



City of Westminster

# Committee Agenda

## Follow On Agenda

Title:

Pension Fund Committee

Meeting Date:

Tuesday 20th September, 2016

Time:

7.00 pm

Venue:

Rooms 3 and 4, 17th Floor, City Hall, 64 Victoria Street,  
London SW1E 6QP

Members:

**Councillors:**

Suhail Rahuja (Chairman)  
Antonia Cox  
Ian Rowley  
Patricia McAllister



**Members of the public are welcome to attend the meeting and listen to the discussion Part 1 of the Agenda**

**Admission to the public gallery is by ticket, issued from the ground floor reception at City Hall from 6.00pm. If you have a disability and require any special assistance please contact the Committee Officer (details listed below) in advance of the meeting.**



**An Induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact the Committee Officer, Toby Howes, Senior Committee and Governance Officer.**

**Tel: 7641 8470; Email: [thowes@westminster.gov.uk](mailto:thowes@westminster.gov.uk)  
Corporate Website: [www.westminster.gov.uk](http://www.westminster.gov.uk)**

**Note for Members:** Members are reminded that Officer contacts are shown at the end of each report and Members are welcome to raise questions in advance of the meeting. With regard to item 2, guidance on declarations of interests is included in the Code of Governance; if Members and Officers have any particular questions they should contact the Head of Legal & Democratic Services in advance of the meeting please.

## **FOLLOW ON AGENDA**

### **PART 1 (IN PUBLIC)**

#### **6. PENSION FUND ADMINISTRATION UPDATE**

Report of the Director of People Services.

Updates on Annual Benefit Statement Timeline 2016 and Pension Auto-Enrolment are attached.

**(Pages 1 - 4)**

**Charlie Parker**  
**Chief Executive**  
**15<sup>th</sup> September 2016**



## Pension Fund Committee

<b>Date:</b>	<b>20<sup>st</sup> September 2016</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Annual Benefit Statement Timeline 2016</b>
<b>Report of:</b>	<b>Lee Witham Director of People Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Service Delivery</b>
<b>Financial Summary:</b>	<b>Limited</b>

### **1. Executive Summary**

- 1.1 As requested by the Pension Committee, this report sets out details of the 2016 Annual Benefit Statement (ABS) and timeline.
- 1.2 The aim of People Services is to ensure that our pension administration standards are consistently high. That data is accurately maintained, that information is provided to members in a timely fashion and that payments are made promptly.

### **2. Current Position**

- 2.1 Members have an entitlement to an Annual Benefit Statement (ABS) and should be provided with this by 31<sup>st</sup> of August for the financial year ending the previous 31<sup>st</sup> of March.
- 2.2 2015 was a particularly challenging year for the production of ABS. This was in part due to the fact that the introduction of the new CARE Scheme from 1 April 2014 complicated the end of year returns and employers needed to make further calculations. This delayed employers within the fund making returns on time and increased the number of queries that our administrators Surrey County Council (SCC) had to go back to employers with before ABS could be provided.
- 2.3 In 2016 the majority of employers have submitted returns on time. The accuracy of the returns have improved as employers are increasingly understanding the requirements of the LGPS since 2014. The employers have adapted their

reporting systems to pick up both the old full time definition of pensionable pay and the new CARE definition of pensionable pay that are vital to provide members with accurate figures in their ABS.

- 2.4 The major issue in producing the ABS on time in 2016 is for the main fund employer Westminster City Council (WCC). The end of year file for 2015/2016 is the first year that WCC's new payroll provider (BT) have produced a file on the back of a difficult year. The initial file from BT was produced late and subsequently a number of alterations were required to a large number of members and these were submitted to SCC on Friday July 29<sup>th</sup> 2016.
- 2.5 People Services in conjunction with SCC determined that the records would need to be amended before the ABS files could be produced to ensure accuracy for members in this important document.
- 2.6 SCC have confirmed that they will send out the ABS for WCC members via post on 16<sup>th</sup> September 2016. WCC Members should receive their ABS week commencing 19<sup>th</sup> September (with the exception of the following point 2.7).
- 2.7 There will still be approximately 250 WCC employees who will not receive their ABS by this date because of miscalculations on the file submitted to SCC by BT relating to staff who have had absences in the 2015/2016 year. BT will be writing to these staff to apologise and advise of the delay in providing Surrey with the information required. The date that these employees will receive their ABS is still to be settled as at 14<sup>th</sup> September.
- 2.8 For the Pension Committee's information, that this is intended to be the last year that members receive a paper ABS. The plan of People Services and SCC is that next year ABS will be available electronically via the Member Self Service platform that will link to the Members Direct Pension Record. The members will need to request access and be given a pin to view their document online. Direct access should mean that members will be able to see their ABS quicker next year.
- 2.9 The Pension Committee will be updated on this as People Services move forward with plans.

### **3. Summary**

- 3.1 People Services will work with SCC to ensure the remaining ABS are sent out as soon as possible and update the Committee at the next meeting.

<b>Date:</b>	<b>20<sup>st</sup> September 2016</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Pension Auto Re Enrolment</b>
<b>Report of:</b>	<b>Lee Witham Director of People Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Financial Control</b>
<b>Financial Summary:</b>	<b>Auto enrolment should increase cash flow into the pension fund</b>

## 1. Executive Summary

- 1.1 This report updates the Pension Fund Committee on the Re-enrolment of staff into the LGPS.
- 1.2 The role of People Services is to ensure that Westminster complies with its duties to enrol staff into an eligible pension scheme every three years. In addition we aim to ensure that we promote the benefits of the Local Government Pension Scheme (LGPS) to staff as a recruitment and retention tool and maintain income into the Westminster fund.

## 2. Current Position

- 2.1 Following the implementation of auto enrolment on our initial staging date of July 2013, Westminster has to re-enrol staff every 3 years. The staging date was 1<sup>st</sup> July 2016.
- 2.2 BT is the Council's outsourced provider who undertake this task on our behalf. The Pensions Officer for Westminster met with the Pensions Officer for BT to ensure that they understood the requirements of auto enrolment.
- 2.3 BT were responsible for writing to all eligible staff to advise them that they would be opted into the scheme and to all non eligible to staff to advise them of the circumstances in which they can be opted into the scheme. Anyone who has

opted out within the previous 12 months were not required to be auto enrolled and were treated as non eligible.

2.4 For reference the eligibility criteria are as follows;

- Is Age 22 or over
- Is under State Pension Age (SPA)
- Earns £11,000 annually determined by monthly pay in July of £916 per month
- Opted out of the pension scheme prior to August 2015
- Does not have a certificate of protection from HMRC prior to 2016 offering protection as a result of meeting the Life Time Allowance limit.

2.5 People Services are also liaising with the Pension Regulator and are in contact with them regarding the staging dates for a number of schools who may have alternative staging dates to Westminster's main body. The Pension Regulator determines staging dates via the employer payroll returns related to the PAYE reference. Schools often have different PAYE references where they have left the main payroll service and many of the faith schools are employers for pension purposes in their own right.

2.6 WCC had 258 people due to be enrolled into the pension scheme in July 2016.

2.7 It has come to light that BT auto enrolled some but not all eligible staff in July. We are currently awaiting more detail of which of the 258 people were not enrolled and an associated recovery plan from BT. We have made them aware that any fines that the regulator wish to impose for non-compliance will need to be picked up by them.

### 3. **Summary**

3.1 Westminster partially complied with auto enrolment in July 2016. We will update the Committee on subsequent action at the next meeting.