

Firefighters' Pensions Annual Conference

Thursday 19 September 2024
18 Smith Square, London

Chair's welcome

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board



#LGAFirepensions

Emergency procedures

Please familiarise yourself with the emergency evacuation procedures

On hearing the fire alarm (a continuous siren)

**Leave the building immediately and proceed to the assembly point:
Tufton Street**

Wait at the assembly point until given the all clear to return to the building



DO NOT USE THE LIFTS

DO NOT STOP TO COLLECT PERSONAL BELONGINGS

DO NOT RE-ENTER THE BUILDING UNTIL AUTHORISED TO DO SO

Agenda

Chair's welcome and introduction

The Home Office – A View from Government

Technical Workshops

DAC Beachcroft – Legal update

First Actuarial – Driving up to valuation

Pensions Dashboards Panel

Isio – The Problem with People and Pensions

Aon – Pensions in the digital age

Closing remarks

The Home Office – A view from Government

Helen Fisher, Head of Police and Fire Pensions - Police Workforce and Professionalism Unit, Public Safety Group, Home Office

Simon Primmer, Head of Police and Fire Pensions - Police Workforce and Professionalism Unit, Public Safety Group, Home Office



Home Office

Firefighters' Pensions Workplan 2024 -2026

Presented by: Simon Primmer

Date: September 2024

Firefighters Pensions 2024 – 2026 Workplan

Matthews

- a) Implementation – GAD cases
- b) Amendments Compensation Framework and Guidance
- c) Compensation Forecasts and Payments
- d) Ongoing Litigation – Aggregation

Contribution Yield

- a) Consultation
- b) Equalities Impact Assessment
- c) Implementation

McCloud

- a) Implementation Timings
- b) Tax Rules and HMRC Digital Service
- c) Compensation AME Forecasts and Payments

Finance - BAU

- a) Valuation
 - i. Data
 - ii. Assumptions
 - iii. Results
- b) OBR - AME Top-up

Governance

- a) Firefighters Scheme Advisory Board (FSAB)
- b) Firefighter Medical Appeal Board (FMAB) Contract Management

Refreshments and networking



Technical workshops



W1: Civica Clients – Technology in Pensions 2025 and Beyond – *(Main Room)*

W2: Heywood Clients – Engaging with members in a digital world – redefining self-service – *(Smith Square 1&2)*

A future vision for pensions

Richard James &
Lissa Evans







Spotify®

NETFLIX

YouTube



Microsoft 365



XBOX LIVE



{ **Providing a service
to support your
members for the
next 20 years...**



A changing landscape...

82%

of local government staff worked from home (Mar/Jun 20)

800+

attacks every hour on the local government

24h

for NHS to do 13 years of human analysis

80%

Decrease in calls to 111 line after introducing CovidCare NI

65%

of UK citizens aged 70+ use a smartphone daily

Stronger resilience & availability

- Guaranteed availability
- Work from anywhere
- Proactively maintained
- Business continuity
- Backups & DR

Advanced security

- Security updates
- Monitoring
- DDoS protection
- Privacy guidelines
- Authentication eg MFA

Better insights & integration

- Insightful reporting
- Data linking
- Performance
- Integration to other SW

Higher productivity

- Upgrades
- Streamlined process
- Best practice
- Better user experience
- Automatic updates

Faster, sustainable, green innovation*

- Chatbots
- Advanced Analytics
- Mobile
- AI
- ID & V.

{ **Future vision**



Future vision

The role of the administrator

- Remove tedious administration tasks
- Invest in services to employers and members

The vision for the member

- Quicker and easier access to services and information
- Better retirement outcomes

Artificial Intelligence

- Co-pilot to build administrator knowledge
- Fast decision making tools

Automation

- No more manual intervention

Seamless software solutions

- Reduced overhead of management
- Focus on core activities



CIVICA ideas
into
action

Lunch



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Chair's welcome back

**Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board**

#LGAFirepensions

Legal update: DAC Beachcroft

Jane Marshall, Partner – Employment, Pensions and Immigration, DAC Beachcroft

FIREFIGHTERS' PENSIONS AGM - LEGAL UPDATE

THURSDAY, 19TH SEPTEMBER 2024

Jane Marshall



PO determinations in the last year

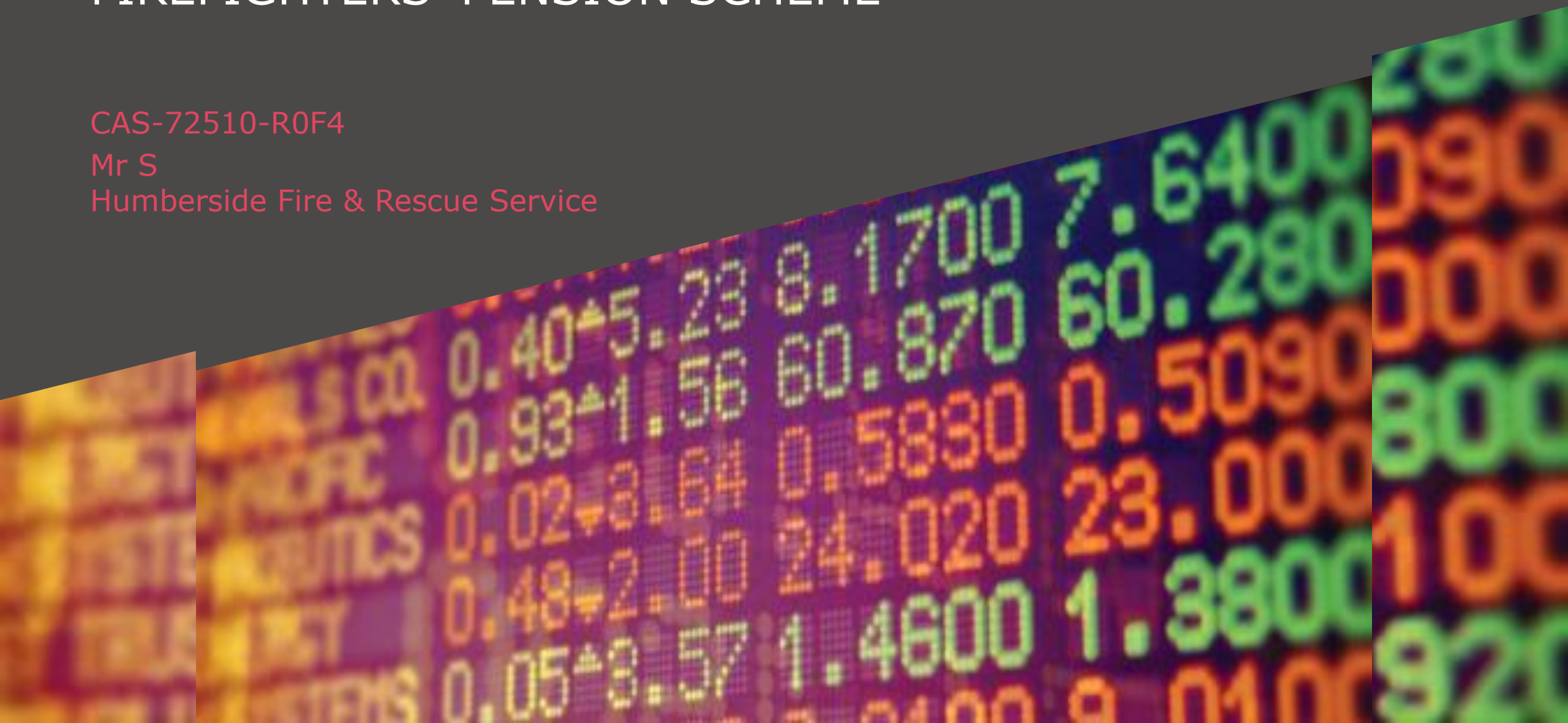
- Only 3 decisions in the last year relating to the Firefighters' Pension Scheme
- Topics:
 - Pensionable pay & CETV – not upheld
 - Refund of contributions following opt-out – not upheld
 - Administration of the Modified Scheme – not upheld
- Expanded search to relevant decisions in relation to the LGPS
- 18 decisions in the last year
- Discretionary death benefit case – partially upheld

FIREFIGHTERS' PENSION SCHEME

CAS-72510-R0F4

Mr S

Humberside Fire & Rescue Service



CAS-72510-R0F4

Background

- Mr S joined the 2006 Scheme
- 22 May 2014 Mr S was given the opportunity to join the Modified Scheme
- Mr S's personalised statement confirmed cost of modified benefits - £16268.61, including interest
- On returning the options form it was confirmed to Mr S that the contribution arrears amounted to £16,449.88, which could be paid as a lump sum or by monthly installments of £167.83 over 10 years
- Revised contribution arrears were then provided to Mr S, confirming £16,905.31, amounting to monthly installments of £171.63

