

Pension Handbook for Scheme Employers



Local Government Pension Scheme

January 2022

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Check the Norfolk Pension Fund website for the latest version of this handbook

www.norfolkpensionfund.org

You can print or download interactive Forms and Guides from our website:
<https://www.norfolkpensionfund.org/about/employers/>

Only Norfolk Pension Fund forms will be accepted.

More detailed guides are available on our website for certain topics

Pensionable Pay Guide	G010
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These notes are based on our understanding of the current legislation and background information, including any guidance from the Department for Levelling Up, Housing and Communities (DLHC) and the Local Government Association (LGA). However, nothing contained in them can override the LGPS legislation.

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Introduction

This handbook has been designed to help employers in the Norfolk Pension Fund.

Norfolk County Council is the administering authority for the Norfolk Pension Fund and so is responsible for managing the Local Government Pension Scheme (LGPS), including the Fund's investments, throughout Norfolk.

Employers have a statutory duty to provide correct information to the Norfolk Pension Fund swiftly so it can meet its legal responsibilities.

Employers failing to do so may incur fines, interest and additional administration fees as laid down by law so it is important employers understand their responsibilities.

This handbook explains the processes you need to follow to meet your responsibilities.

If you have any queries about them or about the LGPS in general, please contact us.

We encourage new employers, or new members of staff responsible for pensions, to talk to us about your responsibilities. Please contact us at pensions.technical@norfolk.gov.uk if you would be interested and we will arrange a virtual meeting.

**(Postal Address)
Norfolk Pension Fund,
County Hall,
Martineau Lane,
NORWICH,
NR1 2DH**

01603 495923

www.norfolkpensionfund.org

Legal Background

The detailed rules of the LGPS are set out in two sets of legislation :

The Local Government Pension Scheme Regulations 2013.

These are known as ‘the 2013 Regulations’.

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

These are known as ‘the Transitional Regulations’.

The LGPS is fully approved by the Inland Revenue.

Members' contributions qualify for full income tax relief on the ‘net pay system’.

You need to make sure your payroll provider knows how to operate this.

The LGPS was contracted-out of the State Second Pension (S2P).

The Government's New State Pension from 6 April 2016 has brought an end to contracting out.

Your payroll provider needs to be aware of this.

If you administer your own payroll, you'll need to ask HM Revenue & Customs (HMRC) for the non-contracted-out National Insurance tables if you don't use them already.

The LGPS is a qualifying pension scheme under the automatic enrolment provisions of the Pensions Act 2008.

Our Pension Scheme Registry Number is **10079115**.

Further information about automatic enrolment is available on the LGPS website www.lgpsregs.org under Employer Resources > Employer Guides and Documents.

The Norfolk Pension Fund is compliant with the General Data Protection Regulation 26 May 2018.

Our Memorandum of Understanding sets out the relationship and expectations between all parties in relation to Data Protection Law. Our Pensions Administration Strategy details these requirements at an administrative level.

Our Privacy Notice, for members and beneficiaries of the Norfolk Pension Fund, sets out how personal data is held and used together with how members can protect their rights.

All three documents are available on our website at www.norfolkpensionfund.org

You may be asked (mainly by HMRC) to quote an Employer's Contracted-Out Number (ECON) or Scheme Contracted-Out Number (SCON).

The ECON is E3900002R and the SCON is S2700160F.

These numbers only apply to the LGPS.

Don't use them for members of other pension schemes unless HMRC tells you to.

If you use Norfolk County Council's payroll service, they'll carry out many of the processes set out in this handbook for you.

Whoever administers your payroll, you must make sure they know their responsibilities and carry them out quickly and correctly.

New Employee / Scheme Member

What is it?

Any person appointed to a role who has the right to join the LGPS. Who has the right to join depends on the type of employer.

Scheduled Bodies

These include County Council, District Councils, Broads Authority, Further and Higher Education Colleges and all LEA and Foundation Schools.

The law says you must treat employees, other than firefighters and teachers, in accordance with this guide. They all have the right to join the LGPS provided they meet entry requirements.

