

Official – South West Pension Board Members Only

South West Regional Police Pensions Board

Thursday 2 July 2020 at 10:00am

Virtual meeting held via Skype

Attendance

Ian Pollitt (Chair)

Member Representatives

Anthony Hart (Devon and Cornwall,
Superintendents Association)

Jim Purkiss (Devon and Cornwall FED)

Employer Representatives

Peter Skelton (Gloucestershire)
Nick Adams (Avon and Somerset)
Steve MacKenzie (Dorset)
Sarah Holbrook (Wiltshire)

Clive Barker (Wiltshire)
Sandy Goscomb (Devon and Cornwall)
Richard Hicks (Devon and Cornwall and
Dorset)

Guests

Shirley Cuthbert (Peninsula)
Emma Davies (Peninsula)

Paul Mudd (XPS)

Apologies

Robin Hobbs (NARPO)
Peter Land, (Avon and Somerset, Federation)
Lisa Adams (Gloucestershire)

Paul O'Brien (NARPO)
Jon Stratford (Gloucestershire, CPOSA)

01/20/01 Introductions and Apologies, Declarations Conflict of Interest, [FOIA open]

The Chair, Ian Pollitt opened the meeting, welcoming members and thanked Esther Lee who had taken on the administration of the meetings.

Attendees were reminded that the purpose of the Board was to ensure that members continued to receive their pensions through effective scrutiny of the scheme and that Chief Constables as Scheme Managers were meeting their statutory responsibilities with appropriate representatives present on their behalf.

The previous meeting due to be held in April 2020 was cancelled because of the COVID pandemic and a lack of members able to attend. Instead a discussion with XPS and Peninsula had been held with a written update provided to members in May 2020. (Appendix A)

Members were prompted to review the Conflict of Interest form within the meeting papers pack which should be completed as necessary and forwarded to Esther Lee for noting if relevant. No specific conflicts of interests were raised at the meeting.

01/20/02 Minutes from the last meeting held on 5 December 2019 [FOIA Open]

The draft minutes from the meeting held on 5 December 2019 were agreed as a true and accurate record with acceptance that they were created from notes made at the time by Peter Skelton as there was no administrator in attendance on the day.

01/20/03 Action Log [FOIA Various]

Ian Pollitt presented the action log, highlighting the following updates:

a. Action 40 - Payments to Capita

Action was settled with the Forces continuing to review their own positions alongside legal advice and mutual collaboration; there remained a number of significant and costly Capita service issues. The action was therefore closed. Further discussion was held at minute reference 01/20/13.

Action discharged

b. Action 51 – Regional Pension Scheme Administration – Performance Pack Information

XPS confirmed that a footnote to future performance reports in relation to membership data would be completed.

Action discharged

c. Action 52 – Pension Regulator

Update provided at minute reference 01/20/05.

Action discharged

d. Action 55 – Regional Pension Scheme Administration – Performance

XPS confirmed they had provided the Directors of Finance with an overview of the current position, including what the potential average overpayment may be.

Action discharged

e. Action 56 – Regional Pension Scheme Administration – Performance

XPS confirmed that they provided individual forces with information regarding pension savings statements as and when required.

Action discharged

f. Action 60 – NPCC Pension Advisor – Correspondence from Cartwright King (ESA and deductibility of injury related benefits)

Nick Adams provided an update prior to the meeting: *“The ‘Cartwright King’ letter referred to here is dated 24th January 2019. A standard letter was (I believe) sent to all Chief Constables. The letter refers to the Court of Appeal decisions in relation to Evans & Ashcroft v Chief Constable of South Wales.*

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The letter highlights two points: The deductibility of Employment Support Allowance (ESA) from injury pensions – this issue stems from the reform of the benefit system whereby the ESA was introduced to replace a number of other historic benefits. Pension regulations had identified historic benefits as being “relevant benefits” for the purposes of making deductions to injury awards. However, these pension regulations were not immediately updated at the same time as the reforms that introduced the ESA. Therefore there was no legal basis on which ESA could be deducted from injury awards until the regulations were amended to include ESA within the definition of a “relevant benefit”. In Avon and Somerset we recognised and have proactively dealt with this issue already, and therefore we have no outstanding claims in this regard.

