

Hackney Pension Board

- Ian Colvin
- 15 April 2024





Pension Legislation

Who's who

About The Fund

Policy Documents

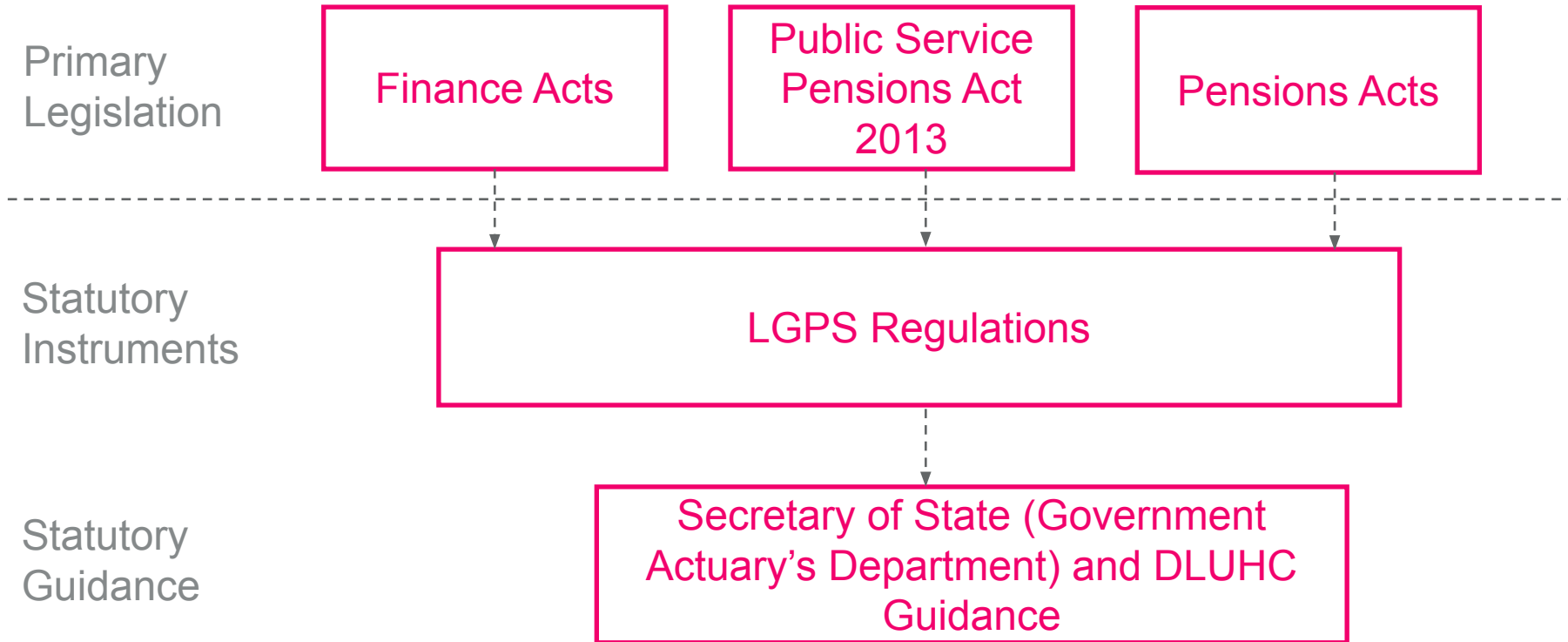
Hot topics

Who's who

Pension Legislation



General Pensions Framework



Primary Legislation

Finance Acts (HM Treasury)

- Tax relief on pension contributions
- Tax free cash lump sum
- Thresholds on annual pension savings
- No tax on investment growth
- Freedom and choice

Pensions Acts (Dept Work & Pensions)

- Disclosure requirements
- Contracting out (still relevant)
- Governance e.g. dispute resolution, record keeping, reporting breaches

Public Service Pensions Act 2013 (HM Treasury)

- Benefit structure (Career Average Revalued Earnings)
- Local Pension Boards
- Role of the Pensions Regulator in public sector
- Scheme Advisory Board

LGPS Regulations and Guidance

LGPS Statutory Instruments

- LGPS Regulations 2013 (as amended)
- LGPS (Management and Investment of Funds) Regulations 2016
- Lots of saved former regulations (2008, 1997, 1995 etc etc)
- ...all subject to (numerous) amendments!