Designating Bodies (Formerly Resolution Bodies)

Covers Town and Parish Councils and Internal Drainage Boards, though companies run by Scheduled Bodies (e.g. Norse Commercial Services, NPS Property Consultants) are also treated as Designating Bodies.

Employees have the right to join if they are covered by the employer's published admission policy or (if no admission policy) if the employer designates them as a member.

Admitted Bodies

Employers associated with Local Government (Housing Associations, charities, etc) can arrange a legal Admission Agreement with the Norfolk Pension Fund. Employees can join the LGPS if the Agreement allows it.

Entry Requirements

- No minimum age for entry
- Maximum age (for tax reasons) is two days before 75th birthday

Automatic Entry	Must opt to join
<ul style="list-style-type: none"> • New employees with a contract of employment (series of contracts) lasting 3 months or more. • Includes casual staff; but only if they have a mutual obligation to work. 	<ul style="list-style-type: none"> • An employee with a fixed contract of less than 3 months. • Employees with a contract of no mutual obligation.

What do you need to do?

Automatic entry employees

- Inform employees on appointment “*your post entitles you to membership of the Local Government Pension Scheme and you will be assumed to be a member unless you specifically request otherwise; such requests will only be accepted on the official Opt Out form available from Norfolk Pension Fund’s website <https://www.norfolkpensionfund.org/help/opt-out/> Provided this form is completed and received back less than three months from appointment, any contributions already deducted would be refunded through the payroll.*”
- Tell your payroll provider to collect contributions from the date of appointment.
- Give the employee a **New Member Pack** (available from Norfolk Pension Fund website <https://www.norfolkpensionfund.org/about/employers/> under Forms and Documents>Joiner Pack) which includes a scheme booklet. They should complete the **Membership Form (SR95)** and return it to you as soon as possible. Please chase them regularly if they don’t.

Opt to join employees

- Give the employee a **New Member Pack** (available from Norfolk Pension Fund website <https://www.norfolkpensionfund.org/about/employers/> under Forms and Documents>Joiner Pack). If they don’t opt to join you don’t need to tell us anything. If they opt to join, tell us straight away.
- Tell your payroll provider to collect contributions from the first day of the payment period following the application.

For new members joining as part of a TUPE transfer, please notify the Norfolk Pension Fund of the transfer as early as possible. We will provide a **Starters Transferee List (SR104)** for you to complete. The SR104 Form is used to validate our data and ensure all members are accounted for.

How do you tell us?

If you are using Norfolk County Council payroll services, they will provide the data on your behalf.

If you are not using Norfolk County Council payroll services, please add new employees to your i-Connect return/file as they join you.

When you receive the **Membership Form (SR95)** and any other documents the member has provided from the joiner pack (plus a copy of their birth certificate/passport), upload these documents to their i-Connect member record.

See our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

Contributions

What is it?

All members of the LGPS will pay employee contributions rates based on their band in the following table.

Contribution Bandings for 2022/2023

Band	Pensionable pay range	Main section contribution rate	50/50 section contribution rate
1	£0 to £15,000	5.50%	2.75%
2	£15,001 to £23,600	5.80%	2.90%
3	£23,601 to £38,300	6.50%	3.25%
4	£38,301 to £48,500	6.80%	3.40%
5	£48,501 to £67,900	8.50%	4.25%
6	£67,901 to £96,200	9.90%	4.95%
7	£96,201 to £113,400	10.50%	5.25%
8	£113,401 to £170,100	11.40%	5.70%
9	£170,101 or more	12.50%	6.25%

The member contribution pay ranges will be revised annually. We will tell you the new ranges each year.

Employers are responsible for deciding which band applies to each member. We will help you where we can, to ensure a consistent approach for all members.

Employer contributions are expressed as percentage of members' pensionable pay and will be assessed every three years following an actuarial valuation of the Norfolk Pension Fund.

Following a valuation, existing employers may also be requested to pay a cash sum each month in addition to the standard percentage. This is known as the "Secondary Amount (Deficit)".

