

Pension Fund Committee

Dorset County Council



Date of Meeting	12 September 2016
Officer	Pension Fund Administrator
Subject of Report	Pensions Administration
Executive Summary	<p>This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund. It contains updates on the following:</p> <ul style="list-style-type: none">• Consultation: Local Government Pension Scheme (Amendment) Regulations 2016• Address Tracing and Mortality Screening Service• Workflow and Key Performance Indicators• Backlog• Valuation 2016
Impact Assessment: <i>Please refer to the protocol for writing reports.</i>	Equalities Impact Assessment: N/A
	Use of Evidence: N/A
	Budget: N/A

	Risk Assessment: N/A
	Other Implications: N/A
Recommendation	It is recommended that the Committee note and comment on the contents of the report.
Reason for Recommendation	To update the Committee on aspects of Pensions Administration
Appendices	<ul style="list-style-type: none"> • Appendix 1 – DCPF response to the Consultation on the Local Government Pension Scheme (Amendment) Regulations 2016 • Appendix 2 - Screening results summary • Appendix 3 - Key Performance Indicators
Background Papers	<ul style="list-style-type: none"> • DCLG Consultation: Local Government Pension Scheme Regulations http://www.lgpsregs.org/images/Drafts/2016-05LGPSAmendsCons.pdf
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1. Background

1.1 This report is the quarterly update for the Pension Fund Committee on all operational and administration matters relating to the Fund.

2. Consultation: Local Government Pension Scheme (Amendment) Regulations 2016

2.1 On 27 May 2016 the Government issued consultation documents for the proposed LGPS regulation amendments. The Pension Benefits Manager has responded to the DCLG on behalf of the Fund.

2.2 The response was issued on 17 August 2016 (Appendix 1).

2.3 The response covered Fair Deal in the LGPS, early payment of pensions for members aged 55 and older and the extension of underpin protections.

2.4 Support has been given to the general proposals for Fair Deal in the LGPS but not to extending this to organisations that are not best value authorities due to the financial pressures and risk this may cause to what are generally small businesses.

2.5 Support has been given to the proposal of extending the option for all members over 55 who left prior to 1 April 2008 to be able to elect to receive actuarially reduced benefits. This option is cost neutral and may also help to prevent these members from transferring their pension rights out resulting in less generous pension benefits being paid.

2.6 Support has not been given to the extension of underpin protections to certain members who have transferred in pension rights from other public service pension schemes. There are varied reasons for this as set out in the response but the main reasons for non-support is that for the very few individuals that this proposal would affect, the cost in terms of amending computerised systems, the manpower in identifying them and the fact that it would give individuals higher protection than if they had re-joined their former scheme appears to be prohibitive.

3. Address Tracing and Mortality Screening Service

3.1 During the period 1 May 2016 to 31 July 2016, 97 pensioner deaths were identified with a 99.99% high confidence this is our member (validated against the name, date of birth and address). Plus another 29 which matched our member data to a lower degree, so required further verification by Payroll. The detailed data is shown in Appendix 2.

4. Workflow and Key Performance Indicator's

4.1 In July 2014, in collaboration with the London Pension's Fund Authority, a new electronic workflow system was introduced in the benefits area called CMS. We continue to work with the LPFA to improve the reporting capability to more accurately reflect the Fund's timescales and processes.

4.2 Appendix 3 shows the top ten KPI's for May to July 2016.

4.3 Compared to the previous quarter there has been further improvement in cases completed within the required timescales, rising from 65.90% in the last quarter to 94.14% in this quarter. This is particularly outstanding bearing in mind the work that is being done on the End of Year processes and the extra work the Valuation process brings.

4.4 Improvements in overall time taken to complete cases was seen in all areas apart from Transfers in Actual. This will be reviewed again to see where this can be improved and why this appears to be a particularly problem area.

4.5 The Team as a unit have all worked very hard on reviewing procedures and ensuring that the Case Management System is used correctly. I would ask that Committee recognises this achievement.

5. Backlog

5.1 The backlog of Aggregation cases has unfortunately risen to 1832. This is due to the Team having to concentrate on the End of Year process, the Valuation processes for both LGPS and Fire Pension Scheme and ensuring that the Annual Benefits Illustrations are sent out by 31 August 2016.

6. Annual Benefit Illustrations

6.1 The Annual Benefit Illustrations for both LGPS and Fire must be sent out by 31 August.

6.2 Due to the timing of this report a verbal update will be given to Committee.

7. Valuation 2016

7.1 The Valuation extract was produced and sent to the Actuary on 29 July, unfortunately there was a programming error and the extract had to be re-run and was finalised on 2 August.

7.2 Due to the timing of this report a verbal update will be given to Committee.

Richard Bates
Pension Fund Administrator
September 2016