Hampshire Constabulary

RESTRICTED

Police Pension Board Minutes

Date: Tuesday 5th March 2019

Time: 0930 hrs

Location: Duke Room, Netley

Attendees:
Richard Croucher – Chairman
Ben Snuggs – Employee Relations
Ben Pratt – Corporate Comms
Garry Smith – Federation
Brian Woodhall – Hampshire Branch NARPO
Fiona Collier – Deputy NARPO representative
Richard Andrews – OPCC
Jo Smith – Supt Association
Paul Robertson – Occ Health
Jenni Letheren – HCC
Gemma McNamara – Pensions Admin
Andy Lowe – Pension Services
Amanda Gomer – Chief Officer Group Support

Apologies: Jenni Letheren, Gemma McNamara, Andy Lowe

1. **Welcome & Introductions**
   Richard Croucher (RC) welcomed everyone and declared the meeting as quorate.

2. **Apologies for Non-Attendance**
   As above.

3. **Conflicts of Interest**
   There were no declarations of a conflict of interest.

4. **Minutes of the last meeting**
   Agreed.

5. **Outstanding Actions**

   Police Pension Board Actions Decis

   Action 60: Remain Open. PR to come back with the names.

   Action 62: Remain Open. Force Solicitors office have engaged QC opinion; we are in a process where hopefully we can determine what the definition can be, but this will take some months. The definition needs to be tested.

Action 65: Remains Open - PR offered to give his own example to the board.

PR didn't get an estimate of what pension would be worth so made contacted to ask for an estimate, especially as GAD had changed, to be able to make an informed decision. This was around November/early December. Estimate was provided and PR chose an option, about a week later he was advised that the first pension payment would not be made because a pension's estimate had been requested and the payment was then delayed until February. PR suggested that at the point of notification of retirement an estimate should be produced because an informed decision cannot be made without it. RC stated that this needs to be built into the leavers planning cycle. It was noted that application for retirement cannot be made unless it is within 3 months of intended retirement date, however but it takes a while for supervisors to sign up and to then get the estimate through. RC asked if the board thought encouragement should be given to people to request their estimate before starting the formal retirement process. Discussion was had around the agreement for ill-health retirements and the organisation being able to request an additional estimate which was agreed by pension services. RC asked to be notified of any issues that are raised as easier to review in live time.

GS advised he is currently working with Helen Gunner on what the force provides leavers/retirees so will tie in with Helen with regard to requests for a forecast. JS also suggested advising people to request their final payslip as once you have left as you no longer have access to it. This prompted RC to raise the question about all the receipts submitted and this should form part of a good leaver's package.

<u>New Action</u>: If anyone is refused an estimate please raise live time with RC

<u>New Action</u>: On leaver's cycle add advice to make earlier request for leavers pensions estimate (with warning that if estimate is requested it may delay receiving pension payment).

Action 67: Remains Open - RC to chase Gemma for the names of the two leavers.

Action 70: Injury awards – progressing. BW and RA asked about the letters to check injury awards and reviewing their entitlements. Jenni will pick up when back.
BW advised that he was aware that a Chief Constable from another force has taken the decision to slash pension awards of 33 officers from level 4 to level 1 because they failed to respond to requests for further information. It is agreed that this decision will not be followed in Hampshire Constabulary. NARPO requesting to see the draft letter before it goes out.

Action 71: closed

6. Employers Pension Services Report

RC showed the report – target column shows 100%
These are Q3 stats up to Dec 18.
PR asked where it shows that his payment was late – however if Pensions are saying the form was not returned in time then their argument is that the payment was not late.

It was asked if they could have a KPI and then reflect those that didn't receive pension on time regardless of who is at fault. RC clarified that this report is about managing their performance and reflects they have met targets when the paperwork is received.
JS asked if people actually know what "on time" is.
BS asked for a reminder of what the agreed targets are.
BW thought the target was 28 days for everything. RC will re-check targets.

BW asked about the online portal; notification will come out in the next Newsletter.

RC explained that the software has a member's portal which police staff have access and have been using for some time. Officers have all communications posted to home address which can cause data protection issues. Pension Services will make the online version the default for officers for this round of ABS in August 2019. RC advised that summer is busy demand period and the plan will be that online access will be made available to register from May 2019, with reminders in June and July and possibly August if necessary.
The portal will create a history of ABS. There is still an option for officers to opt out of online access and still receive postal correspondence.
RC will liaise with pension services and Jonathan Lee is the contact from Comms.
GS asked if it would be a good time to put in about medical retirement estimates, however it was felt this may cause confusion and cloud the issue. BP suggested adding a link to a Q&A which will help clarify things. BP asked for a thought around what questions could be used.
BW raised the issue that Pensioners can now access the portal and RC confirmed that there will be comms going out in May. All comms will go out through the website and it is likely everyone will be written to at home address but RC will check the process. BW advised his understanding is that there is no capacity for anything to be updated in the Newsletter. A request was made two years ago by the Pension Board to see the newsletter before it was sent out to print, but this has not materialised.

- RC received an update regarding the Pensions Newsletter at the end of the meeting and advised that there was no update included because Pensioners will be the other way around. Pensioners will be assumed to be opted out but can have the option to opt in which will be advised in a separate communication to be sent out to home addresses.

