

<b>Date:</b>	<b>20<sup>st</sup> September 2016</b>
<b>Classification:</b>	<b>General Release</b>
<b>Title:</b>	<b>Annual Benefit Statement Timeline 2016</b>
<b>Report of:</b>	<b>Lee Witham Director of People Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>Service Delivery</b>
<b>Financial Summary:</b>	<b>Limited</b>

## **1. Executive Summary**

- 1.1 As requested by the Pension Committee, this report sets out details of the 2016 Annual Benefit Statement (ABS) and timeline.
- 1.2 The aim of People Services is to ensure that our pension administration standards are consistently high. That data is accurately maintained, that information is provided to members in a timely fashion and that payments are made promptly.

## **2. Current Position**

- 2.1 Members have an entitlement to an Annual Benefit Statement (ABS) and should be provided with this by 31<sup>st</sup> of August for the financial year ending the previous 31<sup>st</sup> of March.
- 2.2 2015 was a particularly challenging year for the production of ABS. This was in part due to the fact that the introduction of the new CARE Scheme from 1 April 2014 complicated the end of year returns and employers needed to make further calculations. This delayed employers within the fund making returns on time and increased the number of queries that our administrators Surrey County Council (SCC) had to go back to employers with before ABS could be provided.
- 2.3 In 2016 the majority of employers have submitted returns on time. The accuracy of the returns have improved as employers are increasingly understanding the requirements of the LGPS since 2014. The employers have adapted their

reporting systems to pick up both the old full time definition of pensionable pay and the new CARE definition of pensionable pay that are vital to provide members with accurate figures in their ABS.

- 2.4 The major issue in producing the ABS on time in 2016 is for the main fund employer Westminster City Council (WCC). The end of year file for 2015/2016 is the first year that WCC's new payroll provider (BT) have produced a file on the back of a difficult year. The initial file from BT was produced late and subsequently a number of alterations were required to a large number of members and these were submitted to SCC on Friday July 29<sup>th</sup> 2016.
- 2.5 People Services in conjunction with SCC determined that the records would need to be amended before the ABS files could be produced to ensure accuracy for members in this important document.
- 2.6 SCC have confirmed that they will send out the ABS for WCC members via post on 16<sup>th</sup> September 2016. WCC Members should receive their ABS week commencing 19<sup>th</sup> September (with the exception of the following point 2.7).
- 2.7 There will still be approximately 250 WCC employees who will not receive their ABS by this date because of miscalculations on the file submitted to SCC by BT relating to staff who have had absences in the 2015/2016 year. BT will be writing to these staff to apologise and advise of the delay in providing Surrey with the information required. The date that these employees will receive their ABS is still to be settled as at 14<sup>th</sup> September.
- 2.8 For the Pension Committee's information, that this is intended to be the last year that members receive a paper ABS. The plan of People Services and SCC is that next year ABS will be available electronically via the Member Self Service platform that will link to the Members Direct Pension Record. The members will need to request access and be given a pin to view their document online. Direct access should mean that members will be able to see their ABS quicker next year.
- 2.9 The Pension Committee will be updated on this as People Services move forward with plans.

### **3. Summary**

- 3.1 People Services will work with SCC to ensure the remaining ABS are sent out as soon as possible and update the Committee at the next meeting.