



East
Northamptonshire
Council

Personnel Sub-Committee 25 November 2013

Pension Auto-enrolment

Purpose of report

This report sets out a proposal in relation to the statutory requirement to auto-enrol staff into the local government pension scheme.

Attachments

Appendix A – Equality Impact Assessment

1.0 Background

- 1.1 To ensure that people have enough money in retirement the Government has made it mandatory for employers to auto-enrol eligible staff into an approved pension.
- 1.2 The Local Government Pension (LGPS) is an automatically approved pension and most of our staff are already members.
- 1.3 Each employer has been issued a staging date (based on the number of staff they employ) by which we need to enrol people. Our staging date is **1 February 2014**.
- 1.4 Staff who are auto-enrolled do not have to remain within the pension scheme, but the government are trying to encourage them to do so. If they do nothing they remain in the pension. To opt out they must wait until they have already been enrolled then contact the pension authority for an opt out form (employers are not allowed to give them out).
- 1.5 If employees opt out quickly (within 3 months) they can get their money back, if not, the money will stay in their pension and they can only end any future payments.

2.0 Eligibility criteria

- 2.1 All staff that meet all of the criteria below will be auto enrolled.
 - do not already have a pension, and
 - earn over £9,440.00 a year (or pro-rata per pay period) in that employment, and
 - are aged 22 or over, and
 - are under State Pension age, and
 - have a contract for more than 3 months.
- 2.2 It is currently thought that Members will not be affected by this arrangement as no Members are currently part of the LGPS and as the government has announced that it intends to ban Members from joining the LGPS, or adding in new contributions from 1 April 2014 onwards.

3.0 Transitional arrangements

- 3.1 As part of the transitional arrangements ENC are entitled to delay auto enrolment for any staff eligible on or before 1 February 2014 until 1 October 2017 as long as we write to them and offer them the option of joining the pension scheme if they wish.

3.2 Whilst we are not obliged to utilise the transitional arrangements, most local authorities are doing so as it essentially a win win. Any employee who wishes to join the pension scheme is still able to do so. The transitional arrangements simply delay the bureaucracy of enrolling and then un-enrolling staff who do not wish to be members of the pension scheme.

4.0 Required steps

4.1 There are a number of steps that we must follow to meet the requirements set out in the legislation namely:

- Write to everyone who is already a member of the LGPS and explain to them that if they opt out during the transition period they will automatically be re-enrolled on 1 October 2017 if they meet the eligibility criteria.
- Write to everyone who is not a member of the LGPS and explain the situation, including what will happen on 1 October 2017, some of the benefits of paying into a pension, and that they have the right to join the LGPS.
- Automatically auto-enrol any new starters from 1 February 2014 onwards who meet the eligibility criteria.
- Notify the pension regulator within 2 months of our staging date that we have complied.

4.2 There are also a number of things that we are not allowed to do. Such as encourage people not to sign up to a pension, or offer them an incentive not to join.

5.0 Financial implications

5.1 There is a cost associated with every ENC employee that joins the LGPS. However this proposal minimises any extra cost. There are only 25 people who are not currently members of the LGPS but meet the eligibility criteria. It is unlikely that all of them would choose to join the pension, but if they did the cost would be an approximate additional £70,000 in pension costs per year.

6.0 Legal implications

6.1 There is a statutory requirement to implement this policy.

7.0 Risk implications



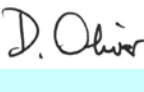
7.1 The review of this policy should reduce risks of legal challenge.

8.0 Equality implications

8.1 An equality impact assessment was conducted as part of the review (see Appendix A).

9.0 Recommendations

9.1 The Sub-Committee is recommended to approve the transitional arrangements proposed above.

Legal	Power: Pensions Act 2008					
	Other considerations: Local Government Act 1972					
Background Papers: None						
Person Originating Report: Aime Armstrong – Human Resources Manager ☎ (01832) 742214 ✉ aarmstrong@east-northamptonshire.gov.uk						
Date: 21 October 2013						
CFO 15.11.2013		DMO 15.11.2013		CX 15.11.2013		

EIA Initial Screening Form – Committee decision (Appendix A)

1. Decision being taken:	
2. Name and Job title / role of person completing Initial Screening:	Aime Armstrong HR Manager
3. What is the main purpose of the Service or Policy under discussion?	Pension Auto-enrolment
4. List the main activities of the Service or Policy under discussion	To implement legislation.
5. Who are the main beneficiaries of the Service or Policy under discussion?	Staff
6. How is the success of the Service or Policy under discussion measured?	Compliance with the legislation.
7. Are equality monitoring systems for the Service or Policy under discussion in place?	No

8. Use the following table to indicate using a ✓:

- a) Where you think that the decision being taken could have a positive impact on any of the groups or contribute to promoting equality of opportunity or improving relations within equality groups.
- b) Where you think that the decision being taken could have a negative impact on any of the equality groups i.e. it could disadvantage them.
- c) Where you think that the decision being taken could have a neutral impact on any of the equality group i.e. no impact

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Gender:				
Women/Girls			✓	
Men/Boys			✓	
Transgender people			✓	
Sexual Orientation:				
Lesbians, gay men and bisexuals			✓	
Race/Ethnicity:				
White British people			✓	
White non-British people (including Irish people)			✓	
Asian or Asian British people			✓	
Black or Black British people			✓	
People of mixed heritage			✓	
Chinese people			✓	
Travellers (Gypsy/Roma/Irish heritage)			✓	
People from other ethnic groups			✓	
People who do not have English as their first language			✓	
Disability:				
Physical impairment, e.g mobility issues which mean using a wheelchair or crutches.			✓	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Sensory impairment, e.g. blind/having a serious visual impairment, deaf/having a serious hearing impairment.			✓	
Mental health condition, e.g. depression or schizophrenia			✓	
Learning disability/difficulty, e.g. Down's syndrome or dyslexia, or cognitive impairment such as autistic spectrum disorder			✓	
Long-standing illness or health condition, e.g. cancer, HIV. Diabetes, chronic heart disease or epilepsy			✓	
Other health problems or impairments (<i>please specify if appropriate</i>)			✓	
Age:				
Older People (60+)	✓			
Children and Young People (see guidance for definition)			✓	
Religion/Belief:				
Christian			✓	
Buddhist			✓	
Hindu			✓	
Jewish			✓	
Muslim			✓	
Sikh			✓	
Other religion (including holding no belief)			✓	
Other Potentially Affected Groups				
Rural Isolation - People who live in rural areas e.g. isolated geographically, lack of internet access			✓	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Socio-economic Exclusion – e.g. people who are on benefits, have low educational attainment, single parents, people living in poor quality housing, people who have poor access to services, the unemployed or any combination of these and the other protected strands			✓	
Any other potentially affected groups (<i>please specify</i>)				
9. If you have indicated that there is a negative impact on any group:				
a) Is that impact against legislation?	Yes	No		
b) What is the level of impact?	High	Low		
10. Could you minimise or remove any negative impact that is of low significance?	How?			
11. Could you improve a positive impact of the decision?	How?			
12. If there is no evidence that the decision promotes equality of opportunity or improved relations, could it be adapted so that it does?	How?			
Head of Service signature				
Date of Initial Screening:	21 October 2013			