

REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 25TH MARCH 2019

REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 122-2019

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

Reference is made to Article VIII of the minute of meeting of this Committee and Board of 6 June 2016, wherein details were given of 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

	April - June	July - Sept	Oct - Dec
Actual Pensions Brought into Payment in Quarter			
Efficiency/Redundancy	91	22	31
Ill Health	19	19	12
Flexible	12	17	11
Preserved into Payment	49	75	72
Voluntary (inc Employers consent)	54	66	65
Voluntary Age 65	20	28	32
Total Pensions Brought into Payment	245	227	223

	April - June	July - Sept	Oct - Dec
Estimates - VER Exercises & Operational since last report			
VER	14	6	49
Total Estimates received in this quarter	87	97	108
Total Estimates outstanding at the end of the quarter	46	4	7

	April - June	July - Sept	Oct - Dec
Other Pension Events			
Deaths	127	129	124
Survivors Pensions	87	62	82

With effect from April 2018 the task management workflow system on the Altair Pension Administration System was re-implemented to the individual tasks carried out by the Administration Team. This system allows for further statistics to be recorded and declared on the range, volume and duration of individual tasks carried out. In order to ensure that this roll out did not affect the ongoing work of the team it was decided that a phased approach be taken, as this could be absorbed by the team and also ensured that where amendments to the individual workflows were required that these could be carried out as required.

Workflow tasks have been created to capture data in respect of the tasks carried out by the Clerical Assistants, such as changes of bank and address, completing DWP forms, inputting nomination details, on deaths processed, dependents pensions brought into payment, death gratuity payments made, CETV (Cash Equivalent Transfer Values) for Divorce, miscellaneous payroll tasks, refunds of contributions, estimates and retirements.

Over the period 1st October 2018 to 31st December 2018 of the tasks noted above were completed.

Task being measured	No. cases processed in quarter	Description	Notes	Average days from process start to close	
				Oct - Dec	July - Sept
CLERICAL TASKS	363	Various amendment and creation task carried out by the Clerical Assistants/Modern Apprentices. Includes Nominations Forms changes of address (on both Altair and Resource link), changes of bank, DWP forms to be completed and returned, and recording Power of Attorney documents.	Last quarter this value was 34.50, so a significant increase in processing time has been achieved in this period.	25.00	34.50
DEATH GRANT	16	Process of collating information and issuing documentation to Trustees/and making payment to started beneficiaries.	8 cases received and completed in the period, with the balance being cases from previous earlier periods. The average days is significantly affected by one complex case which took 207 working days to bring to conclusion.	44.00	102.08
DIVORCE	10	Issue of CETV (Quote) to Member/Solicitor / Implementation of Pension Sharing Order (including setting up of pension credit records or payment of transfer out and letters to all interested parties)	7 cases received and completed within the period. An increase in cases were processed during this period with a reduction in the net working days accrued.	31.20	57.08

ESTIMATES	287	(1 DCC VER, 5 PKC VSS), Estimates processed from employers (VER/VSS, flexible, Ill Health and employer consent retiral) along with estimate requests received from individual members.	108 cases opened and closed in the period. 43 cases closed in this period had been open (pending further information) for a period in excess of 90 days.	54.18	51.76
MISC PAYROLL	116	This includes the processing of balances of pension, responding to queries, age 75 reviews, age 18 & age 23 reviews for dependent children's pensions.	43 cases opened and completed in this quarter. The balance were cases closed from earlier periods, some of which had been open for over 100 working days.	75.65	39.90
REFUND	72	Process includes the Issue of letter/form to member (NB - for those leaving active service the form cannot be signed until one calendar month has elapsed) and including payment of refund being processed to member.	60 cases were opened and completed within the period, with the balance being from out with this period.	18.00	26.62
RETIRALS	223	Process includes issue of initial calculation to the member along with essential forms for completion, and may also include queries raised with the employer on the information issued. On receipt of all paperwork includes the further calculation of benefits via Altair, the creation of the Resource link payroll record and the payment of the lump sum via the Sundry system and the issue of final letter to member.	84 cases were opened and completed during this quarter. The balance were cases opened in previous quarters. 15 cases completed within this quarter had been open for a period greater than 100 working days due to queries with the employer and time waited for both employee and employer responding to requests for essential documentation.	43.45	38.91
No. individual tasks processed in quarter	1087				

Reference is also made to Article III of the minute of this Committee and Board of 31 August 2015, which detailed specific performance measures for employers in the pensions administration strategy. The continuing introduction of task management and Pensionweb online service has allowed for statistics to be recorded and the following can now be measured against the set target and further details will be issued in future periods.

