

GREATER MANCHESTER PENSION FUND - PENSIONS ADMINISTRATION WORKING GROUP

Friday, 15 July 2016

Commenced: 9.00 am

Terminated: 9.45 am

Present: Councillors J Lane (Chair), Middleton, S Quinn, Brett, Grimshaw and Mr Allsop

Apologies for Absence: Councillor Patrick

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

The Minutes of the meeting of Pensions Administration Working Group held on 8 April 2016 were approved as a correct record.

3. PERFORMANCE STANDARDS

The Assistant Executive Director of Pensions (Administration) submitted a report, which provided information about adherence to the performance standards set by the Pensions Fund Management Panel.

The record of performance for the 12 months ending May 2016 was appended to the report, which showed that 18 of the 28 standards had met the level of 90% or better, throughout the month of May 21 of the 28 standards had achieved this target which indicated an improving trend. The performance of the ten Local Authorities in respect of notifying the Pensions Office of new starters and early leavers and details of outstanding queries were also appended to the report.

It was reported that arrears relating to early leavers was reducing as well as deferred benefits, which now stood at approximately 900 cases down from 3000 cases as previously reported.

The Executive Director for Governance, Resources and Pensions commented that the statistics provided a snapshot from a moment in time and for future reports it would be useful to include information about the age of queries (e.g. the year in which they were raised), and an average age of the queries.

RECOMMENDED:

- (1) That the report be noted.**
- (2) That the age and the average age of employer queries be included on the outstanding tasks spreadsheet**

4. LETTERS TO ACADEMIES

The Assistant Executive Director of Pensions (Administration) submitted a report, which detailed a copy of the letter sent to Local Authorities for onward transmission to schools notifying them of the pension consequences of becoming an academy.

There are approximately 900 Local Authority schools, with one reply having been received to date.

RECOMMENDED:

That the report be noted.

5. CLUB VITA 2016

The Assistant Executive Director of Pensions (Administration) submitted a report on Club Vita, which was a wholly owned subsidiary of Hymans Robertson that specialised in the analysis of mortality statistics for pension schemes. GMPF was a member of Club Vita and the report provided information from this year's analysis of the Fund's data.

It was reported that Club Vita collected and analysed data from many Hymans Robertson clients with the aim of trying to improve mortality forecasts. The actuary used the results of this analysis, which was derived from the Vita life curves calculated for each GMPF member, and the results had a direct and material impact on the contributions employers would pay during 2017 - 2020.

A presentation was given which showed that this year's analysis showed a decrease in the Fund's liabilities of 1.4% compared to the assumption used in the 2013 valuation. Slightly more pension ceased during 2013 – 2016 than the actuary expected which had the effect of decreasing liabilities by an additional 0.1% to give an overall reduction in the Fund's liabilities of 1.5%.

Club Vita took into account member's pre-retirement salaries, postcodes, gender and reason for retirement which resulted in a robust analysis and enabled accurate application of the results to the Fund. Key points in the wider analysis included: life expectancy increased at around 2.1 years per decade between 1993 and 2013, members with higher lifespans had a disproportionate effect on the finances of the Fund and men with large pensions were more likely to leave a financial dependant.

RECOMMENDED:

That the report and presentation be noted.

6. SMALL COMPENSATION PAYMENTS

The Assistant Executive Director of Pensions (Administration) submitted a report, which provided information about ex-gratia payments made during 2015/16 for instances of performance falling below expected standard. Throughout the year there had been four cases which Emma Mayall, Pensions Policy Manager, outlined to Members of the Working Group.

RECOMMENDED:

That the report be noted.

7. URGENT ITEMS

There were no urgent items.

CHAIR