



**LOCAL PENSION BOARD**

**18 JUNE 2018**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**PENSION FUND ADMINISTRATION REPORT – JANUARY TO MARCH 2018**  
**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 Appendix A to this report are 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 two broad categories – how quickly processes are carried out and how customers feel they have been kept informed and treated by staff.

**Performance of the Pensions Section**

4. 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, January to March.

#### **January 2018**

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	97	790	750
Aggregations	100	855	300
Interfunds in	103	204	150
Retirements	437	524	500
Deaths	75	96	100

#### **February 2018**

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	156	833	750
Aggregations	111	956	250
Interfunds in	55	230	150
Retirements	406	516	500
Deaths	75	82	100

#### **March 2018**

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	366	609	750
Aggregations	152	918	250
Interfunds in	90	214	150
Retirements	368	597	600
Deaths	60	99	100

The main points to note are;

- The Pension Section has completed the recruitment for a temporary Pension Assistant to work primarily on aggregations. The person started in April.
- The Pension Section moved resource onto preserved benefits in March to reduce the number of cases before the start of year-end.
- As detailed in previous reports to the Board, the Interfunds in KPI maximum has increased to 200 from April 2018 to reflect the position throughout 2017/18.

GMP reconciliation

Work on the national GMP reconciliation exercise continues. The latest position is as follows;

<b>Membership Type (Phase 1)</b>	<b>Cases with Pensions</b>	<b>Cases completed</b>	<b>Cases with HMRC</b>	<b>Stalemate Cases**</b>
Pensioner and Preserved	327	50,397*	448	15

<b>Membership Type (Phase 2)</b>	<b>Cases with Pensions</b>	<b>Cases completed</b>	<b>Cases with HMRC</b>	<b>Stalemate Cases**</b>
New Pensioners	5,740	92	0	0
Active	28,236	2,470	836	0

\*Includes non-contracted out records.

\*\*After investigation by the Fund and HMRC the case cannot be resolved.

The Local Government Pension Scheme (Amendment) Regulations 2018

The above named regulations were laid before Parliament on the 17 April 2018 and came into force on the 14 May 2018.

The full Statutory Instrument 2018 Number 493 can be found as Appendix B. Many of the regulation changes were of a technical nature making minor word changes to the previous regulations, however the main changes are summarised as follows;

- Employers who leave the scheme with a positive funding position – i.e. over 100% funded can be reimbursed the excess.
- Pre April 2014 preserved members can claim payment of their preserved benefit from age 55 (or any time between 55 and normal pension age) without employer consent, rather than wait until age 60 or later. This aligns the regulations with post April 2014 preserved members.

The Pension Section has 4,741 pre 2014 preserved members aged between 55 and 60. The Pension Section is working through these cases, communicating the scheme changes and calculating benefits for those wishing to take advantage of the earlier payment option. Where benefits are paid early in these cases, the member suffers an actuarial reduction to their benefit and there is no cost to the former employer.

The preserved members will be written to by the Pension Section by the 13 August 2018.

General Data Protection Regulations

General Data Protection Regulations (GDPR) came into place on 25 May 2018.

The Pension Section has a statutory duty to administer the Leicestershire Local Government Pension Scheme so does not require member consent to hold and process scheme members data. However, GDPR places greater emphasis on the documentation the Pension Section must keep too demonstrate its accountability.

The Pension has been working with Leicestershire County Council's Corporate GDPR Team on this project to finalise the following;

- Fair processing notice
- Retention schedule
- Memorandum of understanding (between the Fund and the employers)

These documents are attached in Appendix C

### System Implementation

The contract for the replacement pension administration system has been prepared for signature, consisting of the core module and the optional elements, pensioner payroll (including immediate payments), employer self-service and member self-service.

Colleagues from the external system provider Aquila Heywood, Pensions, East Midlands Shared Services (payroll) and internal ICT are working on the implementation of the various elements with an external project manager. A report will be provided to the Board at its next meeting which will detail the implementation timeline.

### Recommendation

It is recommended that the Board notes the report.

### Equality and Human Rights Implications

None specific

### Appendix

Appendix A - Quarterly Results – January to March 2018

Appendix B – The Local Government Pension Scheme (Amendment) Regulations 2018

Appendix C – Pension Section GDPR documents

**Officers to Contact**

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