Firefighters Pension Scheme

Annual Conference

11th October 2016

www.local.gov.uk

Agenda

- Chair’s Welcome
- A view from Government
- Overview of the current pensions landscape
- Refreshment Break
- Roles and Responsibilities of the Scheme Manager
- Workshops
- Lunch
- Workshop Feedback
- 2016 Tax Changes
- Closing remarks

Workshops

- Annual Benefit Statements -facilitated by Vicky Jenks, Shropshire Pension Fund
- Local Pension Board responsibilities, facilitated by Dan Kanaris, AON
- Abatement and Protected Pension Age facilitated by Cat Ellis and Wills Crump from Eversheds

Chair’s welcome

Malcolm Eastwood

Chair of the Firefighters Scheme Advisory Board (England)

Scheme Advisory Board (England)

Who is on the board

Chair – Malcolm Eastwood	
Employer Representatives • Cllr Rebecca Knox • Cllr John Fuller • Cllr Philip Howson • Cllr Thomas Wright • Cllr Darrell Pulk • Cllr Roger Price • Cllr John Bell	**Employee Representatives** • Sean Starbuck (FBU) • Dave Limer (FBU) • Samantha Rye (FBU) • Francis Bishop (FBU) • Des Prichard (APFO) • Glyn Morgan (FOA) • Tristan Ashby (RFU)

Workplan

- Support and advise Local Pension Boards
- Taking a lead on communications
- Ensure cost effectiveness of scheme administration
- Advise on best practice
- Look to benchmark administration

Sub-Groups

- Cost effectiveness
- Improve scheme administration
- Ensuring effectiveness of local pension boards

Budget

- The Minister has approved the Scheme Advisory Board budget.

- In setting this budget the objective of the SAB is to look for cost savings to Fire Authorities and an improved service to members by reducing duplication and undertaking guidance and communications centrally.

Budget

- The budget will be levied on fire and rescue authorities to pay for the work of the Scheme Advisory Board.

- The process for distributing this amount across Fire Authorities, using bands based on active membership numbers will be managed by LGA.

Home Office

Firefighters’ Pensions

A view from Government

Marc Sherratt – Head of the Firefighters’ Pensions Team

11 October 2016

Fire Pensions in the Home Office

- The Firefighters' Pensions Team is unchanged following our move to the Home Office.

- Marc Sherratt
- Anthony Mooney
- Phil Perry

- Chris Mulholland from the Government Actuary's Department advises the team.

To cover

- The Recent Past
- A Busy Summer
- A Forward Look
- Fire Pensions Valuation – Chris Mulholland

The recent past

- Implementation of the 2015 Scheme
- Establishment of the Local Pensions Boards and the Scheme Advisory Board

A busy summer

- Top Up Grant Data – end of May
- Scheme Valuation Data – early August
- Annual Benefit Statements – end of August
- Future Pension Projections – mid September

A forward look

- Employee Contributions Holiday - 1992 Scheme
- Survivors' Benefits Amendments
- Legal Challenge against the Transitional Protections related to the 2015 Scheme

Fire Scheme Valuation

Chris Mulholland

Actuary

Government Actuary's Department

11 October 2016

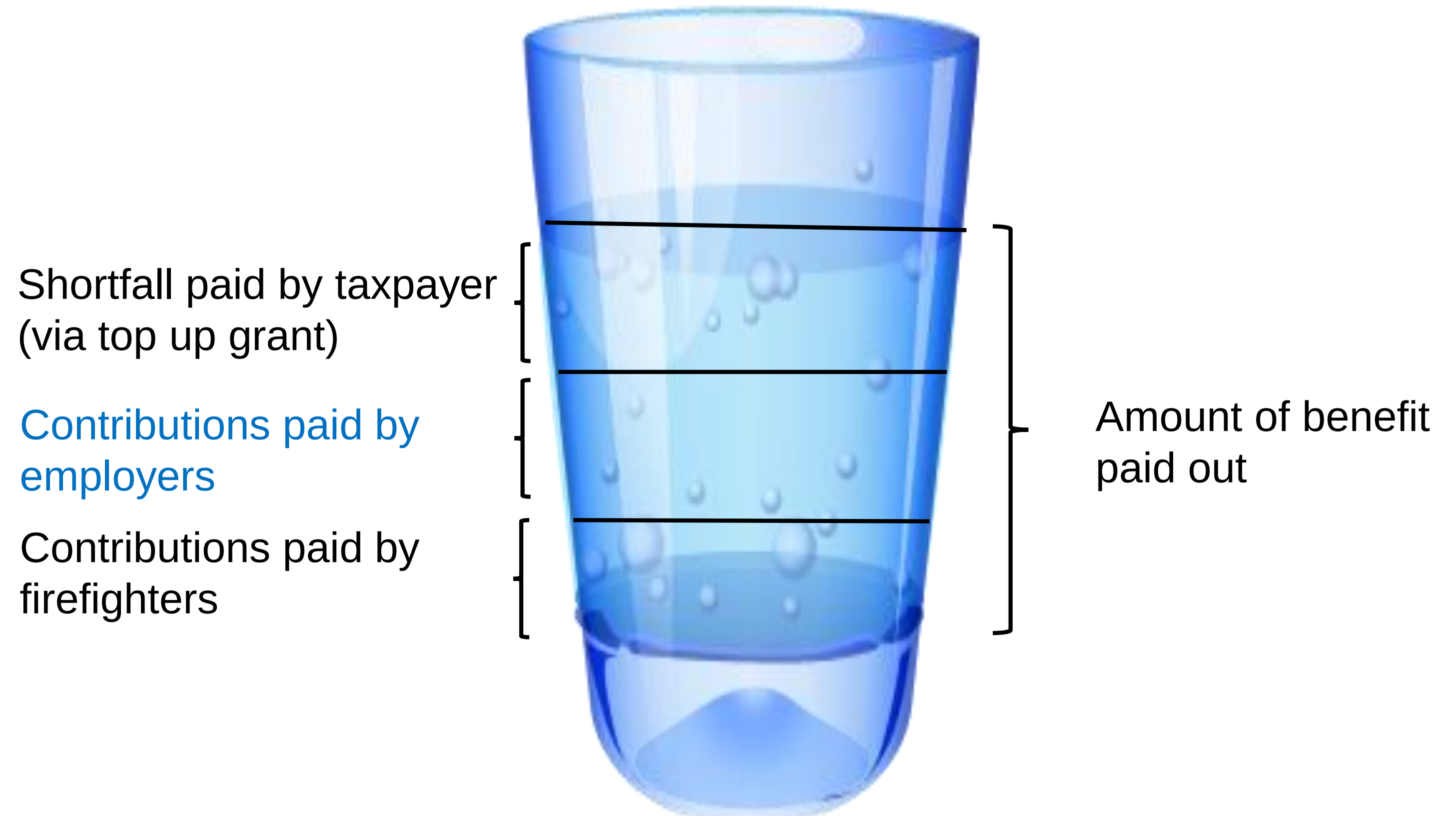
Background

- Purpose
- Results from the previous valuation
- Valuation data
- Current status of the 2016 valuation
- Cost cap mechanism

Valuation as at 31 March 2016 - Purpose

- Calculate employer contribution rate
  - from 2019 to 2023
- Determine whether the cost cap has been breached
- Similar valuations also being carried out at the same time for other public service pension schemes
  - eg police, NHS, teachers, etc

How are fire pensions financed?