RC gave an example of issues around pensions that have arisen and one was around transfer values. When Chancellor set the budget he cancelled some of the GAD factors and 1987 commutation factors were quickly reviewed and updated, but transfer value figures were not updated and we were told they wouldn't be available until March. These figures have now been received and are now available for calculations. These are important for people moving between schemes and where it's really important are for things like divorces where the court want to know what's that value of the pension scheme so without those factors in place the calculations couldn't be done. This is now all resolved.

RA asked when we were next due to get an update from Pensions Admin. RC agreed and advised Gemma McNamara to send something through. Good time to get GM here as she has been involved in the boarding of the London Boroughs.

<u>New Action</u>: RC to request Pension Services and Pensions Admin to attend next meeting.
<u>New Action</u>: Change date and location of next meeting

8. Risk Management

Pension Board Risk Register v1.4.xls

Only thing remaining on risk register is late payments of benefits to individuals and we were going to test to make sure we understood the causes before taking off register.

RC asked if there are any new risks that anyone wants to raise.
RC mentioned the Police Employers contribution made to officers has been uplifted from 1st April 2019 to 31% (from 24.2%) of pensionable pay. This will cost Hampshire Constabulary an extra £7.5M. We do have a general grant increase and a specific new pension's grant which is aimed nationally at covering the cost of this before any increase in precept. The funding is now in place to deliver.
At the same time a review of the employee's contribution was supposed to happen the initial analysis deemed that the contribution could go down. This would be unpopular with Home Office and Government so what is more likely to happen is the benefits to the individual on the scheme would have to go up. That part of the review has now been put on hold because of issues in relation to other unfunded schemes for fire fighters and judges where schemes have been brought into question, known as the grandfather schemes. This is now going to appeal and so all revaluations are on hold.

JS stated that the Supt Association are asking for people in the CARE 2015 scheme who are looking to retire soon as these people are most at risk from the appeal judgement so we need to understand their circumstances better. It is hard trying to identify people but it is expected to be only a small number.

RC stated that DCC has asked if people will be worried. RC has emailed James Hurley, Chief Finance Officer of Hertfordshire, NPCC lead on Pensions to ask what we can tell people. He will share when he can, but he also stated that everything he has seen so far suggests that everything received up to now should be protected. Supt Association are not so confident.

9. Financial Vulnerability of staff and pensions numbers.

Chief Constable is concerned that if there happens to be an increase in interest rates people could be in hardship and might have no choice but to leave the pension scheme.
We need to do better as a force to try to help people who do get into difficulties, but to be proactive and try and prevent people getting into difficulties in the first place.
As a board if we see any themes coming in around this we need to be aware.
GS asked about numbers from new recruits as they are auto enrolled and get the information before joining and are they electing to leave the scheme and what are the numbers. PR also advised that many who are auto enrolled won't be aware there is a tax break of 20 or 40% depending on how much tax you pay and the comparisons. So where we used to have PMAS doing presentations to explain that for every £100 you put in you are only paying £80 or £60 of your pension and then the force will provide 31% of your whole salary.

If they knew that comparator then they could realise no bank account would be able to pay that type of interest rate and it would make sense to stay in. However many are students already with a debt and it's probably money coming out of their account that they can ill afford.
GS asked if Jenni attended a presentation to see what information was provided, but this hasn't happened.
BP also raised that we had asked for a breakdown of students not opting in as all we had was the overall picture. The situation we need to look out for is the fact some students just cannot afford it, they don't have the spare money to pay into the pension.

New Action: The Board agreed there needs to be a way to report numbers. RC to email JL.

With regard to reviewing those who opt out and circumstances may then change, the auto enrolment will capture these.
RC confirmed that quite a lot of people who were auto enrolled actually stayed enrolled.
RC is not aware of the Pension Scheme ever being examined by Pensions Regulator or Pensions Ombudsman. So in our Scheme, because it is a relatively short career, the employee contribution is relatively high and the Employer contribution is massive but because it is the 30 years scheme the percentage of contributions from salary is high compared to some other pension's schemes. Other pension schemes may be far less generous at the end, but contributions may be lower and there doesn't seem to be any assessment to show we only have one scheme at a set rate and that we don't offer another scheme (slightly reduced benefits pension scheme) at a cheaper rate to allow more people to join. The LGPS has a 50/50 option available which allows more people to stay in.

In summary this agenda item is to raise anything that may be a trend thing, but if urgent please raise with RC directly.

RC advised the Board that regarding PMAS, it is time to look to regularise on a proper contractual basis. The specification does state that they will run starter events and cover pension scheme. This doesn't have to go out to tender as currently it is free so we will go out for three quotes for transparency. JS suggested this should cover the leaver's presentations too for completeness. RC is working with Helen Mears on the spec.
BW stated that NARPO goes along to the pre-retirement course but this has been cut down to one day and NARPO only has 15 minutes. It was confirmed that the whole pre-retirement course is run by PMAS and feedback has indicated it is all about their product. Helen Gunner is doing a lot of work around leavers and retirement and it seems that Helen Mears is also doing some work, so need to link in with each other. Army has agreed we could buy in their 7 week leaver's course and there are other options to link in with Fire and HCC.
New Action: RC to liaise with Liz Wylie in relation to the PMAS pre-retirement course.

It is noted that this is not a Pensions Board matter, but concern has been raised to take back to COG. BP noted that employers should have confidence in pension system itself and this is a key issue of the Board.

10. AOB

No items raised.

Date of next meeting: Thursday 13th June 2019 at 0900 hrs in Ground Floor Conference Room, Mottisfont Court, Winchester.