

PENSION FUND COMMITTEE – 5 SEPTEMBER 2014

PENSION ADMINISTRATION – SERVICE PERFORMANCE

Report by the Chief Financial Officer

Introduction

1. This report is to update members on the current service performance of the administration team during the year to March 2014.

Team Structure & Staffing

2. There has been some staff turnover during the year with the resignation of a senior administrator and an administrator. These vacancies were filled by internal promotions leaving a gap of two administration assistant posts.
3. Given the current restrictions in offering permanent posts and external recruitment these vacancies have been difficult to fill and during the year a succession of temporary staff has been employed.
4. During the year there has also been one period of unpaid leave, of four months; an extended period of paternity leave for six months; one maternity leave period starting early due to sickness and some longer term periods of sickness. There has also been a shift to more part time / flexible working within the team.
5. One temporary administrator was given a permanent contract but overall the FTE has reduced to 20.4 from 21.4.

Service Performance

6. The year started with the go live of the upgraded Altair pension administration software following an intense implementation period from January to March 2013.
7. From then on the focus was on preparing, as far as possible, for the LGPS 2014 in terms of systems, processes, staff training and employer engagement. All of which was depended on the regulations being issued according to the published timetable. In the end the Transitional Regulations were published in March 2014 rather than September 2013 and this then delayed the issuing of GAD factors.

8. The Communications Manager joined the LGA national working party producing information about the LGPS 2014, which helped the team enormously with being directly linked to those interpreting and explaining the new regulations, even though there had not been finalised.
9. Likewise the Technical Manager volunteered Oxfordshire as a test site for new 2014 software releases which gave Pension Services the advantage of seeing and testing the software changes and receiving the live version of the software early.
10. These initiatives combined with regular meetings for all team leaders meant that the team was as well prepared as possible given the late issue of the final regulations.
11. Scheme members have been informed through quarterly bulletins and the website which gave links to the national 2014 website.
12. Employers, who now have greater responsibility for the provision of data under LGPS 2014, have been given details of national training events run by the LGA and a training session for Employer Discretions was held at Unipart House. Information was also provided through quarterly employer meetings, monthly newsletters and specific training where requested.
13. Team members had updates at the monthly team meeting, team newsletters and a training day delivered by the LGA.

Performance Data

14. The increased use of task management does give a better overall picture of workload for the overall team and individual team members, allowing managers to give more specific individual feedback and pick up any training or organisation issues.
15. Key performance indicators, set in our service level agreements, are monitored and reported monthly, with any variations from specification being investigated. The performance in comparison with industry standard performance indicators, is shown below:

Industry Standard PI's	Target	Achieved	Average
Letter detailing transfer in quote	10 days	91.4%	89.9%
Letter detailing transfer out quote	10 days	95.9%	91.7%
Process refund & issue payment voucher	5 days	60.9%	86.6%
Note: OCCPF work to a 10 day target, on which 88.9% completion rate is achieved.			
Letter notifying estimate of retirement benefit	10 days	92.4%	90.1%
Letter notifying actual retirement benefit	5 days	70.4%	92.3%

Note: OCCPF work to a 10 day target, on which 95.7% completion rate is achieved.			
Process and pay lump sum retirement grant	5 days	70.4%	92.4%
Note: OCCPF work to a 10 day target, on which 95.7% completion rate is achieved.			
Letter acknowledging death of member	5 days	88.9%	90.3%
Letter notifying amount of dependent's benefit	5 days	94.1%	91.1%
Note: OCCPF work to a 10 day target, on which 94.8% completion rate is achieved			
Calculate & notify deferred benefits	10 days	20.5%	74.9%
Note: The OCCPF has a high number of part time members with multiple pension records. An exercise previously revealed that to meet these turnaround times created more work because many staff were then reemployed thereby increasing the level of re-do work.			

16. All Pension Services work is reliant on data provided by scheme employers. Individual forms are sent in throughout the year to advise of new entrants; leavers; hour changes; rates of pay; unpaid leave and maternity leave. At the end of the financial year each employer is required to make a return of all staff that are, or have been in the scheme during the year. This information is uploaded to our system and reconciliation is run to identify any anomalies and / or missing information. As at 30 April 2013 the system showed that 44,678 records on the system to be verified and posted. Generally this is cleared down by employer which then feeds in to the printing of annual benefit statements. As at 31 March 2014 there remained 9,955 outstanding items of work to resolve.
17. Resource is targeted towards scheme employers with a high proportion of queries. It simply may be that there is a need to get the employer to provide the data; or provide Pension Services help with queries by reviewing pay records and / or the provision of training to make sure their staffs understand their responsibilities in administering the LGPS pension.
18. Other queries are worked on throughout the year to ensure that the correct information has been sent to Pension Services, these are prioritised in line with what other work may need to be carried out for that member.
19. The tolerance levels for investigation are any decrease in pensionable remuneration, or an increase of 10% +.
20. All of the above has also been impacted on the change in scheme employer profile in that the County Council, the largest employer is diminishing in numbers as academy schools increase. This is further compounded by the amount of outsourcing resulting in multiple contracts for employers, with annual contracts and with one scheme member.

