



LOCAL PENSION BOARD

16 JUNE 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 2015/16 year-end process for the production of annual benefit statements by 31 August 2016.

Background

2. At the Local Pension Board meeting on 4 March 2016 a report was presented on annual benefit statements that included a summary of the 2015/16 timeline for the production of annual benefit statements. The position is continually changing as the Pension Section works through the employer year-end returns but the report reflects the position as at 24 May 2016;
3. 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 concerning the governance changes and the importance of the year-end data from the Pension Manager and Director of Finance in 2015.
4. In early March 2016 employers were able to provide the Pension Section with an "early" year-end file. Obviously this did not include March 2016 data but it allowed employers to ensure the reports were 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.
5. 30 April 2016 was the deadline for employers to provide their year-end returns with a signed off reconciliation form. **The position as at 30 April 2016 deadline was;**
 - 138 employers had provided Pensions with their year-end return.
 - 10 employers advised Pensions they were having issues extracting data from their payroll systems and would not be able to meet the deadline.
 - 40 employers sent incomplete data.
 - 13 employers did not contact Pensions and sent no data at all. Pensions sent reminder letters to those 13.

6. For employer returns received the Pension Section is carrying out a “reasonableness” check. Data queries are being returned back to employers already and working to the original year-end timeline, this will continue until the 11 July 2016.
7. **Following the reminders and the ongoing reasonableness checks, the position as at the 24 May 2016 was;**
 - 39 employers had been fully completed and annual benefit statements are ready to be run and issued.
 - 130 employers had provided their year-end data which appeared reasonable.
 - 30 employers had provided data but there are ongoing issues with the content and quality of the information provided.
 - 2 employers had still not provided their year-end data but both had advised that the data would be sent by 31 May 2016 and they were working hard to resolve this.
8. Employers will have to resolve the data queries by 31 July 2016.
9. The Pension Section will input the pension data to scheme member’s records from 31 July 2016.
10. 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.
11. 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.
12. 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.

Recommendation

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

Equal Opportunities Implications

14. None specific

Officers to Contact

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