

Pensions Committee

30 September 2015

9. PENSION ADMINISTRATION UPDATE

Recommendation

End of Year arrangements and Annual Benefit Statements

- 1. The Head of Human Resources and Organisational Development recommends that the general update from the Administering Authority be noted.**
2. The Administering Authority has been very busy over the summer processing the end of year arrangements and updating members records in preparation for the production of our Annual Benefit Statements (ABS).
3. A number of changes were made to this year's template to reflect the first year of CARE and this resulted in an increase in the number of queries which had to be resolved and follow ups with employers on missing data during April to June.
4. The deadline for the issue of Annual Benefit Statements and calculating the Annual Allowance was brought forward this year from 31 October to 31 August 2015 which added additional pressures to the record management side.
5. Working in collaboration with 6 other Funds (Shropshire, Warwickshire, Staffordshire, Cheshire, Cambridgeshire and Northamptonshire) a new design for the ABS was produced and with a managed service providing printing and postage the Fund successfully delivered 19,265 statements to its active members (93%) and 12,623 to its deferred members (85%) by the deadline. I am aware from communication with LGE that not all funds were able to achieve this deadline and these will be followed up by the Pensions Regulator.
6. We are continuing to assist employers in providing outstanding information and we will undertake a tracing exercise where addresses are incomplete or not available and we are proposing to issue the outstanding statements by the end of November.

Tell Us Once (TUO)

7. This is a significant achievement for the Fund and a credit to the staff involved.

8. The Administering Authority has reviewed its processes, particularly in the light of the new CARE requirements on recording pay (salary) information and to reduce the impact of this exercise being concentrated around the end of the financial year we are moving to monthly collection of this data from employers. This will enable us to better support employers over the year who are having difficulties and to resolve queries as we go rather than waiting until the end of the year and this will ensure that we are able to continue to meet the new deadline for the issue of future Annual Benefit Statements.

9. When a death is registered to the Registration Service a system called 'Tell Us Once' automatically notifies other government agencies e.g. Department for Work and Pensions (DWP), DVLA, and District Councils, of the death so that records can be updated and payments stopped and/or adjusted. To date this service has excluded Public Sector Pension Schemes (PSPSs).

10. Following discussions and having received a positive response from the majority of Funds the LGA signed a letter of intent in June 2015 with DWP confirming that the LGPS in England, Wales and Scotland would like to be part of the service when this is extended to PSPSs later in the year.

11. Consultation has begun with Worcestershire County Council IT Services team and plans are being developed to make the necessary configuration changes and to ensure that we can access the data securely.

12. This new service will reduce the anxiety for relatives during what is a very busy and stressful period following the death of their family member. The Registrar will explain the Tell Us Once process and the relative would not need to provide a copy of the death certificate to the Fund and we will be able to update our records quicker which can reduce overpayments and we can send the appropriate information to the relative in response to the TUO notification.

End of contracting out and GMP reconciliation

13. The Administering Authority is preparing guidance on the end of contracting and delivering the national GMP reconciliation exercise.

**Member Self Service
And Employer Self
Service**

**Shadow Pension
Administration
Advisory Forum**

14. The Administering Authority has registered with Her Majesty's Revenue and Customs (HMRC) reconciliation service to assist with the reconciliation of scheme GMP membership records in advance of the State Pension Scheme changes and cessation of contracting out in April 2016.

15. Advice from experts in the field, Local Government Association (LGA), Actuaries and other Funds has confirmed that this is a significant exercise to be delivered for funds and the level of resource needed to reconcile our records should not be underestimated.

16. In the results of the stage 1 reconciliations seen to date, show that in some instances HMRC's records differ markedly to those held by Funds and the LGA is negotiating with the Treasury on this matter.

17. In reconciling its record the Fund will need to report any discrepancies to HMRC and this data will enable us to determine if any future liability is being held, how much (£) and relating to what period.

18. The Administering Authority has undertaken the initial comparison of data and is preparing to investigate the discrepancies arising.

19. The Committee at its meeting on 10 June 2015 endorsed the appointment of a Project Officer to support the implementation of our member self service and employer self service modules.

20. Digitisation is important for the Fund, and supports the growing needs of members and employers to be able to view and update records, request pension estimates and to receive communications e.g. Annual Benefit Statements and payslip electronically and importantly, securely.

21. A project officer has been appointed and a planning meeting was held in August. Familiarisation and the development of a project and implementation plan are underway. The project team will meet every 6 weeks and it is proposed to be piloting the member self service facilities in the new year for roll out to members from spring 2016.

22. The Pension Administration Advisory Forum is next due to meet on Tuesday 24 November at 2pm and the Agenda will include a section for an Employer Update and a section for Open Debate/Discussion and employers will be asked to submit their questions and queries in advance

Contact Points

County Council Contact Points

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Background papers

In the opinion of the proper officer (in this case the Head of Human Resources and Organisational Development) there are no relevant background papers to this report.