

**POLICE PENSIONS BOARD**

**Wednesday, 10 May 2017**

**Minutes of the meeting of the Police Pensions Board held at the Guildhall EC2 at 10.30 am**

**Present**

**Members:**

**Employer Representatives**

Alderman Ian Luder (Chairman)  
Alexander Barr  
Helen Isaac

**Member Representatives**

Davina Plummer  
Kieron Sharp  
John Todd

**Officers:**

Kate Limna	-	Chamberlain's Department
Charlie Partridge	-	Chamberlain's Department
George Fraser	-	Town Clerk's Department
Annemarie Allen	-	Barnett Waddingham
Jeff Henegan	-	Chamberlain's Department
Amanda Thompson	-	Town Clerk's Department
Graham Newman	-	Chamberlain's Department

**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

Members were advised that membership of the Local Government Pension Scheme was specifically exempted from being declared as an interest.

**3. MINUTES**

The public minutes and summary of the meeting held on 17 January 2017 were approved with one matter arising.

In response to a member's question, the Chamberlain confirmed that the City's Police Pension Scheme has been registered with the Pensions Regulator.

**MATTERS ARISING**

The Chairman also welcomed new Member Alexander Barr to the Police Pensions Board for his first meeting.

The Chairman informed Members that the Pensions Administration Manager, Charlie Partridge would shortly be retiring after 29 years in the role within the Chamberlain's department. On behalf of the Board, the Chairman expressed his thanks for his long standing service.

The Chairman declared that it had been agreed that John Todd will be taking on the role of Deputy Chairman for the coming year. Official confirmation of this will take place at the next meeting of the Police Committee on 18<sup>th</sup> May.

4. **THE CITY OF LONDON POLICE PENSION SCHEME - UPDATE**

The Chairman introduced the report relating to a range of topics in the Police Pension Scheme that included the suite of documents requested at the last meeting.

The report outlined the following items for the consideration of the Police Pensions Board:

Annual Schedule of Events for the Pension Scheme

The Board considered the annual schedule of events relevant to the Police Pension Scheme and noted that all deadlines are currently being met. The Chairman suggested that the Board should provide an annual report to the Police Committee and it was agreed to add this to the Annual Schedule of Events. (1)

Annemarie Allen suggested that the requirement to issue Pension Savings Statements by 6 October be added to the Annual Schedule and it was agreed to do so. (2)

Information on Scheme Record Keeping

The Chamberlain explained to the Board the extent of member data maintained with reference to Appendix 2. The information outlines the comprehensive range of member data held for members of the Police Pension Scheme, including personal details, contribution records, nomination details, pay and information on leavers/deferred and pensioners.

The Board was advised that the Pensions Team carry out regular data accuracy checks as part of the annual updates procedure. They also use a mortality screen service, issue annual life certificates to those living abroad and participate in the National Anti-Fraud Network (NAFN). This ensures compliance with regards to deaths, re-employment with another police authority and injury pensions where an injury benefit is being paid by the State.

The Board requested that a table showing membership numbers by category of membership be provided. (3)

The City of London Police Pension Scheme Risk Register

The Board considered the Risk Register, and a Member suggested that for Risk 3 (Pension Scheme Administration), the Causes should be separated into two separate Risks – one for succession planning/ training and one for IT. It was agreed to update the Risk Register. (4)

### Documentation and communications that are circulated to Scheme Members

The Board considered the documentation circulated to scheme members for the current Pension Scheme introduced on 1 April 2015, as well as its preceding Schemes introduced in 2006 and 1987 (Appendix 4a, 4b, 4c).

### Communication Working Practices

A Member requested reassurance that data held on scheme members with deferred pensions is being monitored accurately. The Pensions Administration Manager advised that the Police Human Resources Department notify the Pensions Office of any officer leaving the Force and they in turn calculate the benefits at leaving and send a statement to the ex-officer.

A Member re-emphasised their concern regarding the maintenance of personal data for ex-officers and queried if ex-officers would know that it is their responsibility to inform the Pensions Office of any changes. It was agreed that the letter sent to officers would be reviewed at the next meeting.

A Member questioned whether there were any plans to move towards email rather than relying on post to distribution communications. The Chamberlain explained that this infrastructure is in place for overseas members. However, it was highlighted to the Board that whilst e-mail was a quick and efficient form of communication, individuals do change their e-mail addresses and unless they advised the Pensions Office of such changes, it could become difficult to remain in contact with scheme members.

A Member asked for the number of deferred scheme members currently held by the City of London Police. Officers noted the number was approximately 700.

The Board considered if there was a risk relating to the gap between those members paying in to the scheme and those being paid out. The Chamberlain advised that any shortfall is effectively funded by the Government and there is limited risk to the City..

The Board considered Appendix 6, which provided examples of the various letters and statements sent to officers throughout their membership to the Pension Scheme. It was noted that no example of an early leaver deferred benefit statement was included and it was requested that such a letter be provided to the Board at the next meeting. .

