

## REPORT OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

### Pension Fund Communications Policy Statement

Pensions Committee  
4<sup>th</sup> December 2017

Classification  
**PUBLIC**

Ward(s) affected

**ALL**

Enclosures  
one

## 1. INTRODUCTION

- 1.1 This report introduces the updated Communications Policy Statement for the Pension Fund. It is a regulatory requirement for the Fund to have a Communications Policy Statement and for the Statement to be kept under review and updated as required. The Pension Fund Business Plan also includes provision for an annual review of the Communications Policy to ensure that it is reviewed by the Committee on a regular basis.

## 2. RECOMMENDATIONS

### 2.1 The Pension Committee is recommended to:

- **Approve the updated Communications Policy Statement.**

## 3. RELATED DECISIONS

- Pension Sub-Committee 6<sup>th</sup> March 2006 – Approval of first Communications Policy Statement.
- Pension Sub-Committee 23<sup>rd</sup> June 2010, 27<sup>th</sup> March 2013, 16<sup>th</sup> January 2014, then Pensions Committee 31<sup>st</sup> March 2015, 13<sup>th</sup> January 2016, 24<sup>th</sup> January 2017– Approval of amended Communications Policy Statement.

## 4. COMMENTS OF THE GROUP DIRECTOR, FINANCE & CORPORATE RESOURCES

- 4.1 The approval of a Communications Policy Statement has no immediate financial impact, however, a good communications policy for the pension fund helps the Fund to demonstrate good governance and maintain an efficient and cost effective Fund.
- 4.2 The implementation of an effective communications policy however is not without cost, given the need to keep members and employers informed. Where possible a lot of information is provided electronically with a dedicated Pension Fund website which forms part of the Third Party Administration Contract.

## 5. COMMENTS OF THE INTERIM DIRECTOR, LEGAL

- 5.1 The Local Government Pension Scheme Regulations 2013, Regulation 61, require LGPS Pension Funds to publish and keep under review their Communications

Policies. The Regulations further set out the requirements for Administering Authorities to cover in such statements, the types of information to be covered, the frequency and recipients of such communications.

- 5.2 The Committee acting in its capacity as Administering Authority therefore has a responsibility to ensure that such Communications Policy Statements are kept under review and that they are re-considered as and when necessary. This report ensures that the Committee are meeting their obligations as quasi trustees in respect of the Communications Policy.
- 5.3 There are no immediate legal implications arising from this report.

## **6. COMMUNICATIONS POLICY DOCUMENT**

- 6.1 The requirement for LGPS Pension Fund to have a Communications Policy Statement was introduced in 2005, with the then Pensions Sub-Committee approving its first Communications Policy Statement at its meeting in March 2006. The policy was subsequently updated in June 2010, March 2013 and annually thereafter.
- 6.2 The Policy has been amended for 2018-19 to reflect the introduction of the General Data Protection Regulation (GDPR) from 25<sup>th</sup> May 2018. Under the Regulation, the Fund has an obligation to provide members 'fair processing information'. This will be provided via a privacy notice sent to all existing and new members, setting out certain prescribed information including the purpose for which data is being collected, who will receive it and how it will be safeguarded.
- 6.3 Following approval by Committee of the amended Communications Policy, it will then be published on the Pension Fund website.
- 6.4 Below is the relevant extract from the Local Government Pension Scheme Regulations 2013, Regulation 61, which sets out the requirements of the Communications Policy for LGPS Funds:

### **Statements of policy concerning communications with members and Scheme employers**

**61.** (1) An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with—

- (a) members;
- (b) representatives of members;
- (c) prospective members; and
- (d) Scheme employers.

(2) In particular the statement must set out its policy on—

- (a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
- (b) the format, frequency and method of distributing such information or publicity; and
- (c) the promotion of the Scheme to prospective members and their employers.

(3) The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).