CAS-72510-R0F4

Background

- Mr S then confirmed likely retirement date of July 2019 and asked for an update on the contribution arrears
- HFRS confirmed 27 monthly payments had been made totalling £4,634.01, leaving a balance of £14,502.49 to be paid
- Mr S queried this figure
- HFRS advised that an error in a formula in a spreadsheet had resulted in it providing incorrect information and confirmed the outstanding balance was £12,271.30
- Mr S confirmed retirement date of 30 September 2019 and asked for an update on the contribution arrears
- HFRS confirmed Mr S would owe an estimated amount of £11,841.06

CAS-72510-R0F4

Background

- Mr S queried this as it was approximately £1,800 more than he had calculated
- Mr S raised an informal complaint and then a formal complaint under the IDR P
- HFRS replied:
 - It was required to apply the Regulations that govern the Modified Scheme and these had been applied correctly
 - The contribution arrears of £16,449.88 was the amount if the sum had been paid immediately
 - The FBU had negotiated a 10-year repayment period, which resulted in further interest of £3,689.72 payable by Mr S
- Mr S submitted he had made the decision to join the Modified Scheme based on incomplete information provided by HFRS

CAS-72510-R0F4

Outcome

- The errors made in the information provided to Mr S amounted to maladministration
- The errors would have caused Mr S frustration, but Mr S has not suffered financial loss as a result of the errors
- The incomplete contribution figures were corrected before Mr S's enrolment into the Modified Scheme was complete, so he could have reconsidered his election to pay by instalments
- Main reason for difficulties in understanding some of the information provided by HFRS relates to the treatment of future interest on the contribution arrears
- The communications to Mr S did not deal with future interest in a consistent manner, but Mr S had been notified that future interest was payable

CAS-72510-R0F4

Outcome

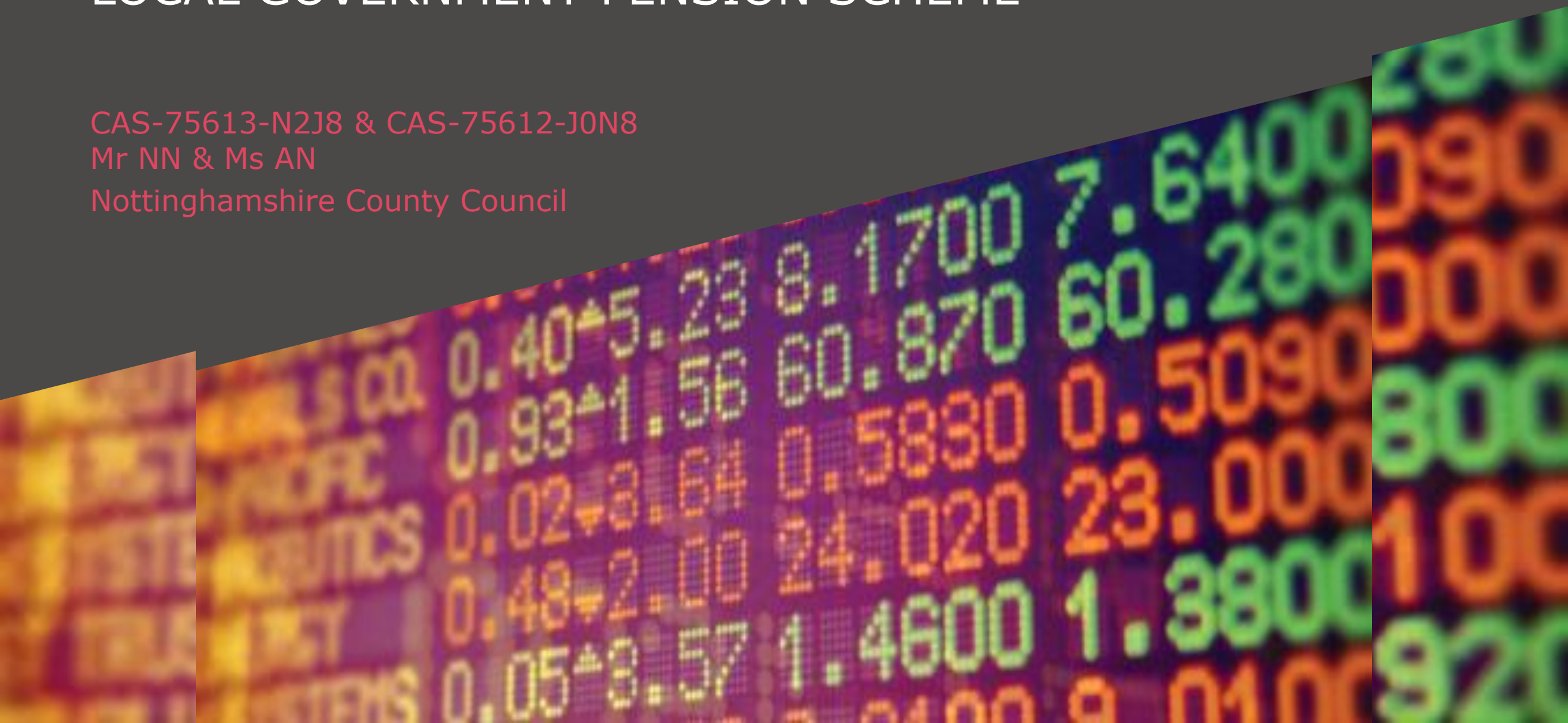
- Thought was given to whether it would be appropriate for Mr S to receive payment for non-financial injustice i.e. distress and inconvenience
- On balance – the circumstances of the case did not quite meet the threshold for a distress and inconvenience payment
- Mr S's complaint was not upheld

LOCAL GOVERNMENT PENSION SCHEME

CAS-75613-N2J8 & CAS-75612-J0N8

Mr NN & Ms AN

Nottinghamshire County Council



CAS-75613-N2J8 & CAS-75612-J0N8

- Complaint in relation to LGPS & distribution of lump sum death benefits
- Discretionary decision under LGPS similar to the Firefighters' Pension Scheme

- Local Government Pension Scheme:

"The appropriate administering authority may, at its absolute discretion, pay the death grant to or for the benefit of the member's nominee, personal representatives or any person appearing to the authority to have been a relative or dependent of the member."

- Firefighters' Pension Scheme:

"The scheme manager may, at its absolute discretion, pay any lump sum death benefit payable under this Chapter to or for the benefit of the member's nominee, personal representatives or any person appearing to the scheme manager to have been a relative or dependent of the member."

CAS-75613-N2J8 & CAS-75612-J0N8

Background

- Deceased – Mr N
- Two children – Mr NN & Ms AN
- Represented by mother and ex-wife of Mr N – Mrs RN
- New wife – Mrs N
- Mr N and Mrs RN divorced in 2013
- Mr N married Mrs N in 2017
- October 2017 Mr N completed expression of wish and named Mrs N as sole beneficiary of his death grant
- October 2017 Mr N made a will. He shared a recently bought property with Mrs N. He left his share to Mr NN and Ms AN, but Mrs N had the right to live in the property until re-marriage, co-habitation or until she no longer wished to live there. The will said Mrs N could sell the property to purchase another property if she wished to move.

CAS-75613-N2J8 & CAS-75612-J0N8

Background

- 4 January 2018 - in a Death Grant Nomination Form Mr N again named Mrs N as sole beneficiary
- 29 January 2018 Mr N died
- At the time Mr NN & Ms AN were aged 17 & 15 respectively
- 13 March 2018 the death grant was paid to Mrs N by NCC
- 25 July 2018 Mrs RN complained on behalf of her children under the IDRPs
- Complaint:
 - Mr NN & Ms AN had not been given due consideration
 - Mrs RN, Mr NN & Ms AN had not been approached for information
 - LGPS guidance from 2000 suggested an assumption that the widow was the person with most need, and also the individual with responsibility for a deceased's children

CAS-75613-N2J8 & CAS-75612-J0N8

Background

- IDR outcome:
 - Stage 1 – Mrs RN's complaint was not upheld
 - Stage 2:
 - NCC had not acted in accordance with its discretions policy
 - Mr N's will had not been considered
 - NCC should have requested further information about other potential beneficiaries
- After gathering further information, NCC decided it had applied its discretion appropriately and in line with Mr N's wishes and would not be making any changes to the death grant already paid

CAS-75613-N2J8 & CAS-75612-J0N8

Outcome

- Ms AN & Mr NN complained to the PO
- NCC's original decision was not properly made
- It failed to follow well established principles in reaching its decision
- It failed to follow its own discretions policy
- NCC subsequently reconsidered its decision taking into account Mr N's will, the nomination forms, as well as asking the relevant questions of Mrs RN
- Having finally identified the potential beneficiaries it was for NCC to decide how to distribute the death grant
- The extent to which the PO can interfere in NCC's decision is limited