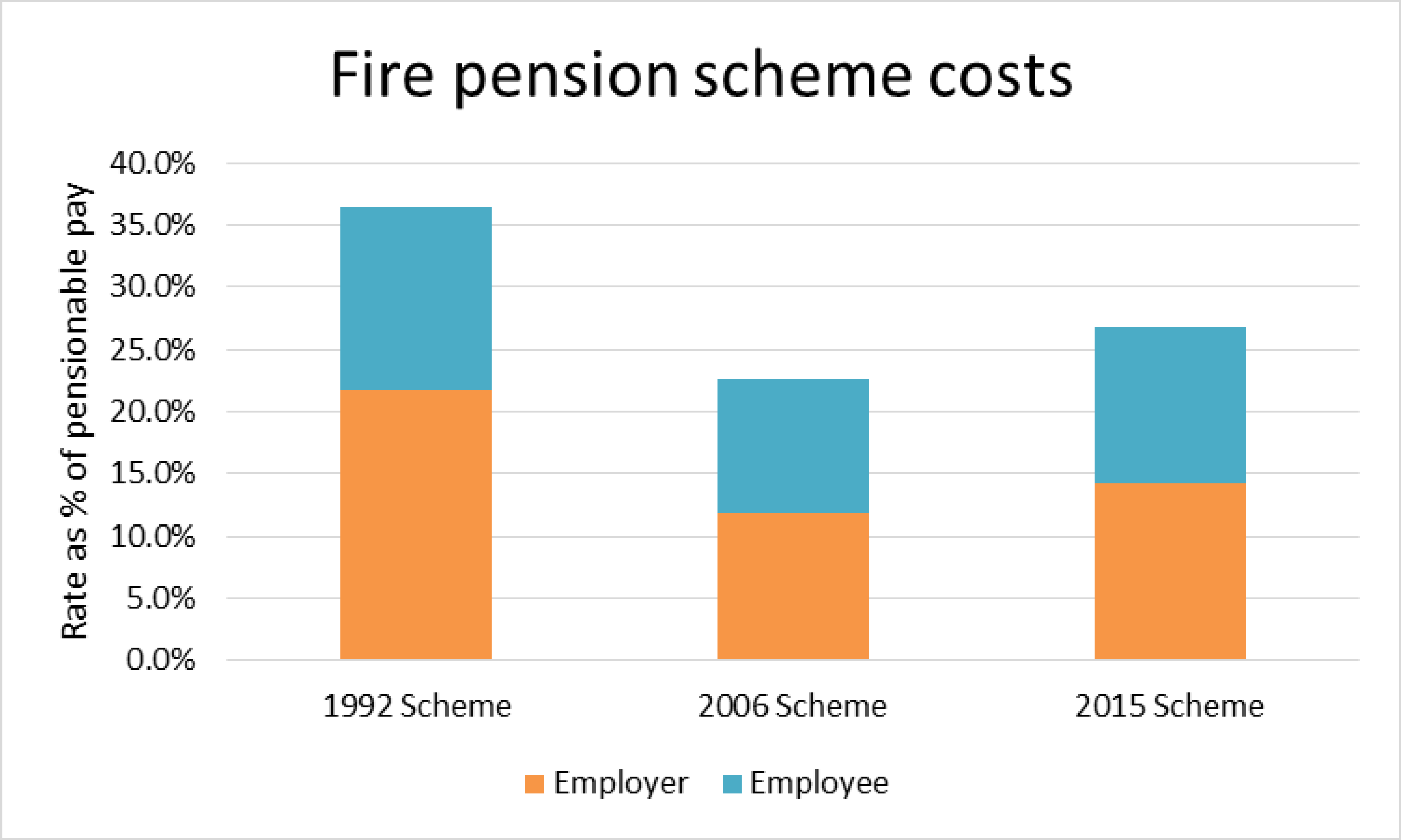


Current employer contribution rates (England)

Payable 2015 to 2019 (from 2012 valuation)

Rate as % of pensionable pay	1992 Scheme	2006 Scheme	2015 Scheme
Cost of accrual	43.6%	30.7%	27.3%
Past service effects	-5.5%	-5.5%	0.0%
Less member contributions	-14.8%	-10.7%	-12.5%
Less allowance for ill health charges	-1.6%	-2.6%	-0.5%
2015-19 employer contribution rate	**21.7%**	**11.9%**	**14.3%**

2015-19 employer contribution rates (England)



Valuation as at 31 March 2016 - Data

- Data recently provided by FRAs
- Membership data as at 31 March 2016
  - To calculate accrued pensions as at 31 March 2016
  - To calculate pension expected to be accrued over the next few years
- Movement data to 31 March 2016
  - Used to derive assumptions for future membership behaviour
  - Includes analysis of retirement patterns, life expectancies, etc
  - Will impact the updated employer contribution rate and cost cap cost of the scheme

Fire Pension Schemes (England)

Some scheme statistics – as of 31 March 2012

Group	Number
Active firefighters	35,149
Deferred pensioners	5,242
Pensioners	38,598
Total membership	78,989

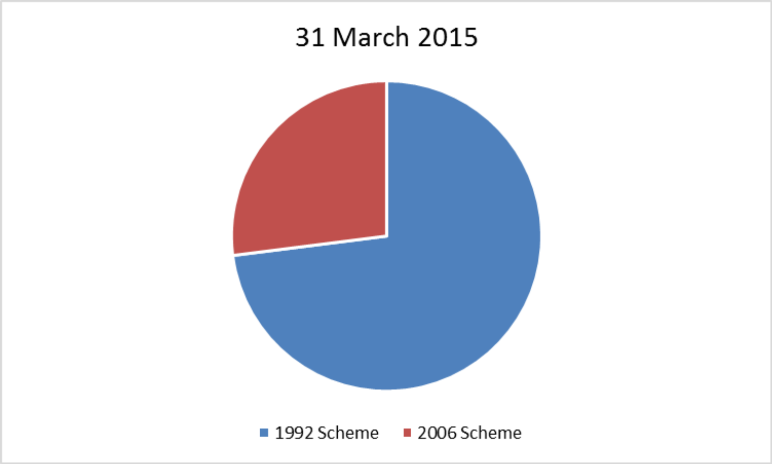
Total pay for active firefighters	**£954 million (or £1,109 million FTE)**

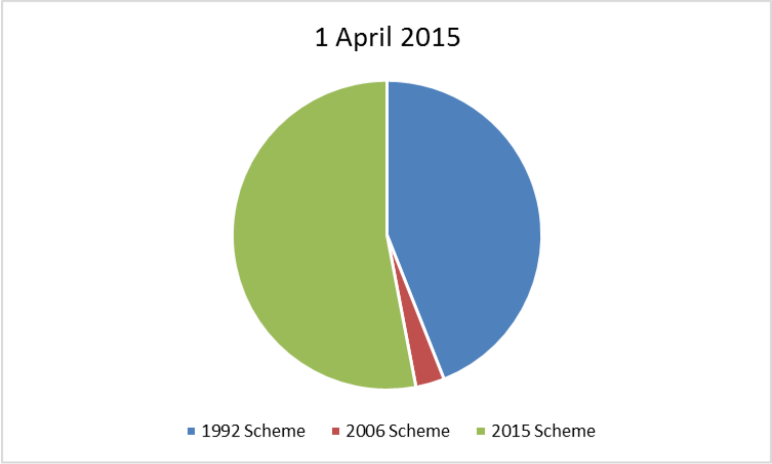
Total pensions in payment	**£539 million**

