

LGPS: Summary of new requirements for GAD valuation data

GAD will need additional data for future valuations of the LGPS in order to implement the new Scheme Advisory Board and HM Treasury cost management processes. This is on top of the changes due to the new scheme.

The (draft) HMT directions require GAD to specify the data required, and DCLG to specify a person to be responsible for ensuring that the data specified is provided¹.

We have provided this high level summary of the new requirements in order to help administrators and software providers prepare for this change.

We will need:

1. **Stock data, pre and post-2014 split:** For actives, deferred and pensioners, pension amounts split into those relating to pre-2014 membership and those relating to post-2014 membership (e.g. for a pension in payment what amount of it relates to post-14 accruals).
2. **Stock data, 50/50 accruals split :** For actives, deferred and pensioners, post-2014 pension amounts split into those relating to 50/50 membership and those relating to 100/100 membership.
3. **Cashflow data from 1 April 2014 onwards:** For both employee contributions and benefits paid, as well as transfers paid out - split between pre-2014 membership, post-2014 50/50 membership, and post-2014 100/100 membership.
4. **Membership movements data:** "benefits at date of exit" for all members leaving or retiring from active service from 1 April 2014 and "benefits at date of rejoining" for all members aggregating pre-14 benefits. This data is likely to be already held by administrators, but, in the new setup, it will play a direct role in the valuation calculations for the cost management process (at present this data is used to inform valuation assumptions but is not itself used directly in the calculations). This data is therefore likely to come under greater scrutiny.
5. **Stock data as at 31 March 2014:** Active membership data as at 31 March 2014. In particular, this will need to include up to date salary information. If, for example, salary data is only updated triennially this may require administrators to request data from employers.

There are many further practical details to be considered e.g. commutation, pension debits and ill health enhancements. GAD will provide this in our detailed specification of valuation data requirements in due course.

Government Actuary's Department
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¹ draft directions v3-0, direction 14