

ITEM No ...6.....

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 4 JUNE 2018

REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 195-2018

1 PURPOSE OF REPORT

This report provides information on the recent quarter's operational performance in relation to Pension Administration.

2 RECOMMENDATIONS

The Sub-Committee are asked to note the contents of the report.

3 FINANCIAL IMPLICATIONS

There are no financial implications.

4 BACKGROUND

Following the report in June 2016 (217-2016 Pension Administration Performance) detailing the review undertaken by AON Hewitt following the retirement of the Pensions & Payroll Manager, the Sub-Committee and Board members requested a quarterly update report to inform of key issues identified and achievements in the previous quarter and to maintain an operational understanding of service levels, demands and constraints.

5 SERVICE SUMMARY

Actual Pensions Brought into Payment in Quarter	Oct - Dec	Jan - Mar
Efficiency/Redundancy	30	56
Ill Health	8	15
Flexible	3	18
Preserved into Payment	54	54
Voluntary (inc Employers consent)	64	35
Voluntary Age 65	23	19
Total Pensions Brought into Payment	182	197
Estimates - VER Exercises & Operational since last report	Oct - Dec	Jan - Mar
Total Estimates Received	184	75
Total Estimates Outstanding	58	51
VER being processed to payment	43	53
Other Pension Events	Oct - Dec	Jan - Mar
Deaths	128	169
Survivors Pensions	67	74

52 VER Processed to Payment in the next quarter (April – June 2018-19) from Perth & Kinross Council and Angus Council.

Queries & Complaints

- Approximately 20-25 e mail queries were received daily during the period.
- Approximately 90% are dealt with within 20 working days, with the remaining 10% referred to other agencies or employers for further information.
- One formal complaint was received during the quarter to 31st March 2018 which was investigated and upheld.
- All counter visits were accommodated within 10 minutes of arrival.

Recruitment & Outsourcing

- GMP Reconciliation (Phase 1) was completed and a report issued by Equiniti. The initial match rate of the Guaranteed Minimum Pensions (GMP's) held on Tayside Pension Fund records against that of HMRC was 62.34% and this was a positive start to the project and as per Equiniti higher than their average. The next stages of bulk and individual reconciliation of queries with HMRC (c4900) are underway.
- JLT were finally granted access to the Altair system by Aquila Heywood and following assistance from the DCC IT Team this is now fully operational. Cases are now being completed direct onto the system and contact has been made with the specific scheme employers to notify them that they may be contacted by JLT and that they should respond direct to them regarding queries raised.
- 2 Permanent Staff at Pensions Assistant grade commenced in February 2018.
- 1 Permanent Staff Member announced plans to retire end of May 2018, and another staff member announced that they were pregnant, with baby due in August. Recruitment exercises are underway.

Communications

- A presentations held at Tayside Contracts for the Union Representatives, with a further session requested.
- Employers Forum held on 5th February 2018. Presentations were given by Tracey Russell (Investment), Graeme Muir of Barnett Waddingham (Valuation), Robert Stormonth (Prudential AVC) and Lynne McKenzie (Administration). A surgery was held following the presentations for any questions they employers wish to raise with any of the panel members.
- During this quarter meetings were held with the last employers to engage with Pensionsweb were held (Leisure & Culture Dundee, Dundee City Council, Tayside Contracts and Dundee Contemporary Arts).
- A Pensionsweb Leaver Notification was designed to allow the scheme employers to complete and issue the requested information for each individual on one single form rather than the current paperwork in use (currently 2 documents are required). This was issued to PKC Payroll Team for trial and comment. On receipt of comments this will be rolled out to all scheme employers.
- KPMG conducted an audit of Pensionsweb and verbal draft comments received. Comments included the need for a guide for users and written confirmation by the employer that they are responsible for adding and removing their staff as appropriate. A document has been designed and will be completed and issued on receipt of the final audit report to ensure that it fully meets the requirements of the audit.

Other

- End of Year Schedules and Guidance issued to all scheme employers with a deadline date for return of 31st May 2018.
- 2018/19 Tiered Contribution Rate Guidance received from SPPA and issued to all scheme employers in order that they may carry out the correct and timely assessment of their employees contributions rates for 2018/19.
- Volumes of requests being generated via Freedom & Choice continued at the same volume for the quarter Oct to Dec (approx.50 per month).

- All incoming mail now scanned direct into Altair Scanning Software by the DCC Corporate Mail Team and indexed direct into individual pension scheme records by the Pensions Team.
- Employer cessation case – no further progress to report. TPF await them to return to negotiations.

6 RESOURCE

During the period the sustained volume of calculations in relation to Freedom & Choice along with the change of process required to allow for the individual input of mail items, and the essential setting of the resulting action from that mail item has posed a significant strain on the resources of the Pensions Team during the period.

7 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of sustainability, strategic environment assessment, anti poverty, equality impact assessment, privacy impact assessment and risk management.

There are no major policy issues

8 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

None

GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

25 MAY 2018

