

AGREEMENT AND ACTIONS

**Communications Working Group
11am to 2pm – 25 November 2015
7.1 & 7.2 Rathbone Room, Local Government House**

Present

Andy Brooks (Gwent (Torfaen) Pension Fund)
Ben Altoft (Avon Pension Fund)
Beth Sargent (Northamptonshire & Cambridgeshire Pension Funds – LGSS)
Carol Haywood (Leicestershire Pension Fund)
Cheryl Platts (Buckinghamshire Pension Fund)
David Williams (Environment Agency Pension Fund)
Gareth Hall (Gwent (Torfaen) Pension Fund)
Heather Chambers - Chair (Tyne and Wear Pension Fund)
Jenny Gregory (West Yorkshire Pension Fund)
Jenny Wylie (Oxfordshire Pension Fund)
Karl White (LGA)
Kevin Thompson (West Midlands Pension Fund)
Mandy Judd (Hampshire Pension Fund)
Martin Griffiths (Staffordshire Pension Fund)
Matthew James - Vice Chair (Dyfed Pension Fund)
Lorraine Bennett (LGPC Secretariat)
Rebecca Purfit (Shropshire Pension Fund)
Steve Jones (Merseyside Pension Fund)
Steve Makin (Avon Pension Fund)
Zoe Stannard (Wiltshire Pension Fund)

Apologies

Neil Lewins (LPFA)
Guy Hayton (Merseyside Pension Fund)

(The order of agenda items 1 and 2 were swapped to enable new members of the CWG to be introduced before the discussion of the agenda items took place)

1. Actions and agreements from last meeting held 21 May 2015

Chair reviewed minutes from the last meeting, all agreed that these were a true reflection of the meeting on the 21 May 2015.

Lorraine Bennett (LB) confirmed that the current AE guide contains the necessary information on re-enrolment. CWG group agreed that no further amendments to the guides are required.

LB confirmed that the brief employee guide has not yet been updated to take into account Freedom & Choice. The guide will be reviewed in the New Year to take into account these and other necessary changes e.g. changes to automatic enrolment.

LB confirmed that the Councillor guide has yet to be reviewed with regard to the font size. This action has been carried forward.

Chair noted the briefing paper circulated to the CWG prior to the meeting by the Secretariat. It was agreed that group members would read the briefing paper in advance of all meetings to ensure they were up to date with the latest position on the topics for discussion. This will assist the group in staying focussed on the communications necessary rather than spending time clarifying the latest position.

2. Communications Working Group

New Members and group membership

All members of the CWG introduced themselves. CWG welcomed Kevin Thompson from West Midlands and Beth Sargent from LGSS to the group; Kevin has replaced Victoria Bennett and Beth is a new member.

LGPC Secretariat

LB introduced herself in her role of LGPC Secretariat for the group.

2. Member website

LB provided an update on the work to develop the LGPS member website and provided a demonstration of the test website. The original layout of the website has been changed as it was felt it contained too much detail and was a reproduction of the full member guide in web format. The website will now hold basic information on landing pages with find out more buttons available for users who would like more detail.

Feedback from CWG was positive, members liked the look of the website and felt the changes made were beneficial. Work is continuing on the website, it is anticipated that the site will be ready for member testing in January 2016 and launch in April 2016. CWG members agreed to assist with arranging member testing.

Chair asked for the test website to be shared with CWG prior to member testing for initial feedback from CWG.

Cheryl Platts (CP) asked if a copy of the sitemap could be shared with CWG members.

Action 1: Secretariat to share map with CWG members. **Post meeting update – map emailed to the group 14/12/2015.**

Action 2: Secretariat to share test website with CWG prior to member testing.

4. Annual Benefit Statements

Almost all funds have now issued their ABS. Funds had received very few member queries about the statements and a discussion took place as to whether this was because the statements were understood by members or because they were so complicated that members did not read them.

Discussion around whether to continue to include service history. Mixed responses with some funds finding that the omission of service history had created the majority of queries. Where funds utilised member self-service members could be encouraged to register in order to view their service history.

Discussion around including maximum lump sum commutation figures took place. Feedback indicated this is popular with members although it had caused administrative problems in some cases.

Discussion around data cleansing and what pay funds used for the LGPS 2008 final pay – CP asked if it was ok to use FTE pay at 31st March rather than final pay as defined in the LGPS regulations.

Action 3: Secretariat to clarify what pay should be used. **Post meeting update – regulation 68 (4)(a) of the Admin Regulations 2008 requires that:**

The illustration must be calculated, in the case of active members, on the member's pay (or, as respects part-time employees, the whole-time equivalent) for the 12 month period ending with the relevant date;

It was noted that funds using monthly data collection had found the year end process and production of ABS much simpler.

David Williams (DW) informed CWG that the Environment Agency are holding member focus groups on ABS in January 2016. If any members of CWG would like him to include any questions during these sessions please let David know.

Action 4: CWG to contact DW with any questions they would like to be included in ABS focus group.

ABS Template

CWG members confirmed that whilst the LGA template was very useful as a starting point for ABS production, no funds actually used the template for the production of their ABS. Funds used the template to determine what had to be included in the ABS and adapted it for their own use.

CWG confirmed that no changes to the ABS template were required.