ii. The value of the deductions in respect of Incapacity Benefit (IB) and Industrial Injuries Disablement Allowance (IIDB). This issue (we believe) dates back to April 2010. At this stage there was 0% pension increase applied, but some benefits (including IB and IIDB) were increased. As a consequence, if administrators actioned these amendments, the value of the deduction applied for IB and IIDB increased against a static pension – the result being that the net pension was reduced incorrectly. In Avon and Somerset our administrators at the time do not appear to have actioned the increase to IB and IIDB (it is unclear if this was in error or through some impressive foresight). As a consequence the issue for us will only relate to the very small number of individuals for whom we will have actioned a recalculation for dating back to April 2010. Whilst we haven’t quantified this, we believe the numbers involved here to be very small. Currently we are awaiting a steer from the Home Office about the national approach to be taken in addressing this issue, but have not heard anything yet.”

The above was seen as insightful pending developments. Any further updates to be provided to Esther Lee

For action by: All members

g. Action 61 – Pensions and Tax Awareness Sessions

XPS confirmed that they have provided events, which would be repeated in late 2020, and the action could be closed.

Action discharged

h. Action 83 – Pension Savings Statements

XPS confirmed data had been shared in relation to statements.

Action discharged

i. Action 86 – Training/Knowledge of Board Members

Action covered at minute reference 01/20/04

Action discharged

j. Action 87 - Budget

Discussion was held regarding the budget assigned to the Board and how it was used. A request was made for the Budget Outturn to be presented at the end of year.

For action by: Richard Hicks

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k. Action 88 - Regional Pension Scheme Admin – Opt out data

Peninsula Pensions confirmed that the percentage of opt out figures had been checked and during discussions with A&S Police and Peninsula systems teams, opt outs were being based on a specific period and thus not providing a full picture. Reviewed and corrected; saw a rise which brought figures up to similar levels of the other SW Forces.

Action discharged

l. Action 89 – Annual Benefit Statements

Action ongoing and would be reported on at future meetings

Action to remain open

m. Action 90 – Online Portal Activity

XPS confirmed that uptake information would be included within future reports.

Action discharged

n. Action 91 - Online Portal Activity

The Board considered that best efforts had been made by all Forces to promote members to access information via the portals and would continue to be marketed periodically. Current data from XPS suggested 70% of members had accessed the portal which meant 30% were not looking at their forecast data; as more activity was moving to an IT led provision it was seen as increasingly important to actively encourage uptake.

Action discharged

XPS and Peninsula were aware of the Online Portal usage for their members and the Board felt that monitoring at quarterly meetings remained key. XPS and Peninsula to send out an annual reminder to officers regarding accessing the portal and provide uptake figures within quarterly reports.

For action by:

XPS and Peninsula

o. Action 92 – Pension Saving Statement

XPS provided an update prior to the meeting confirming the summary spreadsheets were a snapshot of the bulk annual allowance calculation prepared using ~~year-end~~ and financial year-end pay details provided by the Force. It did not include officers who may have left in the pension input period who had an annual allowance breach at the point of retirement as these officers would have received details of their pension growth and 'scheme pays' options as part of their retirement pack. In addition, if any pay details had been amended after the bulk exercise then the pension input would have been recalculated with officers being notified of any resulting breaches.

Action discharged

p. Action 93 – Business Continuity Plan

XPS confirmed Business Continuity Data had been shared with the Chair

Action discharged

q. Action 94 – CARE Scheme returns and year end checks

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XPS confirmed that confirmation of figures had been provided in the quarterly performance pack.

Action discharged

r. Action 95 – Savings Statements

Update provided at action no 92

Action discharged

s. Action 96 – AOB TPR Survey

Nick Adams had confirmed prior to the meeting that he had completed the survey but was unable to retrospectively access the results. Chair confirmed he had received Wiltshire's report and asked others to share their reports with the Chair if available. Richard Hicks agreed to check Devon and Cornwall and Dorset returns and supply if available.

