

**MAGHULL
TOWN
COUNCIL**

Maghull Town Hall

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Dated this 23rd Day of September 2015

To: The Mayor and Members of Maghull Town Council, Maghull Town Hall, Hall Lane, Maghull.

You are hereby summoned to attend an Ordinary Meeting of the Council which will be held on Wednesday 23rd September 2015 at 6.30 pm in the Council Chamber, Maghull Town Hall, for the following purposes:

Note: *DECLARATIONS OF INTEREST – If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Town Clerk at least 24 hours in advance of the meeting.*

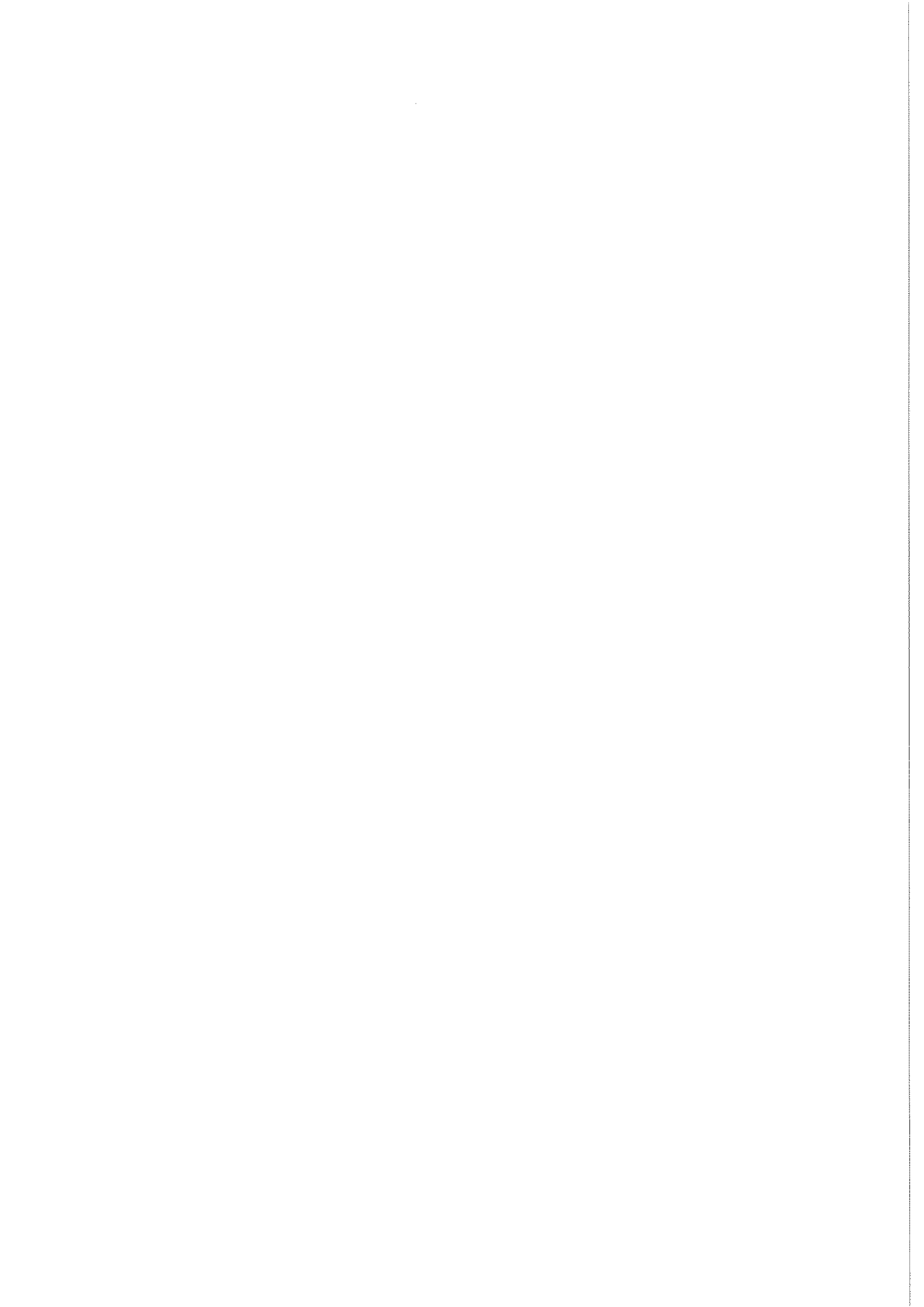
AGENDA

SUPPLEMENTAL

1. Apologies for Absence
2. Public Participation
3. Declaration of Interests
10. **Pension Provision Maghull Town Council** - Members are asked to consider the pension provision for Town Council staff. **(Pages 50-54)**