5. Ending of Contracting Out

LB gave an update on the latest position which is contained in the briefing paper. LGPC secretariat will be issuing a specific bulletin on the ending of contracting out in January 2016. This will include:

- updated member Q&A on ending of contracting out
- updated employer Q&A on ending of contracting out
- information about GMP reconciliation and indexation (if known)
- DWP factsheet for public sector employees
- template communication for funds to inform members they are no longer contracted out
- COPE information
- regulatory changes

LB confirmed that there is statutory obligation to inform members that they are no longer contracted out. Chair noted that whilst under disclosure regulations require the disclosure to be made within three months of the change it would be preferable for this to be done beforehand. CWG agreed that communication should take place beforehand, preferably in January or February 2016.

The LGA will draft and provide the text to be used in the individual fund disclosure notice. It was agreed that this approach would provide a generic message and recognise that the Scheme is no longer contracted out following Government policy and it is not an individual fund level decision. This will be issued as part of a specific “ending of contracting out” bulletin in January 2016.

Discussion around an employer’s duty to inform employees that they will be paying more national insurance. It was agreed that members need to know how much more national insurance they will be paying from 6 April 2016 and that employer and funds should co-ordinate communication, where possible, to ensure a joined up message is delivered to scheme members.

Action 5: DW to find out what information HMT have already sent to employers regarding the ending of contracting out. **Post meeting update – DW confirmed that HMT had in fact not sent already sent any information to employers.**

Discussion around the new term COPE took place.

Action 6: Secretariat to find out what figure will be included on the statements sent to members in December 2018 informing them of their contracted out deduction – will it be GMP or COPE?

Discussion around Pension Tube took place. Some members had not seen the recent DWP videos about the ending of contracting out. Chair asked who was responsible for monitoring the content of Pension Tube.

Action 7: Secretariat to circulate link to Pension Tube and to find out who is responsible for its content. **Post meeting update – link circulated to the group on 14/12/2015 and confirmation that the content on Pensions Tube is controlled by DWP.**

6. Lifetime and Annual Allowance

Karl White (KW) informed the group that the Administration and Communications sub-committee requested CWG produced generic communication on AA and LTA for members.

Discussion around how funds identified members who were likely to be affected took place. Most funds identified high earners and moderate earners with significant membership.

Action 8: CWG to forward any existing AA and LTA communication they already have to Secretariat.

Action 9: Secretariat to produce generic information for members who are likely to exceed LTA and AA.

Action 10: Secretariat to confirm when Finance Bill 2015 received Royal Assent. **Post meeting update – the bill received Royal Assent on 18/11/2015 – see attached link**
<http://www.legislation.gov.uk/ukpga/2015/33/contents/enacted/data.htm>

7. Freedom and Choice

Discussion on the experience so far. General opinion was it was still too soon to tell what impact F&C will have on the LGPS. Very few transfers out to DC schemes offering flexible benefits have taken place.

Andy Brooks (AB) asked if anyone had experienced difficulty obtaining registered pension scheme certificates from HMRC as Torfaen had been informed that these had been withdrawn from the website. No other members had experienced any difficulties. Chair confirmed that South Tyneside ask for the trust deeds of the receiving scheme when transferring out.

LB gave an update on the latest position regarding AVCs. LB also confirmed that Terry Edwards is currently working on an AVC discharge form and guidance notes for cases where a member elects to transfer an in-house AVC independently of the mains scheme benefits. It is expected that the documents will be ready in December.

Chair asked for clarification on whether the 50% restriction for members who commenced their AVC prior to 1/4/2014 would be removed.

Action 11: Secretariat to check position regarding 50% contribution restriction and to circulate written confirmation of latest AVC position. **Post meeting update – it is the intention for the 50% restriction to be removed allowing all AVC members to contribute 100% of pensionable pay. We are expecting this to be included in the next set of amending regulations. Confirmation of latest AVC position emailed 14/12/2015.**

Action 12: Secretariat to update brief guide to incorporate F&C.

8. Employer Communication

Chair asked for views on whether CWG thought employer communications were within its remit. A discussion took place around the difficulty in engaging employers and how the need for effective communication is increasingly important with the emergence of small employers such as Academies.

It was agreed that whilst employer communication is an important area the group is not currently resourced to incorporate it. It should be kept on the agenda and reviewed periodically.

9. AOB

Stephen Makin (SM) asked how the group returned original certificates to members. Responses varied with some funds only requesting photocopies whilst others returned certificates using the method by which they were sent in.

Mandy Judd (MJ) asked to discuss the merit of producing a FAQ for members on salary sacrifice. It was decided that this an employer function and should be provided by HR. Bulletin 244 covers salary sacrifice from the pension viewpoint.

DW asked whether funds are issuing a privacy notice with regard to the NI database. Some funds are planning to issue the notice with the ending of contracting out notification, others have updated their website accordingly.

LB gave an update on the changes to AE with effect from 1/4/2015, the NI database, TUO, negative CPI and the Exit cap.

Chair reminded the group of the purpose of the CWG and collaborative working. In order for the group to be effective it must produce communication collectively and all members are expected to contribute accordingly.

12. Next Meeting

- 10 February 2016 - 11am to 2pm in Rooms A&B Layden House.