

Date:	8th September 2014
Classification:	Not for Publication
Title:	Pension Communications and Engagement Strategy update
Report of:	Director of Human Resources
Wards Involved:	Not Applicable
Policy Context:	Communicating and engaging with LGPS stakeholders
Financial Summary:	There are some financial implications arising from this report in terms of additional employer contributions
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1. Summary

- 1.1 Human Resources (HR) is committed to ensuring that current employees, ex-employees and all other stakeholders understand, and where appropriate are able to take advantage of the benefits associated with, membership of the Local Government Pension Scheme (LGPS).
- 1.2 To drive this commitment HR has in place an active communications and engagement strategy. In particular this report details the impact of auto enrolment and the implementation of the 50/50 scheme on membership numbers highlighting the financial impact of the increase.
- 1.3 This report does not include employees in other pension schemes such as the teachers and NHS schemes.

2. Recommendation

- 2.1 That the Committee notes the contents of this report.

3. Auto Enrolment update

3.1

Number of people in the LGPS as at 01/07/2013 (prior to auto enrolment)	2171
Number of people currently paying into the LGPS (August 2014)	2729
Number of people entitled to join the LGPS – (includes schools support staff, claims posts etc)	4034
Number of additional people in the LGPS following the introduction of the 50/50 scheme	8 (this number is included in the 2729 above)

Note: Membership has increased by 558 people since auto enrolment.

- 3.2 The main reason stated by employees for opting out during auto enrolment was affordability.

4. Financial implications of the increase

The additional members (558) are driving ongoing additional funds into the WCC pension scheme but also increasing costs to the authority.

The addition contributions into the WCC LGPS have increased by the following:-

- Employer contributions have increased by £1.2M per year.
- The employee contributions are £.4M per year (This figure is estimated as there are differing contribution rates and part time workers included in the 558 people)

5. Future engagement and communications strategy

- 5.1 On the 1st September 2014 the Pensions Administration contract was awarded to Surrey County Council (SCC) governed via a section 101 agreement.

- 5.2 Letters have been sent to all deferred and pensioner members to inform them of the change to SCC, with an internal message also sent to all staff.

- 5.3 A new pension website was launched on 1st September 2014 www.wccpensionfund.co.uk which is being hosted by a different provider Hymans Robertson.

- 5.4 Initially the number one priority was to ensure that all financial records, current workloads and the pensioners payroll were transferred between the LPFA and SCC correctly, the new arrangements with SCC now provide WCC with an

opportunity to reinvigorate our engagement and communications strategies during the remainder of 2014/15 and beyond.

5.5 Revised engagement and communications plans are currently being drawn up with SCC and will be subject to a future report, however the committee are asked to note the immediate interim engagement plans for the remainder of 2014/15 are as follows:

- Pensioners Fund member panel – 25th September 2014
- Westminster AGM – 8th October 2014
- Pension Surgery - November 2014 (dates to be confirmed with SCC)
- Winter newsletter – December 2014
- Admitted body workshop / best practices. – December 2014 (dates to be confirmed with SCC).

5.6 In our future engagement strategies it is envisaged that we will further highlight the benefits of the 50/50 scheme to address point 3.2 above.