## **7. COMMUNICATIONS ACTIVITY DURING 2017-18**

- 7.1 In terms of the communications that have taken place during the financial year, presentations by officers in regard to the benefits of membership of the scheme continue to be included in the weekly induction sessions held for new employees of the Council.
- 7.2 Personal 1-2-1 meetings continue to prove very popular with individual scheme members, both active and deferred, who wish to discuss their options around pension benefit choices, flexible retirement and the potential effects on their pension benefits in regards to departmental restructures.
- 7.3 The Pensions Team invited AON, the Fund's benefit consultants, to provide a series of workshops on pensions taxation aimed at high earners and those with long service. The workshops were held on 1<sup>st</sup> and 2<sup>nd</sup> November 2017 and provided members with information about how changes to the annual and lifetime allowances might impact them, and to raise awareness of the need for members to seek independent financial advice if necessary. Around 60 people in total attended the workshops.
- 7.4 The in-house pension team also run a series of poster campaigns to raise awareness of LGPS and wider pensions issues amongst staff. In March/April 2017 posters regarding the change to employee contribution rates & bands were distributed to employers to display in their offices. A further poster campaign has been run to raise awareness of the 50/50 section of the scheme that offers the opportunity for members to remain in the pension scheme but with the flexibility of reducing their contributions during times of financial difficulties.
- 7.5 Annual benefit statements were sent to all deferred scheme members in August 2017, but once again, statements for active members were delayed due to the poor quality data received from some employers and the non-receipt or the delayed receipt of some year-end data files. A total of 4,341 statements for active members sent on 4<sup>th</sup> September 2017. A further 783 statements were sent w/c 2<sup>nd</sup> October, whilst the remaining 2,400 statements to actives have not yet been issued. The Fund has worked with Equiniti to draw up a plan for producing these statements, with a new target date of 31<sup>st</sup> December for statements to be issued. The Fund has engaged in an ongoing dialogue with the Pensions Regulator (tPR) on this issue, and wishes to work with employers to ensure that future statements are accurate and produced by the statutory deadline.
- 7.6 The annual Employer Forum is due to be held in early February 2018 and it is usually well received by the large number of employers who attend. The forum provides an opportunity for employers to meet with the team as well as providing updates on matters such as changes to data requirements, the duties of the Fund and their own responsibilities as employers. The forum also includes updates on the financial health of the Fund and expectations for the wider economy. It will also focus on the changes to data protection taking effect in May 2018, with the introduction of the GDPR (general data protection regulations) and how the changes to data exchange and security will affect the scheme and those who process or receive data on its behalf.
- 7.7 The in-house pension team will be holding a pre-retirement seminar in February/March 2018, for members reaching 55 and over in the next financial year, providing details of the options available to them in the scheme, and to help members

approaching retirement prepare for the financial and lifestyle changes retirement brings.

- 7.8 The pension website [hackney.xpmemberservices.com](http://hackney.xpmemberservices.com) hosted by the pension administrators, Equiniti, provides full access to electronic versions of scheme guides and standard forms. The website is currently undergoing a major review with all member/employer areas, policy statements, pension forms and newsletters being updated, making the website more user friendly and the information on the employer areas of the site to be secure and accessed only by secure log-in. The review is to be completed by end of February 2018.
- 7.9 Member Self-Service is also undergoing a major change and rebrand to become Touch Self Service (TSS) and members, after registering for a secure log-in, will be able to view and update their personal details, check and request changes to their pensionable service details, view their annual benefit statements and run retirement estimates. Pensioner members will be able to view payslips and P60's and check/amend their address details.
- 7.10 In addition to the normal annual communications outlined in the policy document, the Fund also monitors wider pension issues and communicate with employers and scheme members as required. The Fund now communicates to employers the issues surrounding the requirements placed on the Fund by the Pension Regulator, in particular the Code of Practice 2014 (COP14). This sets out clear standards that are expected of Funds and the potential fines that can be imposed if they are found to be failing in their duties. Should the Fund be subject to a fine imposed by the Regulator that is attributed to the failing of one or more of its employers, the fines can, and will be, passed onto those employers, and this has been made very clear in the Pension Administration Strategy 2017/18 when outlining employer responsibilities to the Fund.
- 7.11 The in-house pensions' team continue to make regular contact with all schools to offer and provide additional support to their management team and to offer presentations to the support staff in regard to the LGPS or to their teachers regarding the Teachers' Pension Scheme. The team also undertake periodic data cleanse exercises for schools in respect of their support staff who are, and who have been, members of the LGPS to ensure that the pension records held by the pension administrators are an accurate history for each member of staff

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## **Appendix**

Appendix 1 – Draft Pension Fund Communications Policy Statement (LGPS) 2018/19