

## WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD  
11 November 2021

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### **ANNUAL BENEFIT STATEMENTS EXERCISE 2021 REVIEW**

#### **Purpose of the Report**

1. The purpose of this report is to present a summary of the outcome of Fund's Annual Benefit Statement (ABS) exercise for 2021 for consideration by Board members.

#### **Background**

2. As part of the LGPS Regulations 2013, the Fund is required to produce ABSs for all active and deferred members by the 31 August each year, showing the value of their benefits as at the 31 March of the same year.
3. The Pension Regulator (tPR) oversees this requirement within the LGPS and, as with other regulatory requirements, the Fund is due to log any breach of regulation and to report to tPR any breach which it considers may be of material significance to it.
4. tPR primarily focuses on the percentage of active ABSs and as such, the Fund set out within its Business Plan actions for 2021/2022 to produce 99% of active ABS by the 31 August 2021.
5. For context, the production rate over the preceding three years was as follows  
2020: 96.9%  
2019: 95.0%  
2018: 93.9%
6. Furthermore, in line with the Fund's Communications Strategy, the Fund once again took the approach this year of uploading ABSs to members' online accounts through the member portal (*My Wiltshire Pension*) in all cases. In addition, if a member 'opted in' to receive paper copies, officers now send paper copies to them until they notify us of a change of communication preference.
7. This approach has allowed the Fund to be able to analyse the levels of engagement with members and effectiveness of the approach used.
8. The Wiltshire Pension Fund Committee were advised of the success rate at its September meeting as part of the KPI pack as well as through a verbal update but did not receive the more detailed explanation outlined in this paper.

#### **Considerations for the Board**

9. Active ABSs  
The Fund produced **99.5%** of ABSs by the 31 August 2021 deadline (adjusting for exclusions), which translates as 115 statements not being produced on time.
10. Out of those 115 statements not produced, 17 were due to officers receiving no employer return and the rest were because the employer had failed to resolve a data query in time (despite repeated chasing).

11. Officers have continued to work with employers after the deadline to resolve the remaining queries and used the Fund's escalation policy when the employer fails to engage with us. Once a data query is resolved, a statement will be produced on My Wiltshire Pension. Obtaining the data required for the statement is important regardless of the need to produce an ABS and it is also important to complete this work as preparation for employers not already onboarded on to i-Connect.
12. Deferred ABSs  
The Fund produced 99.9% of ABSs for members which were deferred as at 31 March 2021. A small number of records (6) had a technical systems issue which prevented a statement being produced.
13. Note: The deferred ABS percentage stated does not include an allowance for the number of records which are on a holding status because they are yet to be processed (which would either result in a deferred benefit, refund or aggregation of benefits).
14. Member engagement and system access  
The Fund sent out an email notification to all My Wiltshire Pension registered members. This covered 9,223 active records and 10,520 deferred records (note: a number of members have multiple pension records).
15. Out of the notifications sent, around 70% of active members and 74% of deferred records opened the email sent. Approximately 44% of all recipients are estimated to have logged into the system.
16. Offices then sent a 'reminder' email to members which did not open the original email which led to a further 8% of members opening the email.
17. In addition, paper copies were sent to approximately 1,000 members who opted in to receive paper whilst the remaining members (just over half) received no specific notification although officers did communicate via employers that the statements would only be available via the portal (and all members had been told several times before).
18. Furthermore, the Fund also gave members access to an explanatory video, produced by officers to help explain the details of each ABS.

#### Survey Results and future actions

19. After the ABSs were sent out, officers produced a short survey which was emailed to all members with email addresses on record. The response rate was only 2.5% and respondents were heavily weighted to members in the older age categories. Out of those who responded, most members (73%) stated they found the statement easy to understand and a similar percentage (76%) found the statement easy to access.
20. Next year, officers will:
  - a). Send out another My Wiltshire Pension postal mailing, promoting the online portal to all of those members who have not signed yet (which also gives them another opportunity to opt into paper communications should they so wish). Officers intend to do this periodically (e.g. every three years) for those members who have not yet engaged with the e-comms approach.
  - b). Review its use of explanatory language to see if it can be made easier to understand.

c). Increase the level of surrounding promotions, particularly aiming them at younger members, to generally support and promote the statements to increase member engagement and seek a better response rate to the survey.

d). Make some other minor improvements to the way statements are presented.

e). Send out the survey sooner (or at the same time as the statement) to attempt to increase the response rate to enable an improved level of feedback.

### **Conclusions**

21. Whilst the Fund should technically have a 100% success rate, officers consider the percentages to be sufficiently high level to not be considered a material breach by the tPR nor to record the matter internally.

22. Due to the improved efficiency and controls from onboarding employers on to i-Connect, officers were also able to issue statements earlier and using less resource than in previous years. With continued onboarding, it is anticipated that statements could be produced earlier. Conversely, the statements may generally be of less significance for many members as My Wiltshire Pension will show pension figures which are updated monthly.

### **Environmental Impact**

23. There is no environmental impact from this report.

### **Financial Considerations**

24. There are no financial considerations related to this report.

### **Risk Assessment**

25. There are no direct risks to the Fund associated with this reporting.

### **Legal Implications**

26. There are no immediate legal implications arising from this report.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

27. There are no implications at this time.

### **Proposals**

28. The Board is asked to consider the contents of this update, including officers' recommendation to not report the minor shortfall in statements as a tPR breach, and for the Board to set out any recommendations that it may have.

### **Andy Cunningham**

Head of Pensions Administration and Relations

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