

**CYNGOR SIR POWYS COUNTY COUNCIL****Powys Pension Board  
15<sup>th</sup> December 2021****REPORT BY: Board Secretary****SUBJECT: New Legislation and Guidance Update**

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**REPORT FOR: Information**

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**1. Summary**

Since the last Pension Board meeting, the LGA have published Bulletins [214](#), [215](#) and [216](#), which contain important updates for administering authorities and scheme employers. It also provides a general update for all LGPS stakeholders.

This report provides the Board with an update on any new legislative changes and guidance that has been issued recently, including the above.

**2. LGPS England & Wales Scheme Advisory Board (SAB)****2.1 SAB cost management result published**

On 15 October 2021, SAB published the result of its [cost management process](#) for the 2016 scheme valuation. Although the Board reached agreement on how to include McCloud costs previously, it was not able to publish the outcome until HM Treasury (HMT) published the Cost Cap Directions 2021 (See paragraph 2.2).

SAB agreed to spread McCloud costs over a 10-year period (rather than the four years used in the HMT process), resulting in an outcome of 19.4 per cent against a target cost of 19.5 per cent. Despite the slight shortfall in cost, the SAB will not be recommending any scheme changes.

**2.2 HMT publishes consultation response on the cost control mechanism**

The response confirms it will proceed with all three proposed reforms to the mechanism:

- moving to a reformed scheme only design so that the mechanism only considers past and future service in the reformed schemes.

- the cost corridor will be widened from two per cent to three per cent of pensionable pay
- introducing an economic check so that a breach of the mechanism will only be implemented if it still would have occurred had the long-term economic assumptions been considered.

The Government is aiming to implement all three proposals in time for the next valuations. It will work with the Department for Levelling Up, Housing and Communities (DLUHC) and LGPS stakeholders to consider:

- the most appropriate way to implement the reformed scheme only design in the LGPS (including how to treat the underpin)
- whether it is desirable for the SAB process to be adapted in line with the principles of the economic check.

### **3. Other Updates**

#### **3.1 The Pensions Ombudsman**

In October 2021, the Pensions Ombudsman (TPO) launched a new [page](#) on its website called 'How to avoid the Ombudsman'. It contains 'top tips', links to case studies, key determinations and new frequently asked questions.

TPO also published a [guidance note](#) on communicating with pension scheme members. The note sets out simple steps that can be taken to resolve pension disputes and complaints without the need for TPO to be involved.

#### **3.2 Pension scams: new restrictions on transfers**

On 8 November 2021;

- the Government [published](#) its Response to Pension scams: empowering trustees and protecting members consultation
- [The Occupational and Personal Pension Schemes \(Conditions for Transfers\) Regulations 2021](#) [SI 2021/1237] were laid
- the Pensions Regulator (TPR) published TPR [guidance](#) on dealing with transfer requests.

The regulations take effect from 30 November 2021. They 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.

The Pensions Section is reviewing the documentation and amending processes accordingly.

### **4. The Pensions Regulator (TPR)**

**4.1 Dealing with Transfer Requests guidance**

the Pensions Regulator (TPR) published [guidance](#) on dealing with transfer requests

**4.2 Scheme return**

TPR is sent out scheme return notices to managers of public service pension schemes in September advising of the need to complete in November. Board can receive the assurance that the return for Powys County Council was submitted in time.

**5. Recommendation**

Board are asked to note the contents of this report.