For action by: All members

01/20/04 Training / Knowledge of Board Members [FOIA Open]

Whilst the Board considered itself proactive in its approach to learning it also relied on its members keeping the record up to date in readiness for any reviews from the Pension Regulator.

Members were informed there were no fresh e-learning updates from the Pension Regulator currently, although they had stated they were planning further e-learning activity in the future.

Members were reminded of their obligation to declare any training undertaken by emailing Esther Lee, who would update the Board records accordingly.

For action by: All members

Action discharged

The absence of a deputy listing for Devon and Cornwall was highlighted with confirmation that Richard Hicks would now perform the role for Devon and Cornwall Police as well as Dorset.

01/20/05 The Pension Regulator [FOIA Open]

The Chair asked members if they were aware of any items which needed to be reported to the Regulator. None raised, with confirmation that the only items of concern were legacy issues relating to Capita which were being progressed through engagement with NARPO and other interested parties.

01/20/07 Regional Pension Scheme Administration - Performance [FOIA open]

The paper *Professional Services Category – Administration of Officer Pensions – Contract Update* created by Eyan Naylor was presented to the Board, the content of which was noted.

a. KPI performance

In previous meetings two papers would have been presented however the new format paper included updates on both XPS and Peninsula and looked to offer an update and insight into the performance of the current Contract for the administration of the Police

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Officer Pension schemes for Dorset, Devon & Cornwall, Gloucestershire & Wiltshire, and to highlight any issues of note for consideration or decision by the Board.

The Board broadly agreed that both XPS and Peninsula's performance had been effective throughout the COVID pandemic; the only significant issue was seen as Transfer-In activity.

The Board discussed the potential reasons for the lower performance rates including the possibility of overly ambitious KPI setting and the adverse effect of past employers not passing relevant data in a timely manner, thus reducing transfer performance figures. The recent nationwide uplift in Officer numbers would also have had a significant impact on transfer activity. Richard Hicks would explore the potential to resolve the KPI challenges through discussions with Providers.

For action by: Richard Hicks

b. Extension of Current Pension Provider Contract

Due to current Pandemic measures, the ability to run a full tender process and implement potential new contracts into Forces was seen as unachievable and therefore under Regulation 32(2)(c) - the Public Contract Regulations 2015, ("Use of the negotiated procedure without prior publication due to ... reasons of extreme urgency brought about by events unforeseeable by the contracting authority") was exercised allowing an extension for a 'reasonable' period.

The contract would come to a natural end on 31 January 2023. Retendering would therefore commence circa July 2021.

c. Peninsula Pension Update

Shirley Cuthbert and Emma Davies joined the meeting from Peninsula and provided a verbal update to the Board alongside their Performance report which was noted by the Chair.

- Peninsula considered they had adapted to the COVID Pandemic well, and had showed improvement in a number of areas, particularly relating to online self-service activity.
- Individuals and teams were content to work from home and had secure provision to do so.
- Regular weekly checks on office premises had been maintained to deal with any postal queries.
- Current membership sat at 93.3%.
- Opt out figures had been updated from last year and now showed all those in active service with ASP.
- Activity was ongoing to deliver the Annual Benefit Statements:
 - Deferred Personal Benefit Statements by 30 June 2020. MSS users had been sent emails to login to view statements and postal statements were assigned to their printers.
 - Active Personal Benefit Statements by 31 July 2020 and would include a section on Annual Allowance.
 - Officers would receive online statements in 2020 including a McCloud update and it was hoped it would help to gauge members thought

The question was posed if any challenges had been identified regarding the need for wet signatures or forms such as Expression of Wish with confirmation that the use of the member's self-service portal negated the need for wet signature. The Opt Out form had also been updated to allow a virtual process alongside the hard copy method.

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The Board thanked Shirley and Emma for a positive report during challenging times and asked that positive feedback was also provided to the teams delivering day to day activity.

