



LGPS

Regaining Control

Employers have similar issues

We speak with countless employers providing Local Government Pension Scheme (LGPS) pensions to current and legacy staff. Employers appreciate how the arrangement helps to attract and retain staff but all face significant challenges that include:

- Not having enough foresight of LGPS contribution requirements, seeing them increase significantly with little warning
- Facing the risk of future contributions becoming unaffordable and not knowing what can be done to reduce this risk
- Employer Boards lacking the expertise and resource to understand and react to the key issues and developments in the LGPS
- FRS 102 accounting requirements and not having foresight or control of sudden balance sheet movements and changing annual pension costs
- Being unable to challenge FRS 102 accounting assumptions, being forced to accept results
- A lack of engagement with the LGPS Fund and so the employer becomes out of touch with developments
- Lack of appreciation and understanding of the LGPS benefits for those employees who participate

- Not having harmonised pension benefits for all employees

What is needed?

An experienced, trusted, advisor to listen to the pension issues affecting your business and to provide the advice, guidance and resources required to think of and implement the right changes.

Why now?

For every year you continue to offer LGPS pensions, your risk and potential liability increases. Even if contributions today can be supported, reviewing your pension provision will help you understand the risks building up and provide insight as to what can be done either now or in the future to mitigate these.

Changes to LGPS legislation in 2020 expanded the options available to employers. Employers can now utilise deferred debt arrangements and exit debt spreading arrangements which have the potential to transform the costs of your LGPS membership. A seismic change in economic conditions over the course of 2022 and early 2023 have made some of these options far more affordable than ever before. Many employers are now changing course.

The 1 April 2022 LGPS valuation results have recently been published so you should now understand how affordable your pension contributions will be over the next three years so an accurate comparison of costs can be undertaken.

Quantum Advisory's specialist LGPS service

Full LGPS review

- Understanding your immediate and long-term costs and risks
- Considering viable options to manage these
- Setting a long-term strategy
- Implementation of any changes

Annual monitoring

- Monitor performance of long-term strategy
- Provide rolling 5-year contribution projections
- Review FRS 102 assumptions and results

Becoming your LGPS problem solvers

- Provide regular training and give proactive advice
- Engage with your LGPS Fund on your behalf and interpret LGPS issues for your business
- Consistent expertise on hand for senior management

Employee engagement

- Develop employees' appreciation for LGPS pensions
- Educate and engage with your workforce
- Holding group seminars, webinars, one-to-one sessions, drafting literature and creating financial awareness videos
- Assist with the implementation of any benefit changes

Want to know more?

Should you wish to discuss these services in more detail please contact:

Stuart Price, Partner & Actuary
stuart.price@qallp.co.uk

Adam Cottrell, Senior Consultant & Actuary
adam.cottrell@qallp.co.uk

Quantum Actuarial LLP, trading as Quantum Advisory, Registration Number: OC326665, registered in England and Wales. Quantum Actuarial LLP is authorised and regulated by the Financial Conduct Authority. Registered office: Cypress House, Pascal Close, St Mellons, Cardiff CF3 0LW.

A list of all members is available for inspection at our registered office.