CAS-75613-N2J8 & CAS-75612-J0N8

Outcome

- PO can't exercise the discretion
- PO can only remit decision for NCC to reconsider if it failed to:
 - take all relevant matters into account and ignore any irrelevant matters;
 - ask itself the right questions;
 - direct itself correctly in law; in particular, it must interpret the Scheme Regulations correctly; and
 - not come to a perverse decision
- It is for NCC to decide what weight to give to the evidence

CAS-75613-N2J8 & CAS-75612-J0N8

Outcome

- The decision to pay Mrs N the death grant is within the range of possible decisions which a reasonable decision-maker could have reached on the facts of the case, so cannot be considered perverse
- NCC's procedural errors made prior to it reviewing its decision, together with the fact that it was more than three years after the death grant was paid, and only after the involvement of TPO, that it made a properly informed decision caused Mr NN and Ms AN non-financial injustice
- NCC's procedural errors merit a payment of £1,000 each to Mr NN and Ms AN for the serious distress and inconvenience suffered
- Mr NN and Ms AN's complaint was partly upheld



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Questions and discussion

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First Actuarial – Driving up valuation

Craig Moran, Actuary, First Actuarial

Jame Allen, Actuary, First Actuarial

Actuarial update

19 September 2024

Craig Moran FIA

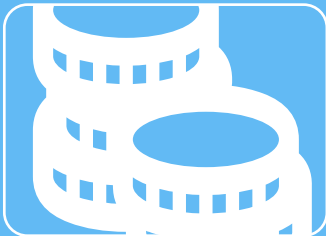
James Allen FIA

Valuation overview



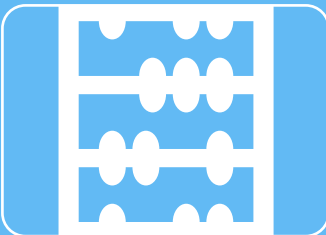
Why do we need a valuation?

- Required by law, in Public Service Pensions Act 2013
- Must be carried out every 4 years



Outcomes

- Set employer contribution rate from 1 April 2027
- Identify any breach of the cost cap



Who carries out the valuation?

- Government Actuary's Department (GAD)
- Using directions from HM Treasury

Different valuations for different purposes

The 'funding' valuation

Calculates the employer contribution rate

The 'cost cap' valuation

Tracks changes in future costs for reformed scheme members

But isn't the scheme unfunded?

'Funding'
valuation

- There are no actual assets, so use a **notional asset value**
 - *At 31 March 2020, they were £19.0bn*
- **Notional assets this valuation:**
 - Notional assets at last valuation
 - + contributions paid in
 - benefits paid out
 - + “notional investment returns”



Cost cap valuation

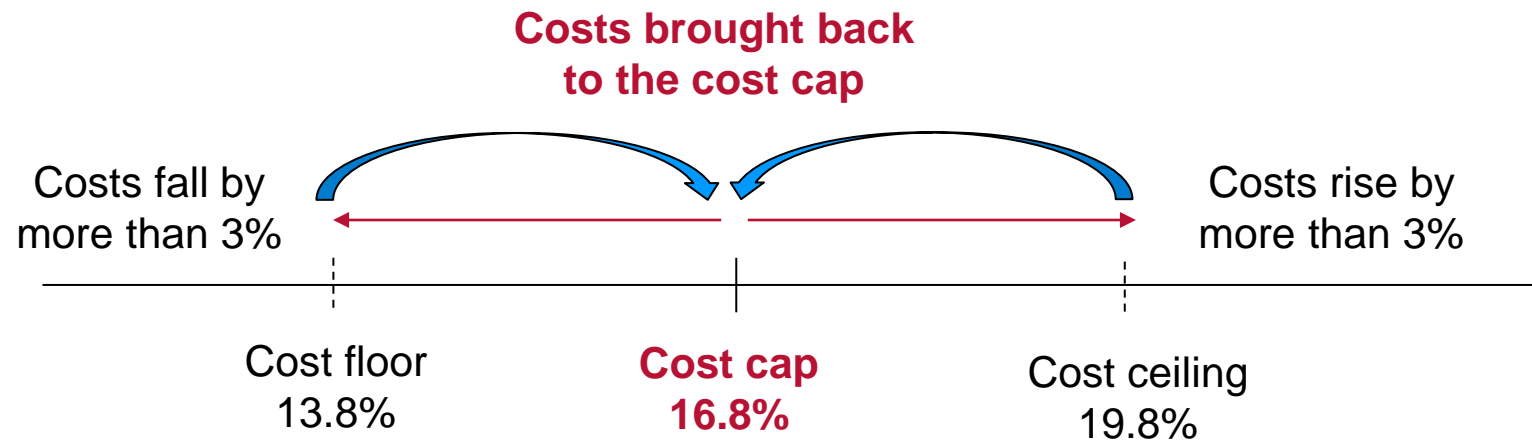
Cost cap valuation

Employer cost cap
(target employer cost)

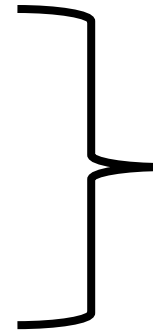
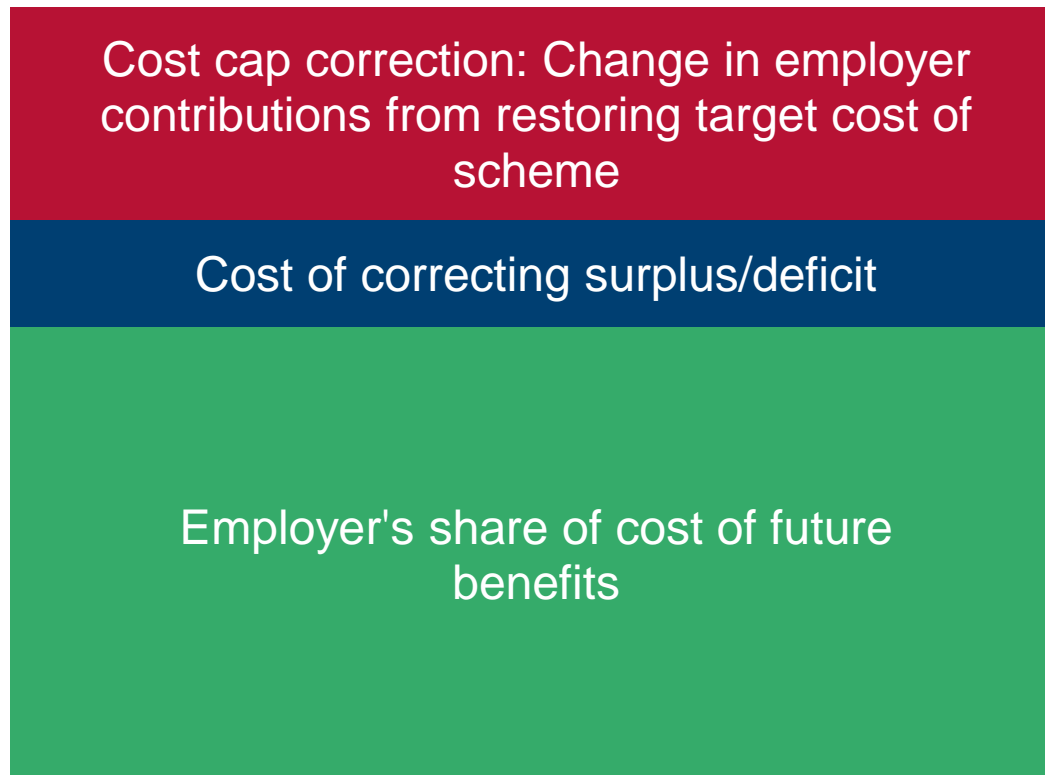
is compared with

Tracked employer costs of the reformed scheme

If the difference is more than 3%, then reformed scheme benefits and/or member contributions may need to be changed*



