



Haringey Council

Report for:	Pension Committee 10th September 2015	Item Number:	
Title:	Local Government Pension Scheme - Administration report Transfers out		
Report Authorised by:	Jacque McGeachie - Assistant Director Human Resources		
Lead Officer:	Janet Richards Pensions Manager		
Ward(s) affected: None	Report for Key/Non Key Decisions: Non Key Decision		

1. Describe the issue under consideration

This report is to update the Pensions Committee with the number of members leaving the pension scheme and transferring their pension benefits out of the Local Government Pension Scheme to another pension provider.

2. Cabinet Member introduction

Not applicable

3. Recommendations

Members note:

- 3.1 The number of scheme members (as set out in paragraph 5.6 and 5.7) that have or are transferring their pension benefits into a defined contribution pension scheme

4. Alternative options considered

Not applicable



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5. Background information

- 5.1 Freedom and Choice offered flexibility in the way individuals age 55 and over can access their pension benefits.
- 5.2 From 6 April 2015 members can transfer their pension benefits to a defined contribution scheme and access their pension benefits through freedom and choice.
- 5.3 The Government acknowledged that the additional flexibility from 6 April 2015 for people with defined contribution benefits may increase interest from members wishing to transfer from Defined Benefit to Defined Contribution pension schemes. In acknowledging this the Government introduced safeguards including a requirement for members to get appropriate independent advice from a Financial Conduct Authority (FCA) authorised adviser where their benefits in the Scheme are valued at more than £30,000.
- 5.4 During the period 6 April 2015 to 31 July 2015, 36 members of the Haringey Scheme enquired about transferring their pension benefits to another pension scheme.
- 5.5 A letter (appendix 1), is sent to members who request a cash equivalent transfer value if they are not transferring to another Local Government pension fund. This letter notifies members that they can request a transfer value and the members also receive a copy of the Pension Scam Leaflet which is issued by the Pensions Regulator
- 5.6 Of the 36 transfer out requests made this financial year 15 transfer values valuing £930,188.76 have been paid by the pension fund. Eight were paid to Local Authority Pension Funds amounting to £434,809.69. Two were paid to other occupational pension schemes amounting to £85,631.15 and the others, five valuing £409,747.92, were paid to personal pension schemes or defined contribution schemes, (one of these transfers amounting to £219,631.78 was made to a scheme by an individual who requested the transfer before the implementation date of the new regulations).
- 5.7 Since the introduction of the new transfer requirements on 6 April to obtain independent financial advice if the value of the cash equivalent transfer value is over £30,000 we have had no members who have requested and transferred to a defined contribution scheme or personal pension scheme with a transfer value in excess of £30,000.00

6. Comments of the Chief Finance Officer and financial implications

The Pensions Committee have previously expressed concern that members leaving the scheme may have received poor advice and that if it is subsequently established that the decision to transfer was inappropriate that there may be demands to reinstate into the Haringey scheme. Members leaving the scheme do not place an additional actuarial burden on the Fund. The numbers transferring to non workplace providers is reassuring low.

7 Assistant Director of Corporate Governance and legal implications

The Assistant Director of Corporate Governance has been consulted on the content of this report. The report raises no legal issues.



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8 Equalities and Community Cohesion Comments

Not applicable

9 Head of Procurement Comments

Not applicable

10. Policy Implication

Not applicable

11 Reasons for Decision

To update the pensions committee

12 Use of Appendices

Appendix 1 – Transfer Letter

13 Local Government (Access to Information) Act 1985