LGPS Statutory Guidance

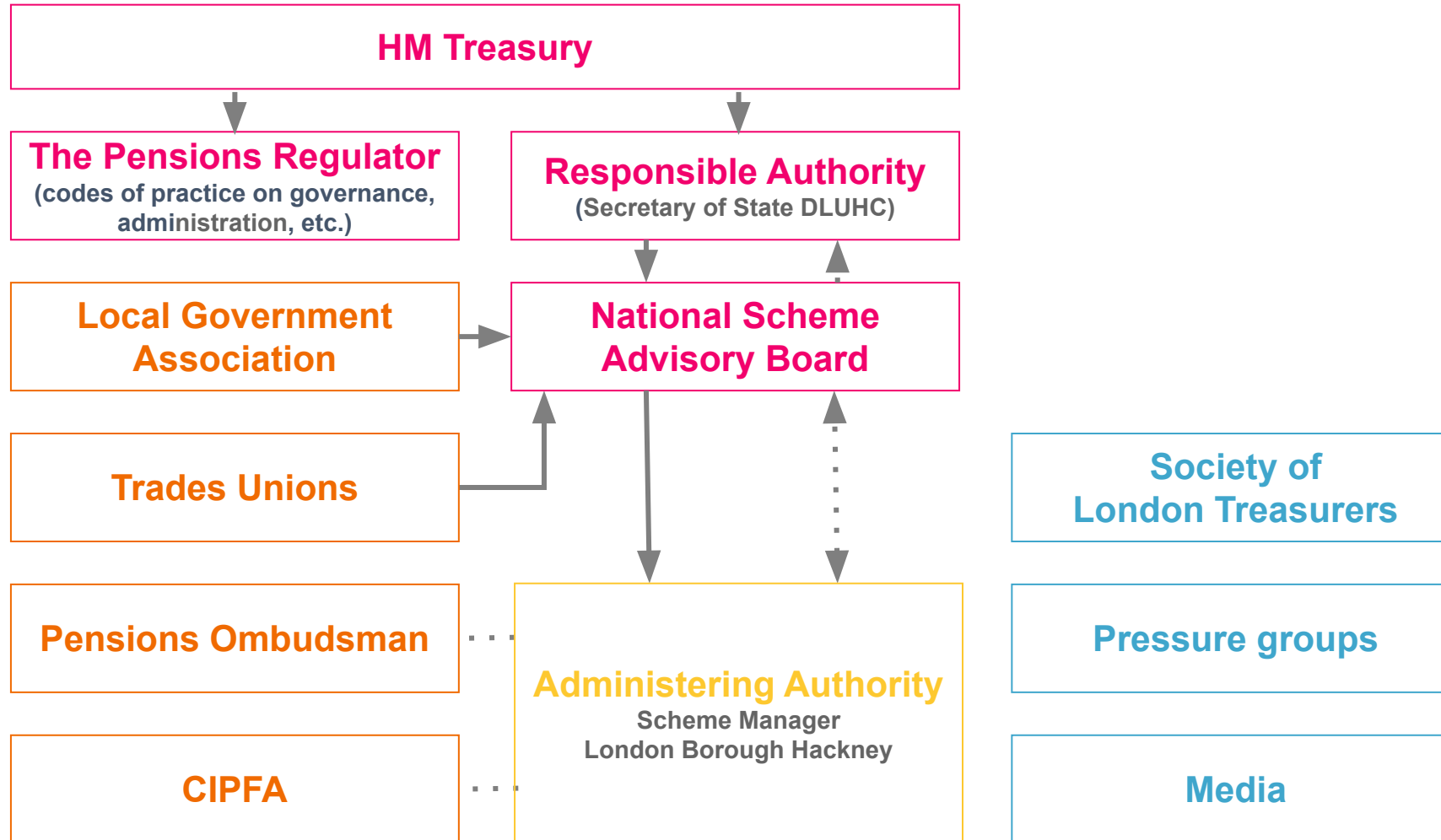
- Guidance on ill health
- Guidance on preparing and maintaining an Investment Strategy Statement
- Additional Pension, AVCs
- Annual and Lifetime Allowances
- Early/flexible Retirement (incl. Reductions)
- Transfers, interfunds
- Divorce debits and credits

