

PENSION FUND COMMITTEE – 8 MARCH 2019

ADMINISTRATION REPORT

Report by the Director of Finance

Introduction

1. This report is to update members on scheme administration data and issues.

Workload and Staffing

2. The recent recruitment exercise for new administrators in the Benefit Administration team proved unsuccessful. There was initially a good response which resulted in six people being invited for interview. By the time of the interviews, the numbers were down to two interviewees. One didn't turn up on the day and the second turned down the job offer.
3. The recruitment exercise for administrative assistants was much better and two people have accepted job offers. Team Leaders are waiting for confirmation of start dates.
4. Overall, recruitment is a concern therefore Team Leaders are considering whether it would be better to recruit at administration assistant level and train those staff up as administrators rather than trying to recruit directly.
5. Other staff changes are within the employer team – following appointment of new Team Leader their senior administrator post has been backfilled on a two-year secondment. This does leave a gap in the part of the team dealing with new employers / admission agreements yet to be covered.
6. The Benefit Team has now restructured on a functional basis to bring the work back in to specification. This will be kept under review to ensure that it is meeting the objectives of dealing with any staff training needs; maintaining skills; recruitment to vacant posts and making changes to work processes to improve flow through the team. This last point will be driven by implementation of i-connect.

7. The statistics below show performance during the period 01 October 2018 to 31 December 2018.

Subject	Working Days	% Within Target	% Achieved October to December 2018	Number of Cases
Annual Allowance	10	90	83.33%	05/06
APC	10	90	57.14%	08/14
Data Changes	10	90	62.42%	98/157
Deaths	10	95	63.29%	131/207
Deferred Benefits	40	90	32.33%	1035/3201
Divorces	10	95	64.58%	31/48
Estimates – Employer	10	90	75.00%	27/36
Estimates – Member	10	90	46.32%	126/272
General Queries – Employer	10	90		
General Queries - Member	10	90	64.09%	389/607
Other			35.74%	346/968
Re-employments	40	90	18.93%	198/1046
Refund of Benefits	10	95	76.52%	277/362
Retirements	10	95	67.69%	287/424
Transfers In	10	90	34.90%	67/192
Transfers Out	10	95	40.00%	108/270

8. It should be noted that:

- ITM contract was in place until November 2018, hence the high levels of deferred benefits
- Deaths – this reports all stages of the process rather than just payment of the benefits. There is a review of outstanding cases where responses are being chased so that these records can be closed down

Project Work

9. Current project work in the team is:

Project	Status	Notes
Administration to Pay	Amber	Testing has identified various code mapping issues which have been referred back to Heywood, who say these will be resolved in next 2 weeks. Implementation date has slipped to May.
Employer Relationship	Amber	This Altair module is in and being used.

Module - Altair		However, the functionality is limited hence amber rating. This is long term ongoing development so remove from project list.
GDPR	Amber	Some tidying up to do
GMP Reconciliation	Green	Phase 3 of the project is now in progress
Member Self Service	Green	This is now available to all active, deferred and pensioner members. Work will be scheduled to increase functionality for members. Move to BAU
Pension Software Contract	Green	This is due to end in January 2020. A procurement exercise has now started.

Scheme Employers

10. During the year the team has completed:
- 35 new admission agreements
 - 02 new designating bodies
 - 13 schools joining academy trusts, and
 - 02 academy mergers
11. Not all scheme employers yet recognise their responsibilities in ensuring continuity of pension provisions when outsourcing services. Pension Services has reviewed both internal processes and the documentation we give to scheme employers to make clear their responsibilities and the information they need to provide. This is now being monitored and will be reported back to committee in future reports.

Complaints

12. Twenty-four complaints have been received in the year to date. Half of these have been made using the internal procedure to complain about delays in replying to queries. As previously reported some changes have been made to better balance conflicts between responding to customers; other workloads and staffing. The remaining complaints have been made using the formal complaint procedure about a decision affecting their pension. The above number equates to 0.12% of active scheme members - which compares with a figure of 0.14% in 2017.
13. The case of Ms L was dealt with at Stage 2 of the Adjudication of Disagreements Procedure during the last quarter. In this case, Ms L left her employment and became a deferred member of the Oxfordshire Fund in 1989. She subsequently arranged for the transfer out of her pension benefits to a new employer in 1997.
14. At the time of the transfer in 1997, there was a manual process to set the status marker for the scheme member to exited – no future liability. In this case, the task was missed and the status remained showing as deferred.
15. In 2005 under the new requirement to issue deferred benefit statements to all deferred members, Ms L received a deferred benefit statement based on

the status showing on her record. This was not queried at the time, and Ms L then received further annual deferred statements to 2017.

16. In 2018, Ms L contacted Pension Services to ask about bring her deferred benefit into payment. She was sent the appropriate paperwork to complete and staff began to process the record. It was only at the final stages of checking, that a member of staff went back through the old correspondence held on the file and discovered that a transfer had been completed and no deferred pension was in fact due.
17. Ms L raised her complaint, querying the fact as to whether the transfer out had actually happened and if so why had she been sent information about her deferred pension since 2005. In determining the case at Stage 2, the Service Manager – Pensions found that there was sufficient evidence to suggest that the transfer out had indeed been completed, but that Ms L had suffered both direct financial loss and significant distress as a result of the error on her record and the provision of misleading information over a prolonged period.
18. Following advice from the legal team, Ms L was offered £1,100 compensation to offset the direct financial loss (related to a lost deposit on works order on the basis that she was about to receive a tax free lump sum) and £2,000 compensation for non-financial injustice. This latter figure was in-line with the guidance from the Pension Ombudsman for cases where the injustice is seen as severe (the second highest category on a five point scale). Ms L has accepted the offer of compensation to bring the matter to a close.

Write Offs

19. In line with the Scheme of Delegation Policy (last reviewed in June 2017), the approval for writing off outstanding debts is given by:

Pension Fund Committee	For amounts above £10,000
Service Manager – Pensions (in conjunction with Director of Finance	For amounts between £7,500 and £10,000
Service Manager – Pensions	For amounts up to £7,500
Pension Services Manager	For amounts up to £500

All debts below £10,000 need to be reported to Committee following write off. This report provides the details of those debts written off in the last quarter.

20. In the current period, £146.48 has been written off in respect of eleven cases where a member has died.

21. In the previous 12 months a total of £222.77 has been written off in respect of twenty-four cases where a member has died.

Fire Service Pension Schemes

22. Pension Services also provide administration services to Oxfordshire Fire & Rescue in respect of the Fire Service Pension Schemes. The table below shows the work for Q3 2018:

Subject	Working Days	% Within Target	Achieved October to December 2018	Number of Cases
Annual Allowance	10	90		
APC	10	90	0.00%	0/1
Data Changes	10	90	0.00%	0/8
Deaths	10	95	33.33%	1/3
Deferred Benefits	40	90	0.00%	0/1
Divorces	10	95		
Estimates – Employer	10	90		
Estimates – Member	10	90	66.67%	2/3
General Queries – Employer	10	90		
General Queries - Member	10	90	93.33%	28/30
Other			75.00%	3/4
Re-employments	40	90		
Refund of Benefits	10	95		
Retirements	10	95	62.50%	5/8
Transfers In	10	90		
Transfers Out	10	95		

RECOMMENDATIONS

23. **The Committee is RECOMMENDED to note the report, including the payment of £3,100 compensation following a stage 2 determination under the Adjudication of Disagreements Procedure**

Lorna Baxter
Director of Finance

Background papers: Nil
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February 2019