



LOCAL PENSION BOARD

4 DECEMBER 2017

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**PENSION FUND ADMINISTRATION REPORT – JULY TO SEPTEMBER 2017
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 90,000 members.

Performance Indicators

3. Attached as the appendix to this report is the performance indicators for the Pensions Section, which form part of the Section's Service Plan and have been agreed by the Director of Finance. 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. The results for the July to September 2017 quarter are detailed within the Appendix. Customer satisfaction remains good and overall performance figures remain positive in the quarter.

Administration

5. **General Workloads**

The tables show the position in five key work areas, July to September.

July 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	193	755	900
Aggregations	27	448	450
Interfunds in	30	196	150
Retirements	343	553	500
Deaths	51	88	100

August 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	304	730	950
Aggregations	16	456	450
Interfunds in	43	183	150
Retirements	431	565	600
Deaths	78	76	100

September 2017

Area	Cases completed in the period	Remaining cases at the end of the period	KPI Maximum - cases at the end of the period
Preserved benefits	145	886	1000
Aggregations	197	290	800
Interfunds in	41	181	150
Retirements	399	554	500
Deaths	57	72	100

The main points to note are;

- Interfunds continually remain above the maximum KPI target of 150. A thorough review of the outstanding cases has been completed which identified that no neighbouring Funds were causing a backlog of cases. The Pension Manager will continue to monitor this throughout 2017/18 and if the position remains, will recommend an increase to 200, for the maximum KPI from April 2018.
- Due to increasing scheme membership and the number of people breaching the annual allowance, year-end work and pension taxation statements have taken longer to complete than in previous years. This has caused Leicestershire County Council new starter interfaces to be delayed by approximately 4 months.

- Leicester City Council moved to a new payroll provider in April 2017. This has caused a delay in receipt of City new starter interfaces. It's expected these will be provided in December 2017.
- Once the outstanding County and City interfaces are run the number of aggregations will rise.

Annual Allowance Pension Taxation Statements 2016/17

6. Following the end of the year-end work in August, the pension taxation work was completed by the 6 October 2017 HMRC statutory deadline.
 - 30,918 annual allowance calculations were completed on active member's pension records.
 - 75 scheme members breached the annual allowance and received pension saving statements but had sufficient carry forward to avoid a tax charge.
 - 9 scheme members breached the annual allowance and incurred a tax charge.
 - 2 scheme members breached the tapered annual allowance and received a voluntary scheme pays tax charge.
7. There are a small number of cases that remain outstanding where scheme members have transferred in their pension benefits from other Funds, but the Pension Section has not received details of the previous carry forward. These will be completed once the information is received from the previous pension Fund.

Tender Update

8. The joint tender deadline by Leicestershire and Derbyshire County Council for a Pensions administration system has closed. The bids are being evaluated and companies will be invited to provide presentations in the coming weeks.
9. The tender covers the core pension system with three optional areas;
 - Member self-service
 - Pensions payroll
 - Employer services
10. The tender covers five years with an option for a further five. The system will be implemented from the end of the current contract in early 2019.

Recommendation

It is recommended that the Board notes the report.

Equality and Human Rights Implications

None specific

Appendix

Appendix - Quarterly Results – July to September 2017

Officers to Contact

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