



LOCAL PENSION BOARD

3 DECEMBER 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RECORD KEEPING - DATA IMPROVEMENT PLAN

Purpose of the Report

1. The purpose of this report is to update the Board on the progress of the Pension Section's Data Improvement Plan.

Background

2. The Pensions Regulator has highlighted nationally that data quality in the Local Government Pension Scheme needs to be improved. The Leicestershire Fund's Data Improvement Plan, which has four key areas highlighted, was implemented in September 2017 and is attached as Appendix A.

Implementation Plan

3. Implementing monthly postings

The Pension Section has grouped all the Funds employers into phases for implementation purposes. Much of the implementation relies on larger employers being able to extract the data from their payroll systems in a required format. The Pension Section accepts that where employer changes take place e.g. where two Fund employers merge together to form a single new employer or employers change payroll provider, these may impact on their implementation phase.

Progress on monthly posting is tracked and the implementation position as at 20 November 2018 is shown in Appendix B.

The position on the Funds largest two employers are;

- Leicestershire County Council 7,418 active members. Currently implementation is at the final checking stage. Go live is expected to be completed by the end of the calendar year.
- Leicester City Council 8,624 active members. The City has unfortunately not been able to extract all required fields from their

payroll system. The Pensions Manager and City Council officers remain committed to resolving this and meetings between them have continued positively. City Council officers are now working on implementing monthly posting from April 2019.

Any new admission bodies that join the Fund implement monthly postings as standard.

The deadline for all existing employers to move to a monthly posting schedule is the 31 March 2020.

4. Tracing for preserved members

This is now business as usual. As preserved members reach age 55 and become entitled to payment of their preserved benefit, the Pension Section traces their last known address. All preserved cases between age 55 and 60 have had their latest address traced.

5. Guaranteed Minimum Pension (GMP) reconciliation

The Administration Quarterly Report – July to September 2018 details the position on GMP reconciliation.

6. The Pensions Regulator – Data Scoring

The Pensions Regulator (TPR) has concerns about the quality of pension data at a national level and has instructed administrators they need to have an improvement plan in place.

The Leicestershire Fund has included data improvement as business as usual for many years including data checks as part of the annual year-end process. However, the Fund has an improvement plan and has been working through the four areas.

The Pensions Regulator (TPR) has requested administrators score their data in two sections;

Common data – Ni Number, Name, Sex and data of birth, data commenced in the scheme and normal retirement date, status (e.g. active, preserved, pensioner) and address.

Conditional data – This is scheme specific data so broadly covers; transfer in details, additional voluntary contributions (AVCs), tranches of benefits (80ths, 60ths, 49ths), total pension, date of leaving, employer details, salary, contributions, service, career average revalued earnings (CARE) benefits, taxation and guaranteed minimum pensions (GMPs).

The Leicestershire data scores are;

Common data – 94.3%

Conditional data – 87.9%

Where improvements have been highlighted the Pension Manager is working through these areas.

The results from all administrators are being collated by TPR to see if national improvement guidance is needed or if specific Funds require greater assistance.

Accurate data is critical to the overall success of pension administration as it is used in the calculation of member's benefits and in the valuation that sets employer contribution rates.

Recommendation

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

Appendix

Appendix A – Data improvement plan.

Appendix B – Monthly posting position 20 November 2018

Equality and Human Rights Implications

None specific

Officers to Contact

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