

EMPLOYER NEWSLETTER

April 2023



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31 MARCH 2023 LGPS YEAR-END

Please ensure that by 30 April your end of year return is emailed to Amanda AJLewis@worcestershire.gov.uk inserting your employer's name in the subject of your email. The End of year return 2023 spreadsheet / notes are available through the link below (as the fourth last bullet point):

[Employer forms and Excel spreadsheets | Worcestershire County Council \(worcestershirepensionfund.org.uk\).](#)

Rates and Bands from 1 April 2023

LGPC Bulletin [235](#) provides an updated list of rates and bands for 2023 / 2024 including member contribution rates to the LGPS.

Employer Contribution Rates and Payments 2023 – 2024

Please notify your payroll provider of your new rates as detailed in your '31 MARCH 2022 ACTUARIAL VALUATION RESULTS' document dated November 2022.

Pension Administration Strategy

As the Pension Administration Strategy sets out LGPS roles and responsibilities for us and our employers and establishes expected performance levels, please have a read through of the [March 2023 version](#) to refresh your understanding of your obligations as an LGPS employer.

Monthly Contribution Remittance PCF1 and CARE Posting Spreadsheets

Please supply us with both of these **monthly** and ensure that you do so no later than the 19th of each month.

Pensions Committee

The purpose of the Pensions Committee is to take decisions in regard to the Administering Authority's responsibility for the management of the Fund.

Papers for the decisions tabled for approval at the meeting on 22 March are available via our website.

Funding Strategy Statement (FSS)

The FSS's purpose is to set out a clear and transparent funding strategy to identify how each Fund employer's pension liabilities are going to be met going forward.

As it therefore has a financial and operational impact on all employers, please have a read through of the [March 2023 version](#) to refresh your understanding.

Spring Budget Changes to Pensions Member Taxation

Tax-Free Cash

Tax-free cash is currently limited to one quarter of the capital value of benefits, subject to a maximum of one quarter of the Lifetime Allowance.

The Budget announced on 15 March 2023 that, from 6 April 2023, tax-free cash will be limited to £268,275.

Lifetime Allowance:

The Lifetime Allowance is the maximum amount of pensions savings an individual can accrue without having to pay additional tax.

The Budget announced on 15 March 2023 that the Lifetime Allowance is being abolished from 6 April 2023. It is currently set at £1,073,100. The charge for the Lifetime Allowance will be reduced to zero before the Lifetime Allowance is fully abolished in a future Finance Bill.

HMRC have separately confirmed that anyone with valid Enhanced or Fixed Protections will not “lose” the benefit of those protections on recommencing pension savings, joining a new pension arrangement or on transfer after 5 April 2023.

The Annual Allowance:

The Annual Allowance is the maximum amount of pensions savings an individual can make over the course of a year without having to pay tax.

The Budget announced on 15 March 2023 that the Annual Allowance will be increased from £40,000 to £60,000 from 6 April 2023. Individuals will still be able to carry forward any unused Annual Allowances from the previous three tax years.

The Money Purchase Annual Allowance and the minimum Tapered Annual Allowance will be increased from £4,000 to £10,000 from 6 April 2023.

The adjusted income threshold for the Tapered Annual Allowance will also be increased from £240,000 to £260,000 from 6 April 2023.

LGPS Investments:

The [15 March 2023 Budget papers](#) included plans for the Government to consult on LGPS funds transferring all listed assets into their pools (ours is [LGPS Central Limited](#)) by March 2025 and moving towards a smaller number of pools in excess of £50 billion to optimise benefits of scale.

The papers also indicated that the Government will consult on requiring LGPS funds to consider investment opportunities in illiquid assets such as venture and growth capital.

Our Forms and Excel Spreadsheets:

Please make sure that you always check our website's employer forms and excel spreadsheets page for the dates of the latest versions before using previously saved versions.

Contact Us:

pensions@worcestershire.gov.uk

<https://www.worcestershirepensionfund.org.uk>