

AGREEMENT AND ACTIONS

Communications Working Group
11am to 1.30pm – 26th February 2015
Milbank Room 8.2, Local Government House

Present

Andy Brooks (Gwent (Torfaen) Pension Fund)
Antony Ellis (West Midlands Pension Fund)
Ben Altoft (Avon Pension Fund)
Carol Haywood (Leicestershire Pension Fund)
Cheryl Platts (Buckinghamshire Pension Fund)
David Williams (Environment Agency Pension Fund)
Guy Hayton (Merseyside Pension Fund)
Heather Chambers - Chair (Tyne and Wear Pension Fund)
Jenny Gregory (West Yorkshire Pension Fund)
Jenny Wylie (Oxfordshire Pension Fund)
Mandy Judd (Hampshire Pension Fund)
Martin Griffiths (Staffordshire Pension Fund)
Mary Lambe (LGPC Secretariat)
Mathew James (Dyfed Pension Fund)
Neil Lewins (LPFA)
Rebecca Purfit (Shropshire Pension Fund)
Steve Makin (Avon Pension Fund)
Zoe Stannard (Wiltshire Pension Fund)

1. Actions and agreements from last meeting held 12 November 2014

Chair reviewed minutes from the last meeting all agreed that these were a true reflection of the meeting on the 12 November 2014. Agreed to revisit topic of Pension Communications Strategies at our next meeting.

In addition Mary Lambe (ML) provided an update on the current position relating to the development of the **NI Database**. The NI database has now been loaded onto the servers provided by South Yorkshire and is in the initial stages of testing. So far tests have successfully loaded two files simultaneously and loaded a large file (200,000) in under 6 minutes. NI searches against a 400,000 record database are currently taking less than 2 seconds. LGA are on track for going live in the summer.

Costs will be around £100 per fund per annum in the long term with perhaps double that for the first year. Funds will be sought for testing shortly.

Query as to whether a check will be made against LLNNNNN only or if it will also include the final letter.

Post meeting update - confirmed that check will be against LLNNNNNN.

ML also updated CWG on amendments which have been made to the APC Calculator. These amendments are expected to go live in shortly and include:

- As agreed at the last Technical Group, the process has now been changed so that the member submits one form to their employer, who then checks the details and sends this on to the administering authority. Wording has been changed on various pages to reflect this change, but the main amends to reflect this have been to the application form for both lost and extra which now includes a section for the employer's review and signature. **Post meeting update - confirm that APC application form for buying lost directed to Employer and for buying extra to the Administering Authority.**
- A rounding issue has also been corrected following an email received pointing out that the calculator wasn't rounding properly at each stage of the process
- An additional bullet point has been added to the front page of the calculator confirming that lost or extra pension bought will be increased or decreased if a person takes late or early retirement.
- The text on the lost pension calculator explaining what should be input into 'Field 8 - Lost Pensionable Pay (from Employer) has been tweaked to now say - Please enter the total pensionable amount 'lost' during the absence. This amount should be obtained from your employer in writing and a copy of the confirmation kept for your records." (The latter sentence has been amended to reflect that under a one form process, the member no longer needs to submit written confirmation of the pay lost with their application).

Guy Hayton (GH) raised the point and a number of CWG members also agreed that the addition of employer name is reconsidered as many don't know or add post number to the form.

Action 1: ML to check if this information can be added to the APC application form. **Post meeting update - an 'employer' field has been inserted on both the extra and lost calculators following this feedback.**

Action 2: ML to notify group once these updates are live on LGPS2014 website.

2. Aggregation leaflet for members

CWG discussed the 'Aggregation Leaflet' which was published since the last meeting. ML thanked both Leicestershire and GMPF who shared information which they had produced whilst the aggregation leaflet was being produced.

Antony Ellis (AE) asked if there was a plan to add the aggregation content to an online type decision tree on the member website to help members determine the relevant information. ML confirmed that aggregation information will make up part of the website, any more interactive method of conveying this information may be considered at a later date.

Carol Haywood (CH) gave the experience from Leics as they have started to work on in Fund aggregation cases as did Jenny Gregory (JG) regarding the extension of the 12 month time limit to deal with the existing backlog across the LGPS.