Who's who

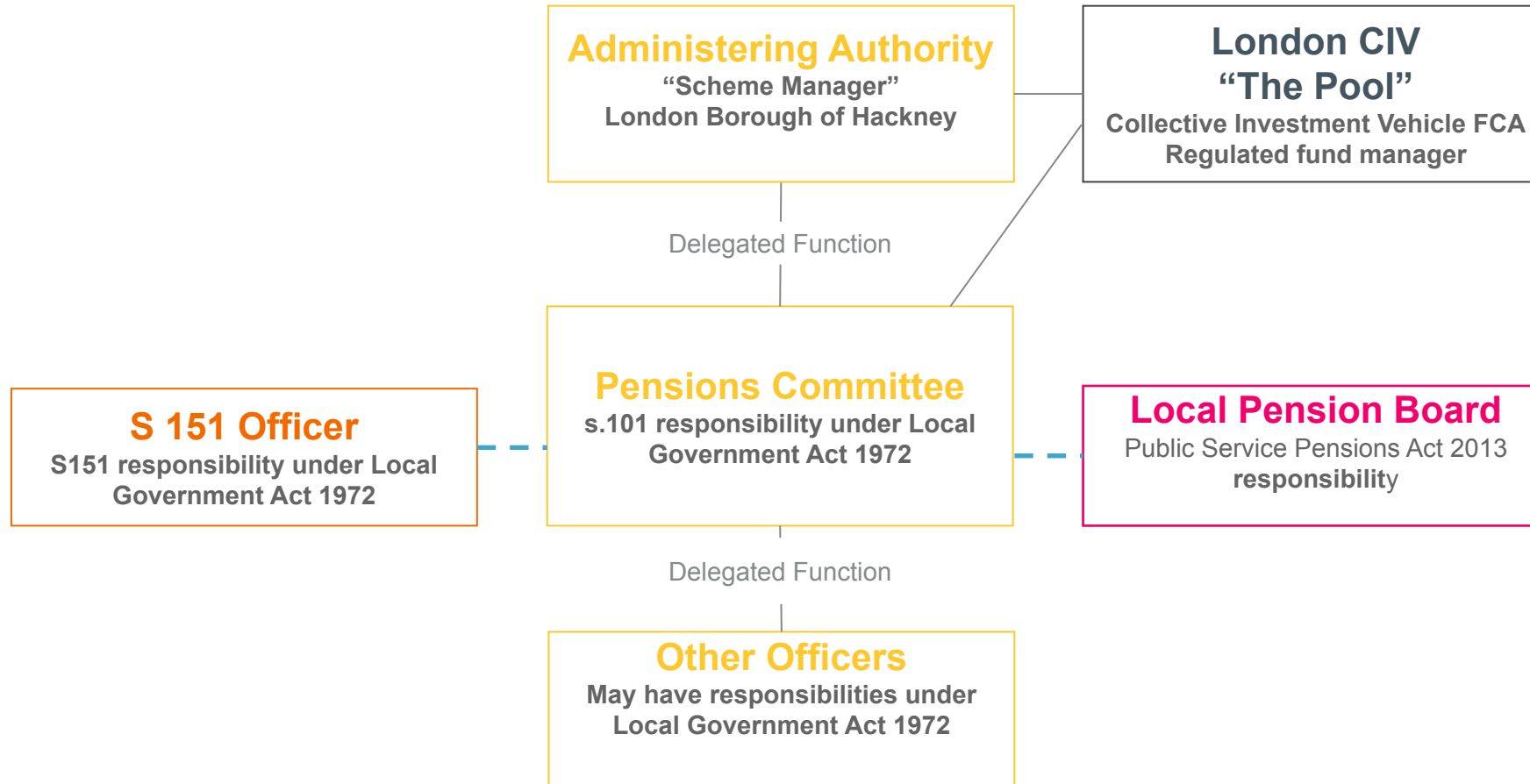
Who's who



Who's who at national level

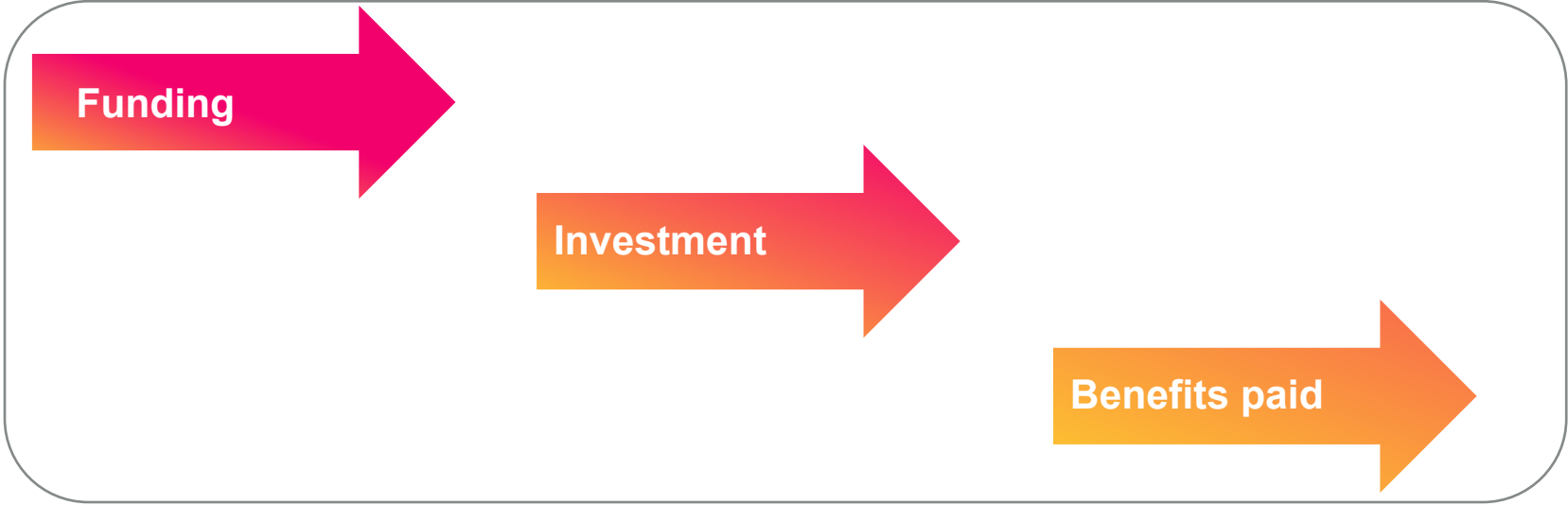


Who's who at a local level



