



LOCAL PENSION BOARD

17 SEPTEMBER 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND BREACHES

Purpose of the Report

1. The purpose of this report is to provide the Board with an update concerning Pension Fund breaches and to present the latest log which details breaches up to the 1 September 2018.

Background

2. The Public Services Pensions Act 2013 introduced a framework for the regulatory oversight of governance and administration of public service pension schemes by The Pensions Regulator (TPR).
3. In April 2015 TPR published its code of practise on governance and administration of public service pension schemes. This introduced a requirement for Pension Funds to log breaches of scheme rules.
4. In August 2016 the Pension Manager produced a procedure for reporting breaches of Law to the Pensions Regulator and this was considered by the Local Pension Board meeting in October 2016. A copy of the Procedure for Reporting Breaches of the Law to the Pensions Regulator is attached as Appendix A.
5. The Pension Manager maintains the breaches log for recording significant incidents. Using the procedure for guidance, these are considered by officers who decide if they are deemed material breaches or not. Material breaches are reported to The Pensions Regulator. There have been no material breaches in the Leicestershire Fund since August 2016.

Breaches Log

6. The breaches log as at September 2018 is attached as Appendix B.

7. There have been five breaches recorded and these have not been deemed material. However one of these was still reported to The Pensions Regulator who instructed the Fund to resolve the issue internally. The breach was subsequently satisfactorily resolved.
8. There is one breach that remains active. This is currently viewed as not material, although it could develop that status. The CSE are a new admission body who have employed one member of staff from Tudor Grange Academy since September 2017 following a transfer of undertakings protection of employment (TUPE transfer). However, the CSE have not been able to secure the required bond, as required by the Pension Fund, so the admission agreement and bond documents remain unsigned. This means the one member of staff is not an active member of the scheme. All parties have been working hard to resolve this issue, but without success. Once the situation is resolved the one member will be able to back date their scheme entry to September 2017. The member of staff and their Union are aware of the situation.
9. The Pension Manager does not record member complaints on the breaches log. Complaints are normally dealt with informally, but those that are not resolved informally are dealt with via the formal internal dispute resolution procedure (IDRP). Cases are now highlighted as a standard item on the administration report.

Recommendation

10. The Board is asked to note this report.

Equal Opportunities Implications

None specific

Appendices

Appendix A – Procedure for Reporting Breaches of the Law to the Pensions Regulator

Appendix B – Breaches Log

Officers to Contact

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