Peninsula were currently reviewing all their documentation to assess if it was compliant with new Accessibility Regulations in place from September 2020. During the review, if any significant changes were identified, Peninsula Pensions would share the documents with the Chair for feedback.

For action by: Peninsula Pensions
Action discharged

Shirley Cuthbert and Emma Davies left the meeting.

XPS Pension Provider Update

Paul Mudd from XPS joined the meeting providing apologies from Graham Hall.

The Board noted that the report provided by XPS was distilled into the overall report submitted by Eyan Naylor and discussed by the Board earlier in the meeting.

Paul Mudd provided a verbal update to the Board, highlighting the following areas for discussion:

- Since COVID lockdown many members of staff had been working from home safely and effectively becoming business as usual for many people.
- No performance issues had been identified and statistics were looking positive.
- Telephone contact had seen an increase with traditional office calls diverted to Skype calls via laptop therefore there was no reduction in ability to deal with queries.
- Email contact had also increased however traditional written correspondence had reduced.
- Incoming and outgoing post was dealt with twice weekly by staff going into the office. An automated solution was being explored for the future which would see visits to the office cease as a necessity to 'post' letters to members. Any changes to the process would be after consultation with clients.
- The standard policy remained that any hard copy correspondence was scanned and attached to the individuals file, creating a flag for action to be taken.

Progress on project work relating to the GMP reconciliation - 2017 overpayment of pension contributions continued and was currently at stage 3; rectification.

Two Forces within the region had significant cases and XPS was awaiting direction from those Forces concerned to be able to complete the activity. Once analysis was complete, XPS would come out to Forces with information about next steps with Devon and Cornwall Police being in the first tranche of activity. No end date had been confirmed.

XPS was asked to provide a summery paper prior to the next Board meeting which outlined, in lay terms, the GMP reconciliation process along with expected outcomes. Any statistics available for the regional forces could also be included as an appendix.

For action by: XPS

Discussion moved to KPIs and whilst it was accepted that the delivery of the contractual service remained high, Transfer-In activity had seen a dip in performance.

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The high number of new officers joining the service through the recent Uplift activity had been unexpected, meaning that XPS needed to train significant numbers of staff to deal with the influx, hence the reduction in service delivery. Whilst it was accepted the KPI had not been reached in all cases, the impact on officers was seen as minimal as monies had been received within accounts, but was not seen by officers for a short period.

Discussion moved to the recent announcement from the Police Federation of its intention to mount a claim for members relating to the ongoing Pension Remedy Employment Tribunal outcome; that was separate to the overall 'remedy' to be reached for the scheme members and was regards 'injury to feelings'. Those wishing to join in the action had been given a deadline of 15 July 2020 by PFEW. XPS acknowledged that had caused an uplift in demand initially however Forces did remind their officers to utilise information and data from their paper records as well as the self-service portal which had eased demand; there was a possibility of another spike in demand as the 15 July 2020 deadlines approached.

IDRP (Dispute Process) complaints were raised for discussion with confirmation that the only trends seen, related to legacy issues relating to Capita. A small number of officers wanting to gain funds from Utmost Life, an Additional Voluntary Contribution (AVC) provider, had experienced complications as UL was unable to correctly deduct tax and pay direct to scheme holder's accounts. The issue was being managed effectively between Forces and XPS to allow payment to occur.

The latest quarterly report was highlighted to members as it covered upto date stats, including portal activity rate per Force and by active, pensioner, widows and dependents categories.

The web based portal had been refreshed after a poll had been sent to members and provided a user friendly format and saw a call for more connectivity from members to access their information and be able to change things such as address, bank details etc.

The Beneficiary Wish form, payslips and P60s could also be moved to an online solution with approved format printing, however until penetration testing had been completed by both internal and external teams there was unease in switching on all the connectivity for security reasons.

Currently it was unknown if connectivity had to be across all clients nationally (noting that XPS support 34 Forces) or could be tailored to each Force, therefore consultation would take place prior to any changes being implemented.