Employer contribution rate



These items could be positive or negative

2020 valuation

2020 valuation – Past service results

**'Funding'
valuation**

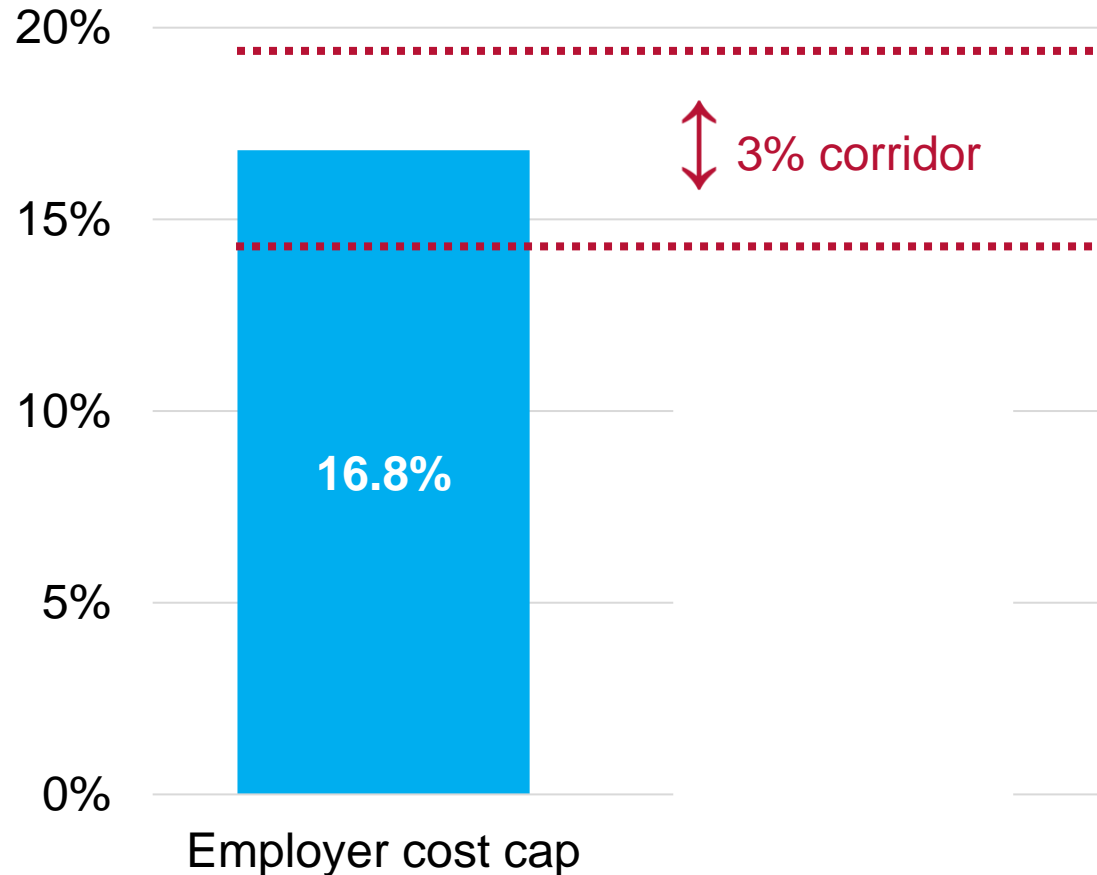
- The notional assets are less than the amount estimated to be needed to pay all promised benefits (i.e. the liabilities).
- This 'deficit' is spread over 15 years and added to the employer contribution rate.

Liabilities

Notional assets

Cost cap valuation

Cost cap valuation



- The cost cap valuation revealed that the 'core cost cap' had fallen to 12.3%, outside of the 3% corridor.
- This triggered an 'economic check', to check whether benefit improvements would coincide with increases to employer contributions
- As this check pushed the cost back into (and above) the corridor, the Home Secretary was not required to consult on changes to the scheme.

2020 valuation - Employer contribution rate

Employer's share of future benefit build up

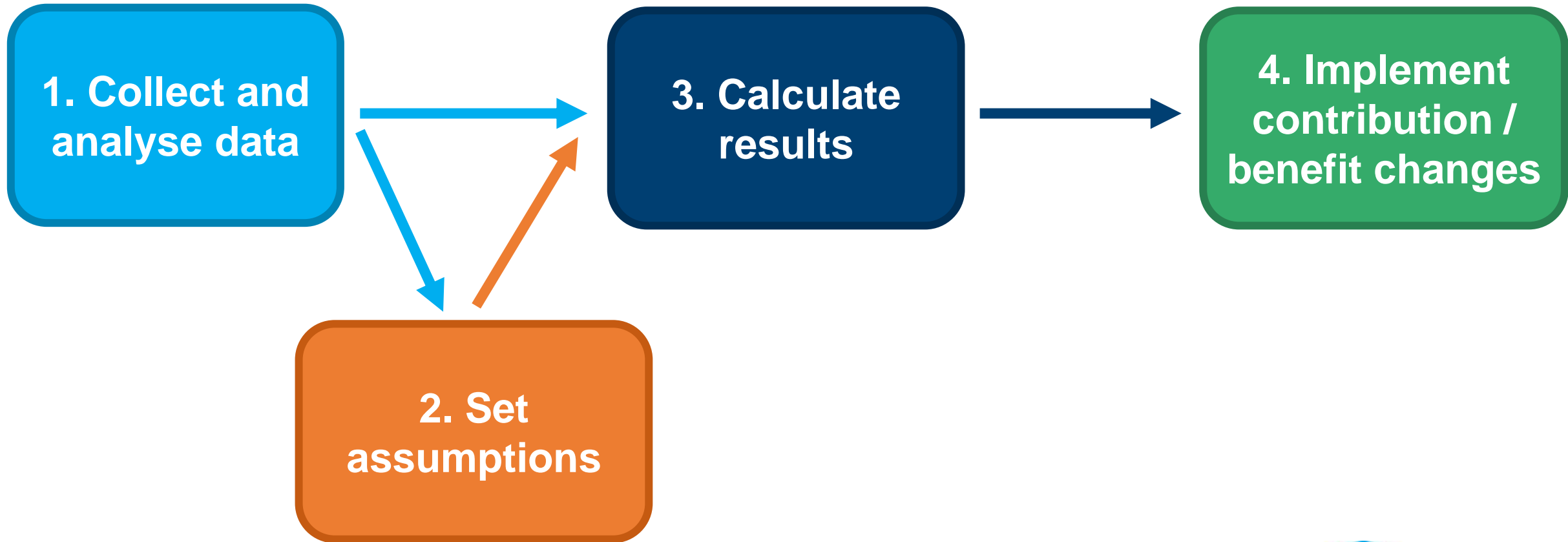
Spreading of past-service 'deficit'

Other adjustments: Matthews (+5.2%), contributions received higher than benefits built up (-2.1%)

Total employer contribution rate (from 1 April 2024)

31 March 2024 valuation

Valuation process



Data collection timeline

1 December 2024:

- FRAs provide GAD with membership data
- GAD provide FRAs with data validation tool

February 2025:

- FRAs provide GAD with movement data
- FRAs provide updates if any issues identified

After 31 March 2025:

- FRAs provide data on positive Matthews elections

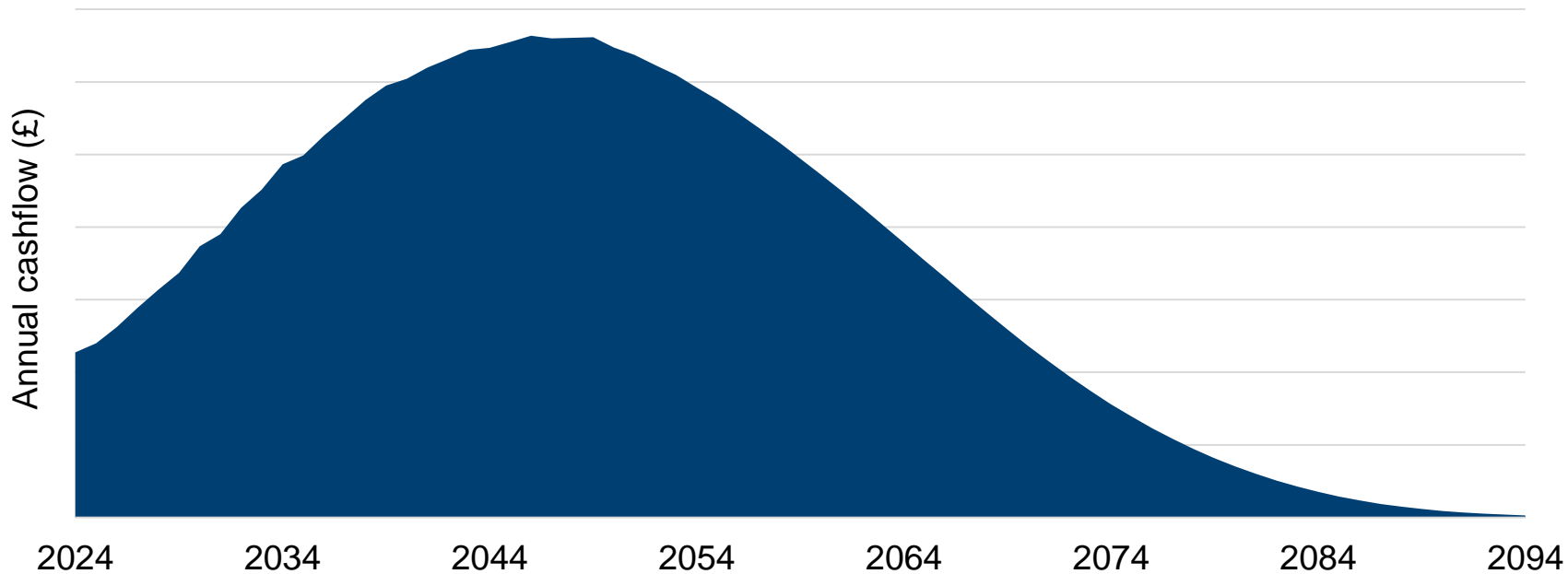
*“The results of the valuation are critically dependent on the quality and correctness of the data used”
– GAD’s report on membership data for 2020 valuation of Firefighters’ Pension Schemes (England).*

How are pension liabilities valued?

