



Employer Pensions Notice

EPN 213

Introduction of new annual benefit statements

Communications and arrangements

Audience This Notice will be of particular interest to:

- HR Managers and policy teams;
- Payroll managers

Action

- To note the introduction of new annual benefit statements
- To arrange with your APAC when you will start to run the new statements
- To issue the enclosed office notice or newsletter before you issue the new statements and
- To consider using one or more of the range of additional communications provided

Timing

To use the new classic, classic plus and premium annual benefit statements for issues from June 2008. (Please see paragraph 8 below)

nuvos statements and final salary statements with added pension to be issued as soon after year end payroll closedown as possible

New annual benefit statements

1. It is in your interest as employers that your employees appreciate and value their pension provision, for which you pay the majority of the cost.
2. The annual benefit statement is the key communication to our scheme members to help them to understand the value of their pension benefits and to plan for their



retirement. The focus of the current statement is functional, to check and cleanse data records.

3. CSPD have redesigned the annual benefit statements for **classic, classic plus,** and **premium** and developed statements for **nuvos**. All the statements still provide data for the members to check but the emphasis is to focus the member's attention on the value of their pension and the need to consider when they want to retire and when they can afford to do so.
4. Some features of the **final salary statements** stay the same:
 - Requirement to issue each year – this is part of your delegated responsibility
 - Personal data still provided for members to check
 - Shows pension built up to date and projected to pension age
 - Shows family benefits for death in service and
 - (a) if they defer their pension and
 - (b) when they are a pensioner
 - Death benefit nomination details (up to 4 records for **classic plus, premium and** one for **classic**)
 - Declared partner if registered (**classic plus, premium**)
 - State pension details included (when available and if not opted out)
 - Feedback form –this will be used only be used for members to report errors on the statement. Members will not be asked to return it to confirm that their statement is correct

New information.

5. In addition to the standard information we have added new items to help members to understand their pension benefits:
 - Projected pension shown to ages 55/60/65 – this recognises that the member has the right to work until age 65 (at least) and underlines that the member's needs to plan for their retirement.
 - The projected amounts include actuarial reduction where appropriate, for example: age 55 for final salary scheme members and at 55 and 60 for **nuvos** members

- Maximum cash lump sums – the new limits are illustrated relating to the projected pension
- Reminder about boosting pensions
- Pension sharing on divorce reductions included
- Statements for over 65s – these show pension built up to date only
- Transaction statements for added pension and for **nuvos** members

Communications and timing

6. You must discuss the timing for issue of the new statements with your APAC, so that you can co-ordinate the timing of your communications. It is important that you tell your staff about the new statements before they receive them to avoid surprises and to make the most of the communication opportunity that this change offers.
7. **We ask you to issue either the Office Notice or Newsletter attached before you issue the new statements.** You may choose which format is most suitable for your organisation. If you usually issue your statements later in the year, you will need to issue these communications at that time. If you issue your statements in a rolling programme, for example, by birthdays, you should use the Office Notice or Newsletter before you issue the first new style statements. You may wish to reissue the notice and appropriate materials at intervals during the year, say quarterly, or issue a reminder on your intranet each month when you send out each batch of statements, referring to the notice/newsletter. Please see below about timing for statements for **nuvos** and those with added pensions
8. The new statements are available for use from June 2008, but if you have already planned to issue your statements and you do not have time to arrange the required communications for the new statements, you should discuss approaches with your APAC. You may wish to delay issue slightly to give you time to plan for the communications, or you may prefer to issue the old statements this time to meet your timetables, and issue the new statements with the appropriate communications, next year. **If you go ahead with the old statements please do not use the enclosed communications!**
9. You should tell your staff if there is going to be a delay in issuing their benefit statements, for this or any other reason.

10. We have also provided additional communications about the new statements for you to use as you wish:
- Magazine / intranet / staff newsletter items including advance notices and a follow up message. You could use these in the following ways as appropriate to the size and scale of your organisation:
 - (a) on your intranet;
 - (b) in your staff publication
 - (c) print off and leave around in e.g. staff canteens
 - A selection of posters for you to download and colour print in A4 size. You could also post these on your intranet. There is space on the posters for you to insert your APAC's contact number/email address. (Please check with your APAC for the appropriate contact details to put on the posters). There are posters to lead up to the issue of the statements and one to act as a follow-up reminder to look at them. Some refer to 'Out now' and others do not, in case those of you who issue your statements monthly wish to use them.
11. These resources and examples of the statement templates are located with the copy of this EPN on our website under Guidance for employers. There are 8 templates – one for each scheme for members up to the age of 65, and one for members over 65s.
12. If you have alternative means of publicising the statements – for example via messages on your payslips, please consider using these.

nuvos statements

13. **nuvos** statements follow a similar design to the final salary statements, but as **nuvos** benefits build up over a scheme year (1 April to 31 March), all **nuvos** statements will be produced showing the pension built up 'as at' 31 March. The statements can only be run after you have finalised the payroll transactions for the year end. Any changes or revisions to pay will be paid in the following scheme year and be reflected in the member's pension then. The **nuvos** statement includes a transaction statement which records the opening balance on the

member's account, details of transactions during the year, e.g. monthly payments, index linking, transfer in, added pension etc.

14. You will be working with your APAC to make sure that you can provide the pay data promptly after year end for **nuvos** members. EPNs 180 and 196 refer. If you do not have an electronic interface to PenServer which handles pay data for **nuvos** members, you will have to collect this manually onto a spreadsheet for upload to PenServer. If this applies to your organisation, you should have attended a workshop organised by your APAC. If you have not, please contact your APAC as soon as possible.
15. We recommend that you issue the **nuvos** statements as soon after the end year payroll closedown as possible so that the member receives timely information. You will need to consider with your APAC whether this affects your timetable for issuing statements to your other staff.

classic, classic plus and premium members with added pension.

16. Final salary members who have bought added pension will also have a transaction statement included with their statement which will show their added pension balance 'as at' 31 March. We recommend that you also arrange to issue these statements shortly after year end payroll closedown. For this year, it is unlikely to affect large numbers of staff (over 60s eligible from 1 October 07 only) but in future years there will be increasing numbers.

Benefit statement web pages

17. For members (and for HR colleagues) we have developed new web pages to support the new statements. There is a new left-hand navigation bar to 'Benefit Statements'. These support the statement notes, which are set after the facts and figures, not alongside, to focus member's attention on their benefits.
18. The pages cover each section of the statement and link to further information within the website. There is also a Q & A section.

We want the Q & A section to be as comprehensive as possible. If you have any comments or feedback from members, or FAQs, please send these to the employer helpdesk, marked 'Benefit statements', to help us to update it.

Reference

Contacts Enquiries about content, distribution or to receive in a different format

employerhelpdesk@cabinet-office.x.gsi.gov.uk

01256 846414

Employer Helpdesk, Civil Service Pensions, Grosvenor House, Basing View, Basingstoke, RG21 4HG

You can find electronic copies of the EPG, all current EPNs and forms on our website www.civilservice-pensions.gov.uk in the Guidance for employers section.

If this notice is to be circulated to members, then please remove contact details as the helpdesk is for employers only. Members should be directed to your pensions administrator if they have any queries.