



Pensions Committee

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| Report title | LGPS 2014 | |
| Originating service | Pension Services | |
| Accountable employee(s) | Amy Whiles Tel Email | Project Officer 01902 554643 amy.whiles@wolverhampton.gov.uk |
| Report to be/has been considered by | Geik Drever Tel Email | Director of Pensions 01902 552020 Geik.drever@wolverhampton.gov.uk |

Recommendations for noting:

The Committee is asked to note:

1. The activity and progress to date of the implementation of the LGPS 2014.

1.0 Purpose

- 1.1 The purpose of the report is to provide Pensions Committee with an update on the progress to date of the implementation of the LGPS 2014.

2.0 Background

- 2.1 Due to the delays with the regulations, the software provider was unable to fully specify the changes required to the pension calculations in time for 1 April 2014 implementation. The Fund continues to work closely with the software provider to specify and develop the changes required to the pension administration system UPM.
- 2.2 The Fund is trying to minimise the impact on members to ensure they get accurate information as promptly as possible. However a higher than normal workload was received post 1 April 2014, requiring key processes to be managed manually, which was more time consuming, creating a backlog in some areas of work.

3.0 Progress

- 3.1 The migration of the priority system changes into the live UPM environment was initiated from 3 September. The changes to the Fund's web portal were completed and made available to employers and members on 8 September. This automated the retirement and early leaver calculations and also enabled employers and members to run quotations on the web portal.
- 3.3 In the live UPM environment, minor issues with the system calculations have emerged which have limited the progress the Fund has been able to make with implementing the remaining system changes. The system is not yet fully operational which has required further manual intervention to minimise the impact on the member.
- 3.4 Regular meetings are held with managers within the pension administration service to review workloads and the progress with the implementation of the system changes.
- 3.5 Work is underway to fully test the remaining system changes, which includes transfer calculations, and the Fund is working with the software supplier and the other local government clients to progress this work as quickly as possible.
- 3.6 Employers are regularly updated through the monthly 'Employer Briefing Note', Employer Peer Group meetings and further updates are provided when appropriate. Support has been provided to employers as part of the implementation of the system changes.

4.0 Financial implications

- 4.1 The project has been managed with existing Fund resources and budget, and any additional costs which have been incurred by the Fund were absorbed within the current year budget, approved by Committee in March 2014.

4.2 The Fund operated overtime while the system changes were being developed to manage the manual processing of post 2014 retirements, this has ceased in September following the implementation of the system changes.

5.0 Legal implications

5.1 The report contains no direct legal implications for the Authority, however if further delays are experienced with the implementation of the full system changes there is the potential for challenges from members and the Fund may not meet required regulatory standards i.e. disclosure regulations.

6.0 Equalities implications

6.1 This report has no implications for the Council's equal opportunities policies.

7.0 Environmental implications

7.1 This report contains no direct implications for the Council's environmental policies.

8.0 Human resources implications

8.1 Due to not having a fully operational pension administration system some manual intervention is still required. These are resource intensive for operational staff which limits capacity to drive forward other key priorities for the Fund and has the potential to increase backlogs of work.

8.2 There will be an ongoing change in processes and procedures to ensure that the required legislation is delivered and built into working practices. Cascading information on the new scheme to all scheme members, managers and employers will continue to be essential, and will need to be delivered in a concise and timely manner.

9.0 Corporate landlord implications

9.1 This report contains no corporate landlord implications for the Council.

10.0 Schedule of background papers

10.1 There are no background papers for this report.