



Pensions Committee

18 March 2015

Report Title	Pension administration report from 1 October to 31 December 2014	
Originating service	Pension Services	
Accountable employee(s)	Simon Taylor Tel Email	Head of Pensions Administration 01902 55(4276) Simon.taylor2@wolverhampton.gov.uk
Report to be/has been considered by	Geik Drever Tel Email	Strategic Director of Pensions 01902 552020 Geik.drever@wolverhampton.gov.uk

Recommendations for noting:

The Committee is asked to note:

1. The applications approved by the Strategic Director of Pensions, the Chair and Vice Chair of Pensions Committee for admission to the West Midlands Pension Fund.
2. The pension administration activity of the Fund for the quarter to 31 December 2014.

1. Purpose

- 1.1 To inform Committee of the work undertaken by the Pensions Administration Services during the period 1 October 2014 – 31 December 2014.

2. Background

- 2.1 The Fund provides a pension administration service to its stakeholders, which covers employer and member services, benefit operations and systems/technical. A report is provided to Committee on a quarterly basis to cover the performance of these functions during that period.

3. Scheme Activity

- 3.1 The number of scheme members in the Fund in all three categories stands at 275,553 with an overall increase since 30 September 2014 of 13. Of the active membership of 104,165 - 52% are full-time and 48% part-time, which is a reflection of the flexible working arrangements amongst employers. The long-term trend over a 12 year period in membership is set out in (Appendix A) which illustrates a move towards a more mature profile whereby, in general, active memberships are falling and pensioners and deferred membership increasing. Over the course of the last six months, however, active numbers appear to have increased and, in December 2014 in particular, pensioner and deferred membership numbers have decreased. The increase in active members is partially due to the receipt of bulk joiner files from employers on a lagged basis and therefore does not necessarily reflect the actual date these members joined the Scheme.

3.2 Workflow statistics

The process analysis statistics (Appendix B) show details of overall workflow within the Pensions Administration Service during the period 1 October – 22 December 2014 (statistics over the festive period will be incorporated into the next quarterly report).

During the period covered by this report 32,061 administrative processes were commenced and 30,273 completed. On 22 December 2014 there were 10,331 items of work outstanding. Of this 2,688 items were in pending as a result of information awaited from a third party e.g. scheme members, employers or transferring authorities. Within pensions administration, 6,749 processes are now either proceeding to the next stage of the process or through to final completion

A detailed analysis of the key processes across all operational functions e.g. calculating benefits for retirements, pensioner member data changes as well as the maintenance of updating membership details is shown in (Appendix C).

Performance statistics have been influenced by the delay in the 2014 Pension Regulations and the ability to process post April 2014 work. To help support efficient working the Operations Team has begun processing new joiners by a bulk data import

process. All employers went live using this service from 1 September 2014 which will release further capacity for other work processing.

3.3 Employer membership data

The Fund continues to see an increase in employer membership due mainly to the establishment of academies and outsourced local government contracts, with 14 new organisations being admitted to the Fund during the period 1 October 2014 – 31 December 2014. The current number of employers as at 31 December 2014 is 451. The level of ongoing work being processed at the end of the period is as follows:-

- 55 admission agreements
- 47 academies
- 14 employer terminations

3.4 Customer services

An analysis of telephone calls is shown which details the immediate response provided by the Fund when addressing fundamental pension queries for all our members and employers (Appendix D). We continue to aim to provide a high quality response rate at first point of contact for telephone calls and pension fund enquiry emails.

Overall items scanned are slightly lower than in the previous year. This reflects the move to processing some work via bulk BDI import and via the web portal. The average % indexing error rate is below 0.2%, which remains a good level of quality control. The Fund is working towards increasing exchange of data via electronic means and progress has been made to move towards their objective. We continue to scan microfiches onto UPM to ensure that the microfiche information is available for work to be processed efficiently and accurately. (Appendix E)

4. IDRP (Internal Dispute Resolution Procedure) casework

4.1 So far in the 2014/2015 financial year twelve cases have been received. Three cases have been referred back to the employer to re-consider the stage one decision. Two cases are in progress and seven have been dismissed.

The seven cases dismissed related to the following pension issues:

- Five cases dismissed related to the exercise of employer discretion on the early payment of deferred benefits from age 55.
- Two cases related to the Tier of Ill Health benefits awarded.