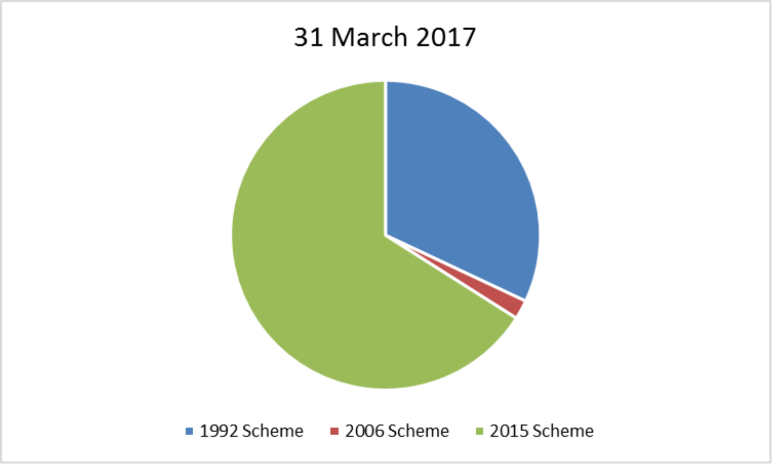
Government Actuary's Department

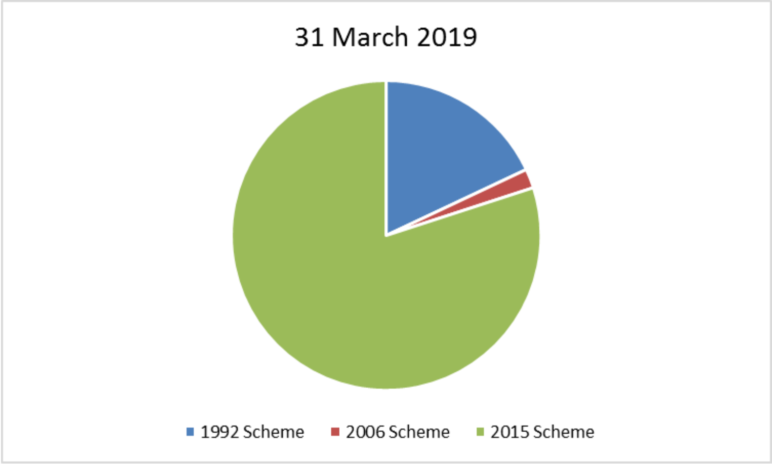
Fire Scheme Valuation

Evolving active membership – Projections from 2012 valuation









2016 Valuation – Current status

- GAD reviewing the 2016 data that has been provided
- Checking the required items have been provided and look reasonable
- GAD may raise queries over the coming weeks
  - Initial checks
  - Detailed checks
- GAD then merges all data files to produce a single data set for the whole scheme
- Progress to the valuation calculations

2016 Valuation - Employer contribution rate

- The output of the 2016 valuation will be an updated employer contribution rate
- Expected to apply from April 2019 to March 2023
- Will allow for:
  - Change to the interest rate (the SCAPE rate)
  - Changes to other financial assumptions set by HMT
  - Impact of recent membership movements
  - Changes to fire specific assumptions to adjust for recent experience in the Fire Scheme, eg retirement patterns, life expectancies
- Currently expected to be published in early 2018

Cost cap mechanism

- What is it?
  - A cost control mechanism introduced by HMT
  - To maintain the cost of the fire scheme at a similar level to when the 2015 Scheme was introduced
  - Monitored at each actuarial valuation
- How is it expressed?
  - A baseline cost was established at the 2012 valuation being **16.8%** of pensionable pay.
  - Equates to the employer's share of the cost of the 2015 Scheme
- Calculated in a different way to the employer contribution rate
  - Assumes all active members are in the 2015 scheme

Impact of a cost cap breach

- There will be a cost cap breach if the cost cap cost of the scheme:
  - is more than 18.8% of pay; or
  - Is less than 14.8% of pay
- The 2015 scheme would need to be adjusted to bring the cost of the scheme back to the baseline level
  - A change in the accrual rate (default option)
  - A change to the amount of contributions paid by members
  - A change to other benefits, eg dependants' benefits
  - A mixture of the above

Overview of the current pensions landscape

Malcolm McLean

11 October 2016

Pension arrangements in the public and private sectors

- **private sector now mainly defined contribution (DC) albeit with a large legacy of closed defined benefit (DB) schemes**
- **public sector still mainly DB but with pensions now on a CARE basis not as previously Final Salary (Hutton Review)**

Pension arrangements in the public and private sectors

- membership of schemes is substantially higher in the public sector than in the private sector
- from member point of view DC less predictable and riskier than DB
- DB more expensive for employers than DC - also on-going deficit reduction challenges for private sector DB employers

Three major policy changes being introduced

NEW STATE PENSION	AUTO-ENROLMENT	PENSION FREEDOMS (DC)
• for new pensioners from 6 April 2016 • single-tier pension (replaces BSP, S2P, SERPS)	• workplace pension saving scheme • compulsory for employers but employees can opt-out • being phased-in between 2012 and 2019	• effective requirement to buy an annuity (or set up drawdown) abolished from April 2015 • cash options now available

Change one

A simpler, flat-rate pension for new pensioners from 6 April 2016

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Who gains and who loses as a result of the new pension?

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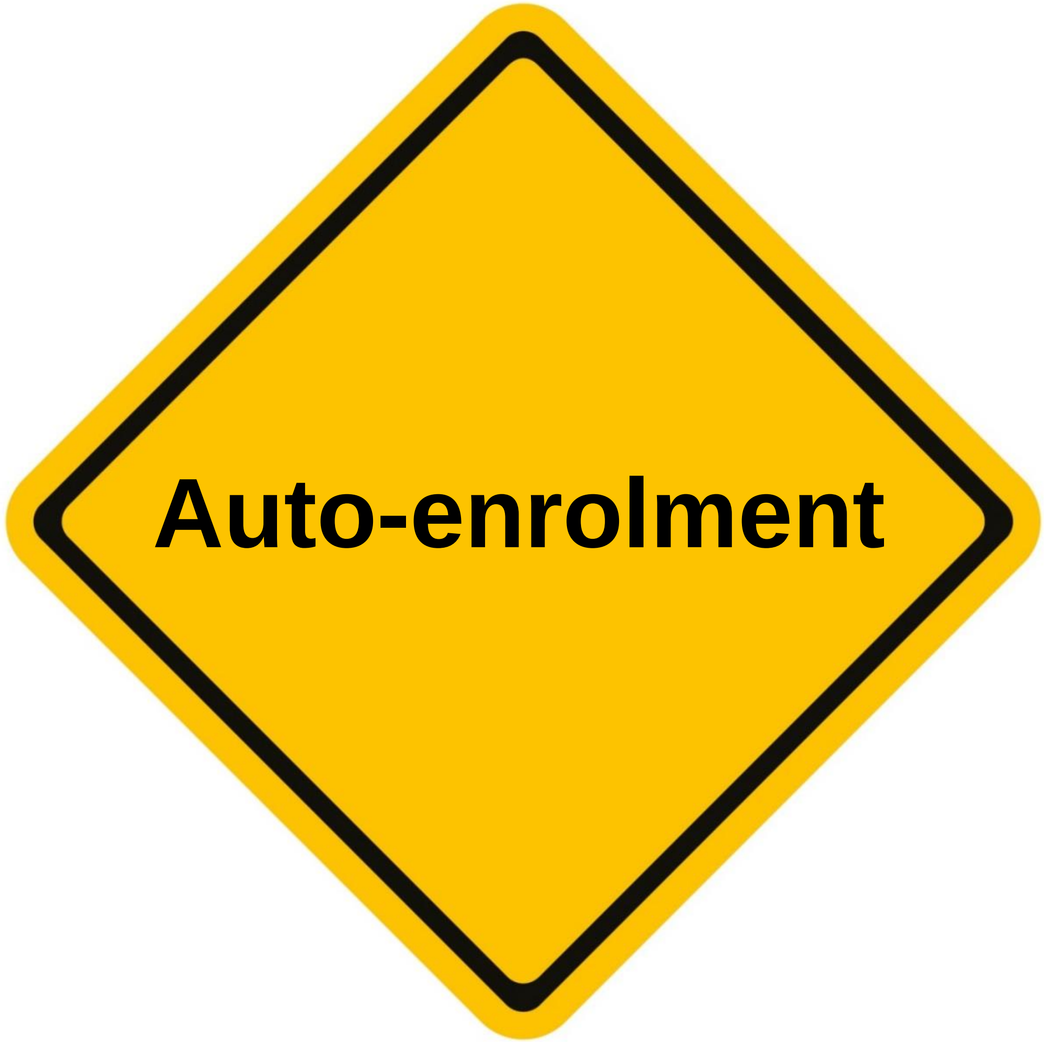
Cost impact of the ending of 'contracting-out'.