Query from CWG members as to when we will have amending miscellaneous

regulations from DCLG given there are a number of points which could alter regarding aggregation. ML confirmed that LGPC have no date as to when they will be issued.

Action 3: ML to check if DCLG can confirm when these might be ready and report to the CWG. **Post meeting update - the LGPC understand that DCLG are close to laying regulations and these are anticipated before the end of March 2015.**

3. Year-end template update

CWG discussed the year-end guidance and template which was published since the last meeting. ML thanked sub-group members who shared information which they had produced whilst the year-end information was being produced.

Discussion around this first departure for the CWG to more employer related communications and whether it was a useful piece of information. CWG members in the main felt it was useful for Funds however it was agreed that moving into non-member related communications should be considered before being included in future year's communications plans.

Much concern amongst CWG members about the quality of data that is going to arrive at year-end. In particular Final Salary Pay and APP were seen as areas of concern. For some employers they are saying that their systems do not hold final salary pay to extract at 31 March. In addition employers in some cases seem to be struggling to extract APP from payroll systems. Discussion about what 'reasonable checks' are being carried out by Funds. Some of the areas discussed seemed to stem from what employers were saying was limitations in payroll software. ML confirmed that a group 'PSSEG' (Payroll Software Suppliers Engagement Group) meet quarterly with some of the larger payroll software suppliers in attendance. ML asked that if CWG members have concerns to raise with that audience to let her know and she will pass information to that group for consideration. Local arrangements were also discussed where some Funds have brought together employers with the same payroll software suppliers which led to some progress with queries that employers were experiencing. JG noted that some of the very small payroll software providers could not cope with LGPS 2014 from the information they were receiving.

4. Active ABS template

CWG discussed the latest version of the ABS template and information sent to the sub-group earlier during the week. ML thanked sub-group members for their comments on earlier versions of the template.

It was pointed out by ML that creating a template which would be used by all LGPS Pension Fund's in E&W would not be possible. It is evident from the comments received back from Funds during this process that already individual versions of the template will be used.

Instead the group should focus on finalising a template which a good stab at what we consider would be a good ABS for active members in the LGPS taking into account all the legal requirements as noted in the Shadow Scheme

Advisory Board guidance on ABSs.

We will deliver in March the final version of the template taking on board any final comments from sub-group members. ML to bolster the accompanying notes to ensure all areas are covered and in addition ML to add to the design brief information to ensure it gives information on the reasons why areas have been delivered in the template as they have, for example why we've omitted the underpin from the template.

The group discussed some areas around the method of delivery, e.g. paper or electronic. This stemmed in the main from the working of various software systems and is expected to be more relevant for various user groups than the CWG.

Some concerns were also raised by Neil Lewins (NL) around the deadline of the 31 August 2015 for the provision of statements given the requirements to test interface data is correct. For example whether or not the actuarial increase for pre 2014 benefits is incorporated correctly in the projection to new NPA. The timeframes were seen as challenging by the group.

AE provided an update on the Customer Journey Mapping (CJM) experience which West Midlands Pension Fund in conjunction with the LGA and the CWG would be undertaking in April 2015. This CJM would include the new ABS template which would include sample data and test the experience of real scheme members using the template. This in turn could help to further improve the template in the longer term. AE will provide an update to the group once the findings from the CJM are known.

5. Deferred ABS

CWG members outlined what developments they have made on the topic of Deferred ABS's for April 2015.

Martin Griffiths (MG) gave an update on the position of the NW regional communication group template statement and it was agreed that this would be shared as well as an agreement to share deferred ABS templates across members of the group.

One query was raised by JG as to what pay needs to be shown on the Deferred ABS in future years where more than one year of CARE has been included in the calculation. Mathew James (MJ) mentioned that the all Wales group had raised a similar query.

Action 4: ML to find response and share with group.

Post meeting update: An ABS issued to a deferred or pension credit member does not have to comply with the Direction from HM Treasury (which relates to Active ABSs), nor is the ABS issued under regulation 16 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 because that regulation only applies to individual requests for statements, not to automatically produced Annual Benefit Statements. That means that none of the requirements set out in parts 2 to 4 of Schedule

5 to those Regulations (information to be included in the statement) nor the requirements of regulations 26 to 30 of those Regulations (how the information is to be communicated to the member) have to be complied with. Therefore one can deduce that there is no requirement to show the pay on an Deferred ABS.

