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2017 Annual Benefit Statements

We are currently producing Annual Benefit Statements for Derbyshire Pension Fund members. This is an important document which allows members to see how their pension is growing each year. The 2017 statements, which have already started going out, should be issued to all members by 31 August 2017 to the address we hold on our records.

If we have asked you for further information following receipt of your 2016/17 Year End return and you haven't yet replied to us, it is vital that you do so without delay, as we cannot issue a member statement if queries remain unresolved.

Annual Allowance

The Annual Allowance (AA) is the amount set by HMRC by which the value of a member's pension benefits can grow in any one year without having to pay a tax charge. The main AA limit is currently £40,000.

If a member's pension growth is over the AA, possibly as a result of receiving a significant pay rise or promotion and having long service, they may contact you as their employer to check their AA growth. It is important when an individual's pay is increased significantly that, as the employing authority, you alert your employees to the consequences of an AA breach.

The AA has reduced in recent years, so more members are likely to breach the limit and seek guidance from their employers. Information about the [annual allowance](#) is available on our website.

Automatic Enrolment

Auto Enrolment is being phased in over a period of more than 5 years. It started on 1 October 2012 and continues until 1 February 2018. By then every employer in the UK will have been assigned a Staging Date. Information about Auto Enrolment, including help with finding out your Staging Date (if you haven't applied Auto Enrolment yet), is available at [The Pensions Regulator's website](#).

Exclusions

The Pensions Regulator has recently confirmed that eligible workers who opted-out more than 12 months before their Auto Enrolment date must elect to join or rejoin the LGPS rather than be auto enrolled.



Employers need to be aware of this when they reach their Staging Date or the worker's first Auto Enrolment date. Also, this is particularly important to note for employers who opted for Transitional Delay at their Staging Date, which allowed the employer to defer Auto Enrolment until 1 October 2017.

Therefore, if you applied Transitional Delay to a worker, and they opted out before 1 October 2016 you must not auto enrol them on 1 October 2017. The rule does not apply at Auto Re-enrolment.

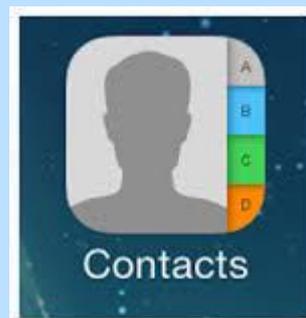
As these employees would have been notified originally at the Staging Date that they would be enrolled in October 2017, it would be good practice to inform them that this will no longer be the case, but that they can elect to join LGPS at any time.

Detailed guidance is available at [The Pensions Regulator's website](#).

Contact Forms

Over the next few weeks we will be asking you to confirm and update the contacts and authorised signatories we hold for you. This is an important exercise as out of date contact information can cause problems such as delaying the payment of pension benefits to your retiring employees.

We will be getting in touch with the main pension contact we have for each scheme employer. When you hear from us, please don't delay in checking our contact list and sending it back to us with amendments where your contacts have changed.



New Data Protection Regulations

From 25 May 2018 the European Union's General Data Protection Regulation (GDPR) will come into force in all EU member states including the UK. Its introduction will not be affected by Brexit

This new legislation will increase the responsibilities of organisations, including pension scheme employers, that collect, use, or process data about individuals.

GDPR will grant new and extended rights to people whose data is collected, including, greater rights of access to their data and a new 'right to be forgotten'.

The legislation will also introduce heavier penalties than the current Data Protection Act. The maximum fine will be the greater of 20m Euros or 4% of annual turnover.

We will provide further information about how GDPR will impact on the way we receive data from you as a scheme employer, but to ensure you will be compliant as an organisation we recommend that you start making preparations.

Please visit the Information Commissioners Office website for further guidance:

<https://ico.org.uk/for-organisations/data-protection-reform/>



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

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