



## **LOCAL PENSION BOARD**

**4 DECEMBER 2017**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

#### **LOCAL GOVERNMENT PENSION SCHEME COMPLAINTS PROCEDURE**

##### **Purpose of the Report**

1. The purpose of this report is to inform the Board of the arrangements in place to manage complaints (known as the Internal Dispute Resolution Procedure (IDRP)), in connection with the operation of the Leicestershire Local Government Pension Scheme.

##### **Background**

2. The Internal Dispute Resolution Procedure is a formal two stage process prescribed by the Local Government Pension Scheme Regulations. Before the formal process is enacted there is often an informal stage dealt with by the Pension Section that commonly resolves the issue.
3. For cases that are not resolved informally, the Stage 1 process is usually considered by the member's employer or previous employer (the employing authority). Cases of this nature vary but recent examples include; not being granted a certain type of retirement (e.g. ill health) or the decision of the employer in exercising its discretion to allow early release of benefits on compassionate grounds. It is for the employing authority to make its own arrangement how to deal with Stage 1 complaints.
4. Sometimes complaints are brought against the decision of the Pension Manager and in these instances the Stage 1 process is considered by an officer of Leicestershire County Council. Examples of these complaints include; where a scheme member wishes to transfer out benefits but is unable to do so, or wishes to convert benefits greater than HMRC limits to tax free cash.
5. If a complaint is not resolved at Stage 1 a scheme member can choose to take their case to Stage 2.
6. All Stage 2 complaints are considered by the "specified person" of Leicestershire County Council (the administering authority) or a nominated

substitute. In all cases, anyone who has had any dealings at Stage 1 cannot consider the Stage 2 complaint.

7. If complaints are not resolved at Stage 2, scheme members can choose to take their cases to The Pensions Advisory Service (TPAS) followed by the Pensions Ombudsman. The Ombudsman's decision is final and binding although in extremely rare instances cases can proceed to the Courts.

#### **Complaints since April 2014**

8. Since April 2014 there have been 4 IDRPs Stage 1 cases made against the decision of the Pension Manager.
  - In 1 case, the scheme member decided not to proceed to Stage 2.
  - The remaining 3 cases proceeded to Stage 2, and ultimately the Pension Ombudsman. The Ombudsman did not uphold the 3 cases, agreeing with the Pension Manager's decision.
  - Since April 2014 there has been 5 IDRPs Stage 2 cases that have followed Stage 1 decisions made by the employing authority.
  - 4 cases were resolved at Stage 2. 1 case reached the Pension Ombudsman who ordered compensation to be paid to the appellant.
9. Where applicable the specified person will direct that compensation be payable to the employee bringing the complaint for the time and trouble caused. It is important to note that the IDRPs proceed as a "review of the decision the subject of complaint". This means that the specified person does not have the power to substitute his or her decision or require, for example an increased pension payment

#### **Leicestershire County Council's appointments**

10. When managing disputes raised by County Council members of the Fund, the specified person at Leicestershire County Council is the Director of Law and Governance who deals with Stage 1 cases or her substitute, the Head of Law.
11. Cases that proceed to Stage 2 are then dealt with by whichever of the above has not dealt with Stage 1.
12. Where the circumstances of the complaint are such that the Director of Law and Governance or the Head of Law are unavailable to deal with a Stage 1 and/or 2 complaint, arrangements have been made for one of the Council's employment law solicitors to act as the Specified Person and/or request a neighbouring pension fund to assist.

**Recommendation**

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

**Equality and Human Rights Implications**

None specific

**Officers to Contact**

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