Derbyshire Pension Fund

Local Government Pension Scheme
Employer Newsletter

Issue 208
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Special edition - Leaver forms

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Updated L1 leaver form

We have updated our L1 leaver notification form with some enhancements to make it easier to complete. It can be found on our **forms for employers webpage**.

The form now includes an example of a completed L1, with explanations of some areas that can lead to queries, such as payment days, assumed pensionable pay and final pay.

Don't forget that the form includes a validation tool so you can instantly identify where the pensionable pay you are reporting may need to be reviewed. Most queries can be resolved by completing the Best of 3 calculator and by using the notes section of the form to make us aware of things such as unpaid absences, which might have an affect on the employee's pension.

When completing any of our forms, it is important that you use those published on our website, to ensure you are using the most up to date version. If your internet browser continues to load a version earlier than v3.1 of the leaver form, you may need to clear your browser's cached files.

When an employer needs to submit an L1 or L3

If you submit monthly data through **i-Connect**, you should provide an L1 for all LGPS members who:

- are over age 55 at their leaving date
- are leaving on ill health retirement
- have died in service

If you're not fully onboarded to i-Connect, you should provide an L1 form for all leavers.

The L3 is the shortened leaver notification form for i-Connect users. Although i-Connect removes the need for most member notification forms, we still require some information on the L3 form, if you know your former employee had LGPS membership before 1 April 2014. You should provide leaver notification forms based on your records.

Updated L1 guidance notes

When you visit our **L1 guidance notes** webpage, you can now easily navigate to different topics by using the 'Quick links' at the beginning of the content.

This page includes an introduction to the L1 form, an explanation about how to complete and submit the form, before focusing on each section of the form. It also includes explanations about the 'Best of 3 calculator', protected pay, and new 'Best of 3 at age 65' tab. This new tab is required for some members as part of the McCloud remedy.

Common leaver notification forms problem areas

Here are some commonly queried areas you may come across when completing leaver notifications forms.

Assumed Pensionable Pay (APP)

APP is a notional pay figure to be reported when an employee's pay is reduced during a period of sick leave, reserve forces leave, or relevant child related leave. This ensures that an employee's pension builds up as if they were at work receiving their normal pay.

Member contributions are based on what the member was actually paid. Employer contributions are based on what they would have been paid if they weren't absent.

Further information is available on our webpage: **derbyshirepensionfund.org.uk/app**

Final Pay

The LGPS changed from a final salary to a Career Average Revalued Earnings (CARE) pension scheme on 1 April 2014. Pension benefits built up in the final salary scheme remain as final salary benefits. This means you still need to provide final pay information for members with final salary membership.

The final pay figure is the full-time equivalent (FTE) pay in the final year, ending on the date of leaving. If any of the previous 2 years' final pay figures are higher, you use the highest to work out the member's final salary benefits.

You can find bite-size training available on the **LGPS Regulations and Guidance website** to help with understanding and calculating Final pay and APP.

Payment Days

When calculating and providing final pay to us, please make sure to adjust the FTE pay rate for term-time workers. This is made easy on our **leaver forms** as the 'Best of 3 calculator' tab has the appropriate payment days field to complete.

The method of working out payment days will vary from employer to employer. For example, a term-time worker that works for 39 weeks of the year (273 days) then has 6 weeks added made up of annual leave, public holidays, and extra statutory days. This takes it up to being paid over 45 weeks (315 days), resulting in the payment days being entered on the form as 315.

Best of 3 at age 65

The L1 Leavers form will prompt you to complete this tab if the employee was aged over 65 at their leaving date.

This is the same principle as the Best of 3 calculator tab but asks for the final pensionable pay for the year up to turning age 65, rather than up to the leaving date.

This data is required so we can calculate whether the individual is due a guaranteed amount as a result of the McCloud judgement.

Training

If you would like to book in for some LGPS training, please remember to visit our **employer training** page for more information.

We generally deliver our training online using **Microsoft Teams**.

If you'd like a training session, you can contact our Regulations and Communications Team, at **pensions.regs@derbyshire.gov.uk** with your training preference and availability.

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