Change two



Employer attitudes?

Auto-enrolment pros and cons

- millions more pension savers
- surprisingly low level of opt-outs so far
- concern about minimum contribution levels required and low level of pensions they will produce
- member disillusionment could result
- ‘auto-escalation’ might be possible

Change three

What are they?

- ability to take your pension monies more flexibly
- effective requirement to take an annuity scrapped
- cash options (UFPLS)
- ‘flexi-access’ drawdown
- ability to pass on unused pension pot to dependants tax-free

Who do they apply to?

- 4.5 million people with DC pension schemes
- normally only from age 55
- some people with DB pensions will be able to swap them for DC schemes (but not normally from public sector)

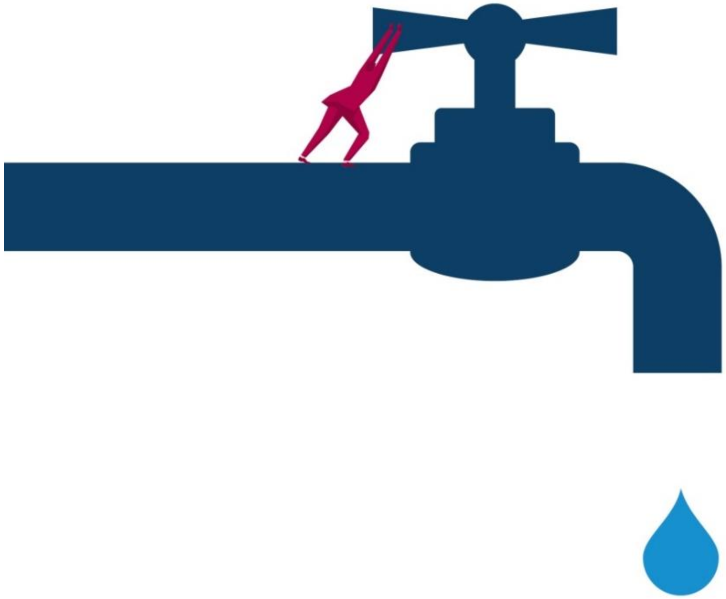
Downsides / risks?

- running-out of money at older ages
- unwittingly paying too much tax
- a pension pot is not the same as a bank account
- becoming a victim of fraud

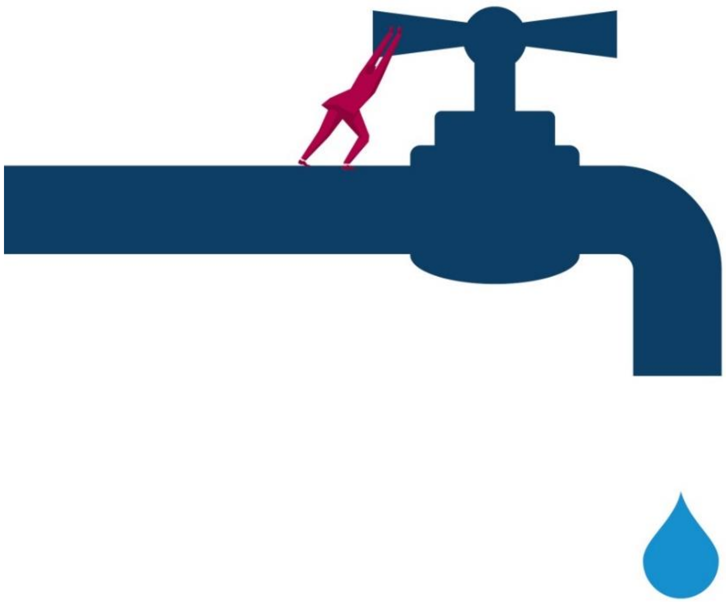
Pension liberation scandal

What is the difference between information, guidance and advice?

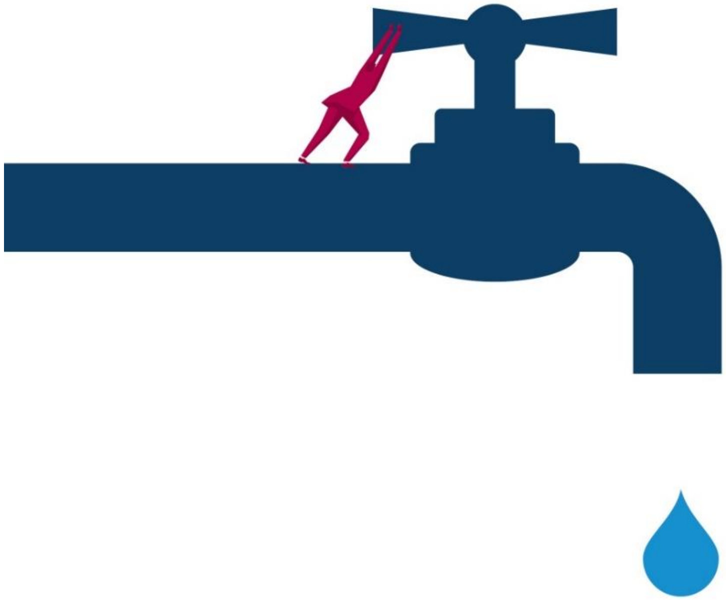
What further changes are or might be in the pipeline?



More changes to pension tax relief?



Single rate of tax relief on contributions e.g. 30%?



Pensions ISA (no relief on contributions, tax-free capital / income withdrawals)?

The importance of good communication in this period of great change

Industry / government must do more to explain pensions in simple, everyday language

Letter sent by pensions administrator to DC scheme member

Dear Mrs Jones,

You asked for more information as to how a money purchase scheme worked compared to a defined benefit one.

A defined benefit scheme gives you a pension at pension age based on your years of service as a proportion of your final salary. A DC scheme works on a different principle. You and your employer pay money into the scheme which is then invested for you in a suitable investment vehicle. This will normally mainly be in equities The accumulated fund is then used to pay your pension benefits. Up to one quarter of the fund can be taken in cash, tax-free, with the remainder used to purchase an annuity for you which is then payable for life.

You will, of course, have an open market option with regard to your annuity and, subject to the agreement of the scheme trustees, the possibility of taking income drawdown

I hope this clarifies the position for you.

Yours sincerely,

Pensions Administrator

[redacted]

a true partnership approach

Any questions?

Regulatory Information

- The information in this presentation is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

- This presentation is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed and the value of investments may go down as well as up.

