



LOCAL PENSION BOARD

17 SEPTEMBER 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND ADMINISTRATION REPORT – APRIL TO JUNE 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 an appendix 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 Corporate Resources. 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 Pensions Section

4. The results for the April to June 2018 quarter are detailed within the Appendix A. Customer satisfaction remains good and overall performance figures remain positive in the quarter.

There was a fall in the death benefits/payments sent to dependants within 10 working days KPI to 84%. This was due to resource being moved onto the statutory year-end work. More resource has now been moved back onto this area and the KPI is increasing.

Administration

5. General Workloads

The tables show the position in five key work areas, April to June.

April 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	180	599	750
Aggregations	33	1,036	250
Interfunds in	90	203	200
Retirements	337	582 plus 4,741*	500
Deaths	55	114	100

May 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	122	647	800
Aggregations	46	1,034	450
Interfunds in	68	194	200
Retirements	399	529 plus 4,741*	500
Deaths	72	97	100

June 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	147	755	850
Aggregations	61	1,003	450
Interfunds in	75	194	200
Retirements	391	547 plus 4,741*	500
Deaths	90	98	100

The main points to note are;

- Work to reduce aggregations has commenced. This will increase from September, after year-end is complete.
- The Pension Section has 4,741 pre 2014 preserved members* aged between 55 and 60 who may wish to take advantage of the early payment of their preserved benefits, following the Local Government

Pension Scheme (Amendment) Regulation 2018 change, back dating payment to May 2018. The Pension Section has sent out a letter to these preserved members and is working through the replies. 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.

6. GMP reconciliation

The work on the national GMP reconciliation exercise continues.

The position as at August 2018 and the change since the last quarter are detailed in the table below;

Membership Type (Phase 1)	Cases with Pensions	Cases completed	Cases with HMRC	Stalemate Cases**
Pensioner and Preserved	530	50,641*	1	15
The change since the last quarter	Up 203	Up 244	Down 447	Nil

Membership Type (Phase 2)	Cases with Pensions	Cases completed	Cases with HMRC	Stalemate Cases**
New Pensioners	4,967	865	0	0
The change since the last quarter	Down 773	Up 773	Nil	Nil
Active	27,528	2,926	1,088	0
The change since the last quarter	Down 708	Up 456	Up 252	Nil

*Includes non-contracted out records.

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

7. Governance

The Public Services Pensions Act 2013 introduced a framework for the regulatory oversight of governance and administration of public sector pension schemes by The Pension Regulator (TPR). TPR continues to put greater emphasis onto governance and administration of the Local Government Pension Scheme in the following areas;

- Conflicts of interest
- Record keeping (data improvement plan)
- Maintaining Contributions
- Training Log
- Internal Dispute Resolution Procedure (IDRP)
- Breaches

8. Conflicts of Interest

This is a standard item on the agenda of Local Pension Board meetings.

9. Record keeping (data improvement plan)

The Local Pension Board has received a number of reports detailing the Fund's improvement plan, the latest at the Local Pension Board meeting on the 18 June 2018.

A separate report details the Fund's improvement plan and progress made.

10. Maintaining Contributions

Contributions are already managed and maintained by the Pension Investment Team. The move to monthly posting of contributions, which is part of the data improvement plan, should assist with the reconciliation of contributions.

11. Training Log

The Pension Manager updates training on the Local Pension Board training log and brings this, at least annually, to the Board.

A separate report details the Local Board training.

12. Internal Dispute Resolution Process (IDRP)

If a scheme member has a complaint that cannot be resolved informally, they can take this through the formal complaints process, the internal dispute resolution process. There are two stages to the IDRP, and if the complaint remains unresolved the scheme member can take it to the Pension Ombudsman who will ultimately determine the decision.

In the period April to June 2018 there was one IDRP stage 2 appeal.

In the case, the former member has appealed against her former employer's decision not to grant her payment of her preserved pension early on ill health grounds or to allow her ill health retirement.

IDRPs has been included as a training item for the Local Pension Board but for ease this will now be a standard item within this report.

13. Breaches

The Local Pension Board received a report about Breaches in October 2016 and had subsequent training on breaches and the reporting process. The latest training on breaches took place after the Local Pension Board meeting on the 18 June 2018.

Significant breaches will now be recorded as a standard item within the report.

In the period April to June 2018 there were no breaches reported.

A separate report details the Fund's breaches log.

Recommendation

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

Equality and Human Rights Implications

None specific

Appendix

Appendix A - Quarterly Results – April to June 2018

Officers to Contact

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APPENDIX A

Quarter - April 2018 to June 2018								
Business Process Perspective	Target	This Quarter		Previous quarter	Customer Perspective - Feedback	Target	This Quarter	Previous Quarter
Retirement Benefits notified to members within 10 working days of paperwork received	92%	99%	▲	97%	Establish members understanding of info provided - rated at least mainly ok or clear	95%	98%	▲ 99%
Pension payments made within 10 working days of receiving election	95%	94%	▶	97%	Experience of dealing with Section - rated at least good or excellent	95%	96%	▲ 94%
Death benefits/payments sent to dependant within 10 working days of notification	90%	84%	▼	93%	Establish members thoughts on the amount of info provided - rated as about right	92%	97%	▲ 94%
					Establish the way members are treated - rated as polite or extremely polite	97%	99%	▲ 100%
Good or better than target	▲				Email response - understandable	95%	98%	▲ 100%
Close to target	▶				Email response - content detail	92%	96%	▲ 100%
Below target	▼				Email response - timeliness	92%	98%	▲ 100%