



# Technical Updates

**Wiltshire Pension Fund**  
For safe, secure, cost effective provision of your pension

## Welcome to fifth edition of our newsletter.

We use this newsletter to inform you of important changes, keep you updated with news and remind you of what information we need and in what format.

### Key Changes and Important Points

#### Salary sacrifice and its effect on pensionable pay and final pay figures

We are aware that salary sacrifice schemes are starting to become more popular with employers nationwide and therefore, we have highlighted the effect on LGPS pensions.

Below is the definition of what pay is pensionable for the LGPS Regulations (Admin) 2008:

“4(1) An employee’s pensionable pay is the total of:

**a)** all the salary, wages, fees and other payments paid to him for his own use in respect of his employment

and

**b)** any other payment or benefit specified in his contract of employment as being a pensionable emolument”

Most salary sacrifice scheme arrangements will come under this statement as being ‘pensionable’.

For the avoidance of doubt, this means that employee contributions should continue to be deducted from the full salary (as would have been the case before any salary sacrifice scheme) and all pension remuneration figures should be based on their full FTE salary, as was previously the case.

Examples of this are childcare schemes, where money is paid to the childcare provider before deductions for tax and national insurance.

#### Discretions Policies

A reminder to all employers, large and small, who have not completed and sent us an up to date employers’ discretion policy; this is a statutory obligation under the LGPS Regulations (Administration) 2008.

**Important:** We have now agreed that we will not accept any employer decisions related to a statutory discretion unless it is laid out in the policy.

For example: we will not process a flexible retirement unless you have fully completed a discretions policy showing that you allow this in certain circumstances.

#### Minimum retirement age changing from 50 to 55

We would like to remind you that the minimum age we can pay out pensions from is increasing from 50 to 55 on 1<sup>st</sup> April 2010 (except in ill health circumstances). This covers early retirement, flexible retirement, re-dundancies and efficiency retirements.

#### Administration Strategy

Following our presentation about the implementation of an Administration Strategy at September’s PLOG meeting, we have begun face to face consultations with a number of employers during October. 3 weeks before the strategy is formally implemented, a draft copy will be emailed to each employer for any comments or concerns to be raised. We currently

anticipate its implementation date as 1 January 2010.

If you wish to be consulted as part of the draft, please contact Andy Cunningham:

email: [andrew.cunningham@wiltshire.gov.uk](mailto:andrew.cunningham@wiltshire.gov.uk)

telephone: 01225 713612

## Reminder and other information

### PLOG

The slides from the September PLOG meeting are now on our website.

Future PLOG dates have been confirmed as

- Wednesday 16<sup>th</sup> December 2009
- Wednesday 24<sup>th</sup> March 2010

and these meetings will be held at Devizes Town Hall.

### Annual benefit statements

Annual benefit statements for active members should be going out by the end of November as discussed at our recent PLOG meeting. We have completely redesigned the statement to make it more user friendly and we would appreciate it if you could pass on any feedback you may receive after their release.

Unfortunately there have been some delays in providing 2009 statements, but we have already put steps in place to smoothen the process of producing them for 2010 and anticipate their release by the end of July next year.

### Website updates

- Employer and member information about early and flexible retirements, including reduction tables for drawing benefits early.
- New employer information about various types of leave and its effect on pensions e.g. maternity, paternity, unpaid leave.

## Something extra

### Three Old Men

Three elderly gentlemen were talking about what their grandchildren would be saying about them fifty years from now.

'I would like my grandchildren to say, 'He was successful in business', declared the first man.

'Fifty years from now,' said the second, 'I want them to say, 'He was a loyal family man' .

Turning to the third gent, the first gent asked, 'So what do you want them to say about you in fifty years?'

'Me?' the third man replied. 'I want them all to say, 'He certainly looks good for his age!'

### Queries, comments or suggestions

For any queries or comments regarding this newsletter or, if you have any further suggestions on how we can improve our communications and service, please contact Andy Cunningham.

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