What do you need to do?

All employees who are eligible for membership should be enrolled into the main section of the scheme via your i-Connect submission. It's your responsibility to make sure your payroll provider deducts the correct employee contribution rate from each scheme member's pay and applies the correct employer rate to be paid over.

You should decide the employee contribution rate, for each job, by estimating the actual annual pay earned at the date of joining or on 1 April each year. This rate may be adjusted during the year if there's a substantial change to the member's contract but doesn't have to if you prefer to wait until April.

You must legally tell each member in writing which band they've been allocated each year and tell them about the appeal procedure in case they disagree.

The Norfolk Pension Fund will inform your payroll provider if a member decides to pay extra contributions.

Pay the contributions over to us each month by BACS payment and confirm the payment splits on the **Monthly Contribution Remittance (SR71)** and your **i-Connect submission**.

Each payment must legally reach us by the date shown on the SR71.

Monitor your payroll provider's performance as any breach will be reported to The Pensions Regulator.

How do you tell us?

Employers need to show basic contributions separately from any additional contributions on both your **Monthly Contribution Remittance (SR71)** and for each member separately on your **i-Connect Submission**.

If you are using NCC payroll services, the **Monthly Contribution Remittance spreadsheet (SR71)** will be sent to the NCC payroll team to complete on your behalf.

If you are **not** using NCC payroll services, the **Monthly Contribution Remittance spreadsheet (SR71)** will be emailed to your Pensions Liaison Officer and Contributions Contact to complete. It needs to be returned to the email address confirmed on your SR71, prior to payment being made.

SR71's are personalised for each employer confirming the employer rate and a summary of the total amounts of pay and contributions needed to allocate the payment efficiently. There is no requirement for individual member details.

For i-Connect submissions please refer to our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

Changes and options during membership

What is it?

A change in personal details, or employment, which will affect pension administration or calculation.

What do you need to do?

Any Name, Address or Hours changes must be amended on the member record via your i-Connect online return/file submission. Upload a copy of the Marriage Certificate, Deed Poll or other relevant document. A photocopy is acceptable provided you've checked the original.

Please refer to our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

Unpaid Leave of Absence, Maternity Leave, Adoption Leave and Strikes

Notify us quickly about any relevant cases using form [Notification of Unpaid Leave Form \(SR47B\)](#), if a member goes on strike, complete form [Notification of Absences due to a Trade Dispute \(SR76A\)](#).

These are covered in more detail in our guide **Member Absence (G030)**.

Reduction (or Restriction) in Rate of Pay

As LGPS benefits are based on pay, **they can be adversely affected if a member's pay rate is reduced or restricted**. We need to know if a member wishes to keep periods of membership separate in these circumstances.

Before April 2008, if the pay reduction or restriction was compulsory, the employer could give the member (and had to if they asked) a Certificate of Protection of Pension Benefits. These can no longer be issued but existing ones are still valid.

From April 2008, where a members' pay rate has fallen, voluntarily or compulsory, they will be able to opt when they retire for their benefits to be based on an earlier year's pay than the final one.

These earlier years will all end on 31 March (i.e. in line with year-end payrolls). The member will be able to go back for up to ten years.

You will need to keep detailed pay records covering the previous decade.

Complete form [Pension Option : Reduced or Restricted Pay \(SR90\)](#).

How do you tell us?

Forms and Guides are available on our website

<https://www.norfolkpensionfund.org/about/employers/>

If you are using Norfolk County Council (NCC) payroll services, they will provide the data on your behalf.

If you are not using Norfolk County Council payroll services, please amend the details on the member record via your i-Connect return/file.

See our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

Please see our **Absence Guide (G030)** for further information on employee absence.