Activity surrounding Auto Enrolment was ongoing with acknowledgement that it was the employer's responsibility to bring people on line and once information was received from forces it would be added to the system interface as necessary.

No further questions were raised by the Board who voiced they felt reassured that XPS had continued to deliver during the COVID pandemic and asked for their thanks be passed to the teams for their ongoing work.

Paul Mudd left the meeting and the Board stopped for a short break.

01/20/08 Government Changes to Pensions – Judges and Firefighters [FOIA closed s.42 Legal Professional Privilege]

01/20/09 Update Review of Risk Register [FOIA Open]

The Risk Register was not reviewed during the meeting as it was felt that a number of changes had taken place and therefore a detailed discussion was needed between Ian Pollitt and Richard Hicks prior to it being presented at the September 2020 meeting with proposals for change.

For action by: Ian Pollitt and Richard Hicks

01/20/10 Formal Complaints [FOIA open]

The Board acknowledged that neither XPS nor Peninsula had raised any new complaints to the Board however XPS continued to deal with legacy issues relating to the Capita contract. Richard Hicks continued to pick up complaints, investigated at stage 1 for both Dorset and Devon and Cornwall Forces, and liaised with his line manager Neal Butterworth and the Ombudsman as necessary to successfully resolve complaints. This also gave him a good insight as to trends and themes.

The Board was keen to understand any trends, but did not need to receive details of individual cases.

01/20/11 Auto-Enrolment (2020 – 3 yearly exercise) [FOIA open]

The Board heard from XPS and Peninsula during their updates that they were on track to deal with auto-enrolment which was initiated by each Force in capacity as ‘employer’; it was felt that the main challenge remained to encourage members to access data via the online portals.

Dorset and Devon and Cornwall’s staging date was the 1 July 2020 and they were making members aware that they would be auto-enrolled and had to physically opt out.

The Chair mentioned that the Metropolitan Police had recently completed their Auto-Enrolment exercise and whilst they faced the usual challenges, they did see an increase in officers remaining in the scheme rather than opting out.

01/20/12 Annual Benefit Exercise (ABS) [FOIA open]

Members were reminded of the importance of sharing payroll data with XPS and Peninsular in a timely manner to allow them to process the statements within the agreed timescales.

01/20/13 Formal Claim against Previous Scheme Administrator [FOIA closed s.43(2) - Commercial Interests]

01/20/14 Update from Chair [FOIA open]

The Chair thanked members for their inputs during the meeting and acknowledged the McCloud update.

There had been media speculation that the next budget may look to reduce tax relief on pension contributions and would undoubtedly remain a focus of the Treasury who would be looking to recoup funds after the COVID pandemic. A proposal may be made to move to a standard tax relief which would impact on those officers paid £40k plus as they would see their contributions increase.

For those already retired, the removal of the triple lock (which guaranteed an annual pension increase by average earnings) was also a possibility.

The requirement to complete an Annual Report remained key and would be undertaken by Ian Pollitt and Richard Hicks prior to being published on the website.

For action by: Ian Pollitt and Richard Hicks

Action discharged

The Chair acknowledged the meeting had not been quorum in line with the Terms of Reference, however, no significant decisions had been required during the meeting, the circumstances were noted and the meeting deemed acceptable.

01/20/15 Any Other Business by exception [FOIA open]

No items were raised for discussion.

01/20/16 Summary of actions going forward [FOIA open]

Esther Lee provided members with a verbal precis of the new actions assigned during the meeting which would be consolidated into an updated Action Log.

Date, Time and Location of Next Meeting

10 September 2020 - Avon Room – Avon and Somerset Police Headquarters commencing at 10.00am or *virtually depending on COVID pandemic advice.*

Dear SW Region Police Pension Board Members,

I hope this email finds you well and coping with these unprecedented times.

