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Vincent Kiddell
LGPS Amendment Regulations
Workforce, Pay and Pensions
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Please ask for: David Anthony Our ref: PENS/IR

30 June 2016

Dear Mr Kiddell,

Local Government Pension Scheme: Amendment Regulations

Please find below the response from the Wiltshire Pension Fund (WPF) in respect to the Local Government Pension Scheme: Amendment Regulations following discussion at its Committee meeting on 30 June 2016.

Q1. Are there any better ways to adopt the reformed Fair Deal in local government aside from utilising the current “admitted body status” framework? If yes, please recommend this alternative approach along with the rationale.

The WPF supports the proposed approach and the use of the current admitted body framework. This avoids the ambiguity over the use of either the LGPS or Broadly Comparable scheme and should assist in simplifying the tender documentation for Scheme Employers when tendering and assessing outsourcing contracts.

Q2. Is the suggested approach of not making it compulsory for providers, at retender, to automatically provide the LGPS for members previously transferred to a broadly comparable scheme correct? If not then please recommend an alternative approach and detail how this can be achieved from a practical perspective.

The WPF supports this approach.

Q3. Should the regulations be further amended to allow members to voluntarily access their benefits at age 55 regardless of when they stopped paying into the LGPS? If yes, how can this be achieved under earlier revoked regulations?

The WPF recommends that earlier regulations should be amended to permit all members to voluntarily access their benefits regardless of when they ceased paying into the scheme.

Not only will this provide a fair and transparent approach for all members, it will also make greater strides in the scheme evidencing Lord Hutton's recommendation of giving members a "greater choice over when they start drawing their pension benefits". This approach will also align the scheme with the principles contained in the Government's "Freedom & Choice" policy.

Further comments

Additional Voluntary Contributions (AVC) – Draft Regulation 8 & 9

WPF supports the introduction of permitting members to flexibly access their AVCs, however, the Fund has slight concerns regarding providers exhibiting excessive exit fees. WPF believes the outcomes from consultations on this subject in the last year by HM Treasury and DWP should be a source of reference for capping fees.

Pension Accounts – Draft Regulation 11

WPF fully supports this amendment and welcomes reverting to the pre 1 April 2014 approach. If possible, the Fund requests that this amendment is made retrospectively from 1 April 2014.

Conclusion

The WPF welcomes and agrees with the majority of the proposed changes in the Amendment Regulations and hope that our comments and suggestions are considered.

Yours sincerely,

David Anthony
Head of Pensions

Michael Hudson
Treasurer to the Pension Fund

Councillor Tony Deane
Chairman of Pension Fund