

Local Pension Board

14 June 2018



Communications Review

John Hewitt, Corporate Director of Resources

Purpose of 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.

Background

2. 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.
3. 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

4. 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.
5. 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 actives newsletter was sent out in June 2016 to inform scheme members of the end of contracting-out. Other topics were covered as well, including the Border to Coast Pensions Partnership, the lifetime allowance and annual allowance and options around paying more (or less) into the LGPS. The changes introduced by the Local Government Pension Scheme (Amendment) Regulations 2018 will require

communication with deferred members – as many will now have the option to access their pension (with reductions) at an earlier date.

- 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. Actives' newsletters are also sent by email where we have an individual's email address on record.

Future developments

6. The Pensions Team is currently working with Civica, its pensions administration software provider, to introduce develop a web-based communication platform for scheme employers. Two employers are currently piloting the system, which allows employers to securely exchange information with the Pensions Team, replacing many paper forms currently in use. It also allows employers to run some benefit estimates with the functionality to allow employers to (for example) see the cost of allowing an employee to access pension benefits early on redundancy or business efficiency grounds.
7. The pensions administration system also has a scheme member web facility that can potentially allow a range of on-line services to scheme members, including accessing estimate information about their prospective benefits. This is likely to be developed after the scheme employer web is fully operational.

Recommendation

8. The Board is asked note this report.

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Appendix A – Communications Policy Statement (from the Pension Fund Annual Report)

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

| COMMUNICATION DOCUMENT | AVAILABLE TO | WHEN PUBLISHED |
|--|---------------------------------------|---|
| 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 |