

## **Pension Advisory Board**

**21 November 2018**

### **Administration Procedures and Performance**

#### **Report by Director of Finance, Performance and Procurement**

##### **Summary**

This report provides a high level view of the administration process and performance in support of the Pension Fund and its members, active, deferred and retired.

##### **Recommendation(s)**

That the Pension Advisory Board receives the report and confirms any further information that they require.

## **1. Background and Context**

- 1.1 As the Board are aware, Capita provide the Pension Administration Service for the West Sussex Local Government Pension Fund. The administration team are based in Chichester and the County Council works closely with Capita.

## **2. Compliance with Scheme Regulations**

- 2.1. The Terms of Reference for the Pension Advisory Board includes assisting the Scheme Manager to secure compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it. The following projects are therefore considered relevant to note work being undertaken to comply with changes.

### Amendment Regulations

- 2.2. In October 2018 the Ministry of Housing, Communities and Local Government launched a policy consultation to set out proposals to make amendments to the Regulations.

- 2.3. The consultation covered amendments to:

- Bring dependents benefits in line with that of a widow in cases of same-sex marriage or civil partnership. This was in response to the Supreme Court judgement of Walker v Innospec.
- To give Secretary of State Regulatory powers to give statutory guidance, when an amendment to the Regulations is required following a Case law/Supreme Court outcome.

- To correct an oversight in the May 2018 amendment Regulations, to allow all deferred members over the age of 55 the ability to draw their pensions early with the appropriate actuarial reductions.
- 2.4. Officers are drafting a response to the consultation. The consultation closes on 29<sup>th</sup> November.

#### Scheme Return

- 2.5. The Business Plan refers to the submission of the Pension Regulator's (tPR) Scheme Return being in progress. The return was submitted on behalf of the Scheme Manager on 5 November 2018.
- 2.6. This year was the first year where we needed to include a score against Common and Conditional data. The Common data was scored in January 2018. The Conditional data is in the process of being scored.
- 2.7. A copy of the Scheme return can be provided to the Board on request.

#### Governance and Administration survey

- 2.8. The Pension Regulator (TPR) launched their governance and administration survey of public sector pension schemes on 5 November 2018.
- 2.9. The closing date to respond is 30 November 2018.
- 2.10. The survey will be completed by the Scheme Manager and a copy is attached at Appendix A to allow the Board to have sight and provide any comment ahead of the submission date.

### **3. Performance**

- 3.1. The principal functions of the Board's include "seeking assurance that administration performance is in compliance with the Administration Strategy". The following items are considered relevant in respect of compliance of the Fund and its employers in line with the Strategy and Regulations.
- 3.2. The Administration Strategy has been removed during the period of transition.
- 3.3. Details of the caseload performance reported against target are covered in the Pension Administration update.
- 3.4. At the request of the Pension Advisory Board:
- Work completed outside of target has been included in Appendix B.
  - Analysis of contribution payment receipts is shown in Appendix C.
  - Details of the Membership Movements (including transfers out and opt outs figures) are shown in Appendix D.

### Compliments and Complaints

- 3.5. Details of the compliments and complaints received through the Pensions Team this information is provided to Officers on a monthly basis, which allows for them to identify any trends and service improvements that may be required.
- 3.6. A copy of the summarised report is attached at Appendix E.

## **4. Communications**

- 4.1. The principal functions of the Board's includes "Considering the effectiveness of communication with employers and members including the Communication Strategy". The following items are considered relevant in respect of the Board supporting effective communication.

### Annual Benefit Statements

- 4.2. The statutory deadline for production of Annual Benefit Statements is 31<sup>st</sup> August each year. Capita produce these on the Funds behalf.
- 4.3. Member statements were made available to members via the Hartlink Online Portal on 17 August 2018 and requested paper statements were despatched by 31 August 2018 (for all those who requested a paper copy prior to 30 August). A further re-run of member statements was completed through October in response to investigation and resolution of ABS queries.

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## **Background**

[Walker v Innospec Supreme Court Judgement](#)

## **Appendices**

- Appendix A – The Pension Regulator's Pension Service Governance and Administration Survey 2018
- Appendix B – Work completed outside of target: Aging Analysis
- Appendix C – Analysis of contribution payment receipts
- Appendix D – Membership Movements, Transfers Out and Opt Outs
- Appendix E - Compliments and Complaints

## **Background Papers**

None