

HAMPSHIRE COUNTY COUNCIL**Information Report**

Decision Maker:	Pension Fund Panel and Board
Date:	18 December 2015
Title:	Pensions administration update
Reference:	7159
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. The purpose of this paper is to update the Panel and Board on administrative performance in the first six months of 2015 / 16.
- 1.2. The main focus has been on collating annual return information from employers to produce the first benefit statements for members under the new LGPS.
- 1.3. However service delivery needs to be improved and this is now the top priority.

2. End of year

- 2.1. The main project run by Pensions in the first six months of the financial year is to receive and process the end of year returns from each of the 350 employers in the Fund. The purpose is to ensure that information has been properly received and updated on pension records during the year and to collect current pay information to be used on annual benefit statements.
- 2.2. Returns are due in by 30 April to allow them to be processed in time to meet statutory deadlines for the production of annual benefit statements. The table below was shared with employers at the Annual Employer Meeting held in October 2015, and sets out the number of returns received on time.

	Employers		Active membership	
April	201	59%	13,227	24%
May	57	17%	5,980	11%
June	47	14%	30,955	56%
July	37	11%	4,674	9%
	342	100%	54,836	100%

2.3. The majority of employers were able to submit their data by the deadline, but it was evident that many had struggled to produce the new CARE pay information.

3. Annual benefit statements

- 3.1. The statutory deadline for the production of annual benefit statements had always been by the following 31 March (i.e. a year after the statement date). Statements have usually been sent out to the majority of active members by the end of September, and to all members by the end of December.
- 3.2. Under the Public Services Pensions Act, which came into effect on 1 April 2015, the statutory deadline for annual benefit statements was brought forward to 31 August 2015. As it was the first year that employers had to provide CARE pay information, as well as the first year for producing statements on the new pensions administration system, the decision was taken to spend the necessary time getting the process right rather than hit the deadline but without taking due care over the production of the information.
- 3.3. The Pensions Regulator recognised that the majority of LGPS Funds were facing the same issues during the first year of CARE and so wrote to all Funds, effectively allowing an extension of the deadline to 30 November. However next year, the statutory deadline must be achieved because there will be no further leniency from the Regulator and any breach must be reported. Pensions are already making employers aware of the necessity of providing accurate data by the 30 April deadline and further training and support will be provided in the early part of 2016.
- 3.4. The first annual benefit statements were sent out by 30 September, covering 204 employers. Statements for the remaining active members for whom Pensions had been provided with end of year data were sent by 30 November. A further run is planned for the end of December to cover any remaining active members.

4. Administration performance

- 4.1. Pensions Services provide the administration of pension entitlements for members of the Hampshire Pension Fund, as well as for members of the Police Pension Schemes and Firefighter's Pension Schemes.
- 4.2. Pensions Services' administration performance against service standards for key casework is measured each month. This information is used internally to improve processes and is published annually in the annual report.
- 4.3. The tables below show the performance against key processes for the first two quarters.

LGPS Q1 2015 16

Type of case	Time to complete						Total	On target?
	0-5 days	6-10 days	11-15 days	16-20 days	20-40 days	40 days plus		
Retirement	116	84	72	32	15	0	319	95.30%
Deferred retirement	111	62	76	82	0	0	331	100.00%
Estimate	192	82	126	98	27	0	525	94.86%
Deferred	591	198	92	60	49	487	1,477	67.03%
Transfer out	102	10	10	10	5	0	137	100.00%
Transfer in	62	11	7	3	4	6	93	93.55%
Divorce	13	34	19	11	21	5	103	95.15%
Refund	434	37	3	1	2	0	477	100.00%
Death	7	13	25	31	38	6	120	95.00%
Grand total							3,582	

LGPS Q2 2015 16

Type of case	Time to complete						Total	On target?
	0-5 days	6-10 days	11-15 days	16-20 days	20-40 days	40 days plus		
Retirement	157	85	100	40	5	0	387	98.71%
Deferred retirement	46	55	105	59	2	0	267	99.25%
Estimate	327	144	145	107	16	0	739	97.83%
Deferred	687	281	166	199	153	38	1,524	97.51%
Transfer out	57	19	27	26	44	15	188	92.02%
Transfer in	43	28	14	8	18	6	117	94.87%
Divorce	14	14	26	24	12	5	95	94.74%
Refund	824	37	9	0	7	0	877	100.00%
Death	56	21	38	73	7	0	195	100.00%
Grand total							4,389	

- 4.4. In Q1 there was a significant number of deferred benefit cases which were processed outside of normal service standards. This was due to a large backlog of leaver forms being received from an employer, making it more difficult for Pensions to manage workloads in the line with normal processes. Performance has remained stable or improved during Q2 across all key areas.
- 4.5. However, the current level of performance by Pension Services is not acceptable. Performance has been lower than in previous years because of the need to focus on embedding the new system, and supporting employers through the first time reporting of the new scheme changes.
- 4.6. Pension Service need to get back to hitting 100% on all key areas to ensure that all customers get the service that has been promised, and this is now the top priority.

4.7. Analysis of the time taken by employers to notify Pensions of employee changes was undertaken and this information was shared with employers at the Annual Employer Meeting held in October 2015. The key points were:

- For those 10% of employees retiring, Pension Services are first informed more than 20 days after they retire
- For 67% of other leavers Pension Services are sent the necessary information over 40 days after they left.

4.8. Details of their performance will be shared with each employer, to enable them to make improvements, and ensure customers get a good overall (end to end) service.

4.9. From 1 April 2016 this detail will be shared with the Panel and Board.

5. Recommendations

5.1. That the Panel note the information contained in this report.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes/no
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes/no
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Business plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because actions are required concerning the training of Pension Fund Panel members.	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) 2 The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.