

**LOCAL PENSION BOARD**

**4 MARCH 2016**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**ANNUAL BENEFIT STATEMENTS**

**Purpose of the Report**

1. To provide the Board with a progress update on the production of annual benefit statements for 2014/15 and the plan for completing the 2015/16 statements.

**Background**

2. At the Local Pension Board meeting on 14 December 2015 a report was presented concerning the Pension Section's work to complete the annual benefit statements for 2014/15.
3. The report highlighted a number of issues that had caused delays with the production of annual benefit statements and detailed the 31 December 2015 as the deadline for completion of the work. The report also provided detail of a number of areas which the Section intended to improve in time for the 2015/16 statements.
4. The 2014/15 statements were completed by the 31 December 2015 deadline and The Pension Regulator was informed the work had been completed.
5. Subsequently, The Pension Regulator wrote to the Pension Manager to confirm they were drafting a practical guide of issues for Schemes to consider when planning the year-end cycle for 2015/16. It is expected that within the guide, The Pension Regulator will illustrate some issues experienced by administering bodies and suggested solutions. The Leicestershire Fund has been asked if it is willing to support the Local Government Association with the 2015/16 year-end and annual benefit statements. The proposal has been accepted.
6. A summary of the 2015/16 timeline for the production of annual benefit statements is as follows;
  - As part of the year-end employer pack, the Leicestershire Pension Section issued the 2015/16 year-end layout to employers in December 2015. This

followed communication about the governance changes and the importance of the year-end data from the Pension Manager and Director of Finance in 2015.

- In early March 2016 employers may choose to provide the Pension Section with an “early” year-end file. Obviously this will not include March 2016 data but it will allow employers to ensure the reports are working correctly and for the Section to start looking for data queries on missing starters or leavers in the period April 2015 to February 2016.
  - Employers provide year-end information required by Leicestershire Pension Section in the agreed format by 30 April 2016 with the signed off reconciliation form.
  - If a year-end return has not been received by the 30 April 2016 a reminder will be sent to the employer. This is included as an Appendix.
  - The Section will complete a “reasonableness” check on the data between 30 April and 11 July 2016. Data queries will be returned back to employers no later than the 11 July 2016.
  - Employers will have to resolve the data queries by 31 July 2016.
  - The Section will input the pension data to scheme member’s records from 31 July 2016.
  - Any employer that has failed to resolve any data queries by the 31 July 2016 will have the original data they provided loaded and used in the calculation of their members statements.
  - The Section will provide on-line statements to scheme members by the 31 August 2016 and paper versions to those members who have still opted for that service.
  - If an employer fails to provide a year-end return by 11 July 2016 Pensions will write to the employer informing them their scheme member statements will not be completed by the 31 August 2016 so they will cause a breach of legislation. The Local Pension Board and The Pension Regulator will be informed.
7. The powers of the Pension Section are limited but if employers fail to comply pressure will be applied.

### **Recommendation**

8. It is recommended that the Board notes the report.

## **Equal Opportunities Implications**

None specific

## **Appendix**

Appendix. Letter to employers that have not provided their return by the 30 April 2016

## **Officers to Contact**

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