Pensions In Partnership

November 2023

Strathclyde Pension Fund

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Actuarial Valuation 2023

We are currently working with Hymans Robertson to produce individual actuarial valuation results for all employers.

We will be hosting an **online Employer Forum** on **Tuesday 21st November** from **14:00** to **15:00.** **[Save the date – an invitation will follow by separate email].**

The Forum will provide an overview of the valuation process and results.

Results schedules will be issued to employers immediately afterwards.

Pension Saving Statements 2023

We have issued a little over 850 Pension Savings Statements to members with a 2022/23 pension input amount in excess of £35k.

That's less than last year's total, which was over 1,200.

The drop is largely a result of the change to revaluation which was introduced by the SPPA in the early part of 2023.

The regulations covering these changes have yet to be laid by Scottish Government.

It is expected that when the changes are legislated, they will mirror the approach used to calculate 2023 pension input amounts.

NOTE: - The annual allowance limit increased to £60,000 from April 2023.

Inflation Increase

UK CPI for the year to 30th September 2023 has been confirmed as **+6.7%**.

We expect that this will be the basis for April 2024's pension increase of pensions in payment, and revaluation of all career average benefits for active and deferred members.

This needs to be confirmed in the Pensions Increase (Review) Order and Public Service Pensions Revaluation Order which will be made in parliament early in 2024.

For Reference

The LGPC has published bulletin 242 - Of note included within the bulletin:

- The Local Government Pension Scheme (Remediable Service) (Scotland) Regulations (Commonly referred to as the McCloud remedy – see below)
- New Scams reporting campaign launched by TPR

McCloud Remedy

The regulations are now in force, but we still have some work to do before the remedy can be fully implemented. In any event, most members will see no impact.

Firstly, we need to lock down our data to ensure the test is performed for members who meet the underpin criteria going forward.

As a fund we continued to collect a lot of supplementary data since the CARE scheme was introduced in 2015 and on an ongoing basis through i-Connect. We advised we would only ask employers for data that we deemed necessary to ensure the accuracy of our records for the comparison to be made.

For members who have already terminated active membership of the scheme, we are satisfied that their record was accurate at the point of leaving/retiring. No further action is required.

We have carried out a health check on active members and are satisfied that the continuous collection of hours changes since 2015 means that we do not need to query this data any further. However, to ensure underpin protection is accurately assessed, data in respect of authorised unpaid leave, trade union disputes and unauthorised leave must be accurately recorded. For most employers there are gaps in this data for the period beginning 1 April 2015 until the date you went live on i-Connect and submitted this data as part of your return. We will need employers to provide this data.

Also, in order to correctly calculate the underpin for those members who have reached the age of 65, the average pensionable pay is required for final salary benefits. This should cover the 365 days leading up to the eve of the member's 65th birthday. This may include leavers and well as active employees.

Further instructions and data templates (where applicable) will be sent to i-Connect contacts under separate cover.