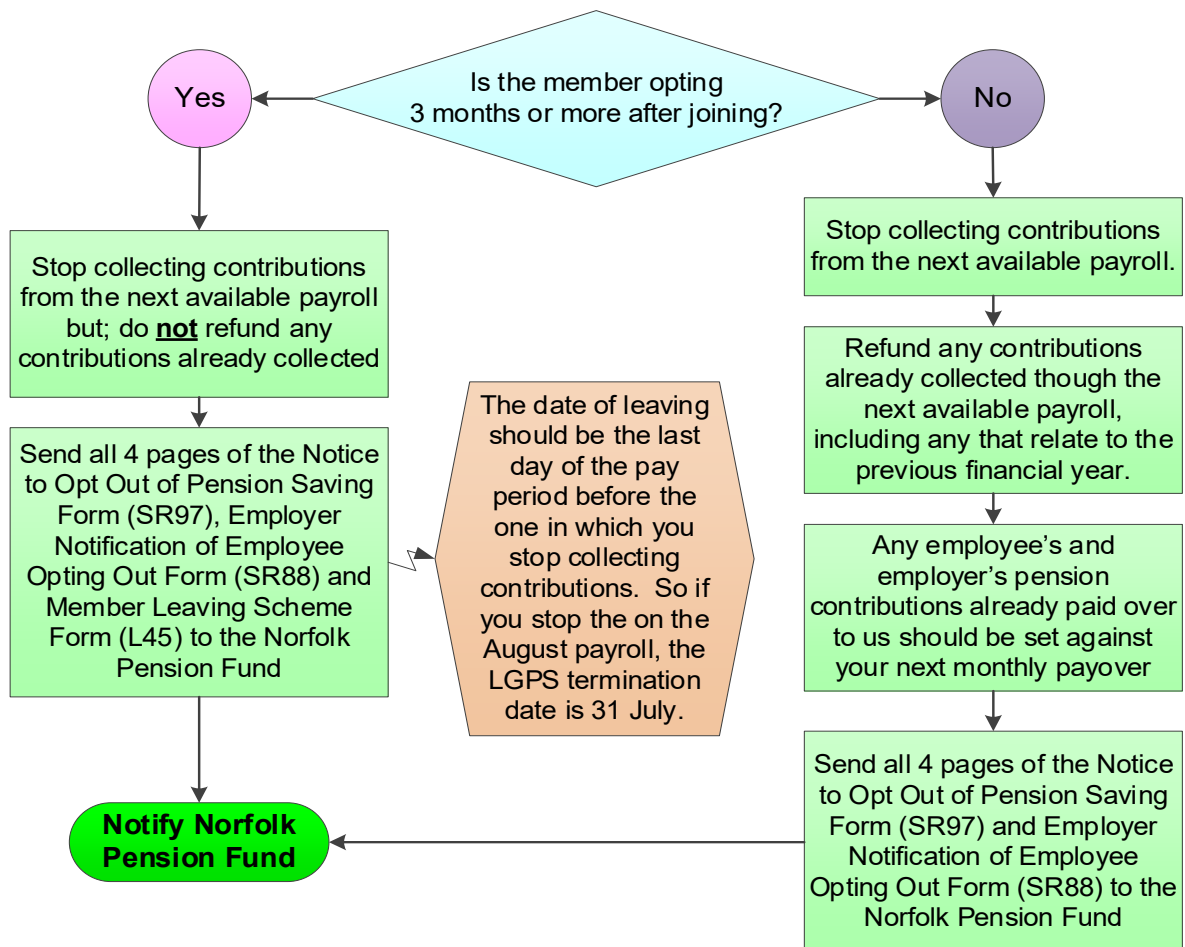
Member Opting out

What is it?

Membership of the LGPS is not compulsory. However, all eligible employees must be treated as members unless they opt in writing on our form [Notice to Opt Out of Pension Saving \(SR97\)](#) not to be. Members wanting to opt out should visit the Norfolk Pension Fund website for the form and return their completed form to you.

A member who opts out can opt back in at any time.

What do you need to do?



How do you tell us?

If you are using Norfolk County Council payroll services, they will provide the data on your behalf.

If you are not using Norfolk County Council payroll services, please upload the relevant forms to the member record(s) via your i-Connect return/file.

See our [Employer Guide to i-Connect File Uploads \(G052\)](#) or [Employer Guide to i-Connect Online Returns \(G053\)](#) for further guidance.

