

**Pension Fund Committee**

**16 March 2023**

**Communications Review**



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## **Report of Paul Darby, 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 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 to note the report and provide any comments on the Fund's communications.

## **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.

## **Fund Communications**

- 6 The Council's Pension Fund Communications Policy Statement is attached as Appendix 1. This Statement includes the Council's policy on the issues set out in paragraph 5 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 provision of online services for members means that information can be shared with members more quickly and efficiently.
  - 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. Benefit Statements are now made available to all members online.

- Scheme employers are briefed on key issues and developments in the LGPS by email.
- 8 Since the launch of online services for active and deferred members of the Scheme, over 18,500 members have registered and started to use the service. These members have completed around 30,000 online calculations and have transacted almost 14,000 changes online. Members have also been able to send queries securely through the portal, and over 2,500 responses have been sent to members this way. KPI reported in respect of the online service is reported to the Local Pension Board quarterly.
  - 9 The Pensions Team continues to work closely with Civica, the Fund's pensions administration software provider, to develop its web-based communication platform for scheme employers. The majority of scheme employers currently 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.
  - 10 The latest development for employers, is Monthly Data Collection (MDC), allowing automated data collection each month, significantly reducing the year end burden for both the Pensions Team and participating employers.
  - 11 The Team continues to develop the online portal for members and will work with Civica to further enhance the online calculator that has been popular with users of the service.

**Author(s)**

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## Appendix A: Communications Policy Statement

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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 61 of the Local Government Pension Scheme Regulations 2013 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 Fund 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.

Benefit Statements are made available online annually for all active and deferred members. A paper copy will be provided to members who opt-out of online receipt.

- **Newsletters**

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

- **Telephone helpline**

All communications 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. Bulk communications also contain the email address where general enquires can be submitted.

- **Online Portal**

All scheme members can inform the Fund of personal changes, and update their nomination online. Members can see the information that the Fund holds, whilst active members can produce an estimate of their prospective retirement benefits on demand.

## 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 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. Where possible this is provided by email.

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 participate in the meetings (in a non-voting capacity). Scheme members are represented on the Local Pensions Board.

## 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