
INFORMATION UPDATE

Briefing Paper by Chief Financial Officer

PENSION FUND COMMITTEE & PENSION BOARD

29 November 2019

1 PURPOSE AND SUMMARY

- 1.1 **This briefing paper is to provide members of the Committee and the Board with an update on a number of areas which are being monitored and areas where work is progressing. Full reports on the individual areas will be tabled as decisions and actions are required.**

2 GMP RECONCILATON

- 2.1 There is no further update available at this stage as we are still waiting on the final report from HM Revenue and Customs.

3 AVC UPDATE

- 3.1 In June 2019 Scottish Borders Council, SB Cares and Live Borders implemented a Shared Cost AVC Scheme whereby employees are able to benefit from a reduction in National Insurance contributions in addition to saving Income Tax when compared to a traditional AVC. There are scheme rules that must be complied with before an employee can be accepted to the scheme, these include the post sacrifice hourly rate being above the National Minimum Wage rate and the National Insurance threshold, the second ensuring there is no negative impact on other benefits an employee may accrue.
- 3.2 Within Scottish Borders Council and SB Cares there has been an increase of 23 employees participating in the AVC scheme taking the number contributing up to 68, the breakdown between the two schemes is as follows: -

	No of Employees
Shared Cost AVC Scheme	58
Traditional AVC Scheme	10
Total	68

4 SBCARES REINTERGRATION WITH SCOTTISH BORDERS COUNCIL

- 4.1 As agreed at a meeting of Scottish Borders Council all employees of SB Cares will be transferred to Scottish Borders Council with effect from 1 December 2019. As a result of this there are a number of administrative tasks that need to be carried out in relation to the Local Government Pension Scheme. This includes the updating of the Pensions Administration System to reflect the change in Employer and the processing of an interim annual return to collect the pension information related to the first eight months' employment.

We will also be required to update all our policy documents to reflect the change in status of SB Cares from being an active to closed admitted body. This will be done at the point of reviewing the specific policy document in accordance with the Business Plan.

5 SCHEME ADVISORY BOARD

- 5.1 The Scheme Advisory Board has released the findings report from the consultation on the future structure of LGPS in Scotland. The report is attached for information.
- 5.2 The Scheme Advisory Board held a meeting on 30th October. Agenda items were as follows
- GAD presentation on Section 13 Report
 - Structure Review – Scoping
 - Transparency On-line Data Portal
 - Member Training
 - SAB Work Plan
 - SPPA update including Court of Appeal judgement
- 5.3 The summary note from the meeting of 24th April is still not available.

6 McCloud Update

- 6.1 In December 2018 the Court of Appeal ruled the transitional provisions introduced in 2015 for the Judicial and Firefighters pension schemes gave rise to unlawful discrimination. The matter was referred to the Employment tribunals to determine a remedy for claimants.

6.2 Subsequently the Chief Secretary to the Treasury made a written ministerial statement confirming that all main public service schemes would need to be reviewed in relation to the transitional protection and this may have an effect on LGPS. This may have an impact on the 2020 valuation process and the liabilities of the fund. The attached update has been provided by SPPA and further updates will follow as required.

7 AUTOENROLEMENT

7.1 Scottish Borders Council have carried out the re-enrolment of employees in accordance with The Pension Regulators guidance, with re-enrolment taking place from 1 October 2019

7.2 In terms of the Local Government Pension Scheme there were 55 employees re-enrolled due to meeting the Eligible Job Holder criteria and a further 8 employees were returned to the main scheme from the 50/50 option.

7.3 To date Opt Outs have been received for 23 of the 55 employees who were re-enrolled, resulting in 58% of those enrolled remaining in the scheme.

8 TRAINING OPPORTUNITIES

8.1 The PSLA Investment conference will be on from afternoon of 11 March to 13 March 2020 at the EICC in Edinburgh. The programme is not yet available but will be circulated as soon as it's received. The event is over 3 days but anyone wishing to attend do not to attend all 3 days. The event is free however any place cancelled after 28 February or if non-attendance once booked, will incur a charge of £370.

9 FUTURE MEETINGS

9.1 The dates of future meetings are given below for information

5th March 2020

11th June 2020

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