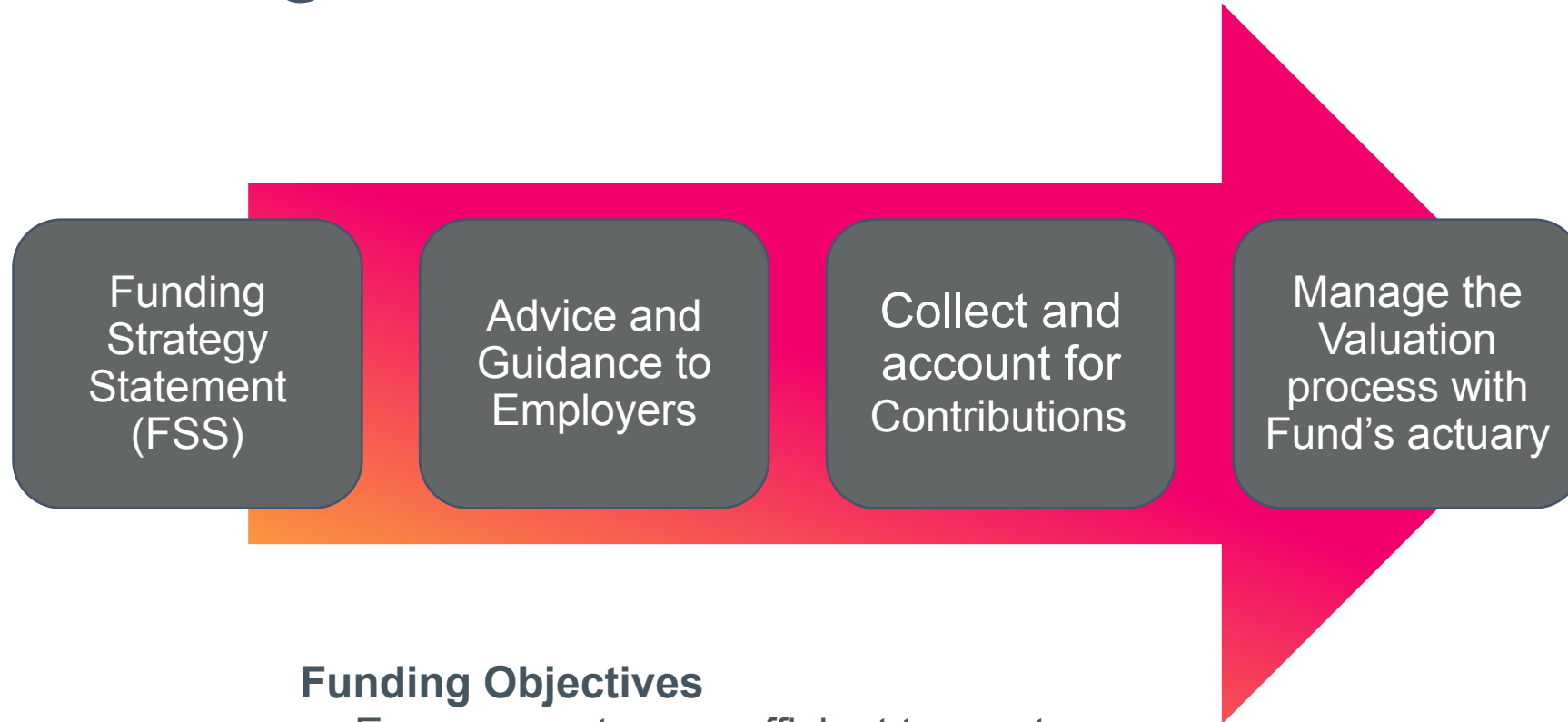
Employing Authorities

The Administering Authority



Management of all aspects of the Fund

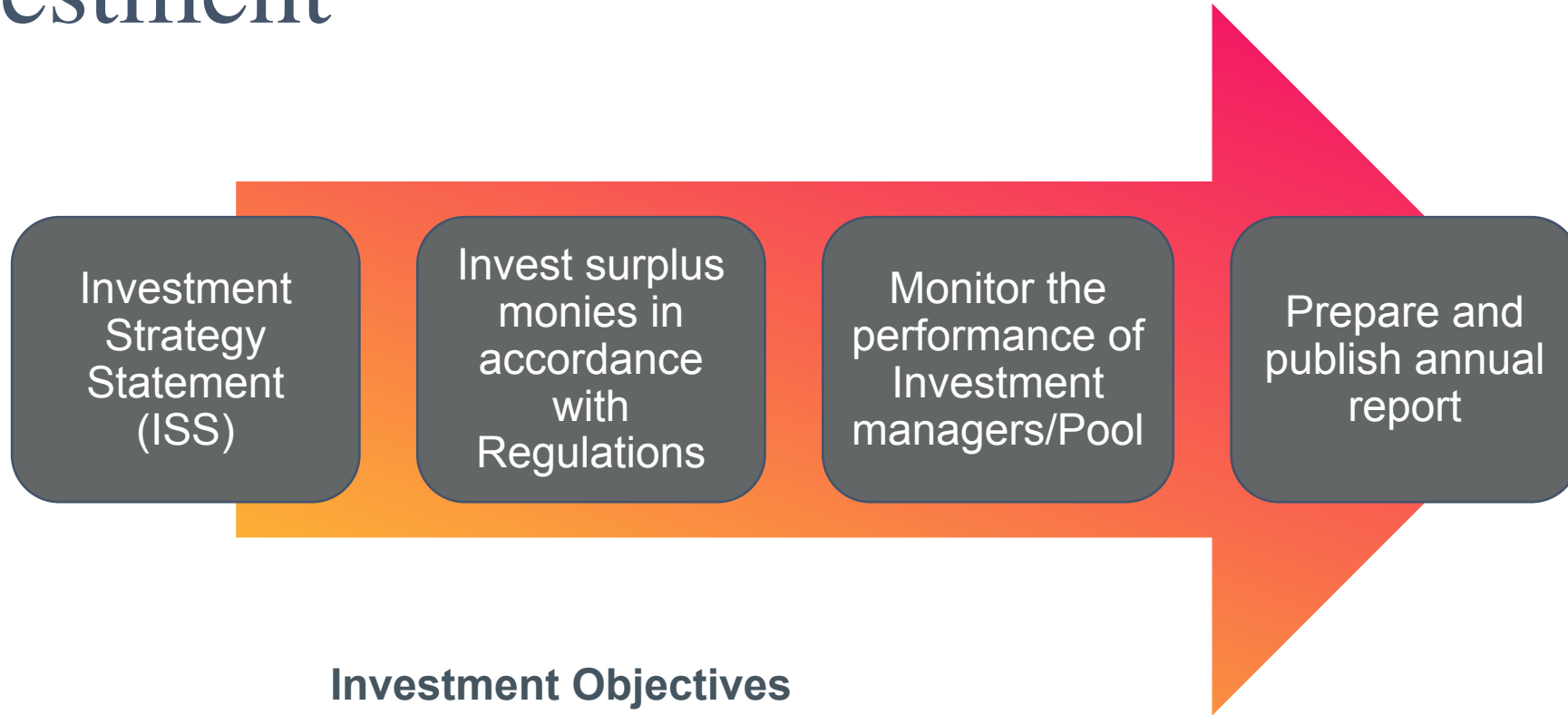
Funding



Funding Objectives

- Ensure assets are sufficient to meet liabilities
- Fairness across all employers
- Prevent cross-subsidy of employers
- Ensure liquidity for projected cashflows

