

**Kent County Council
Equality Analysis/ Impact Assessment (EqIA)**

Directorate/ Service: Strategic and Corporate Services

Name of decision, policy, procedure, project or service: Implementation of a salary sacrifice shared cost AVC scheme

Responsible Owner/ Senior Officer: Paul Royel

Version	Author	Date	Comment
0.1	Louise Zilliox	04.10.19	

Pathway of Equality Analysis:

-Personnel Committee on 12th November 2019

Summary and recommendations of equality analysis/impact assessment.

- **Context**

KCC currently offers employees, who are LGPS members, access to an AVC benefit scheme. KCC deducts the amount specified by the employee and pays that sum to the AVC provider (for KCC this is Prudential, Standard Life or Equitable Life). This gives employees the ability to increase their pension benefits at retirement. It is also an efficient way to save for retirement because AVCs attract full tax relief.

In accordance with the LGPS rules and regulations, the employer can also contribute to the employee's AVC fund. This is called a shared cost AVC (SCAVC) scheme. Such a scheme can be provided through a salary sacrifice arrangement. Under a salary sacrifice shared cost AVC (SSSCAVC) arrangement the employer agrees to pay the employee's specified contribution amount to their AVC fund and the employee agrees to reduce their gross salary by an amount equal to their contribution amount. In addition, the employee pays a fixed £1 per month as their individual contribution.

- **Aims and Objectives**

KCC plans to introduce a salary sacrifice shared cost AVC scheme for all employees.

The scheme is advantageous to both the employee and the employer. Employees who pay income tax and National Insurance Contributions (NICs) do not pay tax or NICs on the amount salary sacrificed. So, the SSSCAVC differs to the standard AVC scheme because it enables employees to save on NICs in addition to tax, thus increasing their take-home pay. The employer benefits from NIC savings on the total amount of salary sacrifice.

This is an opportunity to enhance our Employment Offer, one of the components of our People Strategy, which helps to attract, engage and retain employees.

In addition to savings, there are wider positive impacts of introducing the scheme:

- It will provide an opportunity to promote the full Employment Offer to managers and employees, which will increase awareness of the range of benefits.
- It will aid the promotion of conversational practice, helping managers to discuss financial wellbeing with their team members.
- The new benefit will help to promote financial wellbeing which has a beneficial impact on wellbeing generally.
- It will help KCC to address issues raised in the Staff Survey 2018 around pay and benefits.

- **Summary of equality impact**

Adverse Equality Impact Rating **Low**

Attestation

I have read and paid due regard to the Equality Analysis/Impact Assessment concerning the implementation of a salary sacrifice shared cost AVC scheme. I agree with risk rating and the actions to mitigate any adverse impact(s) that has /have been identified.

Head of Service

Signed:

AS BELOW

Name:

Job Title:

Date:

DMT Member

Signed:



Name:

Paul Royel

Job Title:

Date:

Part 1 Screening

Could this policy, procedure, project or service, or any proposed changes to it, affect any Protected Group (listed below) less favourably (negatively) than others in Kent?

Could this policy, procedure, project or service promote equal opportunities for this group?

Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqIA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
Age			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member. LGPS regulations require members to be under 75 years old. 0.2% of KCC's workforce is 74-79 and fewer than 10 people are 80-84.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>

Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqIA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
Disability			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p> <p>Through the procurement process KCC will require that the online system to set up the AVC scheme is compliant with the Web Content Accessibility Guidelines (WCAG) 2.1 AA standard, in line with KCC's</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>

			<p>requirements under the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 and the Equality Act 2010.</p> <p>Any reasonable adjustments to ensure that the AVC workshops are accessible to everyone will be agreed.</p>	
Sex			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>

Protected Group	Please provide a <u>brief</u> commentary on your findings. Fuller analysis should be undertaken in Part 2.			
	High negative impact EqIA	Medium negative impact Screen	Low negative impact Evidence	High/Medium/Low Positive Impact Evidence
Gender identity/ Transgender			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>
Race			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>

			to people on lower grades as they are for those on higher grades.	
Religion and Belief			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>
Sexual Orientation			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>

			grades as they are for those on higher grades.	
Pregnancy and Maternity			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>
Marriage and Civil Partnerships			<p>Low</p> <p>The scheme is open to any employee who is an LGPS member.</p>	<p>This is scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>
Carer's Responsibilities			<p>Low</p>	<p>This is scheme will potentially benefit all</p>

			<p>The scheme is open to any employee who is an LGPS member.</p> <p>AVC members can choose their level of contribution so AVCs are just as accessible to people on lower grades as they are for those on higher grades.</p>	<p>employees who are LGPS members, providing them with both tax and NI savings. Anyone can choose to make AVCs to increase their pension benefits upon retirement.</p>
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Part 2

Equality Analysis /Impact Assessment

Protected groups

Any AVC scheme, including a shared cost salary sacrifice AVC scheme, is only open to employees who are members of the LGPS. Every employee under the age of 75 years old has an opportunity to join the LGPS when they start working for KCC. If they choose not to be a member of the LGPS they can opt in at any time and are automatically enrolled every 3 years (and they opt out if they continue to not to wish to be a member).

The negative impact on protected groups of implementing a shared cost salary sacrifice is low.

Information and Data used to carry out your assessment

Please note that equality data relating to carer responsibilities is not available. However, given that the scheme is open to any employee who is a LGPS member and that AVC members can choose their level of contribution (so not just aimed at higher earners), implementing the scheme will not negatively affect carers.

Analysis

No protected group is negatively affected by implementing a shared cost salary sacrifice scheme. The scheme is open to any employee who is a LGPS member and that AVC members can choose their level of contribution (so not just aimed at higher earners).

Adverse Impact,

No adverse impact has been identified. KCC will ensure that employees with a disability will be able to access information about the scheme and will be able to access the application process and customer support line. Adjustments will be offered to people attending the AVC workshops/webinars. Through the procurement process, KCC will ensure that the online application system and customer helpline are accessible.

Positive Impact:

This scheme will potentially benefit all employees who are LGPS members, providing them with both tax and NI savings. The scheme is a way for employees to increase their pension benefits upon retirement.

JUDGEMENT

- **No major change** - no potential for discrimination and all opportunities to promote equality have been taken

Internal Action Required NO

There is potential for adverse impact on particular groups and we have found scope to improve the proposal...