

Pension Fund Committee

Meeting to be held on Friday, 16 September 2022

Electoral Division affected:
N/A;

Lancashire County Pension Fund Regulatory Update

Contact for further information:

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Brief Summary

This report provides a brief update on two key regulatory developments - the Pensions Dashboard Programme and McCloud.

Recommendation

The committee is asked to note the update set out below.

Detail

These regulatory requirements fall within the 'Scheme Manager' role that has been delegated to the Pension Fund Committee. Although implementation is in the medium to long term, an update is being provided to ensure that the Committee is aware of recent developments in these areas.

Pensions Dashboard

Pensions dashboards are digital services — apps, websites, or other tools — which savers will be able to use to see their pension information in one place. This includes information on their State Pension. A saver will use dashboards to search the records of all pension schemes to confirm whether they are a member. They will be able to see information themselves.

The Pension Schemes Bill has passed into law, having made its way through Parliament, and received Royal Assent in February 2021. It creates a legislative framework which will make it mandatory for pension providers and schemes to connect to pension dashboards, so that users can see their pension information securely online, in one place. This will aim to support members in better retirement planning and financial wellbeing.

There have been several developments recently including:

The Pensions Regulator (tPR) has advised trustees and scheme managers that they need to start to prepare for their pension dashboard deadline and has issued initial guidance. This “deadline” campaign by tPR is urging trustees to take action to ensure they are ready for their staging date.

In July 2022, the Department for Work and Pensions (DWP) published a response to draft Pensions Dashboard Regulations which can be accessed by clicking [here](#). The key headline is that the staging deadline has been delayed from 30 April 2024 to 30 September 2024 to provide more time for the McCloud remedy to be implemented, although actual data will not need to be provided to members until April 2025.

The Pensions Dashboard Programme is currently running a Pensions Dashboard Standards consultation which will feed into developing the standards to ensure security, stability, and effective operation of the dashboards. In due course, these standards will be a legal requirement and sanctions can be imposed for non-compliance. This consultation ran through summer 2022 and await the outcome.

The Fund Officers have held initial discussions with the Head of Risk and Compliance at Local Pensions Partnership Administration (LPPA) who has confirmed that LPPA are working closely with their new system provider CIVICA who are developing an offering for its clients by creating its own system to share member data securely and directly to the pensions dashboard.

LPPA will initiate its pensions dashboard project in September 2022.

McCloud

When the Government reformed public service pension schemes in 2014 and 2015 it introduced protections for older members. It was later judged that these protections discriminated against younger members of the relevant pension schemes. A ruling was made to apply to all the main public service pension schemes, including the LGPS, to remove the discrimination. This ruling is often called the ‘McCloud judgment’ and there have been several developments in respect of McCloud during this year with activity expected to increase later in 2022.

Following a consultation by the Department for Levelling Up Housing and Communities (DLUHC), the Public Service Pensions and Judicial Offices Bill received royal assent on 10 March 2022 giving the Government powers to rectify this issue.

Later in 2022, the Department for Levelling Up, Housing and Communities will publish the Government’s response to the 2020 consultation providing clarity and draft regulations. It is expected that amendments to the LGPS Regulations will come into force on 1 October 2023 and, in the meantime, the Pension Fund will monitor developments within industry implementation groups and these changes will be implemented by LPPA.



Consultations

Local Pensions Partnership Administration Limited

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
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N/A	N/A	N/A
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Reason for inclusion in Part II, if appropriate

N/A

