

Report To: **GMPF LOCAL PENSIONS BOARD**

Date: 13 October 2016

Reporting Officer: Sandra Stewart, Executive Director of Governance,
Resources and Pensions
Euan Miller – Assistant Executive Director of Pensions
(Funding and Business Development)

Subject: **MEMBER COMMUNICATIONS**

Report Summary This report provides the Board with an overview of the regular communications issued to GMPF members and provides links to examples of these communications.

Recommendations: The Board is recommended to:

- (i) Note the report;
- (ii) Consider and comment on the communications which GMPF issues to members;
- (iii) Note that the Executive Director of Governance, Resources and Pensions will be arranging for a review/audit of communications taking into account best practice and what other funds do both within and outside LGPS so that we can ensure we remain award winning and a leader in this field

Policy Implications: None.

Financial Implications: Effective communications help ensure efficient administration of the Scheme and assist in reducing the administrative costs which are recharged to employers.
(Authorised by the Section 151 Officer)


Legal Implications: Each LGPS fund is required to prepare, maintain and publish a written statement setting out its policy on communicating with members.
(Authorised by the Solicitor to the Fund)


Risk Management: It is important that all communication are fair, balanced and capable of being easily understood by the target audience.

ACCESS TO INFORMATION: **NON-CONFIDENTIAL**

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers: The background papers relating to this report can be inspected by contacting Malcolm Tyrer, Communications Manager

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1. INTRODUCTION

- 1.1 It is extremely important to communicate effectively with Scheme members in order to ensure members understand their benefits, member engagement is maximised and Scheme administration operates efficiently.
- 1.2 Each LGPS fund is required to prepare, maintain and publish a written statement setting out its policy on communicating with members. GMPF's communications policy statement can be viewed on the link below. This was last updated in 2014 and will be revised and republished following any material change in policy.

<http://www.gmpf.org.uk/documents/policies/communications.pdf>

- 1.3 This report provides the Board with an overview of the regular communications issued to GMPF members and provides links to examples of these communications.
- 1.4 The communications are tailored to the needs of the three main groups of members:
- **Active members:** members who are currently paying contributions into the Scheme.
 - **Deferred members:** members who used to pay into the Scheme, but who have left their employer (or opted out of the Scheme) and their benefits have not yet entered payment.
 - **Pensioners:** members to whom GMPF pays a pension. These are either retired members, or members drawing a spouse's or partner's pension following the death of the member.

2. ACTIVE MEMBERS

- 2.1 **Annual Benefit Statement (ABS):** This is one of the key pieces of information an active member receives. By law all LGPS funds have to produce this document by 31 August each year and it has to contain certain compulsory information. In brief it includes the following:
- Current value of member's benefits (split between career average (post 1/4/2014) and final salary (pre 1/4/2014) if applicable)
 - Forecast of member's benefits should they remain an active member until their Normal Pension Age (65 or later)
 - Explanation of Normal Pension Age
 - Death benefits – lump sum life cover & spouse's/partner's pension
 - Breakdown of career average pension build up during the year (new accrual and inflationary increases on previous years' accrual)
- 2.2 As well as the names & figures varying by member, GMPF uses an advanced form of digital printing, so each member gets paragraphs of explanatory text which are relevant to them.
- 2.3 An example of how GMPF helps members understand their ABS is provided on the GMPF members' website: <http://www.gmpf.org.uk/statements.htm>
- 2.4 **Pension Power:** Pension Power is GMPF's active members' newsletter, and is produced to respond to the requirement to disclose items, such as changes in the Scheme Regulations. It is also a useful way of passing on "did you know" type articles of general information, such as reminders about the importance of nominating beneficiaries. Over the past few years GMPF has worked hard to collate email addresses for active members in particular. Under the disclosure regulations, it is acceptable to communicate such matters

by email or in print, GMPF does a mixture of the two, depending on whether an email address is held for the member.

- 2.5 A Link to a recent Pension Power is provided below:

<http://www.gmpf.org.uk/publications/power/35.htm>

- 2.6 **Email alerts:** GMPF only produces Pension Power once or twice a year. At other times email alerts are sent to active members as required.

- 2.7 **Additional Voluntary Contributions (AVCs) mailings:** AVCs are one of the ways of topping up benefits. LGPS funds such as GMPF provide them via a third party, (in GMPF's case via Prudential). From time to time Prudential will ask GMPF if they can write to a category of active members, to remind them about the option of paying or increasing AVCs. (for example active members over age 40, earning £25,000 or more). Due to Data Protection requirements, GMPF does not release members' names & addresses to Prudential, but can carry the mailing out on their behalf via GMPF's print provider and recharge the cost to Prudential.

3. DEFERRED MEMBERS

- 3.1 **Annual Benefit Statement (ABS):** This is the main piece of information a deferred member receives from GMPF each year. GMPF has set a target of producing these by the end of May each year, which is well in advance of the statutory deadline. As for the active members ABSs, GMPF uses the same digital print technology to produce a bespoke ABS booklet for each deferred member.

- 3.2 **Deferred bulletins/updates:** It is rare that there are enough significant changes to regulations to warrant a newsletter or bulletin to deferred members. GMPF generally alerts deferred members via an extra couple of pages in the ABS. However, if a significant change impacting deferred members was to take place, a one-off mailing to deferred members would be issued.

4. PENSIONER MEMBERS

- 4.1 **P60:** Each April GMPF is required to write to all of its 100,000 plus pensioners with a P60 – their statement of earnings & tax for the year. An example of a P60 is provided on the link below:

<http://www.gmpf.org.uk/documents/payslip/example.pdf>

- 4.2 **Pensions Grapevine:** GMPF's annual newsletter for pensioner members, Pensions Grapevine, is mailed alongside the P60s (to avoid the cost of a separate mailing). Grapevine contains a mix of technical articles – for example pensions tax changes, to legal reminders (such as the need to declare pensions in payment when claiming certain benefits), and also stories sent in by Pensions Grapevine readers. A link to the most recent Grapevine is provided below:

<http://www.gmpf.org.uk/publications/grapevine/21.htm>

5. GMPF WEBSITE

- 5.1 In addition to the communications which are issued to members, there is a large amount of information available on the GMPF website, which is updated regularly. Examples include:
- A designated section for members approaching retirements
 - A News and Updates section

- An A-Z of Scheme documents
- A library of online forms

6. RECOMMENDATIONS

The Board is recommended to:

- (i) Note the report;
- (ii) Consider and comment on the communications which GMPF issues to members;
and
- (iii) Note that the Executive Director of Governance, Resources and Pensions will be arranging for a review/audit of communications taking into account best practice and what other funds do both within and outside LGPS so that we can ensure we remain award winning and a leader in this field.