Pensions Fund Committee
9 September 2025
Pensions Administration

For Review and Consultation

Local Councillor(s): All

Executive Director: S Cremer, Corporate Director, Section 151 Officer

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Report Status: Public

Brief Summary:

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:

- Key Performance Indicators
- Annual Benefit Statements 2025
- Data Quality Results 2025
- Valuation 2025
- Dashboard Update
- McCloud Update

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.

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 Key Performance Indicators

2.1 The key performance indicators are attached at Appendix 1. These are for the period 01/05/2025 - 31/07/2025. The previous quarter is included for reference.

3 Annual Benefit Statements 2025

3.1 I am pleased to confirm that the annual benefit illustrations for both active and deferred members have been issued.

3.2 22,570 deferred benefit illustrations were issued on 16 July 2025, plus 23 councillor statements. The deferred benefit statement is attached at Appendix 2.

3.3 23,103 active benefit illustrations were issued on 21 August 2024. The active benefit statement is attached as Appendix 3.

3.4 An online version of the annual statements has been available to view on the member portal since 21 July.

3.5 Also issued to active members was the annual newsletter, Appendix 4. This contained essential updates and key messages for members.

3.6 Both the statements and newsletter are well received by members. The issuing of these statements is a particularly important statutory requirement for the fund. It serves several important functions that benefit the fund, members and employers. In the current financial climate, it provides valuable information to members. Benefits include:

- Awareness of scheme benefits to members
- A reminder of any death grant nominations made
- A check of the pay data provided by the employer used to calculate pension accrual in the last year
- A check that essential data requirements, such as address and marital status, are up to date and correct
- A reminder of pensions tax impacts for high earners
- The Fund’s data is up to date and correct, meeting requirements set out by the Pension’s Regulator, and contributing to the high quality of data held.
- Highlight important changes to the LGPS and/or associated regulations
- Deliver key messages and important reminders.

4 Data Quality Results 2025

4.1 Each year, the quality of our data is reviewed and measured in accordance with guidance set out by the Pensions Regulator. This serves two main purposes. Firstly, it feeds into the future year’s data improvement plan, and secondly it provides the Data Quality scores for the Dorset County Pension Fund which must be reported to The Pensions Regulator each year and recorded in the Fund’s Annual Report.

4.1.1 **Common Data** – this is the reporting of items applicable to all pension schemes, for example a correct address, date commenced, name, national insurance number etc. The overall score of tests passed for common data held was 99.67%, the score for the previous year was 99.65%.

4.1.2 **Scheme Specific Data**, (also known as 'Conditional' data) is the data specific to the LGPS. This includes items such as the presence of CARE data, member benefits and GMP data where it applies. The overall score for scheme specific data was 95.89%, a slight increase on the previous year's score of 95.30%.

4.2 This illustrates the excellent standard of data for the fund and reflects the continued hard work of the team to ensure records are accurate and current. We rely on employers providing regular and accurate data, and we put a significant resource into supporting employers and ensuring accuracy of monthly and annual data submissions.

4.3 Significant amounts of data cleansing have been completed this year in readiness for the Dashboard connection.

4.4 We are now currently writing the Data Quality Report for 2025 which sets out our working plan for the year ahead to ensure that we have a continual plan for improvement and consistently high standards of data accuracy.

5 Valuation 2025

5.1 Since the completion of the end of year processes, we have been working towards the provision of the 2025 Valuation data, which has a tight deadline.

5.2 There have been some initial delays due to third parties, including Civica. We have not been able to use the new valuation extract, which included McCloud and underpin data due to the errors we have identified within the report. As a result, we have used the 2022 valuation extract, and the actuaries will estimate the McCloud impacts, as they did in 2022.

5.3 As part of the work required to finalise data, the team have cleared over 12,000 validation checks within two weeks. Each check needs to be individually reviewed, and will include data from active, deferred, pensioner and dependant members. This was followed by a further 2,000 checks, mainly concerning payroll data.

6 Dashboard Update

6.1 We have completed phase 1 of the implementation, this included UAT for the data extract and upload of member data.

6.2 We are also working with our AVC providers to ensure all data consistency. We have agreed the multi-source option with our main AVC provider, the Prudential, meaning the AVC provider must connect to the dashboard via their own ISP and display their data separately. Both us and the provider will use a Unique ID that will link the AVC to the main scheme data. However, Utmost (formerly Equitable Life), with whom we still have some members with residual benefits have not agreed to this and we may need to adopt the single source option for this provider, meaning we will be responsible for displaying the AVC data. We will work with them to ensure we have the necessary data.

6.3 Work continues with the Prudential, our main in-house AVC provider, to ensure data consistency. The prudential will upload all data via their own ISP provider.

6.4 Phase 2 commences on 8 September; this is followed by a four-week plan to ensure we are onboarded in good time for the 31 October deadline.

7 McCloud Update

7.1 A letter has been sent to 15,910 members who are not in scope, to ask for details of any previous non LGPS public service employments that may entitlement the member to be in scope for the McCloud remedy within the LGPS Dorset Fund. A large number of queries were received, and we are receiving the required information to enable us to update our records and ensure everyone is marked as in scope where there is an entitlement. The complexities of these regulations, and ensuring effective communication, has been a challenge.

7.2 In addition, we have completed a bulk check of the National NI data base to identify members with LGPS membership in other funds. This identified approximately 1627 members in 91 funds that need further investigation. We will now be liaising with these funds to check membership details to establish if these members are in scope for McCloud in our fund and note our records accordingly.

7.3 Our next software delivery into our test system is on 3 September, this will address errors raised during testing in July and August.

7.4 A three-week window follows this delivery to ensure all issues are resolved and any further concerns can be raised. From here we can draw up a project plan to address the rectification cases.

7.5 We have also received some teacher's excess service cases. These are individuals who have been members of the Teachers' Pension Scheme, and as a consequence of the changed regulations in the Teacher's scheme, now need to be retrospectively admitted to the LGPS. We are still waiting for the required guidance to finalise these cases.

8 Financial Implications

N/A

9 Climate Implications

None

10 Well-being and Health Implications

None

11 Other Implications

N/A

12 Risk Assessment

12.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: N/A

Residual Risk: N/A

16. Equalities Impact Assessment

N/A

17. Appendices

Appendix 1 – KPIs (1 May 2025 to 31 July 2025)

Appendix 2 Deferred member Annual Benefit Statement 2025

Appendix 3 Active Member Annual Benefit Statement 2025
Appendix 4 Active member Annual Newsletter 2025

18. Background Papers

LGPS Regulations 2013

McCloud statutory guidance

Homepage | UK Pensions Dashboards Programme

The Pensions Dashboards Regulations 2022