

COMMITTEE Finance, Policy and Resources

DATE 1 December 2016

INTERIM DIRECTOR Richard Ellis

TITLE OF REPORT Re-enrolment update

REPORT NUMBER CG/16/134

CHECKLIST COMPLETED Yes

1. PURPOSE OF REPORT

The purpose of this report is to provide Committee with an update on Re-enrolment following implementation at the Council's Re-enrolment date on 1 June 2016, including information on the numbers re-enrolled and the number of opt outs from the pension schemes.

2. RECOMMENDATION(S)

The Committee is requested to:

- i) Note this update on Re-enrolment following implementation, including information on the numbers re-enrolled and the number of opt outs from the pension schemes.

3. FINANCIAL IMPLICATIONS

Forecasts for 2016/17 indicate that costs arising from Re-enrolment will be contained within existing salary budgets.

4. OTHER IMPLICATIONS

As Re-enrolment is a statutory duty there was a legal requirement to implement this after approximately 3 years from the Council's Auto-enrolment staging date which was 1 April 2013. Re-enrolment has now been completed with effect from 1 June 2016 with the required employer duties undertaken.

5. BACKGROUND/MAIN ISSUES

A report was submitted to the Finance, Policy and Resources Committee of 19 April 2016 on Re-enrolment providing background

information on this statutory requirement concerned with assessing the workforce to identify those who qualified to be re-enrolled to the Council's pension schemes and the actions that required to be undertaken to ensure compliance.

The purpose of this second report, which was promised in the report of 19 April 2016, is to provide Committee with an update on Re-enrolment following implementation including information on the numbers re-enrolled and the number of opt outs from the pension schemes.

The figures are as follows:-

The number of employees who were re-enrolled was 269 (i.e. 219 Local Government Pension Scheme (LGPS) and 50 Scottish Teachers' Pension Scheme (STPS))

The number of employees who chose to opt out as at 30/9/16 was 171 (i.e. 143 LGPS and 28 STPS)

The number who chose to remain in the pension schemes was 98 (i.e. 76 LGPS and 22 STPS)

Since the last report the following main tasks have now been carried out:

- Chose a Re-enrolment date in the time period, with this having been 1 June 2016
- Identified eligible staff, this having been employees who opted out of the pension schemes since Auto-enrolment was applied who met the criteria, excluding those who 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-enrolled eligible staff from the Re-enrolment date and deducted pension contributions
- Communicated with relevant staff
- Completed a re-declaration of compliance and submitted this to the Pensions Regulator

The main Re-enrolment arrangements have therefore been successfully implemented with legislative requirements met.

Legislation requires that a Re-enrolment exercise be carried out every 3 years with this to be undertaken again in 2019.

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 has resulted in an increase in employer on-costs in the form of extra employer pension contributions. This however is unavoidable due to it 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 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. An Equality and Human Rights Impact Assessment has been compiled and has not identified any negative equality or human rights implications.

7. MANAGEMENT OF RISK

As Re-enrolment has been implemented on schedule meeting the statutory requirements the risk mentioned in the April Committee report of not adhering to statutory duties and responsibilities and being subject to scrutiny by the Pensions Regulator is therefore no longer applicable.

The anticipated costs of Re-enrolment are currently forecast to be able to be contained within existing salary budgets. Salary budgets are monitored on an ongoing basis and any material change in staffing cost forecasts will be reported to Committee.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

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