



## **LOCAL PENSION BOARD**

**18 JUNE 2018**

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

#### **YEAR-END AND STATUTORY DEADLINES**

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

1. The purpose of this report is to provide the Board with a progress update on the 2017/18 year-end process for the production of annual benefit statements required by the deadline of the 31 August 2018.

##### **Background**

2. The Pension Section has statutory requirements to produce member's annual benefit statements by the 31 August 2018 and pension saving statements for members who have breached the Annual Allowance by the 6 October 2018.
3. Both deadlines are extremely challenging as the Pension Section relies on accurate and timely data from the Fund's 189 active employers to achieve this.
4. As part of the preparation for year-end, the Leicestershire Pension Section issued an employer bulletin detailing employers' duties; the year-end layout and the timeline to all employers on 26 January 2018.
5. 30 April 2018 was the deadline for employers to provide their year-end returns with a signed off reconciliation form. The position as at 30 May 2018 was;
  - 188 employers had provided the Pensions Section with their year-end return.
  - 1 employer; G Purchase (two active members), has not provided a year-end return. The Pension Section has been following this up with the employer.
  - Leicester City Council had significant difficulties reconciling the data from their payroll system to the contributions paid over and was not able to submit their year-end information until 25 May 2018. Given the size of the City Council (8624 active members) any delay beyond the 30 April 2018 impacts on the time available for the Pension Section to meet its statutory

deadlines. The Pension Section has moved extra resource to work on the year-end process to deal with this.

6. For those 188 employer returns received, the Pension Section has already started uploading member data to their pension administration system. This highlights various member data issues and these are already being returned to employers for investigation and resolution. This will continue until the 13 August 2018.
7. Employers will have to resolve the data queries by 17 August 2018. It is expected however, the vast majority of member queries will be resolved by the 31 July 2018.
8. Any employer that has failed to resolve any data queries by the 17 August 2018 will have the original data they provided loaded and used in the calculation of their members statements.
9. The Pension Section will provide on-line statements to scheme members by the 31 August 2018 and paper versions will be sent to those members who have still opted for that service.
10. If the remaining employer (G Purchase) fails to provide a complete, accurate and reconciled year-end return by 31 July 2018, the Pension Section will write to the two members explaining why they will not receive an annual benefit statement by the 31 August 2018. Whilst this is a breach of legislation, because there are only two members affected, the Pension Manager does not deem this a material breach and will continue to actively pursue the issue with G Purchase to try and avoid any breach.

### **Recommendation**

It is recommended that the Board notes the report.

### **Equal Opportunities Implications**

None specific

### **Officers to Contact**

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