Investment



Investment Objectives

- Maximise investment returns within risk parameters
- Agree a suitable risk tolerance
- Ensure diversification
- Invest over the long term

Benefits Paid



Administration Objectives

- Provide high quality service
- Ensure correct benefits paid
- Improve overall data quality
- Protect members' data

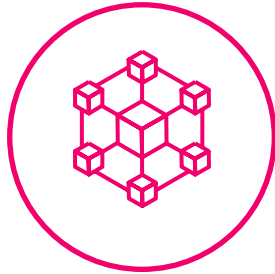
Communications Objectives

- Ensure communication is clear and precise
- Provide all relevant information in consistent and timely manner
- Regularly review and update Fund documents and policies

The Role of the Committee Member

Some of the key aspects of the role to note are:

Set Fund objectives and strategy



Act in interests of members and taxpayers



Ensure compliance with legislation



Maintain knowledge and understanding



Make and ratify decisions



Non-political

Committee Terms of Reference

Carries out a delegated function on behalf of the administering authority, including;

- To act as Trustees of the Council's Pension Fund
- To act as Scheme Manager for the Pension Fund.
- To formulate and publish a Statement of Investment Principles.
- To set the overall strategic objectives for the Pension Fund, To determine the strategic asset allocation policy,
- Responsibility for all aspects of the Fund

Delegated Function



Does not make
'employer' decisions
and the pension fund
is not an Executive
Function

The role of the Local Pension Board

- Requirements set out under the Public Service Pensions Act 2013
- Assist the scheme manager in securing compliance with:
 - Scheme regulations
 - Legislation relating to governance and administration of the Scheme
 - Pension Regulator's requirements e.g. Code of Practice
- Members must have appropriate knowledge and understanding
- The Board must have equal number of scheme member and employer representatives
- No conflict of interest

Assisting with



**Does not make
delegated decisions
on behalf of the
administering
authority**

Roles and responsibilities - others

London Borough of Hackney



S151 Officer

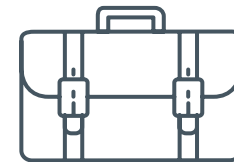
- Effective financial control
- Financial management arrangements
- Internal audit & Scrutiny
- Anti corruption strategy

