

## BERKSHIRE PENSION BOARD

WEDNESDAY, 20 FEBRUARY 2019

PRESENT: Alan Cross, Pettitt (Chairman) and Wilcox (Vice-Chairman)

Officers: Kevin Taylor & Nabihah Hassan-Farooq

### INTRODUCTION AND APOLOGIES

The Chair welcomed all attendees to the meeting.

### DECLARATION OF INTEREST

None.

### MINUTES

**RESOLVED UNANIMOUSLY:** That the Part I and Part II minutes of the meeting held on September 11<sup>th</sup> 2018 be agreed as an accurate record, be agreed as an accurate record,

### SCHEME AND REGULATORY UPDATE

Kevin Taylor (RBWM) gave an update on the above titled item. Firstly, it was outlined that the Local Government Pension Scheme (Miscellaneous Amendment) Regulations 2018 had now delegated powers to the Secretary of State to issue guidance. MCHLG now had powers to issue guidance without statutory provision in place. Members were informed that there had been a removal of requirement for employers to consent to early release of benefits for those employees with deferred benefits aged 55 years and over. It was noted that employer discretion could be applied to waive any actuarial reduction but the employee no longer needed employer consent to withdraw benefits at a reduced rate. Members were informed that regulation 4 came into effect as of the 17<sup>th</sup> April 2018. Members discussed whether this date had taken into the consultation phase and whether the publication date had any adverse impact on the regulation.

Members discussed the Local Government Pension Scheme- Actuarial Guidance and early retirement reduction factors had changed from the 8<sup>th</sup> January 2019.. The percentage reduction had been reduced for both female and males and have been aligned to remove any perceived sex discrimination. Neil Wilcox highlighted that the 'Local Government Pension Scheme- Actuarial guidance' had been dated as the 29<sup>th</sup> April 2016, it was confirmed that this was an administration error and that the document had been received earlier this year.

Members were informed that the Government had published a written statement which announced a pause in the cost cap process for public service pension schemes pending the outcome of the application to appeal the McCloud case to the Supreme Court. The Board were told that the LGPS Advisory Board would now consider whether, given this announcement, it should withdraw the benefit change recommendations that had been made to the MHCLG as a result of its own cost cap process. It was outlined that if the McCloud principle was upheld that it would be required to make changes to the underpin and that such changes would need to be taken into account by SAB when reviewing its own cost cap calculations. It was noted that all changes that had been scheduled were now on hold and would resume once the judgement had been made upon the McCloud case.

It was also highlighted that the initial SAB proposals to bring the scheme cost back to 19.5% had included the removal of third tier ill health retirements, the introduction of a minimum death grant of £75,000 and an adjustment to the two lowest employee contribution bands. A further

systems which did not translate as it was held in different formats on different systems. Members were told that data testing reports would be run again in 12 months time and that accuracy was currently being reported at 99%.

Members queried whether there was any benchmarking or KPIs set in relation to the data cleansing and it was confirmed that when comparing against other neighbouring local authorities that the data held was significantly better. Members were informed that a report had gone to the Berkshire Pension Panel.

**ACTION- That Kevin Taylor provide an update on the data cleansing entries in 6 months.**

Nikki Craig highlighted that it was the duty of the employee to update and amend their addresses and it was agreed by all members that the process of constant improvement of data (by updated and amending records) would help keep data refreshed and cleaner on the iConnect system.

### ACTION TRACKER

Members noted the contents of the Action Tracker document. Members queried whether information had been sent to the correct recipients and it was confirmed that there was confidence in who had been sent relevant information.

### REVIEW OF BOARD WORKPLAN

Kevin Taylor outlined the Board's workplan for the upcoming Municipal year. Members were asked to review the contents of the work plan and were informed that the workplan had been amended to include all statutory and standing items that were expected to be considered by the Board. Members were concerned with the scheduling of meetings coinciding appropriately with the Berkshire Pension Fund. Panel meetings to ensure proper consideration is given to relevant business items. It was agreed that there would be four polices considered at each quarter and that this would be mirrored onto the Board's workplan. It was also noted that there would be better use of the Board's time to merge specific items and to update the work plan accordingly.

**ACTION- Kevin Taylor to update the work programme to reflect the changes discussed and circulate to Board Members.**

### REVIEW OF FUND IDRPPROCEDURES AND CASES

Kevin Taylor gave an overview of the item as above titled. Members were informed that there was a formal Internal Dispute Resolution Procedure (IDRP) available and this was available in the agenda papers. The document was posed to members for review and comment. The IDRP had been written based on LGA guidance. It was highlighted that there were currently 3 cases that were actively going through the Pensions Ombudsman's Office and that the predominant theme related to ill health retirement. Members were informed that the uphold rate when assessing each case was low. Tony Pettitt queried whether these figures reflected the last twelve months and it was confirmed that there had been 6/7 cases raised through the IDRP but not all of these had been escalated through to the Pensions Ombudsmen. Members felt that the 'Guide to the Internal Dispute Resolution Procedure' document should be free from gender bias and accordingly re-written to remove gender bias from the text. It was also discussed that the IDRP cases were an important statistic to track and should be included in future administration reports. It was agreed that this item would review to the Board in twelve months time.

**ACTION- That the report return to the Board in 12 months for review.**

Members felt that any increase to employer contributions should be increased gradually and not revised without consideration to existing rates.

PENSION FUND PANEL MINUTES

**(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

Members noted the Part II minutes of the meeting held on the 17<sup>th</sup> September and 12<sup>th</sup> November 2018.

EMPLOYER RISK PROPOSAL

**(Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972**

Members noted the contents of the Employer risk proposal.

The meeting, which began at 13:04, finished at 15:09

CHAIRMAN.....

DATE.....