See our [LGPS Contributions Guide \(G020\)](#) for further information.

Member Opting 50/50 Section

What is it?

From April 2014 the LGPS has contained two sections – the main section and the 50/50 section. Data requirements are the same for both sections but the 50/50 section allows members to remain in the scheme and receive full life and ill health protection whilst paying half of the contributions to receive half the pension benefits. They can switch between the main section and the 50/50 section of the scheme as many times as they wish.

What do you need to do?

Members must fill in the Norfolk Pension Fund option form [Option to Switch Between Sections of the Scheme \(SR106\)](#) and return it to you. This form is available on the Norfolk Pension Fund website.

Notify your payroll to adjust the contributions from the next available pay period. If a member moves to the 50/50 section of the scheme, employer contributions are still paid at the full rate.

Complete the employer part of the SR106 and send it to us.

How do you tell us?

Forms and Guides are available on our website
<https://www.norfolkpensionfund.org/about/employers/>

Please upload the [Option to Switch Between Sections of the Scheme Form \(SR106\)](#) to the member record(s) via your i-Connect return/file.

See our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

See our **LGPS Contributions Guide (G020)** for further information.

Member Leaves Active Membership

What is it?

When a member leaves employment, retires, dies in service or opts out, **we need to know as soon as possible.**

What do you need to do?

Tell us about retirements well in advance. This allows us to update records and sort out paperwork with the member. As a result, we can pay members' benefits quickly. Please use form [Advance Warning of Member Retiring \(R25\)](#)

We need to know final pay details for everyone who leaves active membership so benefits can be calculated. For all leavers you need to fill in a [Member Leaving Scheme \(L45\)](#) form but there are situations when you need to send additional forms. Please see the table below:

	Redundancy /efficiency	Ill-Health	Opt out (over 3 month)	Flexible Retirement	Death in Service	TUPE Transfer
L45	✓	✓	✓	✓	✓**	✓***
R16	✓			✓		
R45		✓				
R18		✓*				
SR97			✓			
SR88			✓			
SR105						✓

* This needs to be completed by an approved Independent Registered Medical Practitioner (IRMP). See our **Leavers and Retirement Guide (G040)** for more information.

** please make sure you provide us with next of kin details so we know who to write to about any survivors benefits payable.

***For members leaving as part of a TUPE transfer, please notify the Norfolk Pension Fund of the transfer as early as possible. We will provide a [Leavers Transferee List \(SR105\)](#) for you to complete. The SR105 Form is used to validate our data and ensure all members are accounted for.

How do you tell us?

Forms and Guides are available on our website

<https://www.norfolkpensionfund.org/about/employers/>

If you are using Norfolk County Council payroll services, they will provide the data on your behalf.

If you are not using Norfolk County Council payroll services, please upload the relevant forms to the member record(s) via your i-Connect return/file.

See our **Employer Guide to i-Connect File Uploads (G052)** or **Employer Guide to i-Connect Online Returns (G053)** for further guidance.

Note

If Tier 3 ill – health is awarded there will be further employer responsibilities at a later date. Please see our **Leavers and Retirements Guide (G040)** for further information.

Employer Contacts

What is it?

Our Pension Administration Strategy requires you keep both your employer contacts and i-Connect contact details up to date. You must have a contact nominated as your Pensions Liaison Officer.

Contact Roles

- **Pensions Liaison Officer (PLO).** The PLO must be employed by the employer and will be the main point for contact for queries.
- **Human Resources Officer.** A contact at the employer who will be able to assist with day-to-day queries.
- **Financial Contact.** The Chief Finance Officer.
- **Contributions Contact.** This contact will likely be your payroll provider, somebody able to deal with contribution pay overs and payroll queries.
- **FRS102 Contact.** If a FRS102 report is required for your financial year end, this contact would deal with those queries.
- **Chief Executive Officer.**
- **Other Contact.** Any contact listed as other will be included on Norfolk Pension Fund's distribution list but will not be contacted

What do you need to do?

