

Administration and Communications Sub-Committee – Paper A

Minutes of meeting held on 8th May 2014, Council Offices, St Chad's Place, Stafford, ST16 2LR

Item

1. In attendance and apologies

In attendance:

Glyn Jenkins (via phone link)	Member representative (UNISON)
Ged Dale (Chair)	LGPS Fund practitioners
Alan South	LGPS Fund practitioners
Janet Caiazzo	Pension Officers' Technical Group
Kevin Gerard (via phone link)	Pension Officers' Technical Group
Nigel Keogh	CIPFA (substitute)
Kevin Simmons (via phone link)	Member representative (UNITE)
Helen Gibson (via phone link)	The Pensions Regulator (substitute)
Phil McEvoy	Member representative (GMB)
Emelda Conroy (via phone link)	Employer representative (Education)

Observers:

Lynda Jones (via phone link)	DCLG
Ian Colvin	Hymans Robertson
Daniel Kanaris	Aon Hewitt

Secretariat:

Terry Edwards	LGA
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Apologies:

Cllr Mark Smith	Employer representative (LAs)
Cllr Don Austen	Employer representative (LAs) (substitute)

2. Minutes of the meeting held on 25th February 2014

The minutes of the meeting were approved.

Item 3 of the minutes: A sample data cleansing report has been provided to the Secretariat by the Greater Manchester Pension Fund. Further reports will be provided and the Secretariat is to determine how best to make these available to administering authorities.

3. **Update from the Shadow Scheme Advisory Board**

The update was noted.

4. **Correspondence from APL Public Sector Pensions Sub-Committee**

The correspondence was noted and members agreed that it will be helpful to be able to call on the services of members of the APL Public Sector Pensions Sub-Committee as and when the need arises.

Both the LGPC and DCLG have added the APL Public Sector Pensions Sub-Committee to their distribution lists.

5a. **Work plan items from the Shadow Scheme Advisory Board for the Administration and Communications Sub-Committee – Ill Health Retirement**

Members discussed the options paper on ill health retirement benefits.

It was agreed that:

- The second entry in the Pros column of the table at paragraph 39 of the paper and the first entry in the Cons column of that table should be deleted
- Pros and Cons should be added, where relevant, to paragraphs 53 onwards in the paper
- The paper should include a section on what the drivers for change might be
- Where information on costs is to be sought, this should include
 - what the additional cost would be of moving to the position that applies in the LGPS in Scotland
 - what the level of savings would be if entitlement to an enhanced ill health pension only arose after 5 years membership (instead of the current 2 years membership)
 - what the effect on the level of Tier 1 enhancement would be if all of any additional costs were recovered by a reduction in the level of Tier 1 enhancement
 - what the effect on the level of Tier 2 enhancement would be if all of any additional costs were recovered by a reduction in the level of Tier 2 enhancement
 - what the effect on the level of Tier 1 and Tier 2 enhancement would be if all of any additional costs were recovered by a proportionate reduction in the level of Tier 1 and Tier 2 enhancement
- It should be established whether DCLG or the Shadow Scheme Advisory Board will provide funding for the costing of various options to be provided by GAD

- It is for the sub-committee to present options to the Shadow Scheme Advisory Board (with nothing ruled in or out) and it is for the Board to determine which options it wishes the sub-committee to investigate in more detail, whether it wishes the sub-committee to seek views from other interested parties and, eventually, to make recommendations to the Secretary of State.
- Any change to the process of determining ill health retirement must ensure that the employer continues to be involved in the process, even if it is the administering authority that determines whether or not a member meets the criteria for an ill health pension.

Actions:

1. Secretariat to update the paper in readiness for the next Shadow Scheme Advisory Board in June.
2. Lynda Jones and the Secretariat are, respectively, to explore whether DCLG and / or the Shadow Scheme Advisory Board have funds to commission the costing of any options the Shadow Scheme Advisory Board wishes the sub-committee to investigate further.

5b. **Work plan items for the Administration and Communications Sub-Committee from the Shadow Scheme Advisory Board – Annual Benefit Statements**

Members noted the updated Annual Benefits Statement paper from the Secretariat. It was agreed that a section on best practice in relation to communications should be included in the paper, including web-links to available best practice guidance.

The sub-committee has, via the NAPF, sought samples of Annual Benefit Statements issued by CARE schemes in the private sector. However, there are very few samples available from which to draw any best practice conclusions in terms of communicating CARE benefits to members of the LGPS on their Annual Benefit Statements.

Action: Secretariat to update the Annual Benefits Statement paper for presentation to the next Shadow Scheme Advisory Board meeting in June.

6. **AOB**

An ALATs nomination to the sub-committee is required and a replacement Pension Officers' Technical Group member is required now that Ian Colvin has moved to Hymans Robertson.

At the previous sub-committee meeting it was agreed that part of the work of the Sub-Committee should be to prepare guidance for agreement and issue by the Shadow Scheme Advisory Board on record keeping and data cleansing. This should cover the minimum data cleansing that should be performed (including appropriate administering authority internal checks,

internal audit programmes and expectations of employers) and the information on outcomes to be reported to the Local Pensions Board and to the Scheme Advisory Board on an annual basis. Members felt that this should be expanded to cover what constitutes 'good pensions administration' and could draw on existing work in this area (for example, from the Pensions Administration Standards Association <http://www.pasa-uk.com/>)

Members also discussed the cessation of contracting-out for defined benefit pension schemes as from April 2016 and agreed that the sub-committee should have a watching brief and should, as and when appropriate, prepare guidance which the Shadow Scheme Advisory Board could issue.

Actions:

1. Nigel Keogh to speak to Bob Summers regarding an ALATs nomination.
2. The Secretariat to ask the Pension Officers' Technical Group to nominate a replacement for Ian Colvin.

7. Date of next meeting

Next meeting: 4th September 2014, London (venue to be notified later), starting at 11:00 and ending at 13:00