



LOCAL PENSION BOARD

12 JUNE 2017

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND ADMINISTRATION CHARGES 2017-18

Purpose of the Report

1. The purpose of this report is to inform the Board of the Pension Fund administration charges for 2017-18.

Background

2. The charges are split between two pension administration areas, divorce and estimates.
3. The charges are only intended to cover the Pension Section additional administration costs associated with these duties and not designed to make a profit.
4. The charges are included within the Appendix.

Divorce

5. If a scheme member has a divorce, at no charge the Pension Section provides a cash equivalent transfer value (CETV) often to the member's Solicitor, for use in splitting the couple's assets.
6. There can be occasion when a further CETV or additional information is required and these elements are chargeable within the Investment Regulations.

Estimates

7. A member receives an on-line annual benefit statement by the 31 August each year and can model future retirement scenarios using the online modeller. Some members who are unable to use the on-line solution continue to receive a paper annual statement.
8. In addition to the annual statement, the Pension Section will provide a further estimate each year at no charge.

9. However, there are occasions where a member requests further written estimates within the same year, beyond what the Pension Section has to provide.
10. The Pension Regulator Code of Practice 14 Governance and Administration of Public Service Pension Schemes proposes that it is permissible, under the Disclosure Regulations, that additional information can be made available at a charge.
11. In these instances the Pension Section levies a charge of £100 plus VAT per estimate, to cover the administration time spent on these cases. The charge is designed to guide members to the free on-line facility where members can run endless different retirement estimates, at no charge.
12. After using the on-line facility if a member then wants a written estimate, within 12 months of their retirement date, the Pension Section provides this at no charge.
13. The Pension Section regularly reviews the Pension Funds administration and communication strategy. This will be updated to reflect the charges.

Recommendation

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

Equality and Human Rights Implications

None specific

Appendix

Appendix - Pension Section Administration Charges 2017-18

Background Papers

None

Officers to Contact

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