monthly Data Collection \(MDC\) and Annual Benefit Statements](#)

[Employee and Employer Contributions](#)

[Annual Benefit Statements](#)

[Technical Updates](#)

[Annual Allowance](#)

[Assured Pensionable Pay](#)

[Who to contact at SYPA](#)

[Members working less than 37 Hours](#)

[Training Sessions](#)

[Accounting Disclosures](#)

[Mercer Tax Advice Service](#)

[LGPS Updates](#)



Monthly Data Collection (MDC) and Annual Benefit Statements

When you submit your monthly file, see the upload success message... and breathe a sigh of relief, the work is just beginning for our processing team!

They have the important behind the scenes job of making sure the information you provide is loaded on to each individual scheme member's pension record on our database. The team may need to request further information from you. If this happens it means that, although we have your file, until you answer the query the file cannot be loaded.

Just ONE unanswered query stops the whole file from loading and it stops subsequent files being loaded.

Our team will be emailing employers that have any outstanding MDC queries. If you have any outstanding queries or receive an email please reply as a matter of urgency and also reply in MDC date order. This is especially important as we prepare to issue Annual Benefit Statements to members.

Why is the MDC so important? As well as being used to update scheme member's records with changes of name, address and working hours, it is the pensionable pay information we collect each month that directly determines the calculation of scheme members benefits.

For example, the pay figure provided under the CARE pay and any APC and APP fields is used to calculate the CARE pension build up for each year for an individual (see article below about APP).

Once all queries have been answered we're able to load contributions on to member records and run our Annual Benefit Statements. These statements must be issued in line with statutory timescales so it's imperative that you help us to resolve any outstanding queries.

Employee and Employer Contributions

An email was sent to all Employers showing the new Employee Contribution table to be implemented from 1 April 2021. As a reminder these can be found [HERE](#). Your employer contribution rate can be found on [EPIC](#).

Annual Benefit Statements

We have started running our year end program and will be in a position to start issuing statements shortly to employers who have answered all queries raised with them. Our statutory deadline to issue all statements is 31 August 2021.



Technical updates

Spring Budget 2021- the budget was light on provisions for pensions this year. The most noteworthy announcement was that the standard lifetime allowance was frozen at its current level of £1,073,100 for the next five tax years (i.e. up to 5 April 2026), rather than continuing to increase in line with inflation. This change affects higher earners with large pension savings.

The Exit Payment Cap- the most welcome news since the start of the year was the revocation of the Public Sector Exit Payment Cap (better known as the 95k Cap). The Government conceded these regulations were not working as intended and disapplied the Cap from 12 February 2021. Any employers who had paid reduced Exit Payments between 4 November 2020 and 12 February 2021 were expected to put employees back in the position they would have been in as if the cap had not applied. However, the Government intends to legislate again to reduce the levels of Public Sector Exit Payments in the near future.

McCloud- we're still working with our software vendor to develop the solution for the proposed McCloud remedy. We'll be in touch with employers when we have more to share about what we need from you. Unlike some authorities who did not collect certain data under the 2014 Scheme, SYPA expects to be in a strong position with regard to data requirements for calculating benefits in line with the remedy (pending legislation), but we will be asking employers to review and confirm that the data we hold is correct.

Employer Flexibilities- SYPA is updating its Funding Strategy Statement to incorporate the employer flexibilities for spreading exit debts, entering into "deferred debt arrangements", and reviewing contribution rates between valuations introduced by legislation from September 2020. We intend to run a consultation with employers on the proposed changes.

Annual Allowance

It's that time of year again where we will be asking you to reply as a matter of urgency to our request for pay information for members who we have identified as having a pensions growth of £40k+. The first tranche of queries will be for the high earners- members earning £90k and above.

We have improved the process and these queries will come under their own data form named Annual Allowance so that they can be easily identified. The data form also pre populates part of your reply so all you need to do is provide the figures!

Assumed Pensionable Pay

There are two different scenarios where Assumed Pensionable Pay is required:

1. To fill in the reduced/no pay gaps
2. To enhance the ill health/death in service pension.

Assumed Pensionable Pay - fill in the gaps

When a member is off work on paid child-related leave or long term sick then their pay will reduce but they are still deemed as being fully in the pension scheme. Therefore, the Employer has to work out the Assumed Pensionable Pay to uprate the member's pension.

