

Report to: Pension Committee

Date of meeting: 4 September 2017

By: Chief Operating Officer

Title: Officers' Report – Business Operations

Purpose: To provide an update on current administration themes in relation to the service provided to the Pension Fund by Orbis Business Operations

RECOMMENDATIONS

The Committee is recommended to:

- 1) note the update on GMP reconciliation and Annual Benefit Statements; and**
 - 2) approve the expenditure of £5,000 for the annual use of a monthly mortality screening service.**
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1 Introduction

1.1 Business Operations within Orbis have prepared this summary of topical administration areas that may be of interest to the Committee.

2 Annual Benefit Statements (ABS)

2.1 At the beginning of August Business Operations contacted all employers in the ESCC pension fund notifying them of the following:

- I. We would be emailing active scheme members for whom we hold an email address (captured from employers or scheme members) with instructions on how to pre-register for an electronic ABS by setting up an account on our pensions portal.
- II. An email notification will then be issued to registered account holders later this month once their ABS is available for viewing. If an employee does not register with the portal, they will be issued a reminder email when their ABS is available.
- III. Employees for whom we do not hold an email address will be sent a printed summary ABS statement to their postal address. This statement will include instructions on how to set up an online account in order to access an enhanced ABS and make use of the other facilities available on the portal.

2.2 At the time of producing this report Part (I) was completed and we are in final preparations for Parts (II) and (III). It is anticipated that the process will be complete by the statutory deadline of 31 August and a verbal update will be provided to the Committee.

2.3 Business Operations have also been undertaking a joint project with Heywood (our software provider) and IT&D colleagues over the last few months to upgrade the online portal. This will provide an improved user experience and the new portal will also be tablet and mobile phone friendly. Members will start to see improvements in the portal's functionality and design within the next couple of months.

3 Pension Overpayments

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

3.2 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.

3.3 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).

3.4 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 Payable team in handling the recovery process.

3.5 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 removing the necessity to recover overpayments relating to the death of a pensioner based in the United Kingdom.

3.6 Business Operations is due to utilise the 'Tell Us Once' facility once all members of the ESCC pension fund have been notified that their data will be shared but the 'Tell Us Once' facility is a voluntary submission by the next of kin and would not guarantee the same level of coverage as a monthly screening service.

3.7 The annual cost of the screening service would be £ 5,000 and the Committee is recommended to approve this expenditure. The Board was supportive of this proposal.

4 GMP reconciliation

4.1 The Pensions Committee previously approved the modular approach to GMP reconciliation and it was agreed regular updates on progress would be provided.

4.2 HMRC recently advised pension funds that they should seek a 'refresh' of their GMP data in order to assist with the reconciliation exercise. As well as providing the latest data on deferred and pensioner members this would also include data for active members.

4.3 Data was previously requested for the East Sussex fund and has been received in mid-August. This refreshed data has now been provided to ITM to allow them to carry out the reconciliation exercise on the latest available data. ITM have now commenced work on the project and we expect the first report to be issued towards the end of September.

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