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Scheme Employers

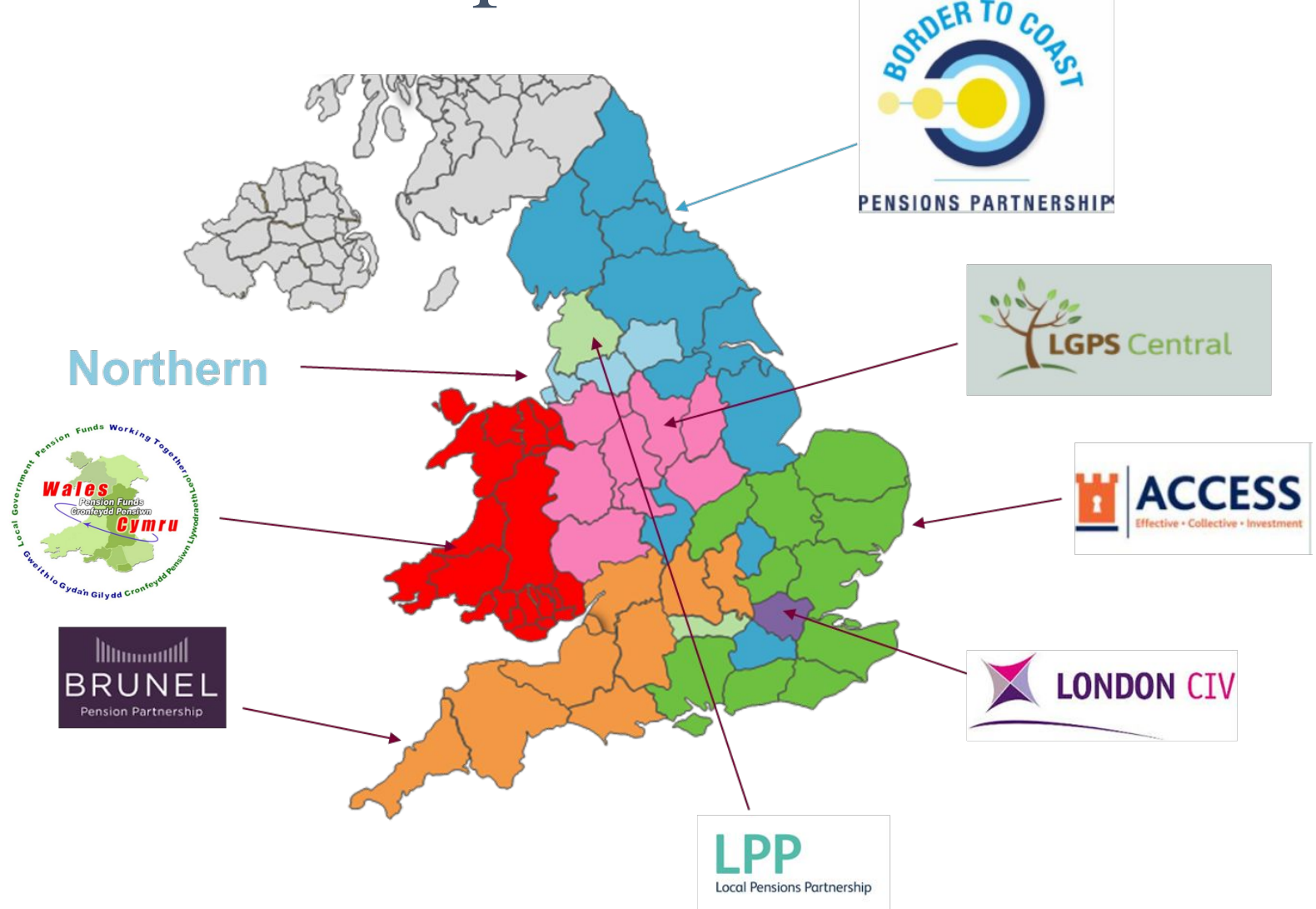
- Enrol members correctly
- Collect and pay contributions
- Provide data to Fund
- Exercise certain discretions
- Ensure member protections



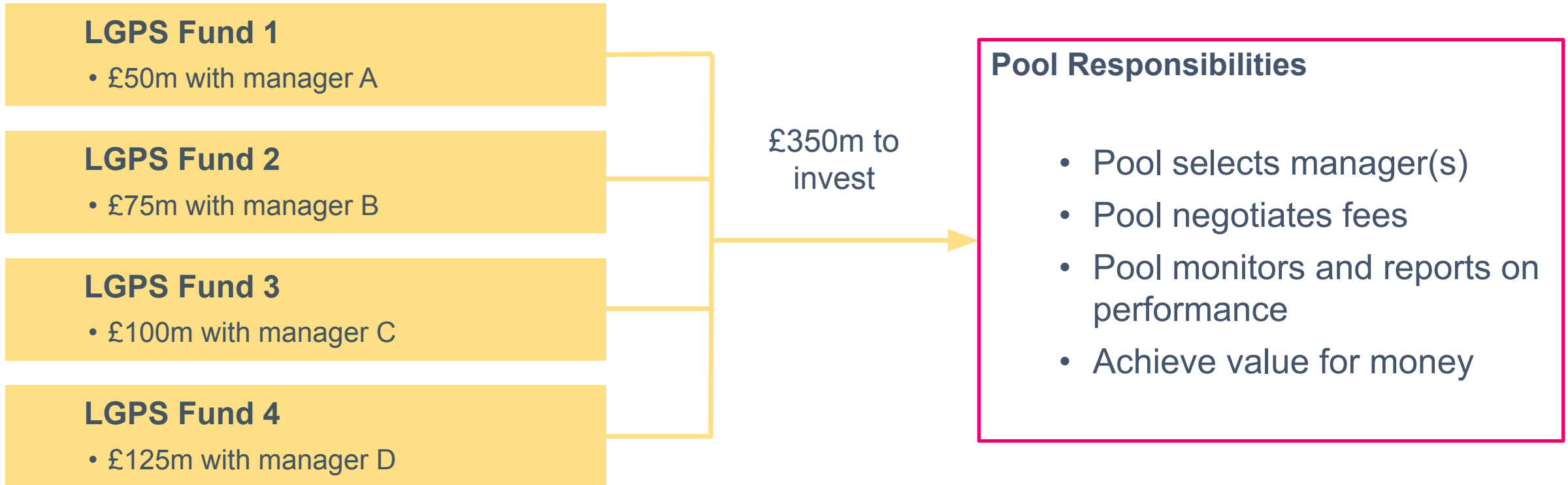
Advisors - (actuarial, investments, governance, etc.)

