

Vincent Kiddell
Workforce, Pay and Pensions
Department for Communities and Local Government
SE Quarter Fry Building
2 Marsham Street
London
SW1P 4DF

Sarah Woodfield
Pensions and Lifetime Savings
Association

Dear Vincent,

16.08.2016

Local Government Pension Scheme Amendment Regulations

The Pensions and Lifetime Savings Association is the national association with a ninety year history of helping pension professionals run better pension schemes. With the support of over 1,300 pension schemes and over 400 supporting businesses, we are the voice for pensions and lifetime savings in Westminster, Whitehall and Brussels. Our purpose is simple: to help everyone to achieve a better income in retirement. Our pension fund members own nearly £1 trillion of assets and are responsible for the pensions of 16 million people. Our members include most open and closed funded DB schemes across the private and public sector. We therefore represent almost all those members saving in funded DB arrangements.

The PLSA broadly welcomes the proposals set out in this consultation. It is very important to ensure that an individual can take advantage of continued access to saving within the LGPS when their services are transferred under a local government outsourcing arrangement. The regulations following on from the principles set out in HM Treasury's "New Fair Deal" guidance has been long awaited. By reducing the need for 'bulk transfer arrangements' these proposals will simplify the TUPE process, while giving savers reassurance regarding their ongoing participation in the scheme. However, these proposals are missing a core part of the principle of the New Fair Deal in the form of pass-through arrangements.

Pass through arrangements minimise the exposure that contracted in employers have to risks associated with the pension scheme outside of their period of contracting with the Local Authority. This is essential to ensure that contractors are able to factor in staff costs associated with the contract during the procurement process.



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Pensions and Lifetime Savings Association is the trading name of the National Association of Pension Funds Ltd, a company registered in England and Wales with company number 1130269.
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At present, smaller organisations lack the bargaining power to negotiate this form of an admission agreement. Mandating pass through would ensure that contractors are on a level playing field and that Administering authorities are able to focus their engagement with these bodies. Please see our publication 'Navigating entry into the LGPS: For Local Government Contractors' for more information.

We are also pleased to see that the Regulations allow for the new flexibilities as applied to Additional Voluntary Contributions.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'S. Woodfield', with a long horizontal stroke extending to the right.

Sarah Woodfield
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