

Report to: Pension Board

Date of meeting: 16 November 2017

By: Chief Operating Officer

Title: Guaranteed Minimum Pension (GMP) Reconciliation Update

Purpose: To provide an update on the progress of the Guaranteed Minimum Pension (GMP) Reconciliation Exercise

RECOMMENDATIONS

The Board is recommended to consider and note the update provided on the progress by ITM on the accelerated GMP project

1 Introduction

1.1 The Board may recall the Pension Committee previously approved the engagement of an external data analyst, ITM, to carry out an accelerated two month project to commence work on the reconciliation of GMPs between the East Sussex County Council (ESCC) fund records and Her Majesty's Revenue & Customs (HMRC).

1.2 The purpose of the project is to:

- Allow the ESCC fund to make use of the latest smart technology and analytical tools available to ITM and their existing working relationship with the HMRC reconciliation team
- Ensure that a significant proportion of reconciliation queries are either resolved or placed in the HMRC workflow ahead of other funds due to commence work
- Allow Business Operations to commence file reviews on 'known' discrepancies (e.g. where HMRC have a GMP liability but ESCC has no record) whilst we await HMRC responses on other query types.

2 Project Update

2.1 The project commenced in September and Appendix 1 shows the latest project update provided by ITM to demonstrate progress to date against the agreed criteria.

2.2 Although the update report is technical in nature, the summary confirms that 9,800 cases have been queried with HMRC. The current project status is reported as green and Business Operations will provide a verbal update to the Board if the final report is not available from ITM.

2.3 As expected, ITM has recently returned approximately 300 queries to Business Operations for individual file review as they could not be resolved by the use of analytical tools. These cases are currently being investigated and work is expected to take two months to complete.

2.4 Once the ITM project is complete, Business Operations will make a recommendation on next steps for the Pensions Board and Committee to consider to finalise the reconciliation before the HMRC GMP service closedown date of 31 December 2018.

Kevin Foster
Chief Operating Officer

Contact Officer: Jason Bailey Tel. No. 020 8541 7473

Email: jason.bailey@surreycc.gov.uk