Following the cancellation of the March 2020 Board meeting, I arranged to speak with both Peninsula and XPS to obtain updates in lieu of their normal contributions to our Board meeting. During the phone conversations I asked both administrators to produce a summary of their current activities, including how their business continuity plans were working, and to add any other comments that would be useful for Board members. These have now been received and are set out below:

- Business Continuity Plan {Extract from XPS BCP} – we have the plan in place and have implemented several additional measures during this period. We have been able to ensure all 75 (includes those responsible for LGPS, Firefighters and Police pensions) of our team are able to work from home, including the key staff members responsible for the administration of the Police Pension Schemes and payment of pensions
- We will be issuing letters to all Police Pension scheme members shortly which will encourage them to sign up to our online Member Self Service portal as this will be our preferred method of communication during this period. This will ensure that we are able to stay in contact with members and issue/receive documentation accordingly
- At the moment, 2 members of the team are going to the office to scan post received and issue urgent postal letters, (for those not able to access the online portal), at least once a week – this will continue to be reviewed
- We are also regularly reviewing our position in general, and making adjustments if/when necessary accordingly to ensure continuation of business
- Annual pensions increase is on schedule to be implemented and pensions will continue to be paid on expected dates
- Contribution holidays – this is not possible in the Police Pension Schemes – unless they are referring to members opting out – in which case, please see below (this was in response to a police officer asking if consideration has been given to allowing officers to take contribution holidays during the Covid19 emergency)
- Rob May (Police Team Manager) has produced a report (table below) covering opt-outs (I asked if Peninsula had any information they could share with the Board regarding opt-outs). It is on the basis that Peninsula has been notified of all opt-outs by ASP.
- The Pensions Regulator has issued guidance on areas administrators should focus their attention on during this time as per link: <https://www.thepensionsregulator.gov.uk/en/covid-19-an-update-for-trustees-employers-and-administrators>

period	new opt outs per quarter	of these how many are 30 year opt outs?
01/01/2019 to 31/03/2019	9	1
01/04/2019 to 30/06/2019	11	0
01/07/2019 to 30/09/2019	9	0
01/10/2019 to 31/12/2019	5	1
01/01/2020 to 31/03/2020	12	2

Attached within the email:

- **XPS Performance summary for Region as at April 2020** – Note individual Forces would **normally** have a more in-depth report, which then would be closely scrutinised by the Tactical Group (led by Eyan Naylor, re compliance) ahead of discussion/briefing at the next full P/Board; this summary comments on current activities
- **NPCC Information and Guidance on Auto-Enrolment**
- **'Police Pensions User Group – 24 February 2020 – XPS Full Slide pack:** Comments upon key actions for Forces/Administrators.

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Given the unusual circumstances we all find ourselves in, I trust you will find these notes helpful and go some way to meeting our collective responsibilities as a Board to sustain a 'watching brief' on Police Pension Schemes and ensure these are well administered. Your input toward this is vital and appreciated.

Should you have any questions concerning either of the briefs, or any other pension related matter, please do not hesitate to contact either myself or Richard Hicks as appropriate.

Please also find attached the Scheme Advisory Board (SAB) SAB Chair's quarterly letter following the April 2020 meeting along with a COVID issues paper circulated to Chief Constables on a range of issues, including the returner scheme targeting officers with 30 years' pensionable service. The draft minutes of the December 2019 Board have been reviewed and these, along with an updated Actions Matrix, are to follow shortly.

I look forward to seeing you when the Board next meets, currently scheduled for Thursday 02 July 2020, though should it be necessary to either postpone, or hold the Board via conference call, we will let you know.

Lastly I wish to record my appreciation to Esther Lee who has kindly coordinated a number of essential matters in past months and I am pleased to say is to support the Board in future months.

Regards

Ian

I S Pollitt CBE

Chair

SW Region Police Pension Board

Scheme Advisory Board

Secretariat: PABEWsecretariat@homeoffice.gov.uk

Dear Scheme Manager/Pension Board Chair,

We held our quarterly meeting of the Scheme Advisory Board by telephone conference call last week. We discussed some ongoing issues, but also heard Members' concerns about initiatives being pursued to assist in the efforts to deal with Covid 19. I shall begin by sharing those with you.