Inflation, salary increases, pension increases



Illustrative cashflows



Life expectancy of members and their dependants



Other key assumptions include **cash commutation** and **retirement age**

SCAPE* discount rate, used to discount the value of benefits back to the valuation date



Delivered by First Actuarial at Fire Pensions Annual Conference on 19 September 2024

**Superannuation Contributions Adjusted for Past Experience*

Who sets the assumptions?

HM Treasury Central

SCAPE discount rate

Mortality improvements

Rates of pension increases

Rates of CARE revaluation

Rates of salary increases

Commutation

State Pension Age

Deficit spreading periods

Home Secretary Scheme Specific

Mortality rates

Retirement ages

Promotional pay increases

Family statistics

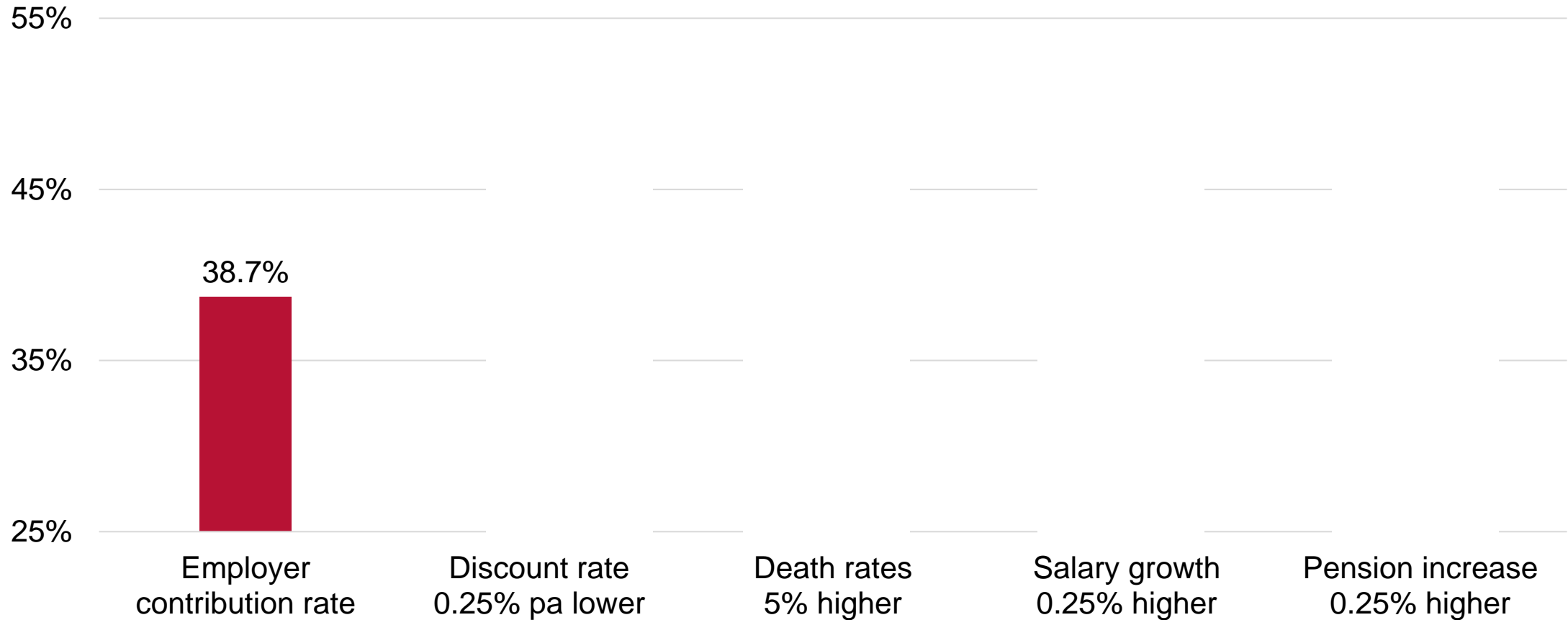
Rates of withdrawal

Matthews take-up rates

GAD provides advice to Home Secretary on 'best estimate' scheme specific assumptions. This advice is based on analysis of data collected from each Fire Authority.

Key assumptions (higher or lower)

Sensitivity of employer contribution rate



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Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Pensions Dashboard Panel

Joe Stacey, Senior Industry Engagement Manager,
Pensions Dashboard Programme

Jo Eldridge, Industry Engagement Specialist, Pensions
Dashboards, The Pensions Regulator

John Dale, Chief Strategy Officer, Heywood

Adam Gifford, Senior Policy and Propositions Manager,
Money and Pensions Service (MaPS)

#LGAFirepensions

Pensions Dashboards Programme (PDP) update



Working towards connection timetable set out in DWP guidance

Updated draft technical standards and code of connection published in August/September 2024

MaPS leading plans for user testing of live service in 2025, with PDP support

Additional guidance around connection to be provided in PDP connection hub

Legislative connection deadline: **31 October 2026**

What should scheme managers be doing now?

Read our guidance

Read our guidance and make sure you understand your dashboards duties, and what you need to do to prepare.

Decide how you will connect to dashboards

Look at the options available to you ie using your current pensions administrator, an integrated service provider, or building own connection solution.

Include pensions dashboards as an agenda item

Include pensions dashboards as an agenda item at board meetings to raise awareness of the steps you'll need to take to meet your duties.

Ensure data accuracy

Ensure data you use to match people with their pensions and to return the required pension value is accurate and complete.



Getting data dashboard ready: four key steps



Understand

- Data you will receive from the digital architecture
- Data you will need to return to members and by when



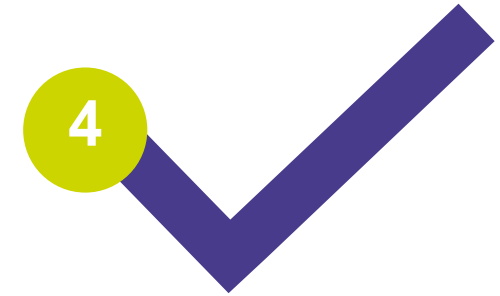
Assess

- Current quality
- Digital accessibility



Consider

- Data items for matching criteria
- How to present and calculate the value



Put plan in place

- Improve the data quality
- Maintain the data quality

Pensions dashboards: Useful links

- TPR guidance: [Pensions dashboards: initial guidance](#)
- TPR checklist: [Preparing to connect: checklist](#)
- TPR compliance and enforcement policy: [Failing to comply with duties](#)
- TPR blog: [Act now on pensions dashboards so we don't have to](#)
- PDP FAQs: [Code of connection](#), [Technical standards](#), [Queries](#)
- PASA guidance (connection, matching, value, AVC): [Guidance](#)
- LGPS guidance: [Connection guide](#)
- LGPS guidance: [AVCs and Dashboards administrator guide](#)



How will schemes set and test their matching rules?





ISP console

Match configuration

- PASA based rules
 - Flexible approach
- Global rules
 - Scheme overrides

Match testing

- Individual/bulk
- Match analysis
 - Match results
 - Configuration visualiser
- View data
- Bulk data extract



Match modeller



Dashboard

Set matching rule

Test individual rule

Bulk rule testing

Dashboard

 You have schemes with no rules set.

[ADD NEW RULE](#)



Set matching rules

View your default rules and set matching, possible matches and no matches.

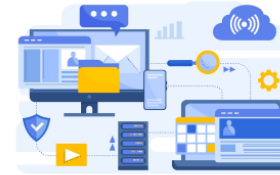
[Set up my matching rules](#) >



Test rules

Manually input simulated find data to see how it would perform against your matching rules and the data held in the ISP.

