

# Keeping the LGPS connected

Wednesday 4 November 2020

# Coming up in this half hour:

Navigating the various legal uncertainties around the £95k cap and the wider exit pay reform proposals.

Discussion with:

- Douglas Green, Partner, Hymans Robertson
- Kirsty Bartlett, Partner, Squire Patton Boggs\*



\*NB this webinar does not constitute legal advice!

# 1. Background

£95k cap

- 4 November 2020
- No transition
- “Public sector” = E&W councils, police & fire, academies
- Not colleges or admission bodies
- Limit size of exit package incl pension early ret strain cost
- **Collides with LGPS Regs**

Wider LG exit pay reform

- Q1 2021?  
(consultation still in progress)
- Propose 6 months transition
- All exit packages from public sector employers
- Forced member choice between redundancy pay & immediate full pension
- **Addresses £95k cap Regs collision, but not in place yet**



## QUICKPOLL

# What proportion of your scheme employers are subject to the exit payment cap?

Poll Results (single answer required):



## QUICKPOLL

**Will you be encouraging scheme employers/trying to defer planned redundancies until the LGPS Regulations are amended?**

Poll Results (single answer required):



## 2. £95k cap urgent issues for Admin Authorities

- (a) Minister's letter / SAB advice re resolving Regs collision
- (b) Awareness among relevant employers (and their HR depts)
- (c) Pension Fund policies / processes / member communication etc
- (d) Use of early ret strain cost factors / funding implications

## QUICKPOLL

# What additional support do you think your Fund will be offering in future to members who are made redundant?

Poll Results (multiple answers allowed):

None – we expect scheme employers to agree a package	22%
Retirement quotes based on different reduction scenarios	63%
Tool that lets members see impact of cash v reduced pension	31%
Enhanced communications signposting appropriate resources	71%
Access to independent financial advice	5%

### 3. Suggested next steps for Admin Authorities

- Seek legal advice\*
- Seek actuarial advice re your Fund's strain cost factors **before** using vs £95k
- Employer (& member?) communications
- SAB site <http://lgpsboard.org/index.php/structure-reform/public-sector-exit-payments>
- LGA site <https://www.local.gov.uk/reform-local-government-exit-payments>

\*NB this webinar does not constitute legal advice!



# Thank you!

- Quick feedback survey
- These slides & recording will be circulated
- **Next session:** Thursday 19 November, 2.30pm - 3.00pm
- Want to take part?

Please email [LGPSCCG@hymans.co.uk](mailto:LGPSCCG@hymans.co.uk)

# Thank you

This Powerpoint presentation contains confidential information belonging to Hymans Robertson LLP (HR). HR are the owner or the licensee of all intellectual property rights in the Powerpoint presentation. All such rights are reserved. The material and charts included herewith are provided as background information for illustration purposes only. This Powerpoint presentation is not a definitive analysis of the subjects covered and should not be regarded as a substitute for specific advice in relation to the matters addressed. It is not advice and should not be relied upon. This Powerpoint presentation should not be released or otherwise disclosed to any third party without prior consent from HR. HR accept no liability for errors or omissions or reliance upon any statement or opinion herein.