6. Member website

ML showed progress on the new LGPS member website to the group and thanks sub-group members for comments so far. The site map is being finalised and the updated full scheme guide will go towards the content of the new website. It is anticipated that during April final testing will take place and that the site will be live in May 2015.

Any visitors from that date forward to www.lgps2014.org will automatically be redirected to the new www.lgpsmember.org. In addition Andy Brooks (AB) asked that advance warning is given to the full CWG before the website goes live.

7. Review Communications Working Group 2014/15 Plan

Group held a discussion on what had been successfully completed by the group. The website would need to come over to the plan for 2015/16 as it'll be completed in that year. In addition work on a 'good communication guide' will be brought forward to next year's plan. All other areas of work on the plan will be completed by 31 March 2015.

8. Freedom and Choice

ML provided an update to the group on the impact on communication for transfers from DB to DC schemes from 6 April 2015 due to impending legislation. A paper was shared giving most up to date position. ML confirmed that a technical paper and a Q&A for Fund's and for Members would be made available as soon as the LGPC secretariat was certain of the position in legislation.

Group discussed local experience and concerns around the potential issues which could arise from April 2015. GH asked that a holding position could be provided to Funds to deal with the enquiries. ML confirmed this is difficult given the current position of draft legislation but where possible information will be added to the Bulletin due out at the end of February. As soon as possible thereafter the Q&A documents will be made available.

9. Other updates

Government response to Disclosure Regulations consultation

ML confirmed that the response from Government did not take the position in our consultation response however given that the amendments to the regulations are technical in nature and the best practice that occurs in LGPS funds then we would expect that Funds will continue to provide both the ABS annually as legally required and also make available estimates of benefits requested by the member (under regulation 16 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013).

New State Pension Scheme and impact of ceasing of contracting out

ML gave an update from a recent DWP meeting on communications being developed centrally to deal with the introduction of the new State Scheme as well as the impact of the ending of contracting out. It was agreed that this

stream of work would be added to the 2015/16 Communication Plan.

DWP - Combined Pension Forecasts

The Chair of the group gave an update as to the resurrection by DWP of a group of employers to discuss the reintroduction of combined benefit statement. Chair agreed to share with the group any outcomes from this meeting.

10. Discussion on plans for Communications Working Group 2015/16 Plan

Work streams

Focus for 2015/16 to include:

- Finalise the member website
- Information for members on the position for AVCs
- Information for members on the impact of the ending of contracting out (and information on the new State Pension scheme)
- Good Communication Guide

ML to circulate a draft copy of the 2015/16 plan to the group for comment in March. To be agreed via email amongst group members.

Chair arrangements

ML thanked the Chair for undertaking the role over the past year. Given that this is a new arrangement for 2014/15 onwards ML keen to get the views of the group as to their thoughts on the current arrangements. Heather agreed that she would be happy to take on the role for another 12 months, particularly given that we didn't commence the role until part-way through the year. ML thanked the Chair for this offer and asked that unless another member registered an interest in the role (and therefore create the potential for a vote) that the group would be grateful if Heather continued in the role for a further year.

Action: CWG members who are interested in the role of Chair to email ML in the coming week. Thereafter chair to be confirmed via email to the group.

Meeting frequency/role of sub-groups

ML outlined that to continue as a working group needs ongoing active participation by CWG and the role of sub-groups for topic based work is vital. CWG agreed that working in sub-groups is a good approach to achieve the annual work plan.

Agreed that frequency of meetings of the full CWG is correct at one per quarter however given the volume of information we are discussing it was agreed that meetings should last longer. Agreed that quarterly meetings of the CWG should take 3 hours with a short interval part-way through.

11. A.O.B

Opportunities for AOB were limited due to the overrunning of the meeting.

Automatic Enrolment Guide: GH asked if this guide was due to be updated. ML confirmed that it was and that the LGPC Secretariat would be releasing an

updated version shortly.

12. Next Meetings

Dates for future meetings to include:

- 21 May 2015 - 11am to 2pm in Rathbone Rooms 7.1 and 7.2 Local Government House
- 9 September 2015 - 11am to 2pm in Rooms A&B Layden House.