

Derbyshire Employer Newsletter Pension Issue 223

August 2025

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Submitting forms through i-Connect

Thank you to those employers now submitting leaver and estimate forms directly through i-Connect. For those yet to be set up with this, the benefits of submitting forms this way are:

- the form submission triggers an instant notification on our system, alerting the team to start working on the case
- assists the Fund in meeting its statutory deadlines
- removes the risk of data breaches for example emails containing forms being sent to an incorrect recipient rather than the Fund
- · provides a clear audit trail, reducing the risk of forms being misplaced
- improved customer service for our members
- My Pension Online will be updated with details of these notifications

Those employers that are yet to be set up will be contacted in the near future with details on how to use this new functionality.

Annual benefit statements

Our Data and Systems Team are currently producing annual benefit statements for your employees. The statements are being uploaded to My Pension Online accounts (unless employees have requested to receive paper copies).

If an employee with LGPS membership asks how they can access their statement(s), please refer them to our My Pension Online webpage:

derbyshirepensionfund.org.uk/mpo

Guidance is available on our website to help them understand their statement and answer some common queries:

derbyshirepensionfund.org.uk/abs

Employees who are members of the LGPS may contact you to query their:

Personal details

- Pay
- Start date

Outstanding queries

One of the reasons we might not be able to produce statements for your employees is if we have unresolved queries, with either your organisation or with your payroll provider. It is therefore important that queries about your employees' data are responded to promptly.

If you have outstanding queries, or receive a query from us, please send your response without delay.



Pension Awareness 2025

Pension Awareness Week runs from Monday 15 September to Friday 19 September 2025. During the week we'll be hosting two online events which your LGPS members can register for by using this form.

- Retirement Planning Tuesday 16 September at 10am (approx. 90 mins)
- Scheme overview Thursday 18 September at 10am (approx. 60 mins)

Please make your scheme members aware of the sessions and link them to our Pensions Awareness Week news item.

Other pension awareness resources

There is a <u>dedicated website raising awareness about pensions</u>, which includes a promotional toolkit to help you share Pension Awareness Week 2025 with your employees. The site will:

- host several live shows during Pensions Awareness Week
- contain catchup videos from previous years
- include other useful resources (including State Pension, regulated advice, pension tracing and the Retirement Living Standards)

My Pension Online resources

This is also a great opportunity to signpost <u>Derbyshire Pension Fund's website</u> to your LGPS-eligible employees, including encouraging them to register for <u>Derbyshire Pension Fund's My Pension Online service</u>.

To help your employees get registered, we've created some resources you can use. Go to our My Pension Online resources page to access electronic versions of our posters and a banner for you to use in your internal communications and around your sites.

Pay award arrears

Some employers may be arranging to apply the recently agreed local government pay award. The following guidance may be helpful when providing your i-Connect submissions to the Fund:

i-Connect leavers

When an employee leaves the LGPS, it is best practice to retain them on your i-Connect file until the end of the scheme year (31st March). If you do this, any pay award arrears should post automatically to your members' pension records.

However, if you have removed leavers from your submissions, you must restore them to your i-Connect file for reporting pay award arrears. i-Connect will attempt to post the data to the appropriate members' pension records but some may be treated as new starters which could create duplicate records on our system, generating queries.

To help avoid queries, please:

- Ensure any new starters identified through i-Connect are genuine new entrants to the scheme
- Any entries identified as new starters which are created due to the pay award should be removed before finalising your submission
- Submit these removed entries to pensions.tech@derbyshire.gov.uk for manual processing

If you require further guidance on this, please email: pensions.tech@derbyshire.gov.uk

Frequently Asked Questions

You can find an FAQ document on the <u>LGPS employer guides and resources page</u> about backdated pay awards. These FAQs cover the common questions that may arise when you pay a backdated pay award, including:

- Arrears and pension contributions
- Pay award and exited employees
- Reviewing employee contribution rates
- The impact of a backdated pay award on pensionable pay



Salary sacrifice arrangements

It's important that you and your LGPS members are aware of the possible impact on pension benefits when entering a 'salary sacrifice' arrangement.

A pensionable salary sacrifice arrangement is when an employee gives up the right to part of their pay in return for the employer providing a non-cash benefit. This is specified in the employee's contract of employment as a pensionable emolument. Examples where the sacrifice may not affect the amount of pensionable pay are:

- workplace nursery provision
- · childcare vouchers
- bicycles and cycling safety equipment (including cycle to work)
- shared cost additional voluntary contributions

Many 'salary sacrifice' arrangements, such as leasing a car, are non-pensionable which means that pensionable pay is based on the reduced level of pay after the sacrifice. This affects the level of LGPS pension benefits accrued by your employees.

Any employee considering a non-pensionable salary sacrifice arrangement, will need to be aware that the sacrificing of salary for this reduces LGPS pensionable pay. This will have an impact on both Career Average Revalued Earnings scheme (CARE) and Final Salary accruals.

For CARE, the amount added to the member's pension pot is reduced for each year that they have 'salary sacrifice' applied to their pay.

For employees with Final Salary service prior to April 2014, if they are in 'salary sacrifice' up to and including part of their final year of employment, the value of all their Final Salary-linked membership may be reduced. This may also affect members that are eligible for the McCloud remedy.

Employees can voluntarily opt to purchase additional pension within the LGPS. Further information about buying extra pension is available at Derbyshire Pension Fund's <u>website</u>.

The Local Government Association's LGPS Payroll Guide (Section 4.1) includes information on pensionable pay and salary sacrifice. You can find this guide in the <u>employer guides and resources section of the LGPS Regulations and guidance website</u>.

If you have any queries about the pensionable status of a salary sacrifice arrangement, please contact us at: pensions.regs@derbyshire.gov.uk



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 notify us using the C1 form when any of your LGPS members change their personal and contact details. Member notification forms are on the **forms for employers** section of our website.

Email addresses

Our email addresses and what they are used for:

<u>dpf.employers@derbyshire.gov.uk</u> - For submitting <u>member notification forms</u>
<u>pensions.tech@derbyshire.gov.uk</u> - For submitting <u>contribution returns</u> (CR1s) and payment queries

<u>pensions.regs@derbyshire.gov.uk</u> - For queries relating to <u>i-Connect</u> onboarding, regulations, training and events

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