[Test my matching rules](#) >

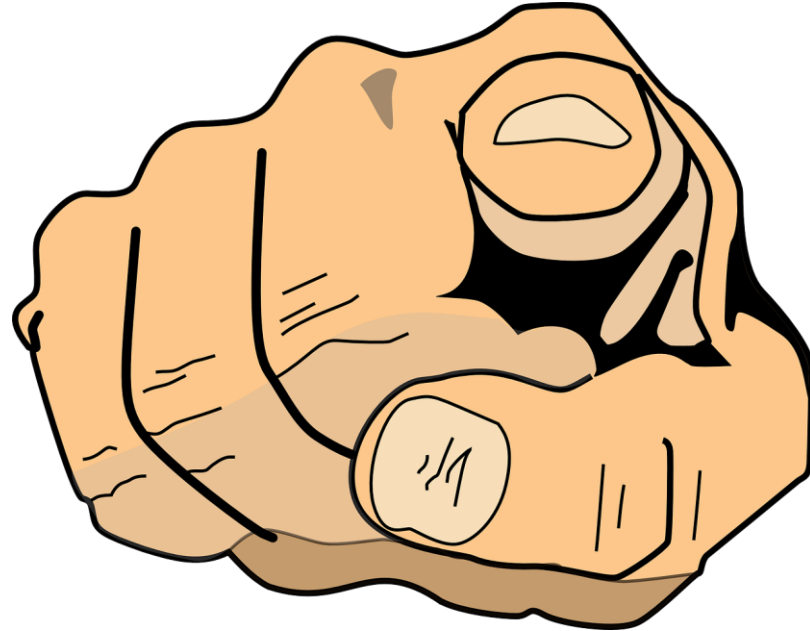


Bulk rule testing

Upload a CSV file of simulated find data to see how it your rules would perform.

[Bulk test matching rules](#) >

Pension Dashboard Panel Questions



Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

#LGAFirepensions

Isio – the Problem with People and Pensions

Colin Dobbie, Senior Consultant and Actuary, Isio

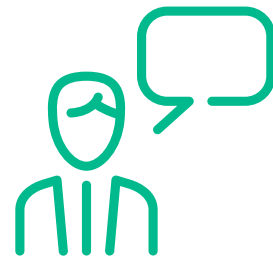
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The Problem with People and Pensions

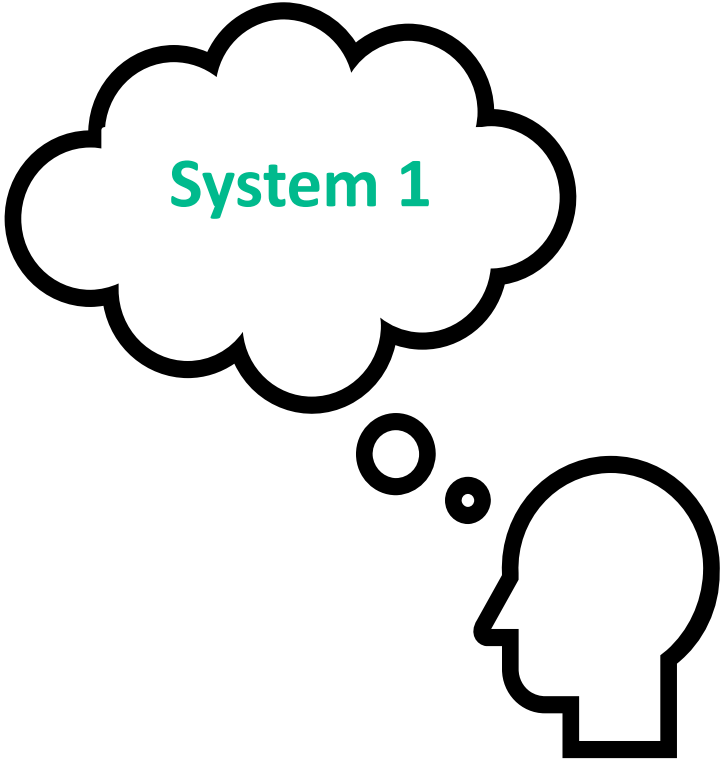


Agenda

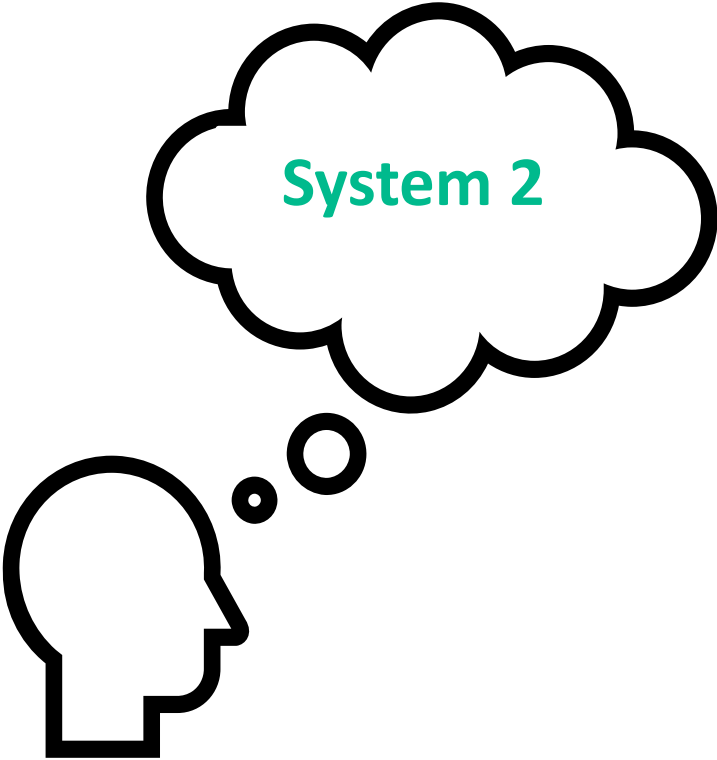
1. How do we think?
2. Why we find it difficult to engage with financial decisions
3. What we can do



How do we think?



VS



*Fast, intuitive,
impulsive*

*Considered, rational,
effortful*

Cognitive biases at play

There are over 150 identified cognitive biases

These biases can have a significant impact on how we make decisions



The Bandwagon Effect



How our behaviour is influenced by the people around us...

Loss Aversion

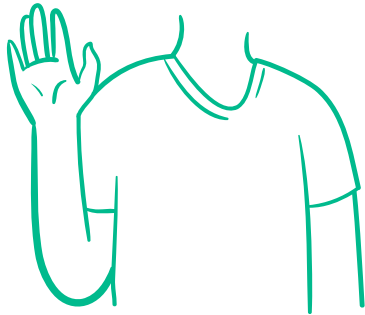


- We feel a loss more than we do a gain -



The Bye-Now Effect

BYE



BUY



Priming in action

BREAD	WINE
CHEESE	S _ _ P

?

OR

TOWEL	SHOWER
FLANNEL	S _ _ P

?

How do we make financial decisions?



Money is a very high interest topic for people, finance, however, is a low interest topic.

Why? Finances are complicated and often intangible.

Financial behaviours are deeply ingrained: we often feel overwhelmed and resort to intuition.

Making financial decisions is **deeply linked to our psyche.**

How do we make financial decisions?



'People don't always act rationally. In fact, they tend to act irrationally, but in predictable ways.'

- Richard Thaler
Behavioural economist

What can we do?

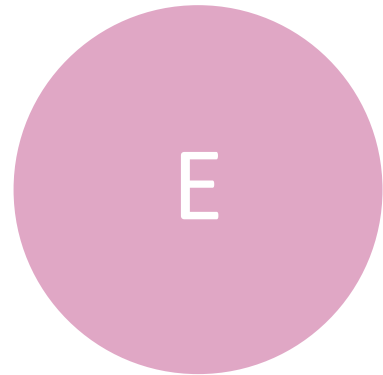


We need to work with the way people
DO behave...

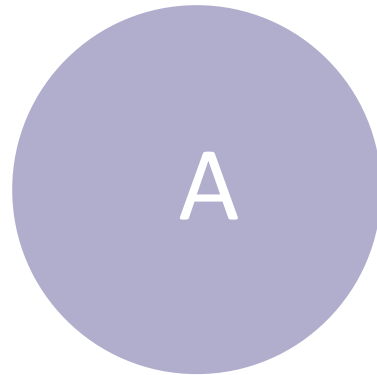
...rather than the way they **SHOULD**
behave

What can we do?

How can we harness behavioural biases to nudge us towards better engagement?



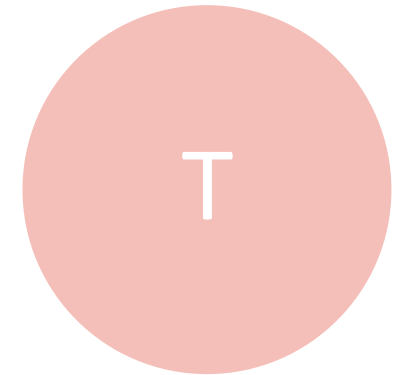
EASY



ATTRACTIVE



SOCIAL



TIMELY

And underpinning all of this: **TEST, TEST, TEST!**

Any questions?

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Aon – Pensions in the digital age

Ben Harris, Partner, Aon

#LGAFirepensions



Pensions in the Digital Age

Firefighters' Pensions AGM Session

Prepared for: Firefighters' Pensions AGM

Prepared by: Aon

19 September 2024

Private and Confidential

What are we talking about?

