

Report to: Pension Board

Date of meeting: 3 August 2017

By: Chief Operating Officer

Title: Update Report on Pensions Administration

Purpose: Update on current administration themes in relation to the service provided to the Pension Fund by Orbis Business Operations

RECOMMENDATIONS

The Board is recommended to 1) note the update on GMP reconciliation; and 2) consider the recommendation for the Pensions Committee on the use of a monthly mortality screening service

1 Introduction

1.1 Business Operations within Orbis have prepared this summary of topical administration areas that may be of interest to the Board. This report is provided for information and subjects are presented in alphabetical order and not perceived importance.

2 Pension Overpayment

2.1 The Board requested further information regarding the reasons for the numbers of overpayments included in the draft Pension Fund Annual Report.

2.2 As indicated in the draft Annual Report, there were a total of 73 overpayment invoices raised in the 2016/17 year. 26 overpayments were still outstanding as at 31 March 2017 and were being pursued in line with the County Council's standard recovery procedure.

2.3 The reasons for the cause of the overpayments are as follows:-

- 60 cases – late notification of death of a pensioner
- 6 cases – late notification of end of entitlement to a child's pension
- 4 cases – late notification of re-employment of a member following
- 2 cases – overpaid pension debits (divorce proceedings)
- 1 case– overpayment in relation to Crombie compensation (historical Magistrates Courts case)

2.4 The principal cause for overpayments is the late notification of the death of a pensioner by the next of kin. This is understandable following a bereavement but does potentially lead to additional stress and inconvenience for the next of kin later down the line in handling an overpayment. In addition, additional resources are utilised by both the Pensions team and the Accounts Receivable team in handling the recovery process.

2.5 As part of a national exercise, LGPS funds have been provided with access to the Government's 'Tell Us Once' facility. This is a facility where an individual registering the death of a family member can choose to sign up to 'Tell Us Once' and LGPS funds would then be notified if the deceased member had benefits in their fund.

2.6 This is a useful development but is dependent on the family member who is registering the death signing up to the 'Tell Us Once' facility and there is no obligation to do so. 'Tell Us Once' does not therefore guarantee the same level of coverage as a monthly screening service which references the complete General Register Office database of reported deaths.

2.7 Business Operations has access to a monthly mortality service which screens the pensions payroll against the General Register Office (GRO) registration of deaths (updated weekly) immediately prior to the monthly pensions payroll cycle. This screening service is utilised by other funds administered by Business Operations and has proved successful in identifying deaths of scheme members which allows for the cessation of payments and consequently avoids the need to recover overpayments relating to the death of a pensioner based in the United Kingdom.

2.8 The annual cost of the screening service would be approximately £ 5,000 and the Board is asked to comment on the proposal to use this service which will be submitted to the Pensions Committee.

3 GMP reconciliation

3.1 At their meeting on 17 July, the Pensions Committee approved the modular approach to GMP reconciliation as set out in the previous paper presented to the Pensions Board.

3.2 Business Operations is awaiting the receipt of a complete data set from HMRC to enable the GMP reconciliation process to commence and this data is expected to be issued during the course of July. An update will be provided verbally at the meeting.

3.3 Business Operations has proposed a monthly update of the progress of the GMP reconciliation project from next month which will be provided to the Chair of the Pensions Committee and Board in the first instance. This is intended to provide assurance on the progress of this exercise being mindful of the deadline of December 2018 for the closure of HMRC's GMP service.

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