

**Local Pension Board**

**14 March 2019**

**Communications Review**



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**Report of John Hewitt, Corporate Director of Resources**

**Purpose of the Report**

- 1 To provide Board Members with details of how different stakeholder groups receive communication from the Pension Fund, and to explain current plans to develop the communication strategy.

**Executive summary**

- 2 This report outlines the requirements of the Pension Fund to publish and maintain a Communications Policy Statement, how this requirement is met, and future developments that will improve communications with members and employers.

**Recommendation(s)**

- 3 The Board is asked note this report.

## **Background**

- 4 Under the Local Government Pension Scheme (LGPS) Regulations 2013, a Pension Fund Administering Authority is required to publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members and Scheme employers.
- 5 Specifically, the statement must set out the Administering Authority's 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.

## **Communications Policy Statement**

- 6 The Council's Pension Fund Communications Policy Statement is attached as Appendix A. This Statement includes the Council's policy on the issues set out in paragraph 3 above. The Statement is published each year as part of the Pension Fund Annual Report and is available on the Council's website.
- 7 Key points to note include the following:
  - Newsletters for all categories of member are currently only produced as required. Typically, for active members this means newsletters are produced whenever there is a change to regulations or legislation that affects the benefits an active member is entitled to, or the choices they have. The last newsletter was sent out in August 2018 due to changes introduced by the Local Government Pension Scheme (Amendment) Regulations 2018. The newsletter brought to the attention the option to access their pension (with reductions) at an earlier date for some categories of deferred members.
  - All active members and deferred members receive an annual benefit statement. For actives this is issued by the end of August each year and for deferred members it is issued in April or May, shortly after the annual pension increase has been applied.
  - Scheme employers are communicated with by email.

## Future developments

- 8 The Pensions Team is currently working closely with Civica, the Fund's pensions administration software provider, to develop its web-based communication platform for scheme employers. Currently, a number of scheme employers utilise the platform to run benefit estimates, allowing employers to see the cost of allowing an employee to access benefits early on redundancy or business efficiency grounds. The Team has also rolled out secure information exchange for employers, replacing many paper forms. The latest development for employers, is Monthly Data Collection (MDC) for employers, allowing automated data collection each month, significantly reducing the year end burden for both the Pensions Team and participating employers.
- 9 The pensions administration system also has a scheme member web facility that allows a range of on-line services to scheme members, including accessing estimate information about their prospective benefits, and providing online annual benefit statements. This facility is currently being tested and configured, before roll out to members can commence.

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## **Appendix 1: Communications Policy Statement (from the Pension Fund Annual Report)**

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### **COMMUNICATIONS POLICY STATEMENT**

Durham County Council is the administering authority for the Durham County Council Pension Fund. This Communication Policy Statement has been drawn up to comply with regulation 106B of the Local Government Pension Scheme Regulations 1997 (as amended) and to ensure the Council offers clear communication to stakeholders of the Local Government Pension Scheme.

#### ***WHO WE COMMUNICATE WITH***

- Scheme members (active members, pensioners and deferred members);
- Representatives of scheme members;
- Prospective scheme members;
- Employers participating in the scheme;
- Advisers (for example actuaries, investment advisers, Local Government Pensions Committee);
- Other bodies (for example prospective employing authorities and their representatives).

#### ***KEY OBJECTIVES***

- To ensure communication is clear, factual and concise;
- To ensure communication is designed and delivered in a manner appropriate to its audience;
- To ensure that the correct information reaches the right people at the right time.

#### **COMMUNICATING WITH SCHEME MEMBERS**

Scheme members need access to detailed information about the scheme and their own benefits to allow them to make informed choices about their own pension benefits. The Council provides:

- Scheme literature  
The pension section produces a summary guide to benefits in the scheme along with specific guides for certain circumstances, such as how divorce can affect scheme benefits or on the internal dispute resolution procedure.
- Annual benefit statements

All active members are sent a benefit statement each year setting out the benefits they have earned in the scheme up to 31 March that year. All deferred members are sent a benefit statement each year setting out the current value of their deferred benefits payable at the earliest date on or after age 60 that unreduced benefits can be paid to them. The statement also sets out the effect of pension increases on their benefits since they left service.

- Newsletters

All active members and pensioners are sent a copy of each issue of the relevant newsletter.

- Telephone helpline

All newsletters contain contact telephone numbers for general enquiries. Active members, pensioners and deferred members can contact the Pension Administration Team by telephone between 8:30am and 4:30pm on weekdays. The newsletters also contain the email address where general enquires can be submitted.

## COMMUNICATING WITH EMPLOYERS PARTICIPATING IN THE SCHEME

Employers need to be kept up to date with developments in the scheme and need to be informed of consultation exercises that could influence the future of the scheme.

Employers are sent written information on scheme developments as and when changes are proposed to the scheme. Employers are often sent copies of circulars provided by the Employers' Organisation or are directed to copies of these circulars via web-links.

Meetings with individual employers are arranged as necessary or as requested to deal with any significant pension issues that arise. Support is provided to employers who want to provide further pension information to their employees - this includes pre-retirement seminars and mid-life seminars.

All employers are invited to attend the Annual Meeting of the Pension Fund Committee. Copies of the annual report and accounts for the Pension Fund are distributed at this meeting and are also sent to all employers in the scheme.

## COMMUNICATING WITH PROSPECTIVE MEMBERS

The Pension Administration Team issues pension packs to prospective members. These contain a summary of the benefits of scheme membership, information comparing the scheme with other pension options, a nomination form, an opt-out form and an authorisation form for investigating potential pension transfers into the scheme.

## COMMUNICATING WITH REPRESENTATIVES OF SCHEME MEMBERS

The Pension Administration Team produces a summary guide to benefits in the scheme along with specific guides for certain circumstances, such as how divorce can affect scheme benefits or on the internal dispute resolution procedure. This information is

available to representatives of scheme members.

The Pension Administration Team telephone helpline is also available between 8:30am and 4:30pm on weekdays for any queries representatives of scheme members may have.

The main local government unions are represented on the Pension Fund Committee. This means they are sent agenda items and minutes from the meetings as well as being able to attend the meetings (albeit in a non-voting capacity).

#### FUND PUBLICATIONS

<b>COMMUNICATION DOCUMENT</b>	<b>AVAILABLE TO</b>	<b>WHEN PUBLISHED</b>
Starter Packs	Prospective members	When required
Summary scheme guide	Prospective members Active members	When required
Newsletter: Pensions News	Active members	When required
Annual benefit statement	Active members Deferred members	Once per year
Newsletter: Years Ahead	Pensioners	When required
Payslips	Pensioners	Once a year or upon a change to net pension of more than £5
P60s	Pensioners	Once per year
Pension Increase Information	Pensioners	Once per year
Update letter on changes to regulations and other issues	Employers	When required
Valuation report	Employers	Every three years
Report and accounts	All stakeholders	Once per year – distributed to all employers and available on the DCC website and on request to all