- 1 Introduction**
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Tracing and paying ex-members
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Driving self-service to solve a capacity crunch
- 4 Technology on the horizon**
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Pensions Industry 2.0?



1

Introduction

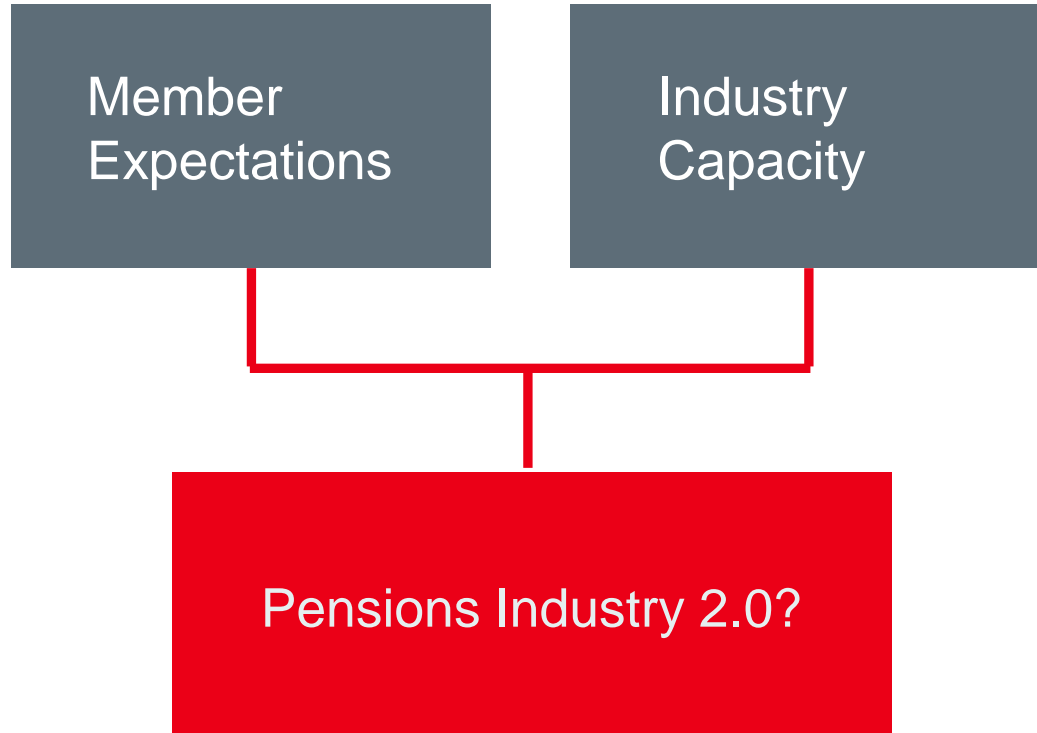
Pensions in the digital
age

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Technology – The Solution?

Digital Advances in Related Industries



Where Are We Starting From?

Getting you involved

Pensions Administration Landscape

The rise in demand

The Current

Impacts on administration service

Work volumes YTD are **8% higher compared 2023**

2022 equivalent YTD 13%

Increasing complexity

Cycle Time

- ✓ Scam controls
- Member choice
- GMP Equalisation
- Buy in insurer interaction

Pre-retirement Member Age Profile

Availability of administration skill sets

Increased demand for project work

Evolving expectations

80%+ digital engagement

- ✓ Member choice to use digital communication over call and postal options

The Future

Investment to adapt and innovate to meet member expectations



2

Case Study 1

Tracing and paying ex-members

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Charting a Path to Innovation

“Lloyds 2020” Solution

Implementing payment of GMP Equalisation Historic Transfer Top-Ups



7,000

Potential in-scope population



£10 - £40,000

Top-up payments due



Protect day-to-day
admin “at all costs”

Proposition had to stand on its own

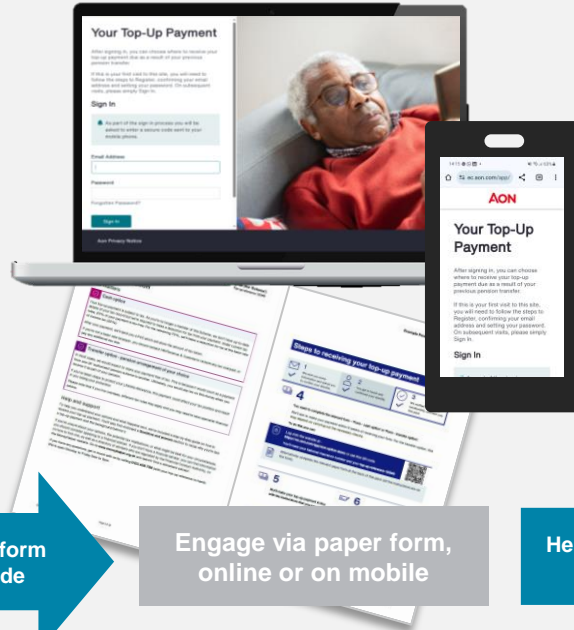


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The approach we took

Multi-pronged approach to member experience

Maximise engagement, maximise liability discharge:
Allow members to engage in a way that suits them



- Reassurance that this is genuine contact
- Dealing with FAQs
- Member verification and validation
- Calls answered within 15 seconds

Initial contact via letter

Access platform
via QR code

Engage via paper form,
online or on mobile

Help at the end of
the phone

Dedicated UK based
contact centre

The Result:

A member journey that is measured in **days** rather than weeks or months

Triage



Trace and Verify



Validation



Interact



Pay



Sweep-up



Close

Ensuring provenance

Our approach to making sure it didn't feel like a scam

1

Explain why

Succinctly tell the story of why you are contacting, explain what's in it for them and recognise it is coming "out of the blue".



2

Specific information

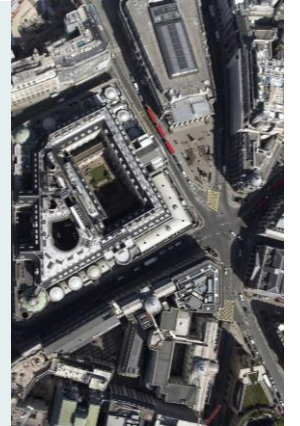
Contain information that a scammer is unlikely to know e.g. service periods, former scheme names



3

External validation

Link to external sources of information that are hard to fake, e.g. long-established scheme websites, government etc.



4

Branding / design

Provide specific branding in the letter or supporting info (e.g. use a wrapper or insert) – note older leavers may not associate with current brand



5

Limit what you ask for

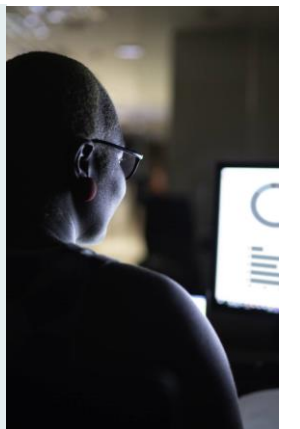
Only ask for what you need to confirm identity e.g. partial NINO will do! (1,5,6,7,8th character)



6

Multiple points of entry

Provide alternative entry points to remove potential barriers (phone, online, email and post).