- Clear & relevant advice
- Offer feedback & Challenge
- Co-operate with other stakeholders

LGPS investment pools



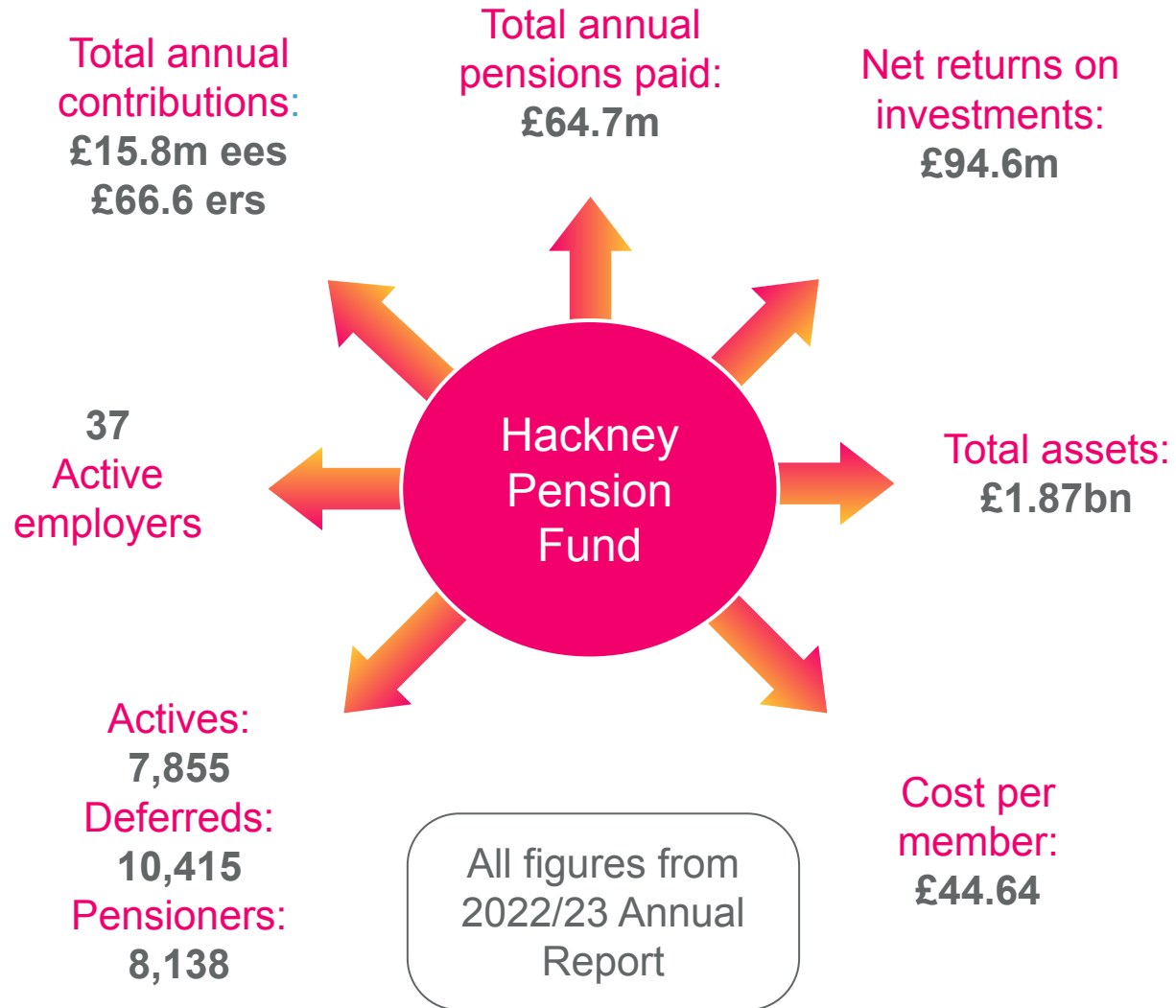
Role of the Pool



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