

Regulatory and Other Committee

Open Report on behalf of Executive Director of Finance and Public Protection

Report to: **Pensions Committee**

Date: **09 April 2015**

Subject: **Pensions Regulator**

Summary:

As part of the regulatory changes introduced in the Public Services Pensions Act 2013, from 1st April 2015 the LGPS comes under the authority of the Pensions Regulator. This report informs the Committee of the Code of Practice published by the Pensions Regulator for public sector schemes.

Recommendation(s):

That the Committee note this report.

Background

- 1 The Public Services Pensions Act 2013 expanded the remit of the Pensions Regulator (tPR) to include public sector pension schemes from 1st April 2015. TPR is responsible for regulating the governance and administration of public service pension schemes, which includes publishing a code of practice for these schemes. The code is currently in draft format, and will come into effect on 1st April. It can be found on the tPR website at this link: <http://www.thepensionsregulator.gov.uk/docs/draft-code-14-governance-administration-public-service-pension-schemes.pdf>.
- 2 The code of practice sets out the legal requirements for public service pension schemes in respect of specific matters relating to those schemes. It contains practical guidance and sets out standards of conduct and practice expected of those who exercise functions in relation to those legal requirements. The practical guidance sections in the code are not intended to prescribe the process for every scenario. They do, however, provide principles, examples and benchmarks against which scheme managers (the administering authority) and members of pension boards can consider whether or not they have understood their duties and obligations and are reasonably complying with them.

- 3 Though following the code is not a statutory requirement, should tPR identify a situation where legal requirements are being breached, the tPR will use the code as a core reference document when deciding appropriate action.
- 4 The code covers the areas of:
 - Governing your scheme
 - Knowledge and understanding required by pension board members
 - Conflicts of interest and representation
 - Publishing information about schemes
 - Managing risks
 - Internal controls
 - Administration
 - Scheme record-keeping
 - Maintaining contributions
 - Providing information to members
 - Resolving issues
 - Internal dispute resolution
 - Reporting breaches of the law
- 5 The Pensions Regulator has a Public Service toolkit to learn about managing public service pension schemes and to increase Committee and Pension Board members' knowledge and understanding. To access this, log in or sign up at <https://education.thepensionsregulator.gov.uk/login/index.php>.
- 6 It is not intended to go into the detail behind the code in this paper, however officers will be reviewing Fund practices to identify any areas where further work needs to be undertaken, and will report back to the Committee.

Conclusion

- 7 The Public Services Pensions Act 2013 expanded the remit of the Pensions Regulator (tPR) to include public sector pension schemes from 1st April 2015. TPR is responsible for regulating the governance and administration of public service pension schemes, which includes publishing a code of practice for these schemes.
- 8 Officers will be reviewing Fund practices to identify any areas where further work needs to be undertaken to meet the new code, and will report back to the Committee.
- 9 Members are encouraged to visit the tPR Public Service toolkit to further enhance their knowledge and understanding.

Consultation

a) Policy Proofing Actions Required

n/a

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

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