

## LGPS Regulation Update

Another quiet month in terms of pensions legislation, although I expect to see the final versions of the Local Government Pension Scheme (Benefits Membership and Contributions) Regulations 2007 before the end of the month. These are the regulations that initiate the introduction of the 2008 Scheme. The draft contained a number of contentious issues, and a copy of the LPFA's response was made available to you last month.

However, the picture will remain far from complete. Disturbingly, there is still no sign of the "Transitional Provisions", even in draft form. Until we see these there will remain a great deal of uncertainty as to how pre April 2008 membership will be treated in the new Scheme, and yet this is the issue I am most frequently asked about.

The deadline for responses to the draft "Administration" Regulations has now passed, and [the LPFA's response](#) is available on our website. The LPFA shares the view of many pensions administrators that the new regulations should not be merely copied across from the relevant existing regulations, but that the opportunity should be taken

to clarify and simplify the regulations. Terry Edwards of the Local Government Employers (LGE) has made a number of suggestions in this respect, and the LPFA fully supports these.

Despite the uncertainties, the publication of the "Benefits" Regulations will be important and is likely to have a significant effect on the administration of the scheme for both employers and administering authorities. Hopefully I will be able to inform you of the details and the implications of these regulations in May.

The LPFA has also issued [a response to the Local Government Pension Scheme \(Amendment No 2\) Regulations 1997](#). Not only do these regulations require administering authorities to prepare, publish and maintain policy statements about their governance arrangements, but they also enable administering authorities to establish level of performance agreements with employing authorities.

Once the regulations are finalised, we will clarify how these regulations will impact on you.

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## Stop Press!!

True to form the actual "[Benefits Regulations](#)" have arrived shortly before the distribution of this newsletter.

The two features of most obvious interest are the introduction of a seven band tiered contribution rate (see Reg 3) and a return to the concept of two tier ill health (see Reg 20). I will provide a more detailed commentary in May.

A further issue of interest is contained in the [covering letter](#), which includes the first detailed proposals on the transitional arrangements (Annexe C). Further comment will also be made on this in May.

## **End of Year Returns**

You should by now have received your end of year return specification. To help us with the fund valuation we would again ask for all returns to be at the LPFA as soon as possible and no later than 30<sup>th</sup> April 2007.

On the covering email that accompanied the specification, a password protected spreadsheet was requested. Please ignore this when submitting the return via the web server as it is unable to load password protected sheets.

## **New Contribution Rates for April 2007**

We have also sent a letter to remind you of your employer contribution rate for the year commencing April 2007 as certified on the Rates and Adjustment Certificate issued to your organisation following the 2004 Fund Valuation. In many cases the rate changes with effect from 1st April: please ensure that the correct rates are applied.

## **FRS17**

Hymans are well under way with their calculations to produce the FRS17 reports for employers who have requested a report as 31st March 2007. These are expected to be with employers on the 9th May.

If there are any employers that do not participate in the process but wish to do so please contact us.

If you have any questions or concerns on any of the above issues please contact our Central Processing Team Manager, Dave Simson, on 020 7369 6108.

## **New Investment Director Appointed**

We are pleased to announce the appointment of Vanessa James as the new LPFA Investment Director. Vanessa commenced her new role on the 19th of March.

Ms James joins the LPFA with 28 years experience in managing some of the UK's largest investment funds. Her last position was for the Abbey National Asset Managers where she was the Director of Institutional Business and then its Global Equity Director from 2001 to 2004. Since leaving Abbey National, she has pursued a number of private interests and is now looking forward to the challenges of working for the LPFA.

"The LPFA is a highly recognisable and respected name in the pensions and investments world" says Vanessa "and to join such an organisation and help it to develop and grow even further, will be tremendously rewarding. The Chief Executive and the Board have developed an exciting investment strategy to meet the authority's obligations and I am delighted to be given the opportunity to play a part in achieving this."

In making the announcement, Mike Taylor, said that Vanessa was at the head of a very strong field of candidates and in the opinion of the interviewing Panel, was the outstanding candidate.

"We are delighted that Vanessa will be joining us" says Mike "because she will bring to the Authority, an impressive and a substantial track record of achievement in all areas of fund management, derivatives, corporate pensions scheme management, and investment strategy leadership."

## **Contacting the LPFA**

When you contact the LPFA could you please ensure that all reference numbers pertaining to your enquiry are placed on all documentation. Where possible can you please attention the material to the appropriate person.

This will assist us to ensure we respond to your enquiry in a timely manner. Thank you.

We will also be shortly introducing generic team email addresses. We currently employ team phone numbers and this works extremely well. This will ensure that work flows are handled regardless of individual staff absences.