The Outcome

What was achieved in this example

Member Expectations

90%

settled of the in-scope member population traced

80%

of members accessing portal

97%

Member satisfaction score

Industry Capacity

Hours, not weeks

For transaction times

SLA < 1 day

for each stage

< 3 days

from start to finish for quickest cases



Combining
online / helpline

15 seconds
to answer calls

3

Case Study 2

Driving self-service to solve a capacity crunch

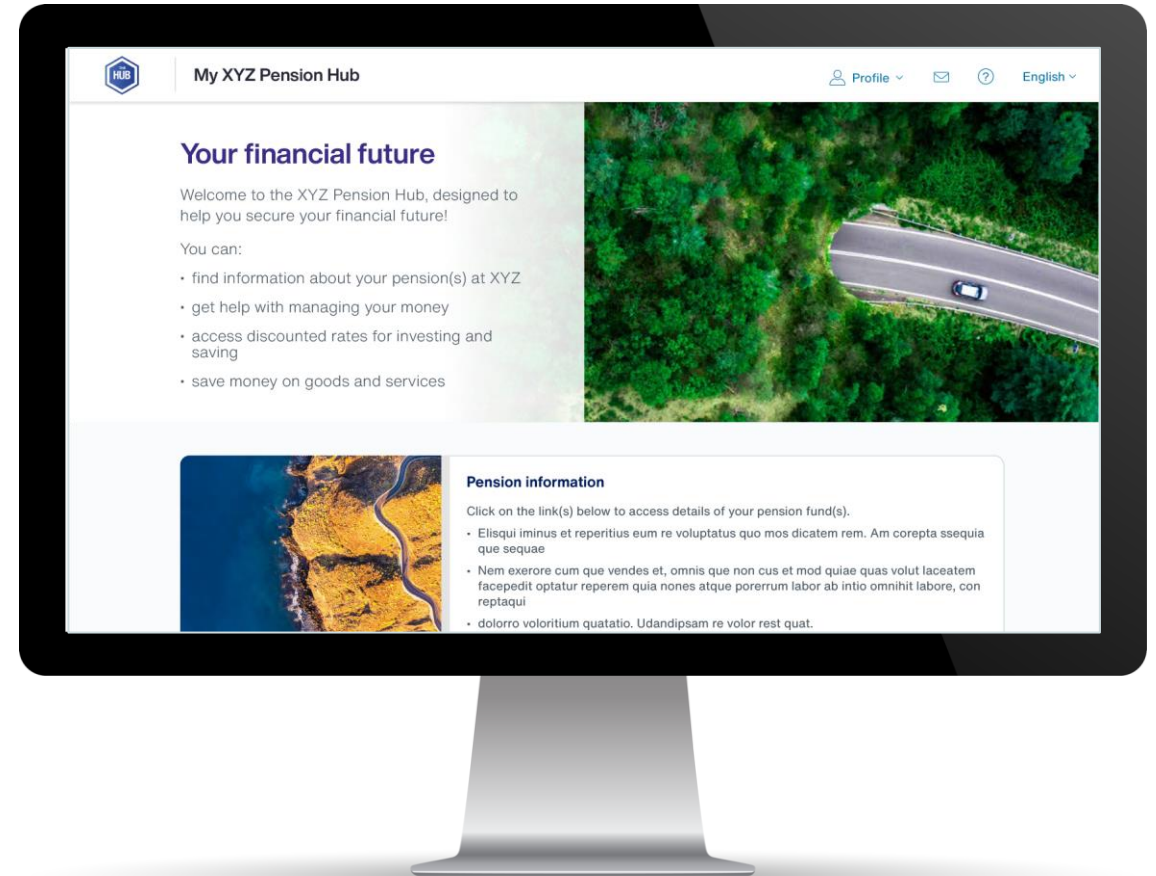
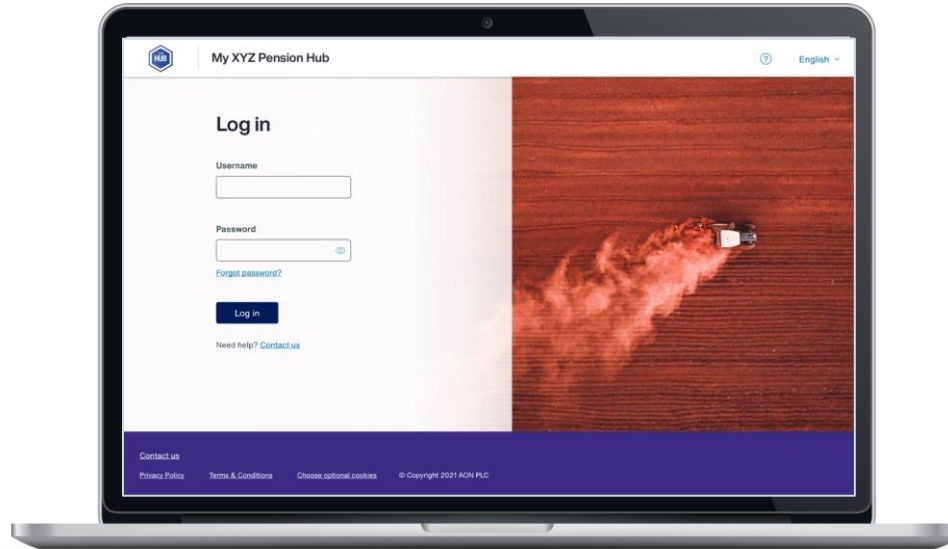
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How Can We Use Current Technology
More Effectively Today?

Pensions Hub

One-Stop Shop for Members



Evolving Digitally-Led
Member Self-Service

Results of implementing self-service

Positives for members and schemes

Impact on transactions going through the team

35%

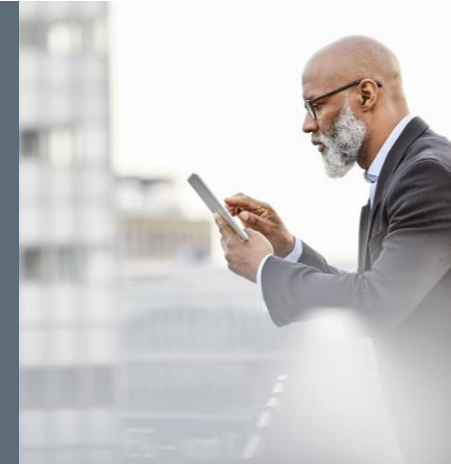
REDUCTION

Reduction in overall administration team transactions in 2 years while cases generally have increased

Self-service 24/7

Catering for the curious

- 24/7 access to pension savings information, including access to investment switches within 24 hours for “active” investors
- DB “planners” who typically ask for multiple quotes at once can run these at different ages on their own schedule, at no extra cost to the scheme



Admin team given

Breathing space



Personalised user experience

Allowed for greater member segmentation

- Content tailored for the user based on their own circumstances
- Segmentation around membership e.g. members in multiple sections (DB, CARE, DC)
- Age-specific content e.g. early career/saver, mid-career, close to retirement
- Status-based e.g. pensioners can see payslips



Member feedback

Improved satisfaction



Cost savings

£000s

REDUCTION

Reduction in cases led to almost complete elimination of “excess” transaction fees within 2 years

4

Technology on the horizon

How AI could accelerate change

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AI – what do we mean?

UK legal definition

Artificial Intelligence (AI) is technology enabling the programming or training of a device or software to:

- (i) Perceive environments through the use of data;
- (ii) Interpret data using automated processing designed to approximate cognitive abilities;
- (iii) Make recommendations, predictions or decisions; with a view of achieving a specific objective.

Source: As defined in the National Security and Investment Act 2021 (Notifiable Acquisition) (Specification of Qualifying Entities) Regulations 2021



Key takeaway:

There is obvious potential for the use of AI in the pensions industry to help drive change - if it is used in the right way.



AI Opportunities for Pension Schemes

How will the pensions industry develop through the use of AI?

1

Member Engagement and communications



2

Operational efficiencies



3

Governance



4

Strategic thinking



5

Administration and data support



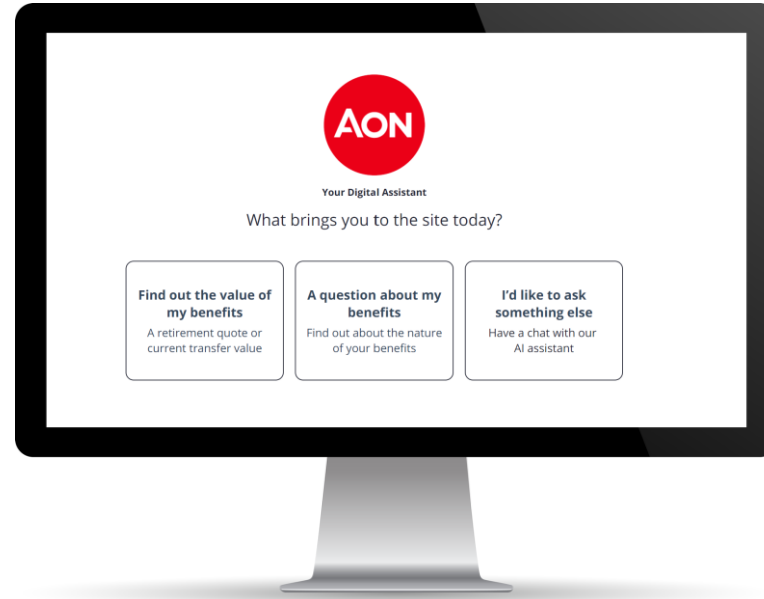
Industry steering group

Aon is part of an industry steering group to see risks and opportunities for the pensions industry from AI

AI – member engagement, communications and experience



Hyper-personalised communications



Enhanced digital offerings e.g. AI chatbot



Future of support – robo “guidance”?

5

The Future

Pensions Industry 2.0?

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The Future – Pensions Industry 2.0

What can we expect?



Digital Administration Services

Digital retirement packs will soon be the norm



Dashboards & AI

Tackling future digitalisation head on



Data and Insights

Using data on member behaviours to evolve support further

A helicopter is shown in silhouette, flying over a forest fire. The helicopter is dropping a bucket of fire retardant. The sky is filled with a bright orange and yellow glow from the fire, with dark smoke rising. The trees in the foreground are silhouetted against the bright light.

Questions?

Thank You



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Chair's closing comments

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board

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Thank you for coming and safe travels home



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Firefighters' Pensions Annual Conference

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18 Smith Square, London