5. Death grant

5.1 In this financial year five cases have been referred to the Legal Department for consideration. Three cases are on-going and the other two have successfully been resolved.

6. Application for admission body status

6.1 Organisations must satisfy one or more of the admission criteria before they can be admitted to the Fund following Pensions Committee approving the applications. Sometimes, a decision is required which is not compatible with the cycle of Pensions Committee meetings. In these circumstances, Pensions Committee has delegated responsibility for approving such applications to the Strategic Director of Pensions in consultation with the Chair and Vice Chair.

6.2 The table below lists the applications received for admission to the West Midlands Pension Fund which have been approved by the Strategic Director of Pensions, the Chair and Vice Chair and Pensions Committee.

Employer name	Guarantee Status (Agreement)	No of employees (Scheme members) Agreement type	Status
Birmingham Solihull Mental Health NHS Foundation Trust	Solihull MBC	5(5) Closed	Approved
Steps to Work	Walsall Housing Group	24(24) Open	Approved
Aspens Services (Sladefield Infants School)	Coventry City Council	4(4) Closed	Approved
ABM Catering Ltd (Cannon Park)	Coventry City Council	2(2) Closed	Approved
ABM Catering Ltd (Allesley Infants School)	Coventry City Council	2(2) Closed	Approved
ABM Catering Ltd (St Johns Academy)	St Johns Academy	1(1) Closed	Approved

7. Pensions in payment

The gross annual value of pensions in payment to December 2014 was £420.78m, of which £24.2m (£8.6m for pensions increase and £15.6m for added year's compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.

7.2 Monthly payroll details were:

Month	Number	Value £
October 2014	74,192	31,145,734.32
November 2014	73,213	30,683,143.01
December 2014	79,596	31,365,624.89

The December figures include pensioners paid on a quarterly basis

8. Communications & marketing activity

8.1 Presentations

During the period Fund officers have continued to deliver presentations upon request from employers. The team will provide support on any pension subjects that are requested by an employer for their employees, however, the emphasis during this reporting period has been helping member understand the Scheme rules and how their benefits are calculated, as well as supporting our members who are at risk of redundancy or may suffer a reduction in pay. A total of 34 presentations were delivered to 658 attendees.

The presentations were held at 33 different employers, including the district councils, universities, schools/academies and other admitted bodies.

Further support has also been provided to members either through drop in sessions or scheduled one to one support sessions. In total, support was offered to 223 members on a one to one basis.

8.2 Roadshows

One member roadshow was held during this period at Lifford House at Birmingham City Council.

8.3 Web Portal

Work is continuing to increase awareness of the web portal facility for members and employers. There are currently over 21,000 members registered to use the web-portal facility. As at 31 January 2015 there are 320 employer accounts representing approximately 110 individual organisations.

8.3.1 The web portal service is actively promoted via communications sent to members and employers alike. It is also promoted through scheduled events such as the Employer AGM, member presentations and various meetings to include focus groups such as the employer peer group. The service is highlighted on the Fund's website, particularly the provision of electronic annual benefit statements through this medium from 2015.

9. Financial implications

9.1 The report contains financial information which should be noted.

Employees of organisations who become members of the Local Government Pension Scheme will contribute the percentage of their pensionable pay as specified in the Regulations. The Fund's actuary will initially, and at each triennial valuation, set an appropriate employer's contribution rate based on the pension assets and liabilities of the individual employer.

10. Legal implications

10.1 The Fund on behalf of the Council will enter into a legally binding contract with organisations applying to join the Local Government Pension Scheme under an admission agreement.

11. Equalities implications

11.1 This report has implications for the Council's equal opportunities policies, since it deals with the pension rights of employees.

12. Environmental implications

12.1 The report contains no direct environmental implications.

13. Human resources implications

13.1 This report has implications for the Council's human resources policies since it deals with the pension rights of employees.

14. Corporate landlord implications

14.1 The report contains no direct corporate landlord implications.

15. Schedule of background papers

15.1 None

16. Schedule of appendices

16.1 Appendix A: Overall membership numbers

16.2 Appendix B: Process analysis

16.3 Appendix C: Detailed process analysis

16.4 Appendix D: Customer service statistics

16.5 Appendix E: Data quality statistics