

Pension Fund Committee

Date:	21st June 2018
Classification:	General Release
Title:	Pension Administration Update
Report of:	Lee Witham, Director of People Services
Wards Involved:	All
Policy Context:	Service Delivery
Financial Summary:	Limited

1. Executive Summary

- 1.1.** This report provides a summary of the performance of the City Council, Surrey County Council and BT. The report gives an update on the Key Performance Indicator (KPI) performance of the pension administrators Surrey County Council (SCC) for the period March to May 2018. The detailed KPIs are shown in Appendix 1.

2. Surrey County Council (SCC) Performance

- 2.1.** The scope of the KPIs in this report have been agreed between WCC and SCC based on the section 101 agreement, however they will continue to be reviewed on feedback from all parties, including committee members.
- 2.2.** This paper covers only the period of March to May 2018. The last period reported to committee on the 8th of March 2018 ended at February 2018. February data is shown for comparison and to measure the trend changes against. The next review meeting with Surrey has not been agreed at the time of drafting this paper but is expected to be in late June or early July 2018.
- 2.3.** Since the last committee meeting, Jason Bailey, the Pension Manager of Surrey CC has left his position. Surrey are currently operating without an appointed manager and interim reporting structures are currently in place. Surrey have advised us that an offer has been made to a prospective candidate and that references are being checked ahead of an expected appointment in October

2018. People Services can confirm that there is no issue in contacting the pensions team or getting responses from Surrey in since Jason has left.

2.4. Since the last committee meeting Westminster has held its Pensions AGM on the 12th of April in the Strand offices. We have also run three individual pension surgery sessions for staff. Feedback by staff has overall been positive. Staff wanted to talk about a number of issues but primarily, retirement options including flexible retirement, enhancing their pension benefits, transferring in additional service and understanding their annual benefit statement.

2.5. The headlines from the KPI performance in appendix 1 is summarised below:

2.5.1. Death Benefits Notified to Beneficiary. In May 2018 there was an increase in cases due to be completed to 11. There were no cases in March or April and only 4 in February as previously recorded. 1 case was late In May taking our KPI down to 91% that month though overall the impact is minimal.

2.5.2. Write to Dependent and Provide Claim Form. This KPI was only 75% for May 2018.1 case was late out of 4 processed. All other cases were actioned on time during the reporting period.

2.5.3. Annual Exercises: P60's issued to Pensioners. We are notifying you that 100% of the P60's were issued on time in April 2018.

2.5.4. Annual Exercises: Apply Pensions Increases. We are happy to note that this KPI is at 100% with Pension Increases applied in April 2018.

2.5.5. Annual Exercises: Pensioners Newsletter. Letters were sent to all pensioners and deferred members in March advertising the pensions AGM and invited applications to join the Pension Board.

2.5.6. Correspondence to 3rd Party. We are pleased to note that no 3rd party correspondence were late during this reporting period of March through May 2018.

2.6. The existing customer survey is being closed ahead of the move for back office HR and payroll support from BT to Hampshire CC (HCC) planned for October 2018. Resources will be prioritised to ensure that the go live with HCC and the interactions between WCC, SCC and HCC are efficient and meet the needs of our customers. Once the new service is up and running we will look at ways to encourage member feedback. We will also be promoting the member self-service portal that members need to access to view their online annual benefit statement.

3. BT Performance

3.1 BT have been completing urgent pension leaver forms as requested by People Services in a reasonable timeframe.

- 3.2** People Services have identified an issue with the May payroll run where BT have over deducted pension contributions for over 200 people. BT have admitted that they had not applied a previous solution to the payroll to account for April arrears being paid. People Services have a list of the staff impacted, we have reviewed the individuals data and have calculated the refund due to those members. Refunds are due to be processed by BT in the June payroll. Once the payroll has run, People Services will be checking those records to ensure that the refunds are correct.
- 3.3** BT have in the last few weeks provided initial end of year files in relation to 2017/ 2018 for the LGPS to the pension officer in Westminster. The files are being checked, with a Q and A process in place with People Services and BT. Early indications are that whilst data is not yet perfect, overall data quality is far superior to prior years. At this stage, we would be on track to submit end of year files to Surrey by the end of June 2018. Submitting files by the end of June will mean that annual benefit statements would be available online for members by the 31st of August deadline.

4. Issues Log

- 4.1** People Services continue to review any pension matters that have been referred to the in-house team by individuals, Unison, BT or Surrey.

5. Risk Register

- 5.1** The main risk for People Services as we move into the Summer / Autumn will be ensuring that the implementation of the new Hampshire contract goes smoothly. Risk 27 Operational Administration and the move from BT to HCC will be our focus.

6 Pension Board Update.

People Services are notifying the committee that following a recruitment exercise we have appointed two new member representatives to the Pension Board. Terry Neville and Chris Walker will be replacing Dr Norman Perry the previous chair and Sue Manning who have left the board. In addition, we have offered the role of deputy member representative / observer to Mr Martin Colwell who has accepted the offer. Martin's appointment will give the board some resilience in the event that one of the existing member representatives decides to step down in the next year.

7. Western Union Global Existence Transaction (GET).

- 7.1** Westminster has approved a Western Union (WU) existence checking process to confirm the continued entitlement to pension for our overseas based pensioners. The existence exercise involves WCC providing names and contact details to WU for WCC overseas based pensioners, WU will then invite the

pensioner into a local WU office where the pensioner will show WU a copy of their identification in exchange for a £10 incentive payment. WU will then notify WCC of all pensioners that have completed the exercise and identify any missing responses. Where a pensioner does not respond to the invitation this will lead to the pension being suspended pending contact to confirm continued entitlement to benefit.

- 7.2** WCC have 280 overseas-based pensioners. In order for Western Union to complete the existence checking they require full member names. When People Services first downloaded the contact details from Surrey CC the majority of records held the member initials and surname but not the full first names of the individuals. People Services have been reviewing old pension records on fiche to locate some of the missing names but as of 11th of June 2018 we have 102 pensioners outstanding. These will require additional checks through alternative routes.
- 7.3** People Services are working with WU to now commence the GET checking for the 180 records that we do have full records for. The remaining 100 people we will be checking other data sources to reduce this number down further. People Services will update the committee in the next administration report on the progress with this project.

8. Summary

- 8.1** The Pension Administration service overall remains positive. Surrey KPI data is of an acceptable standard. The focus of People Services is on ensuring the 17/18 LGPS files are submitted to Surrey by the end of June 2018 and that interaction with HCC ensures our new provider can meet staff expectations in October. The Western Union existence exercise has been delayed due to data quality issues though these are being worked on with the aim of completing this exercise for all our overseas-based pensioners.