You are responsible for your employer and i-Connect contacts. Any changes, additions or deletions must be sent to the Norfolk Pension Fund as soon as possible to ensure we can provide an efficient service.

How do you tell us?

For employer contact changes please either:

- Complete our [Employer Contact Details Form \(MISC91\)](#) available on our website www.norfolkpensionfund.org and return via email to pensions.technical@norfolk.gov.uk.
- Email pensions.technical@norfolk.gov.uk directly confirming Employer, Name(s), Contact Role(s), Address, Telephone Number and Email Address.

Any contacts to be deleted, please confirm via email.

For i-Connect contact changes, please complete our [i-Connect Submitter Update Form \(SR113\)](#) and email to pensions.technical@norfolk.gov.uk.

Employer Pensions Policy

What is it?

Employers are required by law to formulate, publish and keep under review a pension policy in relation to the exercise of a number of discretions under the LGPS.

Your pension policy should show the basis on which the employer would make its decisions on the various discretions. The government has advised employers should not “fetter their discretion”; i.e. policies should not be so rigid or restrictive as to prevent flexibility where a (possibly unanticipated) situation requires it.

What do you need to do?

Develop and publish your pension policy. A draft Employer Pensions Policy template [Employer’s Policy Statement : Exercise of Discretionary Powers \(SR85\)](#) is available on the Norfolk Pension Fund website to help you put your policy together.

Our **Employers Pension Policy Guide (G060)** will give you further information on the discretions and what your policy must include.

You must publish your pension policy within 1 month of joining the scheme. Any revised policies must also be made within 1 month, or as soon as reasonably practical.

You may wish to consult your employees or their representatives before making or changing your pension policy.

The law says you should publish your pension policy.

This could be done by placing it on your staff notice boards or intranet site.

How do you tell us?

Forms and Guides are available on our website

<https://www.norfolkpensionfund.org/about/employers/>

You must notify us when you publish a new or revised pensions policy by sending us a copy of it. This can be emailed to pensions.technical@norfolk.gov.uk

Please see our **Employers Pension Policy Guide (G060)** for further information.

Dispute Procedure

What is it?

Both you and the Norfolk Pension Fund are required by the LGPS to make decisions; for instance:

- You decide member contribution rates and whether they're entitled to benefits.
- We decide what previous pension rights count and the amount of any benefits.

When you notify a member of a decision, the law says you must tell them about the dispute procedure and its time limits and give contact details for your 'Adjudicator'.

This is the legal name for a local 'referee' appointed by you or us (depending which of these the complaint is against) to consider disputes.

It could be someone external or a member of your own staff but in the interests of natural justice, it should be someone who has had no previous involvement in the case.

What do you need to do?

If you receive a complaint from a member (or their representative) about a decision you, or the Norfolk Pension Fund have made under the LGPS, the law lays down a legal dispute procedure.

However, we would suggest the member should first contact whoever made the decision they're complaining about.

Most problems are easily sorted out this way but if the member is still unhappy, they're entitled to put their complaint through the official procedure.

See our **Internal Dispute Resolution Guide (G070)** for more information.

How do you tell us?

If you receive a Stage 1 complaint you must inform the Norfolk Pension Fund and provide us with:

- The claimant's Stage 1 dispute letter and any documents supplied to support their complaint.
- Your full Stage 1 reply.

All documents regarding the Stage 1 complaint should be uploaded to the member's record via i-Connect.

The Norfolk Pension Fund will need the above details to reply to any Stage 2 dispute promptly.

Postal Address Only:

Norfolk Pension Fund

County Hall

Martineau Lane

NORWICH

NR1 2DH

www.norfolkpensionfund.org

Pensions Administration

Telephone: 01603 495923

Email: **pensions@norfolk.gov.uk**

Online, Technical, and i-Connect Queries

Telephone: 01603 222132

Email: **pensions.technical@norfolk.gov.uk**

If you would like this guide in large print, audio, Braille, alternative format or in a different language, please email **pensions@norfolk.gov.uk** or call 01603 222824