Leicestershire County Council

LOCAL PENSION BOARD

4 DECEMBER 2017

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RECORD KEEPING - DATA IMPROVEMENT (MONTHLY POSTING)

Purpose of the Report

1. The purpose of this report is to inform the Board of data improvements in the Pension Section, with the introduction of monthly posting of pension data, to scheme member's pension records.

Background

2. At the Pension Board meeting on the 18 September 2017 the Board noted a report titled 'Record Keeping – Data Improvement', in response to the focus of The Pension Regulator, extending to pension record keeping and data improvement. This report is attached as an appendix to the report.

3. Within the report it details the phased implementation of monthly posting as being the most significant data improvement for the Pension Section.

Current Process

4. Currently data is only posted annually as part of the year-end process.

5. At March 2017 there were 30,918 active members with 3 key data fields posted for each individual, so 92,754 data fields were posted at year-end.

6. Validation checks took place on these data fields and queries were returned back to employers for investigation and resolution. Once resolved, the employer informed the Pension Section so changes could be made on member's pension records.

7. This data was used in the calculation of members annual benefit statements, pension taxation statements and future pension benefits.

8. The data is used by the Pension Fund Actuary when calculating future employer contribution rates.

9.   The timeline from the receipt of the data from employers to the calculation of annual benefit statements is 5 months; 1 April to 31 August each year.

10.   During the 2017 year-end process 9,104 data items were queried and investigated by the Pension Section and the employers.

Monthly Postings

11.   The Pension Section has purchased a system to allow employers to submit their data monthly, rather than annually.

12.   This provides a number of benefits;

- The Pension Section receives more timely data
- Data queries are identified more quickly and resolved more easily
- Significant data errors will not be received by the Pension Section as the system will not allow employers to submit certain flawed data
- Data accuracy is improved and maintained more easily on the pension system
- Scheme members running their own on-line calculations will be able to access more timely and accurate data
- Data available for benefit calculations e.g. retirements, deaths, leavers will be more timely and accurate
- Employers will receive data queries throughout the year in a much more timely manner, reducing the significant volume of work at year-end
- The Pension Section is able to manage the year-end process more easily, by spreading the data queries over 12 months
- The Pension Section is meeting The Pension Regulators requirement for data improvement.

Implementation of Monthly Postings

13.   The Pension Section provides the employers with the monthly posting data layout.

14.   Employers work with their payroll system providers to develop the payroll extract file. This is a significant area of work for employers and is key in the success of monthly postings.

15.   The Pension Section tests the data provided by employers and validates this against the information held on the pension system.

16.   Once the Pension Section and an employer are both confident with their initial data quality, monthly posting of data commences.

Implementation Plan

17.   The Pension Section has developed a monthly posting implementation plan. This is attached as Appendix B.

Recommendation

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

Appendices

Appendix A – Report to the Local Pension Board - 18 September 2017
Appendix B – Implementation Plan

Equality and Human Rights Implications

None specific

Officers to Contact

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