

## An update for Employers of the Local Government Pension Scheme (LGPS)

We are pleased to publish the latest edition of our Employers' Newsletter; produced to keep you informed of your responsibilities as a Local Government Pension Scheme (LGPS) employer. Inside you'll also find the latest developments in the LGPS and any changes in the services we offer.

## An Announcement

As you may be aware, **with effect from 1 April 2021 the provision of our pension administration is migrating back from Orbis to the sovereign authority East Sussex County Council.**

As a result, going forwards all communication received from us will feature 'East Sussex Pension Fund' and 'East Sussex County Council' branding. We will also be replacing the Orbis logo on all forms with the East Sussex logo's– this will not change the validity of any existing forms or in-progress enquiries.

Rest assured, there will be no changes to the quality or type of pensions service you receive from us. However please note that as part of the transition from Orbis to East Sussex the internal pensions admin system will need to be migrated, resulting in a blackout period between 26 March to 7 April 2021. There may be a slight delay on member related queries and calculations due to this downtime but we will work hard to reduce any backlogs so that we can remain dedicated to providing all our members and employers with the same reliable service as before.

The Member Self Service (MSS) will also undertake a blackout period in line with the dates above and a new MSS East Sussex site will be active from 7 April 2021. If members have used the old Orbis MSS site then previous log in details are still correct and can be used on the new site. We will update the new MSS website address for the new East Sussex Member Self Service on the go live date [here](#).

Part of the migration back to the sovereign authority will mean there is a new helpdesk phone number and e-mail address. Please can you use the following contact details when communicating with the pension Fund.

Please can we ask that you provide this new contact information to your employees when they make enquiries for their pension benefits. E-mail -[Pensions@eastsussex.gov.uk](mailto:Pensions@eastsussex.gov.uk) Phone Number: **0300 200 1022**

## McCloud Update

Later in the year we will be sending you the spreadsheet to complete with member data, as detailed in our [December newsletter](#).

Once you have received the spreadsheet and instructions, if you have any queries we will provide you with the relevant contact details to support you with this process.

More information on the McCloud case, including an FAQ and an example data collection template, can be found on the [lgpsregs.org website](https://lgpsregs.org/website), under the Administration Resources > McCloud. Please note this project will take time to complete.

# i-Connect

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You will be aware that we have previously advised that the cloud service for flow of employee information from your payroll system to the Funds pension administration system called ‘i-Connect’ is being rolled out across the East Sussex Pension Fund Employers. It is worth noting that the old ‘Pensions Web’ service will be switched off later this year so the i-connect service will be the main method of information sharing going forward.

We are currently onboarding some of the larger employers and will shortly be extending the roll out to all employers within the East Sussex Pension Fund.

For reference you may want to watch the demonstration that was provided on i-connect at the November 2020 Employers Forum (see link below).

[I-Connect Demonstration - Employer Forum November 2020 - YouTube](#)

## Yearly Increase

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From the 1 April 2021, the CARE portion of an Active member’s pension (pension built up since 1 April 2014) is revalued with a cost of living adjustment. This year that increase will be 0.5%.

There will also be a Pensions Increase for member’s who have left the LGPS. This is also an increase of 0.5% which will become effective from 12 April 2021.

## New Contribution Rate

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The contribution rate that a member pays depends upon their annual pensionable salary. Every year, the contribution bands are increased by Consumer Price Index. This year, the increase is 0.5%. The following table shows the contribution bands for the 2021/22 financial year.

Contribution table 2021/22			
If their actual pensionable pay is:		They pay a contribution rate of:	
		main scheme	50/50 section
Up to	£ 14,600.00	5.50%	2.75%
£ 14,601.00	£ 22,900.00	5.80%	2.90%
£ 22,901.00	£ 37,200.00	6.50%	3.25%
£ 37,201.00	£ 47,100.00	6.80%	3.40%
£ 47,101.00	£ 65,900.00	8.50%	4.25%
£ 65,901.00	£ 93,400.00	9.90%	4.95%
£ 93,401.00	£ 110,000.00	10.50%	5.25%
£ 110,001.00	£ 165,000.00	11.40%	5.70%
£ 165,001.00	or more	12.50%	6.25%

# New Starters Process

## Information the employer must provide:

As the employer, when a new member of staff is employed and you enrol them into the LGPS, you must provide them with the following information:

- Their individual contribution rate
- Date of joining the LGPS
- The right of appeal (IDRP)

As the employer must decide if the member is eligible for the LGPS (and assess their contribution rate) the employee may appeal these decisions with the employer. Therefore, the information that you provide to the new member of staff must include your right of appeal procedure (IDRP.)

