



Meeting the challenges of this new world

✓ **The Environment Agency Pension Fund (EAPF) pensions administration manager, David Williams, tells *Pensions Age* how the fund is working hard to help its members through the current crisis**

➤ What is the current set-up of the Environment Agency Pension Fund (EAPF)?

The EAPF is part of the Local Government Pension Scheme (LGPS) and we have around £4 billion of assets and over 39,500 members across both our active and closed pension funds, providing pension benefits for employees and former employees of the Environment Agency, Natural Resources Wales and Shared Services Connected Limited. We have a 97 per cent participation rate in our fund, and a funding ratio of 103 per cent at our last valuation. The fund also participates in the Brunel Pension Partnership asset pool.

➤ How long have you been in your role as pensions administration manager and what are your duties?

I have worked for the EAPF for seven years and have been in my current role for three. My current duties mainly cover the oversight and day-to-day operations

of the administration and benefits of our members, and this includes member engagement and communications. The fund works with a third-party administrator, Capita, so much of my

work covers a broad spectrum from reporting, managing projects to oversight of the day-to-day work in tandem with our administrators on GMPs, transfers, pension taxation, implementing new legislation as well as working on process changes and improvements.

➤ We are all living and working in unprecedented times. What challenges have you faced in your role given the current environment and how have you worked to overcome them?

Initially my time was taken up with working through our contingencies, so prioritising payments to pensioners, death cases, retirements and implementing pensions increase (PI).

I also needed to work with our administrators on the impact to casework, so looking at resourcing in a number of scenarios and moving largely office-based staff to working from home, and then the telephony, scanning and indexing of post and all the required, supporting infrastructure.

It became quickly evident that our biggest challenge was how we could transact with members digitally. Much of the casework requires sight of original certificates and wet signatures.

The fund has made great strides over recent years in engaging with members electronically through the use of segmentation, targeted messaging and a member portal, but fully digital transactional services are a way off yet so this meant we needed to work hard with our administrators to overcome this by introducing electronic verification.

This has meant changing processes so that we can accept coloured images of forms and certificates from members' smartphones or tablets, and we've changed our forms so that they are PDFs with editable fields so members can return them to us in an email. We are using supporting software as part of proof of identity and evidence gathering.

We have also liaised with our employers to identify existing pipeline cases that we could work

through the new process.

We are currently assessing the impact the pandemic will have on our fund employers' ability to provide timely pay data for our year-end work and the production and delivery of our annual benefit statements within the 31 August statutory deadline.

There could be potential delays for members retiring now with additional voluntary contributions (AVC). Some AVC providers may be delayed in providing fund values for estimates, and there could be a knock-on impact to the disinvestment of the fund – this can delay the payment of benefits to members from the main scheme so to overcome this we're paying 90 per cent of the lump sum on the day of retirement and are also looking at an exceptional hardship payment in some individual cases to help overcome (what we hope will be) short-term uncertainty and delays.

None of this would have happened without our contractor's hard work and support.

➤ How have members of the EAPF reacted to the uncertainty and what has

the EAPF done to assist and reassure its members through this challenging time?

It is still early days but, to date, we have mainly had contact from members who are at a key life stage wanting to establish the position on their respective case, particularly those approaching their retirement date.

We have kept all our members updated on how we are prioritising work and, if they need to get in touch, we are asking them to email in the first instance; but we are maintaining our telephony offering if needed.

In addition, we have provided instructions on how to complete forms electronically on our website, a FAQ, and a tailored *Bereavement Guide*, which has been adapted for the current pandemic. Our fund employers have supported this by linking to these pension resources through their own respective intranets.

We will be following up our initial communication with messaging around stockmarket volatility reminding members that the LGPS is a defined benefit pension scheme. We will also beef up our pension scammers messaging.

The timing of this will depend on several factors – member concerns/ feedback, press coverage and when we feel we can update on our service levels confidently.

➤ What would you like to see in terms of legislative or policy developments in the future to improve the pensions industry?

We see the EAPF as a flagship fund for responsible investment so anything that puts this front and centre is a good thing.

We are keen to get clarity on the impact of the McCloud/Sergeant judgment on the LGPS.

The recent Budget announcement on tapering was most welcome and supporting higher earners on pension taxation issues is becoming more and more challenging so this has helped.

Finally, we welcome The Pensions Regulator's clarification on valuations and regulatory easement.

➤ Written by Francesca Fabrizi

