

Report To: **PENSION FUND MANAGEMENT/ADVISORY PANEL**

Date: 18 October 2019

Reporting Officer: Sandra Stewart – Director of Pensions
Emma Mayall – Assistant Director for Pensions Administration

Subject: **PENSIONS ADMINISTRATION UPDATE**

Report Summary: This report provides an update on the following key items:

- Business planning objectives
- Other key projects and work areas
- The Pensions Regulator and compliance
- Administration section performance

Recommendation(s): It is recommended that the Panel note the report.

**Financial Implications:
(Authorised by the Section 151
Officer)** One of the key objectives of the administration section is to provide value for money, delivering a service that is both meeting its member's needs and its legal obligations whilst doing so in an efficient and cost-effective way.

**Legal Implications:
(Authorised by the Solicitor to
the Fund)** Whilst striving to deliver a value for money service, GMPF must ensure compliance with the LGPS regulations and other relevant statutory guidance. It must also have regard to The Pension Regulator's Code of Practice and guidance.

Risk Management: There are no key risks to highlight.

ACCESS TO INFORMATION: **NON-CONFIDENTIAL**

This report does not contain information that warrants its consideration in the absence of the Press or members of the public.

Background Papers: Further information can be obtained by contacting Emma Mayall, Greater Manchester Pension Fund, Guardsman Tony Downes House, 5 Manchester Road, Droylsden

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1. BACKGROUND AND INTRODUCTION

- 1.1 This report provides an update on the following items:
- Business planning objectives
 - Other key projects and work areas
 - The Pensions Regulator and other compliance activities
 - Administration section performance

2. BUSINESS PLANNING OBJECTIVES

- 2.1 Further progress against the administration business plan objectives for 2019/20 has been made over the last quarter.
- 2.2 The transition to monthly data collection is progressing with over 133 employers having already completed the move to the new monthly processes. Although progress with on boarding employers is being made, several employers have notified GMPF that they are behind with their own internal schedules, in the main because they are reliant upon 3rd party software suppliers. Therefore, work to support these employers is being escalated in order to try to ensure that as many employers as possible on board before the end of the year.
- 2.3 The number of members who have now registered for the online system *My Pension* has passed the 100,000 mark. All annual statements for contributing and deferred members have been uploaded to online accounts. Work will now continue this quarter on encouraging those who have not yet signed up to do so and on developing the functionality available within the system.
- 2.4 The testing plan for a new module of the Altair pension database known as 'Enhanced Admin to Payroll' has been completed. This module will streamline and enhance the current processes used to add new pensioners to the payroll. The new module is scheduled to be implemented in mid-October and will be used initially to add all new pensions to payroll for those who have retired from contributing or deferred member status.
- 2.5 The project to redevelop the funds websites is now underway. The Fund has procured a partner, Clay10 Creative, to work with on this project. The initial project planning stages were completed in August and early September and the first stage of the project, being to consider design concepts, is now underway.

3. OTHER KEY PROJECTS AND WORK AREAS

- 3.1 Membership data and employer information required for the 2019 actuarial valuation was submitted to Hymans Robertson in line with the timeframe agreed. Colleagues from the Hyman's team commented that the data submitted was "*of an exceptionally high standard*" and gave thanks to the team for the work undertaken to achieve this.
- 3.2 HMRC have now responded to all queries raised by GMPF as part of the GMP Reconciliation exercise. There are a number of final reconciliation tasks for GMPF to complete in the next quarter; however this project is now largely complete.
- 3.3 The processing of year-end data for those employers who had not transitioned to monthly returns before April 2019 is almost complete. There are a number of member queries that remain outstanding with employers and officers continue to work with employers to resolve these.
- 3.4 The Customer Services section has been holding a number of pension surgery events throughout Greater Manchester, with a planned programme in place up to the end of the

year. These have been very well received and feedback gathered will be used to develop the programme of member events for next year.

- 3.5 A Business Continuity Plan (BCP) test was carried out and successfully completed on 19 September 2019. A planned power cut to the pensions building was used to test the provisions and plans that were in place. This was a successful test with a number of learning points identified that can be used to strengthen the plans in place.

4. THE PENSIONS REGULATOR AND OTHER COMPLIANCE ACTIVITIES

- 4.1 During the last twelve months, the Pensions Regulator (TPR) has carried out a series of detailed engagement sessions with 10 LGPS funds (generally referred to by TPR as a 'deep dive'). Last month, TPR issued a report detailing its findings from these sessions. TPR indicated that they saw evidence of good practice across the LGPS funds. They also outlined some key areas for improvement across the Scheme. GMPF's Local Pension Board will be considering this report in more detail at its next meeting and will be looking at the additional steps GMPF might need to take in order to improve or strengthen its own compliance activities.
- 4.2 Three Complaints and Disputes Board meetings have taken place during the last quarter. The Board has considered 9 cases with complaints. Of these, four related to ill health retirements. The area of ill health continues to be the main subject for the majority of appeals.
- 4.3 Annual benefits statements were issued by the statutory deadline of 31 August. Overall, statements were produced for 99.5% of members.
- 4.4 Over 300 Pension Savings Statements have been produced and issued over the last quarter in order to ensure that members who have exceeded their annual allowance receive a statement by the statutory deadline of 6 October.
- 4.5 Data quality reports were also produced during the last quarter confirming that GMPF's scores for the quality of common and scheme specific data are, as a minimum, 96.5% and 94.9% respectively, with the largest issue being the lack of a current address for some deferred members of the Fund. Officers are currently investigating the benefits of carrying out further address tracing activities in order to try to further improve these scores.

5. ADMINISTRATION SECTION PERFORMANCE

- 5.1 Performance levels have generally remained consistent across all measures over the last quarter. The changes introduced through the amendment regulations last year allowing deferred members to access their benefits from age 55 has continued to lead to an increase in requests for benefits to be brought into payment being received. Additional resources have been added to the team managing this casework and this area is continuing to be monitored closely.

6. RECOMMENDATION

- 6.1 As set out on the front of the report.