Example where member is entitled to 39 weeks paid child-related leave

The APP is calculated on the 3 complete months prior to the reduction in pay and then used when the pay is reduced. Member pay drops 15/01/2021 so the Employer will use Oct/Nov/Dec regular pay /3 x 12 = WT APP. January's pensionable pay will be what she has earned from 1-14th January and then 17 days of APP to complete the month so APP x 17/365. February's pensionable pay would be APP/12 to get the monthly figure. If the member returned 15th Sept then you would use 14 days of the annual APP. Employer pays employers contributions on APP. The APP must be entered on the MDC.

Example where member is on long term sick and goes on half pay and then no pay

The APP is calculated as above and remains at the APP amount even though they may pass an April where they would have received a pay award. The APP will only increase if the member passes two 31st March's. On the second 31st March that they pass the APP is uprated by CPI.

Assumed Pensionable Pay - Ill Health/Death in Service Enhancement

When a member is awarded Ill Health Retirement on Tier 1 or Tier 2 or is a Death in Service, the pension is enhanced. The pension should be enhanced based on what they would have paid in the scheme going forward. Therefore, we need to use the Assumed Pensionable Pay immediately before the retirement/death.

Example where member is ill health retired 31/12/20 (tier 2 or above).

The Employer would use Oct/Nov/Dec notional pensionable pay to calculate the enhancement. The notional figure must include any regular payment the member would have received if they hadn't been off sick. This would be provided on the termination form as an annual figure.

Example where member dies in service 15/01/2020

Again the Employer would use Oct/Nov/Dec notional pensionable pay to calculate the enhancement as we are using complete months. This needs to include any regular payments the member received (or would have received). This would be provided as an annual figure and provided on the termination form.

Who to contact at SYPA?

For a more efficient service and to ensure we adhere to the Administrative Strategy please direct your emails to the correct area:

- Requesting Employer Led Retirement Costs/Quotes or enquiries relating to an individual scheme member, please direct your enquiry to Customer Services - customerservices@sypa.org.uk
- Employer Responsibilities, Valuations and Outsourcing, please direct your enquiry to-support@sypa.org.uk
- Engagement, Ill Health queries, arranging Training and Scheme Member Presentations, please direct your enquiry to - engagement@sypa.org.uk
- Queries relating to Direct Debits, please direct your enquiry to directdebits@sypa.org.uk

Members working less than 37 hours

We're currently undertaking an exercise to identify scheme members who've worked between 30 and 37 hours and urgently need your help. We've provided all employers with a spreadsheet showing all members with pre 2014 service who are on our pensions system as "full time" and we've asked you to provide the part time hours for those members from 2 May 1995 or from commencement if started after this date. If you've not completed this spreadsheet and returned it to engagement@sypa.org.uk yet, please do so as soon as possible.

Training Sessions



Data Form Session

Wed 14 July 11am

Completing the Termination Form

Thu 15 July 11am

Tue 20 July 11am

Running Retirement Quotes

Fri 16 July 10am

Ill Health Retirement Session

Tue 13 July 10am

Wed 21 July 10am

Before booking on to a training session please visit our **training information page** to see the content and who it is aimed at.

Please contact engagement@sypa.org.uk before the session date to register your interest stating the session you would like to attend. A MS Teams invite will be sent nearer the date to join the session.

Bespoke training Sessions can be arranged for individual employers. Have a look at the Employer Presentations we already offer and get in touch at engagement@sypa.org.uk if there is anything that you would like a specific session on.

Accounting Disclosures

We've issued Accounting Disclosures to participating employers with an accounting year end date of 31 March 2021. During July we'll be contacting employers with an accounting year end date of 31 July or 31 August with an invitation and questionnaire for this year's accounting exercise. Please make sure to return these questionnaires as soon as possible so we can let the Fund Actuary know about any specific requirements you may have for this year's exercise. You can contact us about any queries you may have on this subject on disclosures@sypa.org.uk

Mercer tax advice service

Mercer provides actuarial services to SYPA but they also offer a tax advice service which may be particularly useful for your higher earning staff. We've agreed to publish details of the service on the Fund Actuary's behalf, given the complex lifetime and annual allowance tax issues which affect a small group of our members. Please see the enclosed one-page flyer and let us know if this service would be of interest to you and your employees. Please be aware that this service comes at a cost and would be charged to each employer.



Regulations & Guidance

Please click on the link to see regulations and guidance from the LGPS Website.

<http://www.lgpsregs.org/resources/guidesetc.php>

<https://www.lgpsregs.org/employer-resources/guidesetc.php>

New for Employers are:

10 March 2021 -

Exit cap information note for employers

Make sure to keep up to date with your responsibilities as an employer and contact us if you need any training or support.



Remember to read the monthly LGPC bulletins as these often contain important information for employers. They can be found here: <https://www.lgpsregs.org/bulletinsetc/bulletins.php>