

The Regulator Calls...

Latest developments in the regulation of public
service pension schemes and specifically LGPS

CIPFA Pensions Network Workshop
Future structure of the LGPS

April 2014

The Pensions
Regulator

The Regulator Calls...

Public Service Pensions Act 2013

- Mainly reform of benefit design
- Governance arrangements
 - Responsible authority
 - Scheme regulations
 - Scheme manager
 - Pension board
 - Scheme advisory board
- Explicit regulatory oversight
 - Governance and administration – not funding
 - Largely analogous to private sector
- Public service pension schemes defined



The Pensions
Regulator

The Regulator Calls...

Public service pension schemes

	Members (million)	Employers	Net Liabilities (2012: £bn)
L Local government	4.7	7,800	78
NHS	2.9	1,300+ GPs	283
Teachers	1.9	5,300	233
Civil service	1.7	300	155
Armed forces	0.8	10	106
L Police	0.3	45	102
L Fire	0.1	50	21
	-----	-----	-----
Total	12.4	14,805+	978
L = local administration	-----	-----	-----



The Pensions
Regulator

The Regulator Calls...

Public Service Pensions Act 2013

- Secondary legislation
 - Scheme regulations (s3)
 - Treasury directions on benefit information statements (s14)
 - Treasury directions on information about schemes (s15)
 - Records (s16)
- Commencement orders
- Other applicable regulations eg DWP disclosure regs

- Northern Ireland



The Pensions
Regulator

The Regulator Calls...

Implementation of governance reforms

Central players

- HMT
- DCLG
- Scheme advisory board
- The Pensions Regulator
- GAD

Local players

- Administering authorities
- Pension committees
- Pension boards



The Pensions
Regulator

The Regulator Calls...

Legal requirements

Scheme manager:

- Record keeping
- Internal controls
- Annual member statement (and other member disclosure)
- Information about pension board and scheme
- Internal dispute resolution procedure
- Reporting late payment of contributions
- Conflicts of interest of pension board members

Pension board members

- knowledge and understanding
- Whistle-blowing



The Pensions
Regulator

The Regulator Calls...

Regulation: between now and 2015

- Understanding the schemes and their issues
 - Publicly available information
 - Survey (results now on website)
 - Scheme regs
 - Ongoing engagement
- Regulatory materials
 - Regulatory strategy and policies
 - Code of practice (aim to finalise by autumn 2014)
 - Public service scheme website including support material



The Pensions
Regulator

The Regulator Calls...

What will regulation look like?

- Educate, Enable and Enforce
- PACTT: Consistent with private sector approach
- Determined nearer to April 2015
- Driven by the extent of breaches of pensions legislation
- Current thoughts:
 - Maintain educational material
 - Monitor and collect intelligence
 - Thematic reviews
 - Publications
 - Enforcement action where required



The Pensions
Regulator

The Regulator Calls... Questions...



Bob Scruton

The Pensions Regulator

Napier House

Brighton

BN1 4DW

tel: 01273 627611

email: bob.scruton@thepensionsregulator.gov.uk