Where Death in Service cases are being notified out with the expected timescale further engagement with the specific employer will be undertaken to establish the cause of the delay in issuing details.

DEATH IN SERVICE					
MONTH	DATE OF DEATH	NOTIFICATION RECEIVED	NET WORKING DAYS	TARGET (NOTIFICATION RECEIVED WITHIN 10 DAYS OF DATE OF DEATH)	% WITHIN TARGET
APRIL	05/04/2018	10/04/2018	4	10	
JUNE	27/06/2018	02/07/2018	4	10	
					100.00%
JULY	20/07/2018	01/08/2018	9	10	
JULY	25/07/2018	27/07/2018	3	10	
AUGUST	24/08/2018	02/11/2018	51	10	
					66.67%
OCTOBER	27/10/2018	22/11/2018	19	10	
NOVEMBER	19/11/2018	28/11/2018	8	10	
					50.00%

The statistics reflect the net working days between the date of the death and the issue to us, by the employer of the relevant paperwork allowing us to start our processing.

51 days case: First informed of the death on 24/08/2018, the employer, despite requests, did not issue the relevant paperwork until 02/11/2018.

19 days case: First informed of the death on 27/10/2018, the employer, despite requests, did not issue the relevant paperwork until 22/11/2018.

Discussions were held with both of the employers involved in the cases to ensure that in future essential documentation be issued to us within timescale, employers were advised that failure to provide the required documentation results in a delay in the payment of benefits, both for survivor's pensions and also for any death grant that may be payable and as a result can have both a financial and emotional impact of the families of their deceased employees.

Employers are specified to have their monthly contributions returns made by the 19th of the month following deduction and the following table details the performance over the period to date. In the statistics above timing issues were caused by changes in staff and illness.

CONTRIBUTION PAYMENTS (DUE 19TH OF THE MONTH)		
MONTH	% WITHIN TARGET	EMPLOYERS OVER TIMESCALE (BASED ON 44 EMPLOYERS)
APRIL	97.73%	1
MAY	97.73%	1
JUNE	90.91%	4
JULY	93.18%	3
AUGUST	95.45%	2
SEPTEMBER	97.73%	1
OCTOBER	95.45%	2
NOVEMBER	95.45%	2
DECEMBER	97.73%	1

Queries & Complaints

- Approximately 2184 e-mail queries were received (into the pensions@dundeecity.gov.uk email box) daily during the period, which is an average of 34 per working day.
- 1 formal complaint was received during the quarter. An incorrect member classification made to an Altair record in 2010 had resulted in the over estimation of members benefits.
- All counter visits were accommodated within 10 minutes of arrival.

Recruitment & Outsourcing

- GMP Reconciliation Progress Report (at 31st December 2018). Individual and bulk analysis has continued, HMRC has issued responses to queries raised by Equiniti and a such a further 454 cases have been agreed via individual reconciliation. Queries currently raised with HMRC amount to approx. 1852. The scheme is now 93% reconciled. The amount paid to Equiniti as at 31st December 2018 is £311,659. No new project risks were identified during this period and no milestones are overdue.
- Following JLT being granted access to the Altair system by Aquila Heywood cases are now being completed direct onto the system, checking is also undertaken by JLT as will the issue of the formal documents to members. Queries continue to be collated and referred in the first instance to the Admin Team for investigation and response, where rectification cannot be carried out by the Admin team a request to the employer is raised.
- 2 members of staff successfully completed their SVQ level 2 as part of their Modern Apprenticeships
- 1 member of staff applied for, and was awarded a fulltime Clerical Assistant Post within the Pension Fund.
- 4 grade 6 posts were awarded (recruitment interviews held in August). Three new staff members commenced during October 2018, but one was unable to take up post due to changing personal circumstances. Recruitment for this post will be undertaken again the coming months.
- 1 member of staff was appointed to the post of Pensions Team Leader (Operations).
- 1 member of staff was appointed to the post of Assistant Pensions Manager.

Communications

- Employer Forum held in November 2018. Its purpose was to brief employers on the Scheme Advisory Board's Consultation of the Structure Review of the Scottish LGPS, an overview of the changes to the Regulations was also provided along with a presentation on the Rule of 85 and an operational update. Details were also provided on the necessity of carrying out a Covenant Review.

6 RESOURCE

In relation to the direct award for additional tasks made to JLT during the previous quarter (due to the resignations, recruitment and subsequent training needs of new staff), the table above shows that JLT has completed significant casework within the areas of concurrency of employments calculations and also in aggregation and the issue of CETV (Transfers Out).

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

15 MARCH 2019