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Local Government Association

Refreshments

KPMG

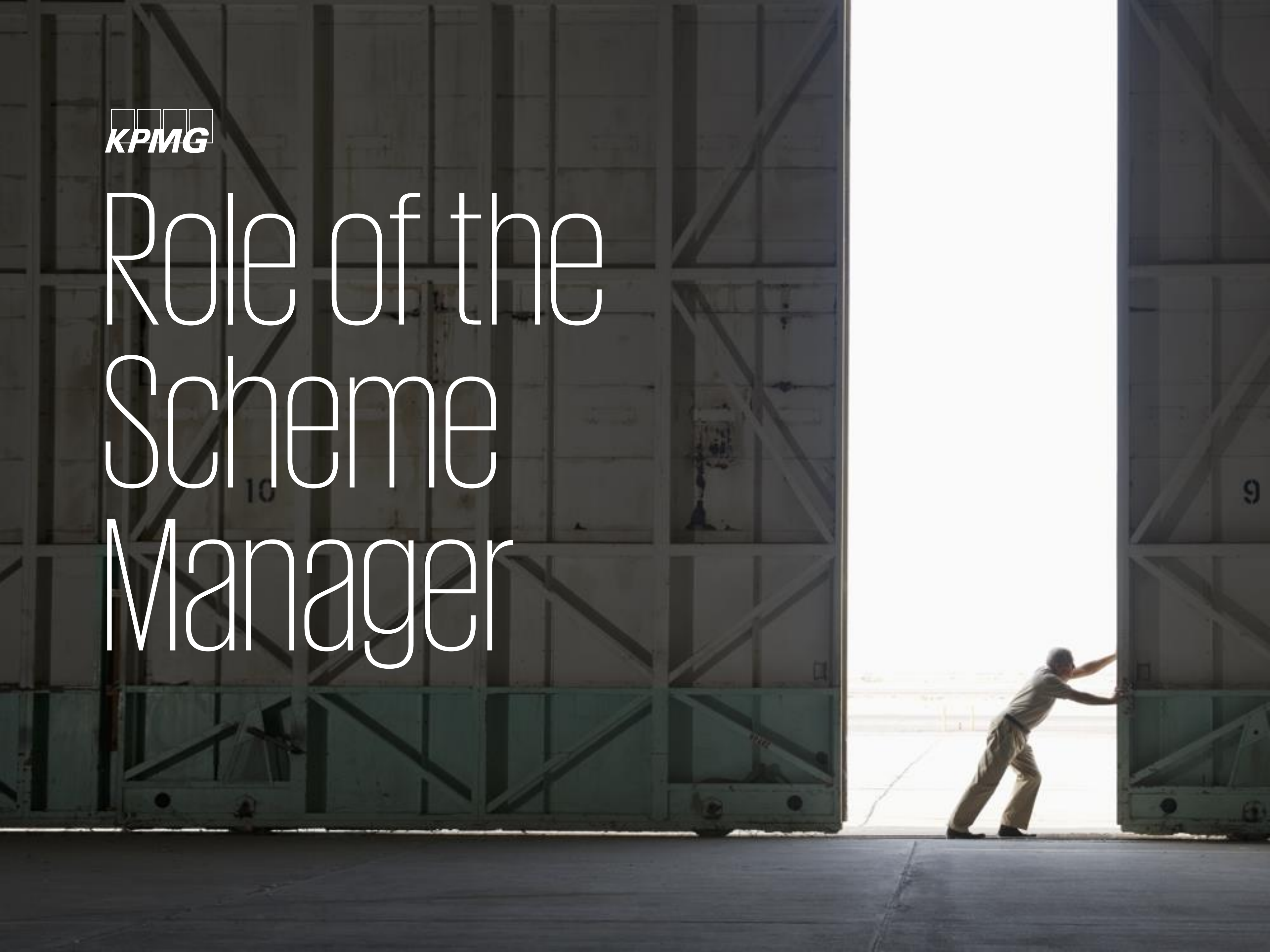
Firefighters' Pension Conference 2016

Ian Pollitt CBE

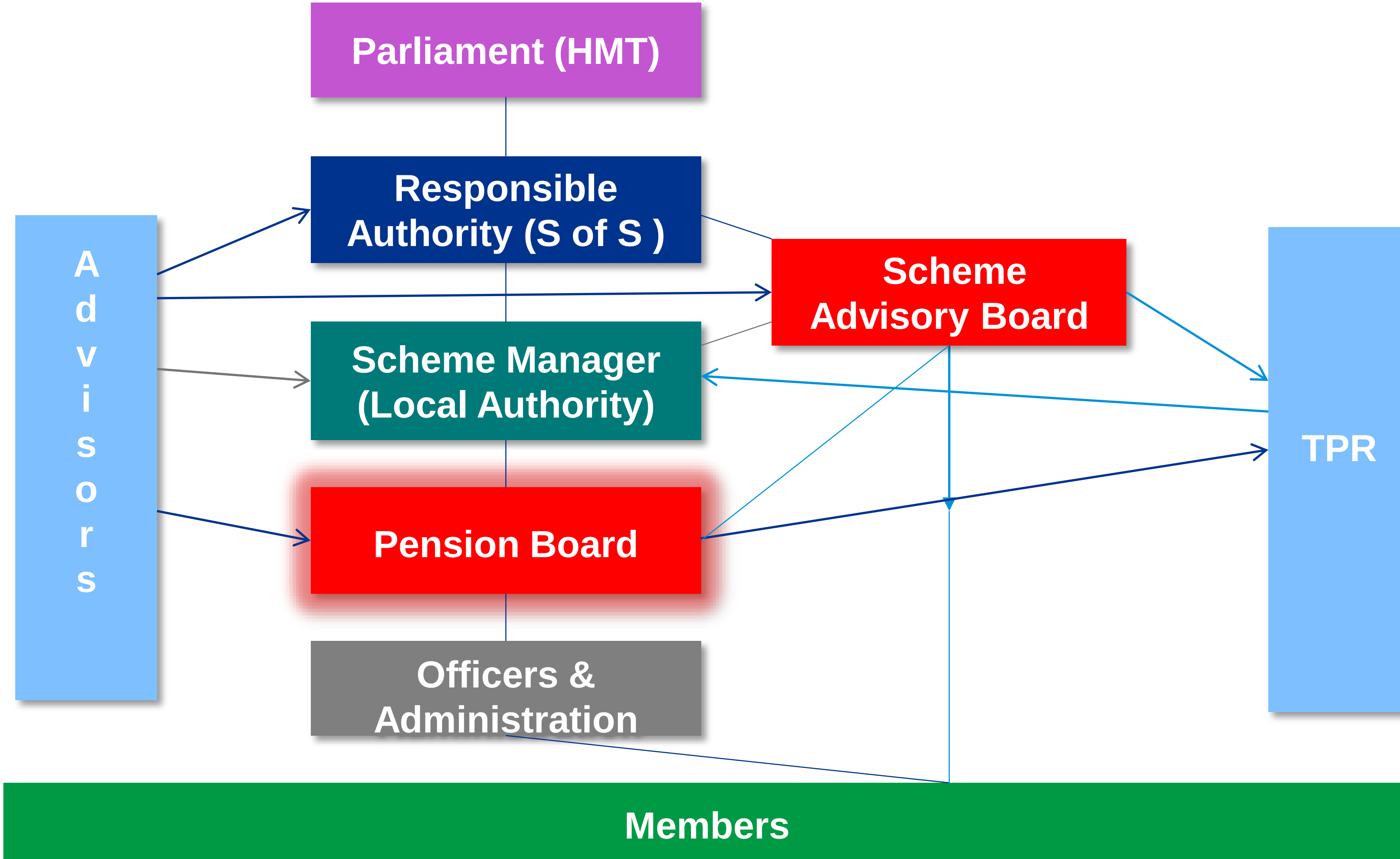
11 October 2016

KPMG

Role of the Scheme Manager

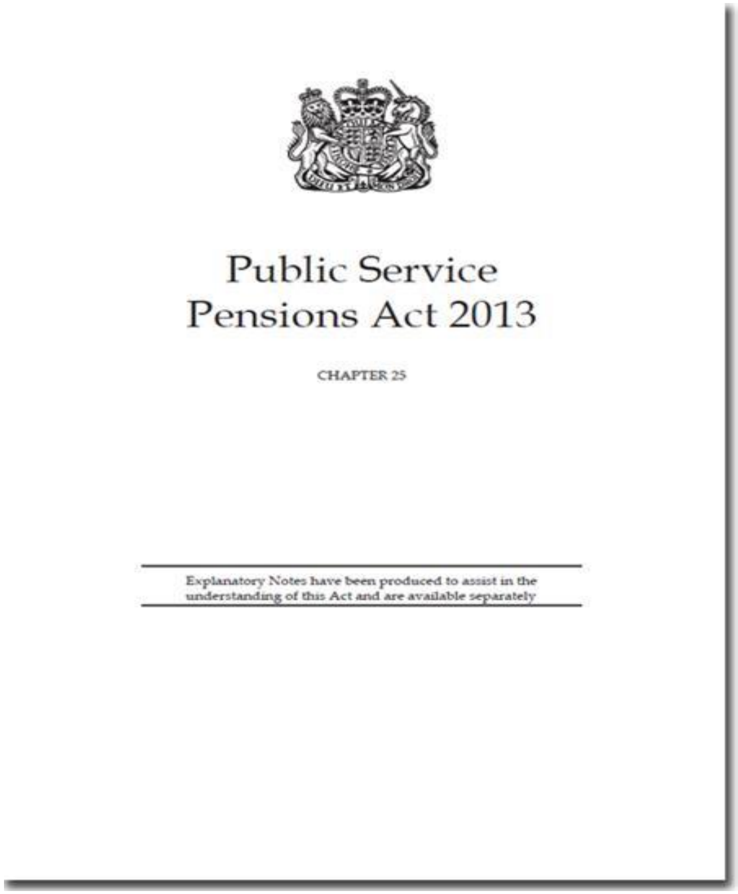


Who's who?



