

Chapter 2 Proposals Part 1 Membership Contributions and Benefits

		Page
Reg 2	Notes refer to “administrating authority” whereas drafts regs say “administering authority” Administering authority must be retained	p13
Membership		
Reg 3(1)(c) Schedule 2 Part 3	This Authority has made representations to DCLG that the current regulations on admission bodies is flawed as a result of the Miscellaneous Regulations 2012 Annex 2 uses the draft regulations as amended by Terry Edwards and includes our comments on what should be changed	p 54
Reg 5 (5) [Ending Active Membership] Refunds on opt outs	Currently anyone who opts out within 3 months is deemed not to have been a member and contributions paid are refunded via payroll. Administering Authorities must have clear guidance that this change merely substitutes 2 years for the existing 3 months and there will still be a requirement for payroll sections to make all refunds including where tax years are crossed.	p 25
Contributions		
Reg 10 (1) [50/50]	Uses the expression “for a period” This must be defined either in reg or Schedule 1	p 26
Reg 14	The rate of employee contribution in these cases has been set at 16% for many years This should now reflect the current cost of the scheme [proposed 19.5%]	p 28
Reg 16 (3) [MARCS]	Max level still £5000 same as 2008 level There should be a mechanism to review this over time Regulation needs clarification as to what the limit of £5000 covers as not clear whether its each job, total jobs , all contracts and for each year	p29

Reg 17 [AVC]	<p>Understanding is that this regulation is being reviewed in full</p> <p>If Admin Reg 25 (5)(b)(ii) and (iii) [death benefits provision] is not to be reproduced then notes should explain reasoning to show it has not been omitted in error</p>	p 30
Reg 18) [Refunds]	<p>Regulation 18(1) refers to Regulation 3(5) but it should be 3(6).</p> <p>Regulation 18(4) covers claims made within 1 year</p> <p>Provision if claimed after this period must also be covered</p>	p 30
Reg 21 (3) [Assumed pensionable pay]	<p>Requirement for IRMP involvement,</p> <p>Should be set that the employer makes decision</p>	p 31
Reg 21(6) Assumed pensionable pay	<p>Regulation should cover situation where assumed pay period spans more than 2 years</p> <p>Guidance to be given on the intentions of how this is to be achieved</p>	p 31
Benefits		
Reg 30 Benefits	<p>No employer's consent for age 55 – 60 early retirements. Actuarial reduction for all retirements before age 60</p> <p>With the removal of the specific compassionate grounds as reason to waive a reduction there must be some clear guidelines issued as to why this has been removed but retirements on redundancy grounds are still without reduction. These guidelines must show that it is not the intention to allow employers to decide whether to waive purely on financial grounds</p> <p>As there will be the need for new reduction factors for members with protections receiving benefits before age 60 it is imperative that GAD issue these and any relevant guidelines well in advance of the April 2014 implementation date</p>	p 36
Regs 35 – 39 [ill health]	<p>The Consultation asked for comments on enhancements on subsequent ill health retirements</p> <p>As these will be very rare cases it would be the preferred option to allow full</p>	p37-38

	enhancement in these circumstances	
Regs 41 44 & 47 [nominated co habiting partners]	<p>There is no reason for a nomination form as the partner already has to provide appropriate evidence on the member's death to claim any pension.[There is no requirement for a nomination for either a marriage or civil partnership</p> <p>This would also remove the anomaly of the requirement for the two year period to start at the point both become eligible to remarry/re-enter civil partnership. A couple should qualify as soon as they are both legally eligible to enter another legal relationship provided that co habitation has been for a period of more than 2 years.[i.e. A couple who have co-habited for 20 years should not have to wait another 2 years following the point that both become eligible to enter another legal partnership].</p>	<p>p41 43 & 46</p>
<p>This authority has seen a copy and supports the excellent work done by Local Government Association [Terry Edwards] on the possible changes to the finer details.</p> <p>We are also supportive of the response from our fund actuary, Mercers, especially the several references to the Secretary of State obtaining guidance from the Government Actuary's Department [GAD] This has under the current regulation become an increasing problem for administering authorities where factors and guidance from GAD have been slow in being produced or released at very short notice with an immediate or in some cases retrospective application date which where previous estimates have already been provided creates extreme complications.</p> <p>Also where a case occurs before factors are released, GAD will provide on an individual basis but will charge the authority.. Authorities should not be charged for something that is supposed to be provided automatically from DCLG via GAD, especially as the information given will be generally circulated within a relatively short period?</p> <p>Whilst a cost would still be incurred by going to the Fund Actuary perhaps there should be a mechanism for this to be passed on to DCLG in such circumstances.</p>		