Our New Starter Information Leaflet provides details of the LGPS and where the member may obtain further information. Feel free to send this to your new employees.

## What information you need to provide to us:

Once the member starts, you should include their details in your next monthly data return. Depending on your organisation, this may be via a SAP return, i-Connect or by sending us the new starter datafile.

*If you are still sending us forms, we will contact you and request that the information be submitted via the new starter datafile.*

We have a legal requirement to send the member a notification of joining the LGPS within two months of their start date. Therefore, we need to have received your new starter information by the 15<sup>th</sup> of the following month (19<sup>th</sup> via i-Connect).

## What information we send to the member:

Once we have received your new starter details, we will send the member their new starter information, which includes:

- How to opt out of the scheme
- How to move to the 50:50 scheme
- Increasing their pension benefits
- How to transfer in previous pension rights
- Expression of wish
- Details of how to access the 'My Pension' Portal

We aim to send this via an email to the member as it is more efficient and cost effective.

**Make sure you complete the email address with your new starter details**

**This will enable us to communicate with the member via email.**

## Keep Us Updated!

We would like to remind all employers of how vital it is to update the Pension Fund if you change your payroll provider.

If you have decided to move to a different provider, or to bring the payroll back in house, please let us know as a matter of urgency to make sure the details we hold on our contacts list remains correct.



You can contact us at: [employer.engagement@eastsussex.gov.uk](mailto:employer.engagement@eastsussex.gov.uk)

# £95K Exit Cap Update

The Government's [£95k Exit Payment Cap legislation](#) came into force on 4 November 2020 and was later rescinded on the 12 February 2021.

All Redundancy and Interest of Efficiency retirements effective from 12 February 2021 onwards will be paid in accordance with the existing Regulations:

If you have a member of staff who left your employment due to Redundancy or Interest of Efficiency between 4 November 2020 and the 12 February 2021, and their exit payments were restricted due to the £95k exit cap limit, please contact us using the contact details below.



## End of Year Data

The Annual Return spreadsheet has been sent to all employers, and 3rd party payroll providers, and requests member data up to the

**31 March 2021.** Where applicable, please ensure your payroll provider has received the spreadsheet and understands their obligation to provide the members data on your behalf.

Please make sure the spreadsheet is submitted by **30 April 2021** to

[Pensions.Technical@eastsussex.gov.uk](mailto:Pensions.Technical@eastsussex.gov.uk)

# LTA Update

The Chancellor announced a 5 year freeze on increases to Lifetime Allowance (LTA) in the budget.

The current limit is £1,073,100 and will remain at this level until April 2026.

The LTA is the total value of all pension benefits that a member can receive without triggering an excess benefits tax charge on retirement.

The current value of the member's LTA, for their LGPS benefits only, can be found on their Annual Benefit Statement.

For further information on Lifetime Allowance, please refer them to the LGPS member site at: <https://lgpsmember.org/ats/about-tax.php>

## Annual Allowance

If, after we have completed our initial calculations on the End of Year Data, it shows that any of your employees has exceeded their Annual Allowance limit, we will contact employers to request pay data to 5 April. This will enable us to complete the calculation and provide the member with their tax statement.

More information on Annual Allowance (AA) can be found on the [LGPS factsheet AA.pdf \(lgpsmember.org\)](#). The member may also wish to contact the Pensions team for further information.

**Members can view their pension online:**  
[Member Self-Service \(eastsussex.gov.uk\)](#)

**Problem accessing the 'My Pension' portal?**

**0300 200 1022**

Or [Check our 'My Pension' portal guide](#), on  
[www.eastsussexpensionfund.org](http://www.eastsussexpensionfund.org)

**Contact The Employer Engagement Team**

**07935 014575**

[Employer.engagement@eastsussex.gov.uk](mailto:Employer.engagement@eastsussex.gov.uk)

**County Hall,  
St Anne's Crescent,  
Lewes, East Sussex  
BN7 1UE**