



## **LOCAL PENSION BOARD**

**2 DECEMBER 2019**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **LOCAL GOVERNMENT PENSION SCHEME (LGPS) – TRANSFER OF PENSION RIGHTS**

##### **Purpose of the Report**

1. The purpose of this report is to note some minor changes to the Leicestershire Local Government Pension Scheme regarding the acceptance of transfer values from certain pension scheme arrangements.

##### **Background**

2. The current Fund rules on the acceptance of transfer values are detailed in the report to Employment Committee dated 21 September 2009. This is attached as Appendix A.

Under the Local Government Pension Scheme rules transfer values can be accepted into the scheme from a variety of different types of scheme. These are detailed in the report dated 21 September 2009 and remain;

- Transfers from another Local Authority pension scheme, known as Inter Fund adjustments.
  - Transfers from other members of the Public-Sector Transfer Club.
  - Transfers from other approved pension schemes other than the above.
3. Currently the Fund allows transfers in from other Local Authorities (known as Inter Fund adjustments) and Public-Sector Transfer Club schemes. Examples of Public Sector Club schemes are; Civil Service, NHS, Teachers, Police, Fire. The Fund does not accept transfers from other schemes, including Non-Club schemes.
  4. As Public-Sector pension schemes have developed over recent time, some Public-Sector Transfer Club schemes now also provide Non-Club transfers for some of their scheme members. This evolving change in public sector pensions has resulted in some confusion on what can or cannot be accepted by Local Government Pension Funds.

5. This report is to inform the Board of some minor changes approved by Pensions Committee on the 8 November 2019, designed to reduce employer risk, and to avoid any possible confusion in regards transfers in.

### **What transfers are accepted in the Leicestershire Fund**

6. The Fund will accept;
  - Transfers from another Local Authority pension scheme, known as Inter Fund adjustments.
  - Transfers from Public-Sector – this includes Club and Non-Club transfers from these Schemes.

The Fund continues not to accept transfers from Non-Club schemes or other approved pension schemes.

7. Prior to the 8 November 2019 the only exception to the above was for individual scheme members whose employment transfers into Leicestershire Fund employers via Transfer of Undertakings Protection of Employment (TUPE) arrangements. These are extremely uncommon, but the Fund was sometimes asked if these members can transfer in any previous pension arrangements. This is referred to in Section 6 in the report dated 21 September 2009.
8. Since the 8 November 2019 the Fund no longer accepts any Non-Club scheme or other approved pension schemes for all TUPE cases.

This change aligns the rules for all scheme members in the Fund and negates the risk of the receiving Fund employer in the TUPE arrangement, increasing the fund liability and their fund risk unnecessarily.

### **General**

9. In all cases a member can only request a transfer in within 12 months of starting in the Leicestershire Fund.
10. The rationale behind the minor change since the 8 November 2019 is to maintain an avoidance of unnecessary liabilities into the Fund, but also to clarify the position about Public-Sector schemes.

### **Recommendation**

11. To note the report.

### **Appendix**

Employment Committee Report 21 September 2009 – LGPS Transfer of Pension Rights.

**Equality and Human Rights Implications**

None specific

**Officers to Contact**

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