Under the terms of the 1987 Scheme, widow(er)s pensions cease if the recipient re-marries or co-habits with a new partner . A concern was raised as to whether or not there are any ethical implications in seeking evidence of “lack of entitlement” from such scheme members. However, it was noted that there is a legal obligation to uphold the Regulations.

The Board agreed that correspondence sent to scheme members must be clear that the Pension Scheme Administration can only provide facts, and is not able to provide advice as this would breach legislation.

**RESOLVED** – That amendments should be made to include a standardised text disclaimer within all the relevant literature to clarify the position that the Pension Scheme Administration can only provide facts and is not permitted to provide advice, but rather to recommend scheme members seek it elsewhere. The wording to be used should be considered by the Comptroller & City Solicitor.

The Board considered Appendix 6i – “*Opting out of the POLICE PENSION SCHEME 1987 (PPS 1987)/ POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)*” with regard to point 9 - “Enjoy a better quality of retirement” being a reason for remaining a member of the Police Pension Scheme. The Board agreed that this comment would qualify as subjective advice and is a value judgment and should be removed.

The Board agreed that point 9 in Appendix 6i – “*Opting out of the POLICE PENSION SCHEME 1987 (PPS 1987)/ POLICE PENSION SCHEME 2006 (PPS 2006) / POLICE PENSION SCHEME 2015 (PPS 2015)*” should be removed.

The Board considered Appendix 8 (Audit Reports) and it was noted that in the final paragraph the text should read “2018” rather than “2108”.

5. **POLICE PENSIONS BOARD - WORK PROGRAMME**

The Chairman questioned the Work Programme with regard to the lack of dates set out for future meetings of the Board. It was agreed that the dates will be added. (5)

6. **PRESENTATION, PROVIDED BY BARNETT WADDINGHAM, THE ACTUARIES TO THE CITY OF LONDON POLICE PENSION SCHEME**

The Board were given a presentation on the Police Pension Scheme by Annemarie Allen of Barnett Waddingham.

The presentation covered:

The Police Pensions Schemes, Regulations & Guidance

Ms Allen explained that the Home Office are responsible for the Scheme and that the Police Pensions Regulations 2015 were laid before parliament on 5 March 2015, and came into force on 1 April 2015. They contain the new Police Pensions Scheme provision and transition arrangements from the previous Schemes.

She noted that this legislation makes legal provision for governance of the Police Pensions Schemes as required by the PSPA 2013 regarding establishment of the Police Scheme Advisory Board and Police Pension Boards as well as a Scheme Actuary and Employer Cost Cap.

The Board were given a comparison of the three schemes initiated in 1987, 2006 and 2015. 1987 and 2006 were final salary schemes, and 2015 is a career average scheme.

The process of transition to the 2015 Scheme was explained including the protections for those in the previous schemes at 31 March 2015.

Ms Allen also explained that the regulations refer to Government Actuary Department (GAD) guidance and its role, noting some examples such as commutation limits and factors, transfer values and pension sharing on divorce, purchase of added pensions, pension tax charge debits and early retirement reductions and late retirement uplifts.

### Overriding Pensions Legislation

Ms Allen explained the importance and role of overriding pensions legislation, noting some examples such as:

- Data Protection Act 1998 / GDPR 2018
- Freedom of Information Act 2000
- Occupational & Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Pensions Act 2008 (Auto enrolment)
- Welfare Reform & Pension Act 1999 (Pensions sharing on divorce)
- Provisions and reform around exit payments

A summary of overriding legislation concerning record keeping and pension tax was provided.

The Board was informed of the legislation governing pension schemes' record keeping. The Public Service Pensions Regulation 2014 were highlighted and the records required to be kept noted. The legislation requires this information to be 100% accurate.

It was explained to the Board that Scheme Record Keeping is in the Pension Regulator's defined top 3 risks, that data quality should be reviewed annually and data improvement plans put in place where necessary.

The Board was then given an overview of the limitations of tax free pension savings allowed in a year under "Annual Allowance", and the maximum amount of tax free pension saving allowed over an individual's lifetime under "Lifetime Allowance".

Two particular issues affecting the Police Pension Scheme 1987 of protected pension ages and the potential for unauthorised payments were highlighted..

A Member suggested that a materiality score be assessed on the various Pension legislation in relation to the stakeholders e.g. members, the Board and the administrators. It was noted that all were important due to the legal implications.

Further Information

Ms Allen closed the presentation with details of where Members could obtain further information.

**7. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

**8. DATE OF NEXT MEETING**

**RESOLVED** – That the Town Clerk arrange dates for the next two meetings of the Board in September/October and January via a Doodle Poll amongst its members. (5)

**9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no items of urgent business.

**The meeting closed at 12.20 pm**

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Chairman

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