Parliament (HMT)
Responsible Authority (S of S)
Scheme Advisory Board
Advisors
Scheme Manager (Local Authority)
TPR
Pension Board
Officers & Administration
Members

2013 Act - Governance



Public Service Pensions Act 2013

CHAPTER 25

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately

- Each locally administered scheme to have a properly appointed, trained and competent Pension Board in place by 1 April 2015
- Equal number of employer and scheme members
- Scheme Advisory Board
- Adequate internal controls
- Robust record keeping
- Timely reporting to HM Treasury etc
- Good administration
- Sound internal dispute procedures
- Information for members on benefits

The Pensions Regulator

Code of Practice No 14

1. Knowledge and understanding required by Pension Board members
2. Conflicts of interest
3. Publishing information
4. Internal controls
5. Record keeping
6. Maintaining contributions
7. Providing information to members
8. IDRP
9. Reporting breaches of the law

To delegate or not to delegate?

The Firefighters' Pension Scheme (England) Regulations 2014

Part 2 – Governance: Delegation page 16 para 5

'The Secretary of State may delegate any functions under these Regulations, including this power to delegate.'

'The scheme manager may delegate any functions under the Regulations, including this power to delegate, to such persons or employees of such person as may be authorised in that behalf by the scheme manager'

Roles and responsibilities

Pension Board

- Advice to Scheme Manager
- Compliance
- Ensure efficiency & effectiveness of administration
- Advise on member communications
- Monitor complaints

Scheme Manager

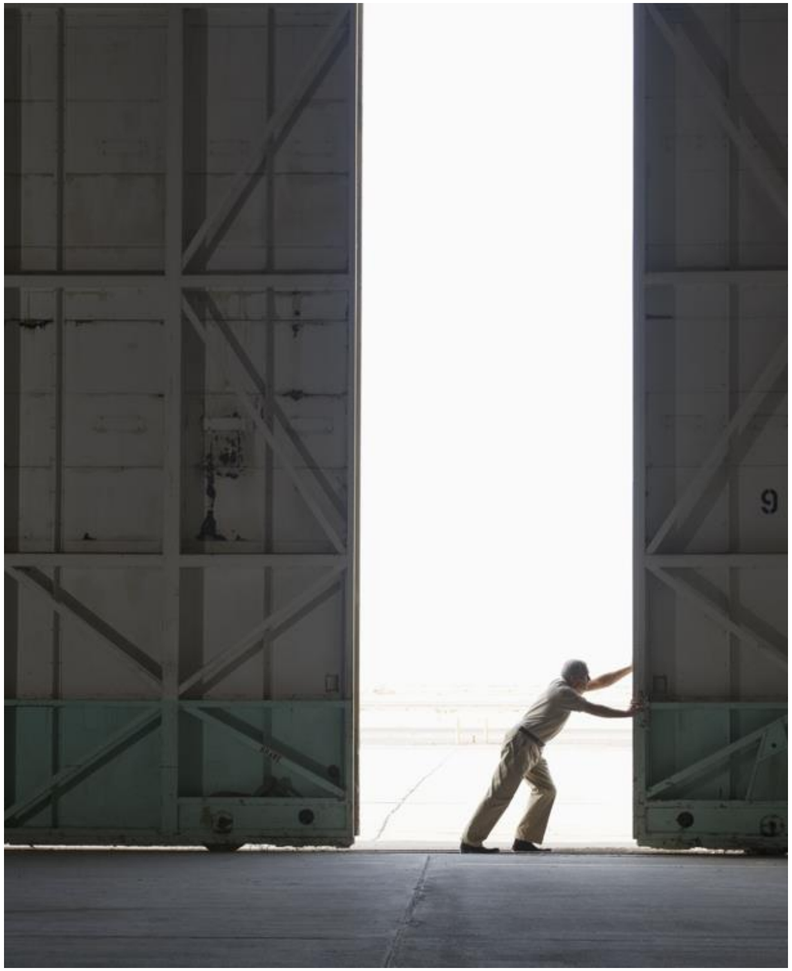
- Administer schemes
- Make scheme decisions
- Communications
- Publish data
- Auditing
- IDRP

Scheme Advisory Board

- Advice to Secretary of State
- Changes to the scheme rules
- Cost Cap/Valuation
- Support PBs
- Benchmarking
- Oversee standards
- Strategic comms

Supporting the Scheme Manager

- Regular meetings
- Publishing data
- Publishing board minutes etc
- Annual report?
- Valuation exercise
- Comms, comms, comms!
- Guaranteed Minimum Pension
- Opt-outs - monitor
- Appeals & complaints
- Retirement age – record data
- Pension tax
- Costs of administration
- Pensions dashboard



Thank you

ian.pollitt@kpmg.co.uk

Workshops

- Annual Benefit Statements – Bevin Hall
- Local Pension Board responsibilities – Smith Square 1 & 2
- Abatement and Protected Pension Age - Millbank Room, 8th Floor

Lunch

Welcome back

EVERSHEDS

Annual Fire Pensions Conference 2016

Abatement and Protected Pensions Age
Feedback from workshop

11 October 2016

Cat Ellis

Senior Associate

Wills Crump

Associate

Takeaway 1: What is Protected Pension Age?

– From 6 April 2010, the normal minimum pension age was increased from age 50 to 55.

– Some employees were allowed to retain the earlier normal minimum pension age of 50, if certain criteria were satisfied.

– Those that satisfied the criteria are those who have a **Protected Pension Age**.

– The criteria are, broadly, that:
  - the member was in the pension scheme on 5 April 2006; and
  - under the rules of the pension scheme in force on 10 December 2003 and 5 April 2006, the member was able to take their benefits without consent before the age of 55.

Can loose PPA in certain circumstances – particularly relevant where retire and take pension benefits and rejoin/continue working. FA04/HMRC Guidance – circumstances when PPA will not be lost.

Takeaway 2: What is abatement?

– Abatement is where a member's public service pension is reduced when the member is employed by a local authority after drawing their pension because the member's new salary and pension should not be more than the member's salary on retirement.

– Where retirees from a public sector scheme are re-employed, there should be at least a **1 month gap between retirement and re-employment**, and **the salary should be subject to abatement**.

– The employee is required to leave continuous service in order to break the pensionable service link – all contracts of employment with (one or more) Authorities must be terminated at the point of a Member's retirement before the Member takes up a new position.

– If the employee is still employed in pensionable service (even where this on reduced hours or different duties) the Member's PPA is likely to still be lost as the employee will be considered by HMRC as having **not** left pensionable service. This also applies where the Member is employed in other roles across one or more Authority, such as where a Member works as both a full-time firefighter in one Authority and a retained firefighter in another.

Takeaway 3: Why is it an issue?

