

**Local Pension Board**

**11 October 2021**

**Pension Administration Report**



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## **Report of Paul Darby, Corporate Director of Resources (Interim)**

### **Purpose of the Report**

- 1 This report briefs the Board on the Fund's pension administration and service provision to members, as well as providing an update Key Performance Information.

### **Executive summary**

- 2 Pension administration services have been provided to members uninterrupted since lockdown. Communication with members has continued through the provision of the Fund's Telephone and Online Services. Since lockdown, the Fund has paid benefits to 1,700 retirees. Whilst in the first quarter of 2021/22, 227 retirement cases were processed with 97.70% of those retirees receiving a statement within 10 days of the team receiving the necessary information. This report seeks to provide the Board an overview of pension administration performance.

### **Recommendation(s)**

- 3 The Board is asked to note the report.

## **Background**

- 4 This report provides an update to the Board on pensions administration performance, its key communications with members, and any issues impacting the service provided to scheme members.

## **Key Performance Indicators (KPIs)**

- 5 Included in Appendix 1 are a number of Performance Indicators, with the aim of making the Board aware of administration performance in key areas. Reporting is included for the first quarter of 2021/22, ie. 1 April to 30 June 2021. The data covers services to members in respect of retirement, deferment (leaving scheme before pension payable), Helpline support, and Online services.
- 6 In the first quarter, the administration team processed 227 retirement cases. Measured in line with the Disclosure requirement of providing scheme member a statement containing retirement information within two months of retirement, the Fund met this target in 80.18% of the 227 cases. The majority of failures were as a result of late information from employers. In respect of performance within the administration team's control, the Fund provided a statement containing retirement benefit information within 10 days of receiving all required information in 97.79% of cases in the quarter.
- 7 In respect of deferment cases, the Fund were notified of 237 early leavers in the quarter. In line with Disclosure requirements, the Fund wrote to members in 99.50% of these cases within two months to provide each member information as to the rights and options available.
- 8 To 30 June 2021, the pension administration team received 3,405 telephone calls to the Fund's Helpline. Of these calls, the team answered 98.00% of scheme members' calls first time. In respect of Online services for members, 13,934 members have registered for the Fund's Pensions Online portal, where 10,619 online calculations have been completed, 7,518 changes have been transacted and 1,116 secure messages have been sent.

## **Services to members during Lockdown**

- 9 Since the beginning of the covid-19 crisis and UK lockdown, the pension administration team have worked from home. During this time, the Fund's Telephone Helpline, Pensions Online portal and email inbox have been available to members uninterrupted. Since lockdown, the team have processed 1,700 retirements (lump sums paid, new pensioner payroll records created), benefits have been paid to 1,276 bereaved families, and 392 transfer have been paid in or out.

## **Prudential**

- 10 Members of the LGPS are able to increase their benefits through an Additional Voluntary Contribution (AVC) facility. As such, each Administering Authority is required to have arrangements with an AVC provider (often an insurance company or building society). Durham County Council Pension Fund offers its members two providers: Prudential and Standard Life.
- 11 It was reported to the Board previously, that one of those providers, Prudential, has recently introduced a new ICT system across its business. The implementation has resulted in delays for members who have invested through Prudential. In particular, claims for cash at retirement, and the processing of contributions have been delayed. Board Members were previously provided with a copy of communications received from Prudential.
- 12 Since the last Board Meeting, the Fund is cautiously optimistic of improvement. Whilst issues remain, performance has improved with scheme members' contributions being allocated more quickly and are currently up to date. Disinvestment timescales have also improved and are currently within the 30-day SLA. The Fund is, however, still waiting for accounting information – an issue affecting LGPS clients of Prudential across the country. Both the Pensions Regulator (nationally) and External Auditor (locally) have been made aware.
- 13 Officers continue to monitor the situation and will continue to feedback to the Board.

## **Annual Benefit Statements**

- 14 A copy of the 2021 Annual Benefit Statement was shared with the Board at its July Meeting. Since that meeting, all Annual Benefit Statements for both Active and Deferred members of the Scheme were made available ahead of the statutory deadline of 31 August 2021. Unless a member has opted out of the service, the Statements were be made available through the Fund's Pensions Online portal. A paper copy was provided to the small number of members who have opt-ed out.

## **Author(s)**

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