

LGPS Update

Report of the Director of Finance

Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.

Recommendation: that the Board be asked to note the developments in the LGPS

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### **1. Summary**

- 1.1 This report is brought to the Pension Board to provide an update on the latest developments affecting the LGPS.

### **2. Pension Scams – new restrictions on transfer payments**

- 2.1 Legislation is now in place which was designed to discourage transfers to scam schemes. The Occupational and Personal Pension Plans (Conditions of Transfers) Regulations 2021 took effect from 30<sup>th</sup> November 2021.
- 2.2 The introduce further legal restrictions on a member's statutory right to transfer. The regulations give administering authorities tools to act if they have suspicions about the circumstances that have led the member to request a transfer. The member will no longer be able to insist on a statutory transfer taking place in these circumstances.
- 2.3 These changes will affect the payment of cash equivalent transfers for:
- deferred members who request a statement of entitlement on or after 30 November 2021 (main scheme benefits only)
  - AVC members who elect for payment of a transfer on or after 30 November 2021
  - pension credit members who elect for payment of a transfer on or after 30 November 2021 (main scheme and / or AVCs).
- 2.4 These regulations do not apply to the payment of cash transfer sums ie deferred refunds, nor to pensions on divorce transfers. Transfers to UK public service schemes, master trusts and collective money purchase schemes can continue without any further action.

- 2.5 Before transferring to any other type of scheme, the administering authority must decide if there are any red flags or amber flags present. If there are any red flags present, the transfer must not be paid. Any amber flags will result in pausing the transfer until the member has provided evidence that they have received transfer scams guidance from the Moneyhelper service.

### **3. Conclusion**

- 3.1 The Pension Board is asked to note the issues and developments of the LGPS outlined in the report.

Angie Sinclair  
Director of Finance

Electoral Divisions: All

Local Government Act 1972:  
List of Background Papers: Nil  
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