- If a member loses their PPA, a member may not be able to receive their pension and it can result in significant tax charges for both the Member and the Scheme Administrator (up to 55% of the payment). May not be able to draw further benefits until NMPA.
- The *Cherry* case imposes **a duty of care on Authorities as employers to offer information about the potential consequences of re-employment** – this should be done at both retirement and re-employment
- Failure to inform a Member of how re-employment could affect their PPA could result in complaints, compensation claims and tax charges.

Abatement and Protected Pensions Age

Feedback from workshop:

- PPA and abatement clearly an issue that many Authorities are contending with, with several Authorities mentioning ongoing issues regarding cross-Authority working (e.g. firefighters employed full-time by one Authority who is also a retained firefighter in another Authority)
- Issues tend to focus on where a firefighter, remains in continuous employment/service and therefore does not have the one month break necessary under the FA 2004 provisions
- There was a consensus that clearer HMRC/Home Office guidance was needed or that, “benchmark” guidance from SAB/LGA on how Authorities should approach this issue

Presenters

Cat Ellis

Senior Associate
catellis@eversheds.com
T: 0113 200 4943
M: 07557 895 777

Wills Crump

Associate
willscrump@eversheds.com
T: 0113 200 4025
M: 07823 521 762

Eversheds LLP
Bridgewater Place
Water Lane
Leeds LS11 5DR

eversheds.com

Fire Pensions Conference
Pension Board Governance workshop

Daniel Kanaris
Senior Public Sector Consultant

Prepared by Aon Hewitt
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Feedback session:
Local Pension Board responsibilities

Workshop Feedback

- Question 1 – What are the Fire Scheme Manager’s responsibilities in relation to pensions?
- Question 2 – What do Fire Pension Boards see as their main areas of focus (responsibilities) in relation to pensions?
- Question 3 – What works well currently, what could be done better, and what are the biggest concerns / obstacles to the successful operation of the Fire Pension Scheme by the Scheme Manager?
- Question 4 – How can Fire Pension Boards work with the Scheme Manager to identify and improve any of these areas?
- Question 5 – Where do we see Fire Pension Boards and the Fire Scheme in 2 years time, and how do they get there?

Feedback final thoughts

TPR Code of Practice – How do you compare?

- Knowledge and understanding – Pension Boards
- Conflicts of interest and representation
- Publishing information about schemes
- Managing risk and internal controls
- Maintaining accurate member data
- Maintaining contributions
- Providing information to members and others
- Resolving disputes
- Reporting breaches and late payment of employer contributions

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Firefighter’s Annual Benefits Statements 2016 workshop

Vicky Jenks
Senior Pensions Officer

Over to you

Discuss where you had issues and what the causes were:

- Payroll data?
- System?
- Time?

How you got round these

- Manual intervention?
- Down tools- increase man power ?
- Create your own fixes?

2016 Pension Tax Changes

Fire Pensions Conference 2016

Annemarie Allen, Associate, Senior Pensions Consultant
annemarie.allen@barnett-waddingham.co.uk

11 October 2016

2016 Pension Tax Changes

- A quick look back
- Annual allowance (AA)
  - Alignment of Pension Input Periods
  - 2015/2016 a transitional year
  - 2016/2017 Tapered annual allowance
  - Annual information & deadlines
- Lifetime allowance (LTA)
  - Reduction
  - Protections
- Scheme administrator & Board considerations

A Quick Look Back

Pre 2006

- 8 different tax regimes
- Much complexit y

2006 "A Day" Simplification

- AA £215,000 for 2006/07
- LTA £1.5M for 2006/07
- Primary Protection available if over LTA
- Enhanced Protection if likely to be over LTA
- Lump Sum Protection available if over set levels
- Annual allowance:
- 2007/08 £225,000
- 2008/09 £235,000
- 2009/10 £245,000
- 2010/11 £255,000
- Lifetime allowance
  - 2007/08 £1.6M
  - 2008/09 £1.65M
  - 2009/10 £1.75M
  - 2010/11 £1.8M
  - 2011/12 £1.8M

2011 New regime

- Lower AA £50,000 wef 2011/12
- New pension savings valuation method
- Lower LTA £1.5M wef 2012/13
- Ability to carry forward unused AA
- New tax rate – marginal rate
- Ability to meet large tax bills from pension fund

2014 Some changes

- wef 6/4/14
- AA reduced to £40,000
- LTA reduced to £1.25M
- New "Fixed Protection 2014"
- New "Individual Protection 2014"
- Primary & Enhanced Protection, if no lump sum protection, tax free lump sum maintained at ¼ x £1.5M

6 April 2015 Pension Freedom Day

- MPAA - Money purchase annual allowance

Annual Allowance

Annual Allowance, a reminder…

What is the Annual Allowance?	**The maximum amount of tax free pension savings allowed in a year**	£50,000 Tax years 2011/2012 to 2013/2014	£40,000 Tax year 2014/15
Pensions Input Amount	Your pension savings in a year	**"Real" increase in value of pension pot during year**	Maximum increase after inflation of £2,500pa 2014/15 2013/2014 £3,125pa
Pension Input Period	The period over which pension savings is measured	Varied: Fire was 1 April to 31 March	**Counted in the tax year in which the end date fell**

But some changes now made

What’s Changed?

2016/2017

- Introduction of a tapered annual allowance for “high income individuals”
- Alignment of Pension Input Periods to the tax year

What's Changed?

- **2015/2016 Transitional Arrangements**
  - 2 mini tax years
  - 2 Pension Input Periods in the Fire Schemes

    1 April 2015 - 8 July 2015

    9 July 2015 - 5 April 2016
  - Up to £80,000 annual allowance for some
  - Increase opening balance by 2.5% not 1.2%

- **2016/2017**
  - Introduction of a tapered annual allowance for "high income individuals"
  - Alignment of Pension Input Periods to the tax year

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Calculating Pension Savings

Fire Pension Scheme

Pension x 16 at end of year

Less

Pension x 16 at start of year

plus CPI*

Apportion in 2015/2016

Post 8 July

Pension Input x

272 / 371

Pre 9 July

Pension Input – post 8 July amount

*CPI replaced by 2.5% for 2015/2016 tax year

Applying the Annual Allowance 2015/2016

Annual allowance **pre 9 July = £80,000**

Annual allowance **post 8 July = £0**

plus **lesser of unused pre 9 July allowance and £40,000**

Apportioning Pension Savings & Applying the Annual Allowance 2015/2016

Pension Savings £75,000 in 2015/2016	Post 8 July = Input x 272/371	Pre 9 July = Input less post 8 July amount	
Post 8 July	£75,000 x 272/371	= £54,986.52	
Pre 9 July	£75,000 - £54,986.52	= £20,013.48	
Annual Allowance	Pre 9 July £80,000	less £20,013.48	= £59,986.52 unused annual allowance
Annual Allowance	Post 8 July £40,000	less £54,986.52	= £14,986.52 excess savings

Member has benefited from £60,013.48 annual allowance in this transitional year

Carry Forward & Excess Savings

What is carry forward?
- Using unused annual allowance from the previous three tax years
- Objective: to prevent an annual allowance tax charge in the current tax year
- Smooth out spikes

Using carry forward
- 1. Use current year allowance
- 2. Use unused allowance from the earliest tax year available
- 3. Can go back three years

Excess Pension Savings
- After use of carry forward
- Taxed at marginal rate
- May be able to use “Scheme Pays”

The Tapered Annual Allowance

Commences 2016/2017

- **'Adjusted income'** of over £150,000
  - £40,000 annual allowance reduced by £1 for every £2 that adjusted income exceeds £150,000
  - Maximum reduction £30,000,
  - Minimum annual allowance £10,000
  - £210,000 adjusted income = £10,000 annual allowance

- **'Threshold income'** of £110,000
  - Under? - annual allowance automatically remains at £40,000
  - Over? - calculate if tapered annual allowance applies

