



# Derbyshire Pension Fund

Local Government Pension Scheme  
**Employer Newsletter**

Issue 197  
June 2023

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## Outsourcing and risk sharing

If you're considering outsourcing a function or service, it's important that you inform us as early as possible to ensure that the staff who are transferred to a private contractor, or a trust-based organisation, retain their pension scheme rights.

To notify us about any outsourcing arrangements, please complete the [initial admission bodies notification form](#) and direct the contractor to our [website](#).

### Preparing to outsource

It is important when preparing information for potential bidders for a contract, that the details of any pension [risk sharing arrangements](#) are included. Providing this information will set realistic expectations for LGPS related costs, including actuary fees. For example, if you intend to offer a pass-through arrangement (with the pension funding risk guaranteed by yourselves), allowing for a fixed LGPS employer contribution rate, it will provide a level of certainty for the employer contributions the contractor would be liable for.

### Schools and academies

Local authority-maintained schools should only secure pass-through arrangements with the consent of the appropriate local authority. This is because the local authority, either Derbyshire County Council, or Derby City Council, is the ultimate guarantor for the contractor's pension liabilities.

Until recently, academy trusts needed to obtain permission from the Education and Skills Funding Agency, before entering into a pass-through arrangement. This is no longer the case, providing the conditions of the [DfE's pensions policy for outsourcing](#) are met. A pass-through arrangement means the pension funding risk remain with the academy trust. The DfE provides a guarantee in the event of an academy trust closure.

If you have any questions about outsourcing and risk sharing arrangements, please contact [pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk).



## Annual benefit statements

We will soon begin to issue our members with their annual benefit statements. We will only be issuing these statements to My Pension Online accounts (unless members have requested to receive paper copies). If a member asks how they can access their statement(s), please refer them to our [My Pension Online webpage](#).

As statements are released, there may be an increase in the queries you receive from LGPS members. Guidance is available on our [website](#) to help members understand their statement and answer some common queries. Members may contact you to query their:

- Personal details
- Pay
- Start date

## Seriously or terminally ill employees and ill health retirement

If you learn that one of your employees in the LGPS is seriously or terminally ill and life expectancy is limited, you should seek guidance from us urgently. We can help you assess the financial impact of your employee retiring on the grounds of ill health before death or dying “in service”.

Where the member has a limited life expectancy, you can find the “Redundancy, flexible retirement and serious ill health estimate request” form on our [forms for employers page](#).

More information and a guide to the ill health process, can be found in our Employer guides and resources section of our website. We also offer employer training about ill health retirement and appeals: [Employer training page](#)

## Potential impact of taking no action

LGPS benefits are often greater if the employee is a pensioner at the point of death, having been awarded ill health retirement. Inactivity or delay at this crucial time can significantly impact on the benefits which may be due.

Here's an example of what could happen where a seriously ill employee passes away in service rather than being dismissed on ill health grounds. It's based on an employee with about 10 years' service in the LGPS, on a salary of about £25,000 pa at the point of death and shows the possible financial impact of not having ill health retirement agreed in time:

**Death in retirement benefits** = £250,000 (the total sum which could be payable, including maximum conversion from pension to lump sum, had the employee been retired on Tier 1 ill health instead of dying in service)

**Death in service benefits** = £80,000 (the death grant sum paid)

**Difference in pension benefits** = £170,000

Where an employer is aware of how ill an employee is and does not investigate their employee's pension options in a timely manner, it would leave the employer open to an appeal from the employee or their family/beneficiary.

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## Derbyshire Pension Board

There's been a few changes on our [Pension Board](#). The Board assists our Fund in assuring secure, effective, and efficient:

- Compliance
- Governance
- Administration

### Thank you

Two of our voluntary Board representatives have reached the end of their appointed terms.

Karen Gurney joined the Board as a Member Representative in June 2015 and will leave at the end of June 2023. Ollie Fishburn joined the Board as an Employer Representative in May 2019 and left at the end of May 2023.

We'd like to extend our thanks and gratitude for all the hard work Karen and Ollie have contributed to the Board during their tenures.

### Welcome

Following an interview process, Lisa Seeley of Aspens Services Ltd has been selected to join the Board as an Employer Representative, and Mark Wreghitt has been selected as a Member Representative. We look forward to working with Lisa and Mark.

### Condolences

We are saddened to share the news that Ronald Graham, the Independent Chair of Derbyshire Pension Board, has recently passed away. Ronald has been the Chair of the Pension Board since it was first established in 2015 and was recently appointed for a further term. At the Full Council meeting in May 2023, the Chairman offered condolences to Ronald's family and friends

and thanks for Ronald's service on the Pension Board, recording his very positive contribution to the governance of Derbyshire Pension Fund.

We will share with you the name of the next Chair of the Board when the recruitment process has been completed.

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## 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.

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## Email addresses

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

[dpf.employers@derbyshire.gov.uk](mailto: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](mailto:pensions.tech@derbyshire.gov.uk) - For submitting contribution returns (CR1), data and payment queries.

[pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk) - For queries relating to LGPS regulations, employer training, events and communications.

[pensions@derbyshire.gov.uk](mailto:pensions@derbyshire.gov.uk) - For queries and requests from members of the LGPS.

[pensions.iconnect@derbyshire.gov.uk](mailto:pensions.iconnect@derbyshire.gov.uk) – For employer queries about i-Connect.

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**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](mailto:pensions.regs@derbyshire.gov.uk)**

**Website: [www.derbyshirepensionfund.org.uk](http://www.derbyshirepensionfund.org.uk)**



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