Formal Complaints

21. If a scheme member wishes to complain about a decision regarding their pension they are encouraged to contact Pension Services to discuss the matter since many complaints arise as a result of misunderstanding or incorrect information.
22. However, if a complaint cannot be resolved informally the regulations set out a formal procedure, The Internal Dispute Resolution Procedure (IDRP). During the calendar year 2013 (the last full year recorded) a total of 12 complaints were received. These are summarised below:

Employer	Referred To	Summary	Decision
OCC	IDRP 1 - Administering Authority	Member told that AVC from previous authority had not been transferred in within 12 month window & so could no longer be transferred. Since AVC was linked to main scheme benefits the time limit for transfers did not apply & member was allowed to transfer.	Found
OCC	IDRP 1 - Employer	Appealing decision not to award ill health retirement. Member has been re-referred to OHU for further assessment. Certificate received showing ill health retirement has been confirmed - but as yet don't know from what date.	Found
Oxford City	Internal – Administering Authority	Deferred member unhappy that benefits had been transferred from previous scheme employer since felt this would be disadvantageous at retirement. Now age 60. Wanted fund / previous fund to reverse transfer. Having reviewed file find this was subject of an IDRP in 2006 - the determination confirmed that transfer had been made in line with member request. Information sent to member.	Not Found
Oxfordshire Fire Service	Ombudsman / High Court	Member believes that benefits have not been calculated on best year of last 3 years pay. This is because member	Not found

		believes a lump sum payment made in 2007 should be attributed in its entirety to that year's pensionable pay. PO confirms FRS is correct in using only part of lump sum in calculating final pensionable pay. Ombudsman's determination confirmed OCC interpretation of the Regulations. The member has now referred this matter to High Court - awaiting decision. 03.07.14 - High Court decision received - case not found.	
Oxford City	IDRP1 - Employer	Deferred benefit brought into payment. But member thinks that this should be paid from date of leaving in 2010. In reply employer upholds original decision stating that this was a specific question to the IRMP who confirmed that member's illness did not meet criteria before date of payment in March 2013.	Not found
OCC	IDRP 1 – Employer	Member appealing decision to award 3rd tier ill-health benefits. April 2014 - letter from TPAS chasing decision. Decision confirmed that award of tier 3 was correct. Subsequent review of ill-health granted tier 2 benefits from June 2014.	Not found
OCC	IDRP 1 - Employer	Member appealing decision not to award ill-health retirement. Referred for second opinion 18.09.13. Finally determined that tier 1 ill health should be given.	Found
Oxfordshire Fire Service	Ombudsman / High Court	Member believes that benefits have not been calculated on best year of last 3 years pay. This is because member believes a lump sum payment made in 2007 should be attributed in its entirety to that year's pensionable pay. Ombudsman's determination	Not found

		confirmed OCC interpretation of the Regulations. The member has now referred this matter to High Court - awaiting decision. 03.07.14 High Court Decision received - case not found.	
OCC	IDRP 1 - Employer	Deferred member making complaint that employer will not release benefits on the grounds of ill-health. 09.06.14 - spoke to employer - they are still waiting for outcome of OH review. 03.07.14 - Members husband called re delay in making decision - employer still waiting for GP report - has updated member + reminder of TPAS & process.	Outstanding
OCC	IDRP 1 - Employer	Member appealing decision not to award ill-health retirement. IDRP 2 received.	Not found
OCC	Internal – Administering Authority	Complaint about the length of time taken to provide details of deferred benefits. This was due to an outstanding query with the scheme employer. Information obtained & letter + apology sent.	Found
Fusion	IDRP 1 - Employer	Complaint about deduction of AVC / length of time to resolve issues. Employer confirmed that wrong amount of AVC had been deducted from date of transfer; however this had not been queried by member. Therefore employer made reimbursement of lost interest due to late payment over of AVC. The employer also made a goodwill payment to member for the delay in resolving this matter.	Found

23. This has been a challenging year with externally and internally driven pressures on the work of the team. Whilst there has been a turnover of staff the team remain engaged and committed to providing a good service to scheme members.

RECOMMENDATION

24. The Committee is RECOMMENDED to note this report.

Lorna Baxter
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Background Papers: None

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