Summary Definitions

Threshold Income £110,000

Taxable income from all sources, less tax reliefs including pension contributions

- **Includes:**
  - **salary / bonuses / pension income in payment**
  - **P11d earnings**
  - **interest on savings**
  - **rental income**
  - **dividend payments**
  - salary sacrificed in pension arrangement set up or increased after 9/7/2015

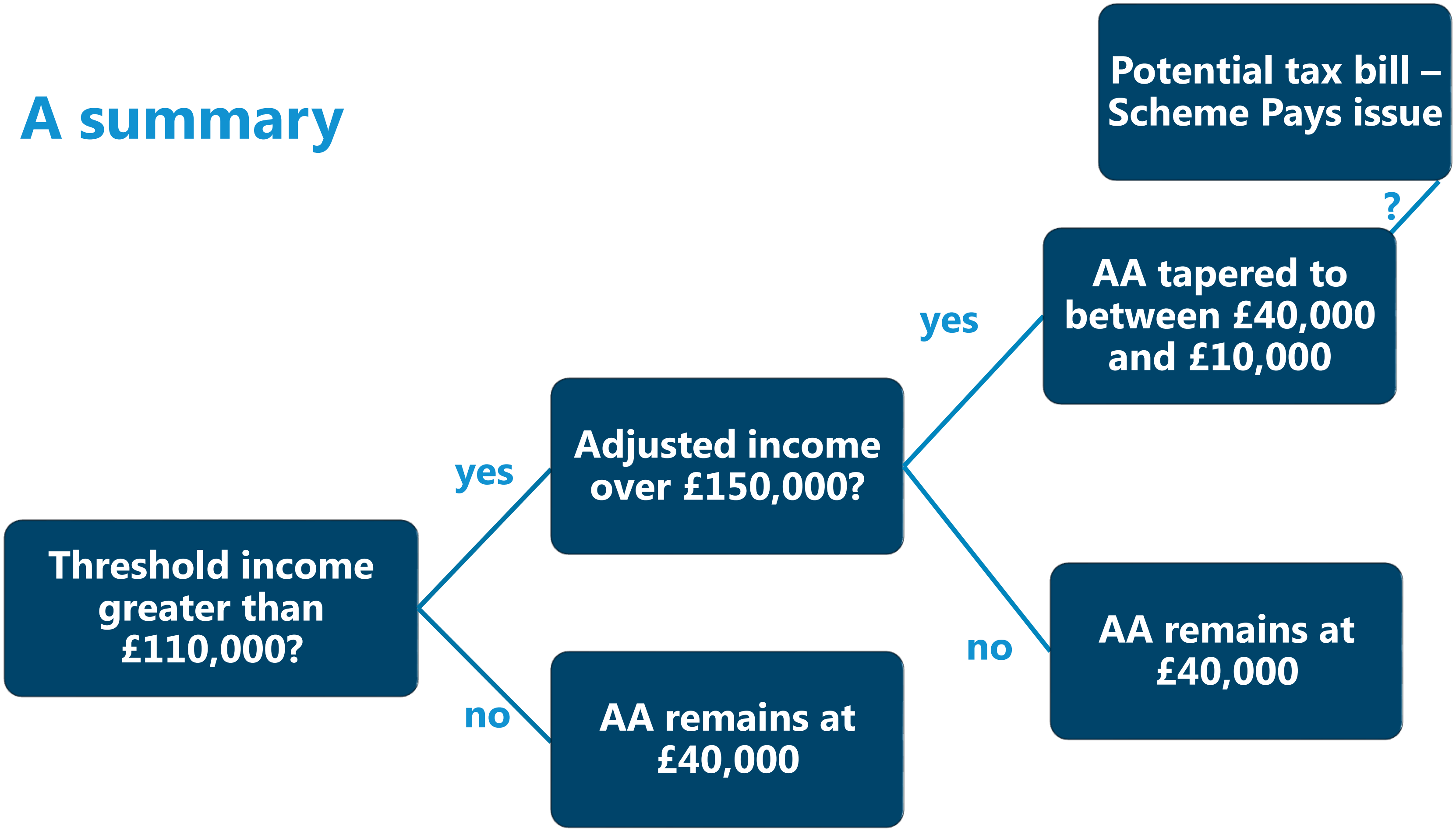
Adjusted Income £150,000

Threshold income plus:

- **total pension contributions to a Defined Contribution arrangement – inc. AVCs**
- **total pensions accrual in a Defined Benefit scheme – e.g. FPS**

Who is Affected by the Taper?

A summary



Annual Information & Deadlines

Date	Event	Deadline
31/01/18	Scheme Administrator submits Event Report to HMRC	31 January
31/07/17	Member Scheme Pays election deadline	31 July or by retirement if earlier
31/01/17	Member submits Self Assessment Tax Return to HMRC	31 January or 31 December
06/10/16	Scheme Administrator provides Pension Savings Statement to member	6 October
06/07/16	Employer provides information to Scheme Administrator	6 July
Example 2015/2016	Tax year ends	5 April

No automatic requirement for tapered AA

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Lifetime Allowance

Lifetime Allowance (LTA), a reminder…

What is the lifetime allowance?

- Maximum amount of tax free pension saving allowed over an individual's lifetime
- Measured upon entitlement to receive benefits

Known as a Benefit Crystallisation Event (BCE)

How are benefits valued?

- 20 x pension + lump sum

How much lump sum can be paid tax free?

- ¼ of available LTA
- Or ¼ of benefits value crystallising if less

What's Changed?

Lifetime allowance £1,250,000

Tax free lump sum **£312,500**
or ¼ of benefits value if less

With effect from 6 April 2016

Lifetime allowance reduced to £1,000,000

Tax free lump sum **£250,000**

or ¼ of benefits value if less

Two new protections

- Fixed Protection 2016
- Individual Pro

Calculation method unchanged

LTA increasing by CPI from 2017/2018 onwards i.e. from 6 April 2018

Protections 2016

Fixed Protection 2016

Retain LTA of £1.25M If LTA exceeds FP2016 in the future, LTA will apply	No further relevant benefit accrual	Apply on line to HMRC if no existing protections in place No deadline – apply & obtain before benefits crystallise

&

Can have both, if so FP2016 takes precedence, but if lost reverts to IP2016

Individual Protection 2016

Available if LTA value of savings greater than £1M on 5 April 2016 & do not have Primary Protection or IP2014	IP2016 LTA = value at 5 April 2016 or £1.25M if lower. Further benefit accrual allowed - are subject to LTA charges	Apply on line to HMRC No deadline – apply & obtain before benefits crystallise

Protections 2014, IP2014 still open

Fixed Protection 2014

Retain LTA of £1.5M If LTA exceeds FP2014 in the future, LTA will apply	No further relevant benefit accrual	Could apply on line or post to HMRC if no existing protections in place Deadline was 5 April 2014

Could have both, if so

&

FP2014 takes precedence, but if lost reverts to IP2014

Individual Protection 2014

Available if LTA value of savings greater than £1.25M on 5 April 2014 & do not have Primary Protection	IP2014 LTA = value at 5 April 2014 or £1.5M if lower. Further benefit accrual allowed - are subject to LTA charges	Could apply from 18 August 2014 . Deadline for HMRC application 5 April 2017 New on line system

Scheme Administrator & Board Considerations

- Notified members, employers & payroll of changes
- Updated systems, processes & information
- Increased numbers of members affected: increased number of enquiries & complex cases to deal with
- Level of assistance that can, should or should not be given to members
- Resource planning
- Reviewing compliance with information provision & deadlines

Regulatory Information

- The information in this presentation is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

- This presentation is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed and the value of investments may go down as well as up.

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Closing remarks

Local Government Association

KPMG

SHROPSHIRE COUNTY PENSION FUND

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