**Miss A. McIntyre
Town Clerk & Treasurer**





Pension provider comparison

notes

	NEST	LGPS
Financial Advisor fees	No	No
Actuary Fees	No	£250 + per hour
Set up costs	No	No
Annual running costs	No	No
Can MTC change % rate paid in	YES	No
How much employee cont	3%	3%
How much MTC Cont	5%	17.50%

in house financial officer inputs

statutory minimum - employees can top up

5% stat minimum LGPS starts at 17.5%

Can employee take it with them after leaving		YES		No	LGPS 'freeze' pension [deferred]
Can Employee top up / change funds		YES		Not sure	A choice of funds is available to employees in nest
Can employee leave it to be managed by provider		YES		YES	
Can employee opt out		YES		YES	employee signs an opt out form
can employee bring existing pension into new fund		No		YES	Yes is probably (NEST could be subject to pension sharing order only)
can MTC leave this pension if a better deal comes along		YES		YES	
who does all the work to set scheme up					In house Finance officer
managing the scheme?					pension provider
how much work does MTC have to do to monitor					annual report / statement

.3% is admin costs 1.8% is annual management charge for NEST. LGPS varies

what are the providers annual fees / running costs of doing this		.3% + 1.8%			Varies
Does MTC control contributions		YES			No
Is MTC open to variations in costs due to inflation / ill health etc		No			YES
What happens when the pension matures, can employee choose options		YES			No

Having discussed the pension situation within the WG and having had a presentation by Dave Jones Financial advisor the WG tasked Cllr Leggett to compile a simple spreadsheet / tickbox overview comparison of the current proposal and NEST. It was felt that the information submitted to council was very light on detail and that much clarification was needed. Cllr Leggett worked with Dave Jones in a question and answer session to build this simple report which is hoped will clear this up.

Based on the posts currently available at MTC and assuming full occupancy of those posts, therefore viewing worst case scenario the gross salaries for these posts (if all filled) is c£386245pa (figures supplied by Tclerk.) therefore, based on these figures and the figure quoted by Tclerk for LGPS contributions of 17.5%pa at the start of the their pension scheme the following 'ball park' figures for MTC pension contributions per year would be:

	NEST MTC 6%	NEST MTC 8%	NEST MTC 10%	LGPS 17.5%
Gross basic pay (pensionable) is c £386,245pa	23174	30869	38624	67592
if 2 more employees join Maghull @ £10,000pa add:	1200	1600	2000	3500

for every £1000 we contribute to an individual pension the government add tax relief at 20% (if the employee is paid less than £36000pa) so that the pension fund would stand at £1200 plus interest, not £1000 plus interest

The employee has a staged contribution of 1% yr 1, 2% yr 2, 3% yr 3 - MTC ontributions are in full from yr1.

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- n.b 1. There are always variables of course which would affect these figures but they would not significantly alter them these are the kind of totals that we face for our pension contributions if we choose any one of the four options
2. Cllr R Deegan made calls to other parish councils who are in LGPS as requested by Cllr Sayers. Knowsley PC are currently paying contributions at 21.5% pa with a review in Feb 2016.
 3. Our WG felt that whilst the LGPS is undoubtedly the best for employees, by a long way, the costs and potential harmful implications put the existence of MTC at risk financially.
 4. It was felt by the WG that there is no control over LGPS for MTC and we leave ourselves at the mercy of Actuaries and future instability whereas the NEST scheme is always under the control of MTC and can be adjusted annually to reflect the wishes of council (and the electorate!!!)
 5. There are tax reliefs to add to the total pot and can influence the decision regarding levels of MTC contributions.
 6. Salaries over £36000 pa get extra tax relief on amounts above £36k
 7. MTC contributions should be based on GROSS BASIC PAY only so as not to include overtime, bonus, expenses or any other payment.

It must be noted that Dave Jones has been paid for his time but has no further interest in where we place the MTC pension fund. Cllr Leggett is not a financial advisor of any kind and has merely put together a simple report based on the information gathered, he does not accept any personal liability for the accuracy of the content of the information set out in this report.

Neither Cllr Leggett or Mr Dave Jones recommend any pension to council, that is to be decided at a full council and voted on

