

MEETING	PENSIONS COMMITTEE
DATE	29 MARCH 2010
TITLE	PENSIONER MORTALITY SCREENING AND ADDRESS TRACING SYSTEM
RECOMMENDATION	TO APPROVE FUNDING FOR THE APPONTMENT OF A MORTALITY SCREENING AND ADDRESS TRACING SERVICE
AUTHOR	DAFYDD L. EDWARDS – HEAD OF FINANCE

1. Background

- 1.1 The Gwynedd Pensions Unit pays over 7,000 pensioners monthly. It depends on the National Fraud Initiative, deceased members' family and friends, and the closure of bank accounts for notifying the service of pensioner deaths.
- 1.2 Not all deaths are notified immediately, weeks and months can pass in some instances. Late notifications result in overpayments, the reclaiming of which is time consuming and, in cases where the death occurred in a previous tax year, and requires retrospective tax adjustment and correspondence with HMRC.
- 1.4 The Council operates a policy where pension payslips are only issued if there is a 50 pence or more change in the net pay from the previous month and saves the fund appocimately £15,000 per annum in postage. As a result it is not always immediately obvious to relatives that the deceased was in receipt of a pension.
- 1.5 The National Fraud Initiative (NFI) is implemented every two years and can identify un-notified deaths, however these can be up to two years late and can also include erroneous notifications that can embarrassing consequences.
- 1.6 On 28 February 2010 there were 6286 deferred pensioner members in the fund. Of these 671 are known to have changed address without notifying the pensions unit. Unknown others may also exist.
- 1.7 Each year there are high number of deferred Annual Benefit Statements (ABS) returned marked as 'gone away'. This is problematic when the regulations require that these deferred members should receive an ABS, but more so when benefits are due and the member cannot be traced. There may be cases of deferred members having died without the family realising that benefits are due from the scheme.

2. Mortality screening and Address tracing service

- 2.1 Part of the Pensions' Unit's improvement plan for 2009/2010 was to examine the possibility of introducing a mortality screening and address tracing service.
- 2.2 In terms of price and ease of administration Atmos Data Services Ltd. offered the most attractive option that included a free analysis check on the data held by the Fund. Across the fund the check identified 33 potential mortality cases (although some or all of these could be cases already notified but not processed)
- 2.3 There were 761 forwarding addresses listed and 2,117 unconfirmed addresses (although some of these might be as a result of bilingual issues). It also identified 8,486 addresses that could potentially be improved to Royal Mail standards.

3. Costs

3.1 Initial Data Cleanse

The first process is only a starting point but can be carried out at any time it is deemed prudent to do so. As a starting point to this new initiative it is advisable to instigate such a check and to decide at what intervals future such cleansing should be carried out.

Processing Postcode Address File Cleanse

Providing corrections / enhancements for 14,219 records @ £0.16 per record: £2,275.04

Address Tracing

Providing 761 forwarding addresses @ £2.00 per forwarding address £1,522.00

Identifying 317 'gone-aways' @ £0.60 per flagged record £ 190.20

Mortality Screening

Identifying 33 potential mortalities @ 5.00 per record £ 165.00

Total **£4,152.24**

3.2 Regular Mortality Screening

The second process is much more active and involves a monthly screening of 7,098 pensioners and dependants at a cost of £2,000 per annum

(This cost is based on 20p per record per annum subject to a minimum of £2,000 p.a and includes provision of any gone-away notifications and forwarding addresses on a monthly basis and an annual 'PAF' Cleanse for all records.)

4. Recommendation

- 4.1 That members approve the appointment of Atmos Data Services as a provider of Data Cleansing and Mortality Screening Services to the Gwynedd Pension Fund.
- 4.2 That an annual budget of £2,000 is approved for the Mortality Screening Service.
- 4.3 That a one-off budget of £4,152 is approved in the 2010/2011 financial year for data cleansing and address tracing.
- 4.4 Decide on a regular time frame within which the cleansing and address tracing service should be carried out and approve the appropriate funding for the years concerned.