

Wolverhampton City Council

OPEN INFORMATION ITEM

Committee / Panel	<u>PENSIONS COMMITTEE</u>	Date	<u>21/11/2012</u>
Originating Service Group(s)	<u>WEST MIDLANDS PENSION FUND</u>		
Contact Officer(s)/ Telephone Number(s)	<u>GEIK DREVER</u> <u>2020</u>	<u>NADINE PERRINS</u> <u>2727</u>	
Title/Subject Matter	<u>POLICY STATEMENT FOR ADMINISTERING UNCLAIMED BENEFITS</u>		

RECOMMENDATION

- a) That members note the content of the report as it is a pensions system change.

1. **PURPOSE OF THE REPORT**

1.1 To inform the Committee of the procedure undertaken by the Fund when they are unable to pay a benefit to a scheme member because they cannot be contacted or the member elects not to receive the due benefits.

2. **BACKGROUND**

2.1. There are currently 1183 scheme members in the UPM pension system whose benefits are payable and they cannot be traced using the funds tracing agency, Tracesmart, or who refuse to provide their banking details so calculations are made but cannot be paid to the individual.

3. **CURRENT PRACTICE**

3.1 The current practice is that an active member who retires and does not claim their benefits remains in the workflow process on the UPM system resulting in the member status recorded as active.

3.2 The current procedure for a deferred member whose benefits are due to be paid and has no current address, results in address checking with Tracesmart and/or DWP Tracing Service. If no current address is found or no response is received from the member the UPM workflow process remains open and the status of the member remains deferred.

3.3. The above procedures result in unclaimed benefits being included into the statistical performance measurement for administration.

4. **PENSIONS SYSTEM**

4.1. The fund proposes to retain the original status of the member both for active and deferred but to introduce an additional folder element onto the scheme member's record to indicate that the benefit is unclaimed. The workflow process will then be recorded as completed, however, for valuation purposes, unclaimed benefits will still be included in valuation data but will not be recorded as part of operational performance statistics.

4.2. A member who subsequently claims their benefit will result in a new workflow process being started and the benefits would be processed in line with the normal procedure for benefits administration.

4.3. A report will be produced each quarter to identify the number of unclaimed benefits and will be included in the next Member Services Operational report to Committee.

5. **LEGAL IMPLICATIONS**

5.1. The fund on behalf of the Council has a legal duty to pay benefits to all scheme members.

6. **FINANCIAL IMPLICATIONS**

6.1 The report has no direct implications except those contained above.

7. **ENVIRONMENTAL IMPLICATIONS**

7.1 There are no direct implications except those contained above.

8. **EQUAL OPPORTUNITIES IMPLICATIONS**

8.1 This report has implications for the Councils Equal Opportunities policies since it deals with the pensions rights of employees.