
PENSION ADMINISTRATION PERFORMANCE 2013/14

Report by Chief Officer Human Resources

PENSION FUND COMMITTEE

17 June 2014

1 PURPOSE AND SUMMARY

- 1.1 **This report presents the Pensions Administration Performance for 2013/14 and requests the Committee's approval of its inclusion in the Annual Report for the Fund.**
- 1.2 **Appendix 1** contains the Pensions Administration Performance for 2013/14 as it will be included in the Fund's Annual Report and Accounts.
- 1.3 The work undertaken by HR Shared Services team with Scheduled and Admitted Bodies has resulted in a further improvement in the timing of the remittances of employee and employer contributions.
- 1.4 As indicated in the previous years performance report improvements have been made in the methodology for recording query data resulting in further statistical analysis of the queries received by the HR Shared Services team on behalf of the Pension Fund.
- 1.5 The implementation of an Employer Liaison Meeting schedule has still to be completed and this will be a priority for the 2014/15 year.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Pension Fund Committee:-**
 - (a) **Notes the Pension Administration Performance for 2013/14 as set out in Appendix 1 and approves its inclusion in the Pension Fund Annual Report and Accounts 2013/14; and**
 - (b) **Agrees to the development of a schedule of Employer Liaison Meetings during 2014/15.**

3 BACKGROUND

- 3.1 It is a requirement of the current LGPS Regulations and best practice that the Pension Fund maintains a Pensions Administration Strategy. At the Committee on 13 June 2013 the Pension Administration Strategy for the Fund was approved.
- 3.2 In accordance with the Pension Administration Strategy a number of administration function performance measures were introduced to evaluate the performance of both the Fund and Employers.
- 3.3 A further requirement is that the performance against the Strategy is reported in the annual Report and Accounts for the Fund.

4 PENSIONS ADMINISTRATION PERFORMANCE 2013/14

- 4.1 **Appendix 1** contains the Pensions Administration Performance Report for 2013/14 as it will be included in the Fund's Annual Report and Accounts.
- 4.2 As indicated in the 2013/14 report, there are some areas where improvements had to be made to the methodology for collecting and measuring performance. These have been made part way through 2013/14 resulting in a partial year collection of data, which will become full year in 2014/15.

Employer Performance Measures

- 4.3 Through the continued proactive engagement with the Scheduled/Admitted Bodies who had not been complying with the remittance schedules there has been a significant improvement in the number of remittances being received timeously. During 2012/13 there were 10 payments which did not meet the timescale this has reduced to 4 payments during 2013/14. The improved controls continue to be monitored on a monthly basis. In the event of an employer failing to meet the prescribed dates for remittances, appropriate action will be taken in accordance with section 8 of the Scottish Borders Council Pension Fund – Pension Administration Strategy.

Administering Authority Performance Measures

- 4.4 The key performance targets are set out in the **Appendix 1**. As indicated in the 2013/14 report improvements have been made to the capture of information on responses to queries. This has resulted in a partial year being included within the current year's report, with a full year being made available for the 2014/15 report.
- 4.5 Employer Liaison meetings were not held during 2013/14. However, we did meet with Borders College to discuss Auto Enrolment. A schedule of meetings for the coming year will be developed to cover Auto Enrolment with the smaller Employers and the requirements of the LGPS (Scotland) legislative changes scheduled for implementation from 1 April 2015 will be discussed with all Employers as soon as more detailed information becomes available.
- 4.6 A further improvement on previous years was made with the issuing of all benefit statements, with these being issued by the end of August 2013.

For the previous year statements were not issued until October/ early November 2012.

- 4.7 During 2013/14 we processed 33,830 payments, an increase from 32,719 in 2012/13, to pensioners for a total of £13.38m. In addition to this, we also processed 81 payments, an increase from 70 payments in 2012/13, to pensioners who now reside overseas for a total of £30,797, these payments are processed via Western Union, providing pensioners with a cost effective means of transferring a sterling pension payment into the appropriate local currency.

5 IMPLICATIONS

5.1 Financial

There are no financial implications relating of this report.

5.2 Risk and Mitigations

This report is part of the governance reporting framework to manage the operation of the Pension Fund and reflects the compliance with the best practice recommendations.

5.3 Equalities

It is anticipated there will be no adverse impact due to race, disability, gender, age, sexual orientation or religion/belief arising from the proposals contained in this report.

5.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which could affect the Council's sustainability.

5.5 Carbon Management

No effect on carbon emissions are anticipated from the recommendation of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of this report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk and the Clerk to the Council have been consulted and any comments have been incorporated into the report.

Approved by

Chief Officer Human Resources

Signature

Author(s)

| Name | Designation and Contact Number |
|-----------|---|
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Background Papers:

Previous Minute Reference: Pension Fund Sub Committee 13 June 2012
Pension Fund Committee 18 June 2013

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Ian Angus can also give information on other language translations as well as providing additional copies.

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