

LOCAL PENSION BOARD – 9 OCTOBER 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND ADMINISTRATION REPORT – APRIL TO JUNE 2015 QUARTER

Purpose of the Report

1. The purpose of this report is to inform the Board of relevant issues in the administration of Fund benefits, including the performance of the Pensions Section against its Performance Indicators.

Background

2. The Pensions Section is responsible for the administration of Local Government Pension Scheme benefits of the Leicestershire Pension Fund's 83,000+ members.

Performance Indicators

3. Attached as the appendix to this report are the performance indicators for the Pensions Section, which form part of the Section's Service Plan and have been agreed by the Assistant Director of Customer Services and Operations. These indicators are split into 2 broad categories – how quickly processes are carried out, and how customers feel they have been kept informed and treated by staff.

Performance of Pensions Section

4. In the April to June 2015 quarter, the performance target results have remained very similar to the previous quarter. The results are detailed in Appendix A.

The amount of Positive feedback received from customers remains high although there has been a slight decrease in, customers experience of dealing with the Section rated at least good or excellent. This is due to increasing timescales in dealing with individual's benefits. Business processes in the areas of pension payments made with 5 working days and death benefits remain areas for improvement. There is a separate report that details a plan for pension workloads.

Administration

Annual Benefit Statements

5. The change to Career Average Revalued Earnings (CARE) has caused significant challenges for employers providing year-end data to the Pension Section, despite them receiving year-end layout details and news about the CARE changes from the Pension Section in advance of year-end. The statutory deadline for the production of benefits statements reduced from 30 September to 31 August this year.
6. Both changes have caused issues for Pension Scheme administrators in producing annual benefit statements. 94% of Local Government pension scheme administrators have not achieved the 31 August deadline.
7. Given the issues nationally the Local Government Association have demonstrated to The Pensions Regulator the unique circumstances faced in undertaking this year's exercise. The Pensions Regulator was very grateful for the information and understood the teething problems the new CARE scheme has caused.
8. Active members annual benefit statements are added to our on-line system for members so they can run their own estimates. However, as this is the first year with CARE pay included paper versions are also available. This encourages members to register on-line for future statements where there is also a facility for members to run their own on-line estimates free of charge.
9. In future members will continue to receive an on-line annual benefit statement each year and they can also request one other estimate per year. Any further estimates will then be charged at £100 each.
10. The Pension Section is working on a number of improvement areas.
 - A list of employer issues have been collated by Pensions and colleagues will go out to individual employers to assist and educate them in submitting accurate and timely data. This should help employers provide the data next year.
 - The payroll reports developed by employers this year for CARE pay can be used again next year, so making next year's data more easily reportable and therefore more quickly provided to Pensions.
 - The Pension Section is working on developing a system for employers to submit data to pensions monthly or quarterly, thereby "spreading" year-end into 12 or 4 manageable periods to assist pension administration on the production of statements.

- During next year's year-end the Pension Section will provide updates on the annual benefit statements for the Local Board. The Local Board will be informed of any employers that fail to improve or provide accurate and timely data.

Partnership Working with Derbyshire County Council

11. The Leicestershire and Derbyshire Pension Sections organised a joint training session for their employers on the calculation of pay since CARE. This was beneficial for the employers who attended. Both Funds would like to develop more joint training to assist all employers with their responsibilities. There may be other opportunities to work closely in future.

Recommendation

12. The Board is asked to note this report.

Equal Opportunities Implications

None specific

Background Papers

Appendix A – Quarterly Results – April – June 2015

Officers to Contact

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