The re-engagement offer:

The staff associations are concerned about the re-engagement offer being made by forces and in particular the apparent anticipation of agreement on how to proceed exemplified in the programme advertised by the Metropolitan Police, to attract officers recently retired to re-join or to seek to retain officers in service who are due to retire in the coming months. The concerns relate to uncertainty about several details of the re-engagement offering:

The first was the **protected pension age – gap in service**. The normal minimum pension age (NMPA) was set at 50 until 6 April 2010, when HMRC announced changes to increase it to age 55. The Government gave transitional protection for those with the lower NMPA of 50, known as "Protected Pension Age". It applies to officers who leave the 1987 scheme with a pension between ages 50 and 55. Officers leaving before 50 and after 55 are unaffected.

In order to maintain PPA, it is necessary for officers who leave and re-join to ensure there is a gap between leaving and re-joining of at least a month and up to 6 months.

NPCC recognises that this is a barrier to effective and prompt re-engagement. On 24 March 2020, the Home Secretary announced:

"In recognition of their value and expertise, and in order to increase capacity and resilience the Government has committed to relaxing tax and pensions rules which could deter officers near retirement and those recently retired from returning to serve".

This announcement was seen to be welcome news and we were assured that detailed work is continuing to ensure forces have the clarity to activate the commitments reflected in the announcement. NPCC has made submissions to the Home Office on specific interventions and are working urgently with Home Office colleagues to secure and communicate the detail of the Treasury's response.

Another concern expressed by staff associations was **death in service benefits** provided through the pension scheme for officers re-joining, particularly as it is difficult to get life cover in the current market conditions. Home Office officials confirmed that they had obtained legal advice and were considering it urgently. It was likely that those who had accessed pension benefits at retirement would be allowed access to the 2015 scheme on re-joining; this would be confirmed shortly.

It was noted that **abatement of pensions** was a matter on which Chief Constables already had discretion, unlike in the NHS, where a legislative change had been introduced.

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Opt out data:

Members received a further analysis of opt out data taken from last year's workforce census. Members were concerned that, looking at the analysis of opt outs by age, that there was a high percentage of mid-career opt outs among the core 25-39 age group of up to 9%.

I have initiated some follow up work to validate the data and to seek from the Government Actuary an assessment of the impact of such a level of opt out on the long-term health of the scheme. In addition, could I use this opportunity to ask **Chairs of Local Pension Boards to provide me with details of the number of officers auto re-enrolled this year and the number subsequently re-opting out?**
Thank you.

The Pension Challenge

On the McCloud / Aarons cases, Members noted that The Economic Secretary to the Treasury laid a Written Ministerial Statement providing an update on the McCloud/Sargeant case on 25 March. The full text can be viewed *here*.

You may be aware that SABs across public sector pension schemes were invited to comment on a paper by HM Treasury setting out possible remedies. The responses will inform the public consultation to be held over the summer. Our SAB held three technical working group meetings to look at the proposals, focussing on the practical challenges of the options described. We are now finalising our response which we shall send to the Home Office for consideration by HMT. We shall let you know the date of publication and the period of consultation as soon as we have the information, so that you can prepare comments

Annual Benefit Statements

A proposal on Annual Benefit Statements (ABS) was provided to the Board who duly debated how projections to normal retirement age (accepting that those projections will be based on current rules) would be reflected in 2020, given the uncertainty of membership for many during the Remedy Period. However, Home Office officials informed members that the central PSPS steering group of policy leads from all the main public service pension schemes, which the Home Office attend, have agreed that a central approach will need to be taken by all public service pension schemes on this matter and that individual schemes should not be taking their own approach.

We will work with the Home Office on this and provide updates as soon as we are able.

Future Work

The staff associations have highlighted inconsistencies in the approach to injury awards. While these fall outside the formal scope of the SAB, and operate outside Pension Scheme Regulations, they remain a contentious issue and result in many complaints and referrals to the Pensions Ombudsman. They are therefore something we can look at in the wider discussions which the meeting now embraces. I intend to agree the scope of the work at our next meeting.

Yours sincerely,

Elizabeth France CBE
Independent Chair