

Cost Management, Benefit Design and Administration Committee (CMBDA)

MEETING OF 30TH OCTOBER 2023

ITEM 5 – PAPER B

GENDER PENSIONS GAP WORKING GROUP UPDATE

Current position:

1. The Gender Pensions Gap (GPG) working group met on 9th October 2023 to discuss:
 - Any in-scheme changes that may help address the levels of inequality (e.g. around the ability to buy back service, issue of multiple small pension pots)
 - Directing employers to best practice in managing the career paths of those who take time off for caring responsibilities and other life events (child related leave, divorce, bereavement and career breaks)
 - Communicating with members to ensure they are informed about the potential pension implications of the career choices they make
 - Mainstreaming analysis so to allow for proper evaluation “what works” and how much is left to do.
2. In attendance at the first meeting were Glyn Jenkins (Unison), John Neal (Unite), George Georgiou (GMB), Julia Grace (Avon Pension Fund), Joana Marfoh (Islington Pension Fund), Laura Caudwell (Aon), Julie West (Hymans Robertson), Tara George (Meridian Trust), Lisa Clarkson (LGA), Luann Donald (LGA) Jeremy Hughes (LGA), Becky Clough (LGA) and Ona Ehimuan (LGA). Apologies were received from Liz Manuel (Bedfordshire Pension Fund) and Martin Griffiths (Warwickshire Pension Fund).
3. The group discussed any in-scheme changes that could help address the levels of inequality. Suggested solutions put forward was more flexibility in the deadline for buying back lost pension for periods of reduced or no pay, the suggestion of variable accrual rates and the increased promotion of existing arrangements such as the 50/50 section and Shared Cost Additional Pension Contributions (SCAPCs). These solutions were raised with the caveat that affordability and equality issues would need to be considered especially from the members’ and employers’ perspective.

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4. With the suggestion of variable accrual rates, it was stated that it would be necessary to ensure that any policy introduced to address the GPG was fair for all and did not unintentionally create other equality issues. Therefore, any gender specific policies would not be considered due to discrimination laws. More likely to be successful was to address the employment issues affecting lower paid, part-time workers with multiple small pension pots which was highlighted in the Scheme Advisory Board's (SAB's) GPG report.
5. The deadline for buying back lost pension at a shared-cost with an employer was only permitted by the regulations within 30 days of returning to work, with any extension requiring the permission of the scheme employer using a non-mandatory regulatory discretion. The 30-day deadline was thought to be unhelpful particularly with maternity breaks with many female scheme members either not aware of the deadline, or not in a financial position to make additional contributions so soon after returning from maternity leave.
6. Better communication of the different options under the LGPS regulations during key life events was also supported by the group. Ideas included promoting the benefits of the scheme, with the use of case studies, to enable scheme members to have examples of the different options available when approach life events such as divorce, maternity/paternity and other caring responsibilities.
7. Outsourcing of contracts was raised as another issue thought to be contributing to the GPG. Many contractors working for LGPS employers and joining the scheme as admitted bodies, were enrolling staff into NEST pensions if their job changed and eligibility for the LGPS was lost due to a change in employment. Examples were given of eligible scheme members opting out or not re-joining under the outsourced contract if the benefits of the scheme were not being regularly communicated or the regulations implemented correctly. The delay by the Government in implementing New Fair Deal, which was thought to strengthen LGPS pension protection, was considered to impact the GPG.
8. Since the working group meeting, the Scheme Advisory Board chair, Councillor Roger Phillips has written to the Department to ask for an updated timeframe on when the Department plans to publish its

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response to the April 2019 consultation on the New Fair Deal proposals.

9. A member of the Local Government Association's Workforce Team shared the work around the gender pay gap with the group. Focus had been placed on influencing behaviour and culture within Local Authority employers to promote a rebalancing of caring responsibilities. Initiatives such as expanding flexible working policies and paternity leave rights would be important in supporting the shift in culture needed to help address inequities between men and women. Having more flexibility in senior roles would also assist with enabling caring responsibilities to be combined with work schedules. The SAB Secretariat are looking at how it can work with the LGA Workforce Team in these areas to address the GPG.
10. The group discussed the impact of cultural background in GPG. It was noted that there is some cross-over with the SAB's project on the Sharia compliance of the LGPS. It would be important for any work to address the gap to consider the cultural factors that contribute to the GPG.

Next steps:

11. The group agreed that the SAB Secretariat would collate the issues discussed and then at the next meeting agree how the specific actions can be taken forward.
12. The themes of the actions have broadly been identified in four following areas and members of the CMBDA are asked to approve whether these should be taken forward:
 1. Investigate changes to regulations for the deadline for scheme members to elect for SCAPCs
 2. Create specific communication to employers on GPG and options within the LGPS regulations
 3. Work with LGA workforce team on increasing awareness of GPG with Local Authorities and policy solutions which have had a positive impact
 4. Investigate impact of outsourcing and progress of New Fair Deal with the Department