

COMMITTEE	Finance, Policy and Resources
DATE	19 April 2016
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Re-enrolment
REPORT NUMBER	CG16/048
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to inform Committee of the need to undertake Re-enrolment, a statutory duty which involves assessing the workforce to identify those who qualify to be re-enrolled to the Council's pension schemes. This requires to be undertaken approximately 3 years after Auto-enrolment which was carried out in 2013, with the Re-enrolment date to be 1 June 2016.

2. RECOMMENDATION(S)

The Committee is requested to:

- i) Note the contents of this report and instruct officers to proceed with the implementation of Re-enrolment, reporting back to Committee in December 2016.

3. FINANCIAL IMPLICATIONS

The financial implications of Re-enrolment for the Council are likely to be the incurrence of extra on-costs in the form of employer pension contributions, as a result of more employees and workers being taken in to one of the pension schemes.

At the time of setting the budget for 2016-17, it has been assumed that any additional cost in relation to Re-enrolment can be contained within approved staffing budgets.

4. OTHER IMPLICATIONS

As Re-enrolment is a statutory duty there is a legal requirement to implement this after approximately 3 years from the Auto-enrolment staging date which was 1 April 2013.

5. BACKGROUND/MAIN ISSUES

Re-enrolment is a statutory duty to be undertaken approximately 3 years after the Auto-enrolment staging date and then on a 3 year cycle thereafter. This was indicated to members in a report on Auto-enrolment of 26 September 2013. As the Council's Auto-enrolment staging date was 1 April 2013 this means that re-enrolment will take place in 2016, with the date set to be 1 June 2016. It should be noted that the employer may choose the Re-enrolment date from any date that falls within a six month window, starting 3 months before the third anniversary of their original staging date and ending three months after that anniversary ie between 1 January and 30 June 2016.

Re-enrolment will involve the Council in the following:-

- Choosing a Re-enrolment date in the time period, with this to be 1 June 2016
- Identifying eligible staff - this will be employees who have opted out of the pension schemes since Auto-enrolment was applied who meet the criteria, excluding those who have opted out in the 12 months prior to Re-enrolment. It should be noted that an employer may choose whether to automatically re-enrol any eligible jobholder who opted out or ceased active membership of a qualifying scheme at their own request within the 12 months before the automatic Re-enrolment date.
- Re-enrolling eligible staff from the Re-enrolment date and starting to deduct pension contributions
- Communicating with relevant staff
- Completing a re-declaration of compliance

A project team is in place in HR to plan and implement the above, with an action plan currently being progressed.

Following Re-enrolment a further report will be provided to Committee in December 2016 on the numbers enrolled and also on those who subsequently choose to opt out of the schemes rather than remain a member.

The Members are reminded that following the undertaking of benchmarking in 2013 with other Scottish Local Authorities, findings showed that the Council was one of the few to have implemented auto-enrolment on schedule at the appointed staging date, rather than applying the transitional arrangement which would have delayed implementation until 2017 for existing employees, demonstrating the organisation's genuine care for the financial wellbeing of its employees in their later years. This Council will therefore be one of the first councils to apply Re-enrolment to its employees.

6. IMPACT

Improving Customer Experience –

Re-enrolment will not directly affect the Council's service users but could result in a more engaged workforce due to employees benefitting from being a member of one of the pension schemes. This could result in service users receiving an improved service from more motivated and engaged employees.

Improving Staff Experience –

Re-enrolment will result in employees who previously opted out of one of the Council's pension schemes being re-enrolled, giving them another chance to benefit from being a member of one of the schemes, to save for a pension and helping to ensure their financial wellbeing in retirement.

Improving our use of Resources –

Re-enrolment will likely result in an increase in employer on-costs in the form of extra employer pension contributions. This however is unavoidable due to this being a legislative requirement. Having more employees in the schemes will assist in ensuring their ongoing financial viability and hence continuing to serve as a useful recruitment and retention tool for the Council.

Corporate -

Auto-enrolment was implemented in 2013 with re-enrolment requiring to be undertaken as a legislative requirement on a three year cycle thereafter with this activity being included in the HR and Customer Service planning process.

Public –

It is not expected that this report will be of interest to the public.

7. MANAGEMENT OF RISK

If Re-enrolment were not implemented in the required timescale the Council would not be adhering to its statutory duties and responsibilities and would be subject to scrutiny by the Pensions Regulator.

If actual Re-enrolment rates are significantly higher than anticipated, the additional cost may not be able to be contained within approved budgets. In this case the additional cost of Re-enrolment will be reported to Committee.

8. BACKGROUND PAPERS

The Pensions Regulator – Detailed guidance for employers’ number 11
– Automatic Re-enrolment: Putting workers back into pension scheme
membership

<http://www.thepensionsregulator.gov.uk/docs/detailed-guidance-11.pdf>

9. REPORT AUTHOR DETAILS

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