

July 2023	EMPLOYER NEWSLETTER	Issue 5
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Welcome to the fifth issue of the JSS employer newsletter. Do let us know if there is anything you would like to see in future editions.

## Annual Benefit Statements 2023

We have started sending out the Annual Benefit Statements and anticipate all eligible members will receive theirs by the end of August. The Statement is a summary of the pension benefits accrued to 31 March 2023. These are an important tool for retirement planning and we encourage everyone to read their Statement. To support them we have published additional information for members [on our website](#).

We know that some employees in the NuvoS scheme have queried their pension information with their employers HR team, particularly the increase from 2022 to 2023. This is due to the inflationary increase we apply to the NuvoS pension; it is uprated in April by CPI from the previous September, which was 10.1% in 2023.



**Please remember that your HR systems do not connect to our systems so employees will need to inform JSS directly about a change of address, name, marital status etc.**

If you have implemented your 2022 pay award after 31 March 2023 it will not be reflected in this year's statements.

## State Pension Forecasts

You may like to signpost your staff to <https://www.gov.uk/check-state-pension> to obtain their individual State Pension forecast. It will show how much they could get, what their State Pension Age is and how to increase their State Pension.

## Annual Customer Survey & Pension Webinars

We ran our annual customer survey, which employers were also able to participate in, at the start of 2023. Over 78% of respondents said the service JSS provide was good or excellent, 4% said it was unsatisfactory. 91% of people that had contacted JSS were satisfied with the response they received. 76% of those that took part said that the information JSS provides helps them understand their pension benefits. 68% used the JSS website to find information they need.

We have just held our first pensions webinar, developed off the back of the survey feedback. The session focused on how the pensions accrue, the scheme benefits, saving more towards retirement and much more. Initial feedback is positive and we will arrange more of these, with the next one in September – **if you think your employees would be interested in these please [email us](#) to discuss further.**

Please continue to remind your employees that they can contact JSS directly for any questions they may have about their RCPS pension;

## ACTUARIAL VALUATION

The RCPS Management Board have appointed the scheme actuary; Government Actuary's Department (GAD), to carry out a full valuation of the scheme.

The last valuation was based on the scheme as at 31 March 2018, this valuation will be as at 31 March 2022. Valuations are usually completed every four years.

The actuary will carry out a comprehensive analysis of the scheme member data alongside using several other factors, some are set by HM Treasury, for example specific rates used in scheme valuation calculations and others set by Office for National Statistics, for example mortality rates.

The purpose is to re-evaluate the scheme liabilities and determine whether the contributions being paid are sufficient to pay the benefits payable in the future.

**One potential outcome from the valuation is a change to employer contribution rates.**

The valuation is expected to be completed by April 2024. If rates do change, they may be implemented in April 2025. Employers will be given plenty of notice of any changes.

maybe you have an employee that is thinking about retiring in the next few months – they can also contact us to ask for a retirement estimate.

We can also meet on Zoom or Teams, or face to face if they are based at our offices in Polaris House in Swindon. Our contact details are here: <https://jsspensions.nerc.ac.uk/contact.asp>



In the Spring Budget 2023 changes were announced to the Lifetime Allowance and Annual Allowance pension tax relief measures.

#### **Lifetime Allowance (LTA)**

The LTA was removed from 6 April 2023 and is being fully abolished from the 2024-25 tax year. The LTA was a cap on the pension savings that can be accrued before additional tax is paid, the cap used to be £1,073,100. This means members can continue to accrue savings without reaching a lifetime limit. As a result, you may have some staff that have previously opted out of their occupational pension scheme for tax reasons choosing to opt back in; this applies to any scheme, not just the RCPS.

For 2022-23 schemes still need to report on the value of benefits accrued against the LTA so JSS will continue to provide LTA figures as standard until April 2024.

#### **Annual Allowance (AA)**

The AA limit was raised from £40,000 to £60,000 effective from 6 April 2023. The AA is the amount the pension can grow from one year to the next without incurring additional tax charges.

We expect some members may reach or exceed the AA in scheme year 2022-23 due to the high inflation rates. The AA is tested by comparing the pension accrued at the end of the tax year against the pension accrued at the beginning of the tax year, and revised to account for inflation, the resulting value, the Pension Input Amount is tested against the AA. If anyone does reach or exceed the £40,000 limit for 2022-23 JSS will send them a Pension Saving Statement with their Annual Benefit Statement. Members may be able to carry forward unused annual allowances from the three previous tax years; using that to offset against any potential excess of the current allowance. It is the individual's responsibility to deal with any tax charges that may occur by exceeding the AA. In some circumstances they may be able to ask JSS to pay the tax charge by offsetting against their pension; the facility is called Scheme Pays.

HMRC information about the AA is here: <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

## **Pensions Dashboard Programme Update**

The Pensions Dashboard Programme (PDP) is a DWP initiative set up to deliver a dashboard that pension savers can log in to online, to see all their pensions and State Pension in one place. The PDP is responsible for designing the digital architecture and developing the necessary standards, rules and controls to enable schemes to connect to the dashboard.

**DWP announced recently that the connection deadline has been extended to October 2026** in order to allow the pensions industry and PDP time to complete the complex project.

## **Finally, a reminder about the family benefits**

As well as accruing a good pension there are other benefits, automatically included, of being enrolled in the RCPS – you may wish to highlight these as part of your employee value proposition:

- Provision for a spouse, civil partner, or partners pension. There is also provision for children's pensions and Dependant's pensions (more information on our website [here](#))
- Death benefit lump sum including Death in Service lump sum (information [here](#))