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Employee contribution bands change

The new employee contribution bands, effective 1 April 2024, are now available on our webpage:

[How much do I pay?](#)

Local Government Pension Scheme (LGPS) employers can review which banding employees fall into at any time. However, they must review them at least once a year on 1 April.

Contribution returns

We've now finished sending out the contribution return templates (CR1), for the 2024/2025 scheme year.

If your employer's CR1 hasn't been received, please contact our Technical Team: pensions.tech@derbyshire.gov.uk

If your employer contribution rate has changed from the 2023/2024 scheme year, please make sure that your new rate is applied in time for April's contribution payment and return.

Deadline

The deadline for both contribution payments and returns is the 19th of the month following the month to which the contributions relate. Returns and other submissions, should only be made by those notified to the Fund as an authorised signatory for that employer.

To make sure we can reconcile your payments, please use your employer number followed by the month for the reference.

More information can be found on our webpage: [Contributions and reconciliation](#)

Changes for the 2024/2025 year

There are some changes that effect LGPS employers and members for the 2024/2025 year.

Additional pension limit

The maximum amount a member can increase their LGPS pension, with Additional Pension Contributions, is currently £7,579. From 1 April 2024 it will be £8,344. The limit is reviewed each year.

Annual pensions increase

The annual pensions increase is in line with the annual increase in the Consumer Prices Index (CPI) to September 2023. This year it will be 6.7%.

LGPS pensions in payment for over a year, pensions that were deferred over a year ago and Career Average Revalued Earnings (CARE) benefits in the LGPS (those built up since 1 April 2014), will be increased 6.7% in April 2024.

Annual allowance limit

The annual allowance is a limit on the value that an individual's pension benefits can grow by in a tax year. A tax charge may be payable if the limit is exceeded.

From 6 April 2024, the standard annual allowance is £60,000. Employees are more likely to breach the limit if they're a high earner or have received a promotion.

Lifetime allowance limit

The lifetime allowance (LTA) was the total amount of pension an individual could build up from all their pension savings over their lifetime, before they paid a tax charge. The current limit of £1,073,100 will be abolished from 6 April 2024.

Whilst the LTA has been removed, the maximum amount most LGPS members can take as a pension commencement lump sum (PCLS) will be frozen at £268,275, which is 25% of the 2023-2024 standard LTA.



i-Connect: Full Time Equivalent (FTE) pay

Your March [i-Connect](#) submission is the last of the scheme year. The FTE pay you provide is used to calculate the Final Salary benefits on your employees' annual benefit statements.

FTE pay should be reported as at the end date of the month, plus any additional pensionable allowances accrued during the year (as per the 2008 definition). If you're aren't sure what is pensionable, please go to our [pensionable pay](#) webpage.

If you previously submitted year-end returns, you will have provided this information on two columns: One for FTE, and another for additional allowances accrued during the year. This is a single column on your i-Connect submissions.

If you submit pay and contributions information for term time workers, the FTE pay (before allowances) must be adjusted to reflect the reduced payment days/weeks. Please do not adjust the hours for term time workers.

Investment related documents consultation response

The recent consultation exercise on Derbyshire Pension Fund's proposed updated Investment Strategy Statement, Responsible Investment Framework and Climate Strategy ended on 31 January 2024.

By the end of the consultation period a total of 67 responses had been received which have all been considered carefully. We are grateful to each respondent for the time they committed to submitting their thoughts and comments on the proposed documents.

The responses received included 42 from scheme members, 22 from Derbyshire residents and 1 from a participating employer.

Having considered a report on the consultation exercise and the consultation responses at its meeting on 6 March 2024, Derbyshire County Council's Pensions and Investments Committee, which is responsible for the management and administration of the Pension Fund on behalf of the Council as the Fund's administering authority, decided to approve the proposed documents which were published for the consultation. Details of the meeting are on Derbyshire County Council's [democracy webpages](#).

The updated documents have now been published in the [policies, strategies and statements](#) section of our website.



Employee details changes

It's important that you let us know as soon as possible when an employee's details change, for example, title, name, address. This helps us to minimise the risk of data breaches occurring.

If you're not using i-Connect yet, please remember to notify us using the C1 Form when any of your LGPS members change their personal and contact details. The C1 Form is available on the [Forms for employers](#) section of our website.

Email addresses

A quick reminder of our email addresses and what they should be used for:

dpf.employers@derbyshire.gov.uk - For submitting member notification forms such as the S1, L1, C1 and estimate requests. [All found here](#).

pensions.tech@derbyshire.gov.uk - For submitting contribution returns (CR1), data and payment queries.

pensions.regs@derbyshire.gov.uk - For queries relating to LGPS regulations, employer training, events and communications.

pensions.iconnect@derbyshire.gov.uk – For employer queries about i-Connect.

For queries and requests from members of the LGPS, please direct them to the [enquiry form](#) on our website.

**If you have any queries about the information provided in this Newsletter,
or about the LGPS in general, please contact us at:**

Derbyshire Pension Fund, County Hall, Matlock, DE4 3AH

Tel: 01629 538900

Email: pensions.regs@derbyshire.gov.uk

Website: www.derbyshirepensionfund.org.uk



Local Government
Pension Scheme