



<b>Meeting:</b>	Pension Committee
<b>Date:</b>	14/10/2020
<b>Title:</b>	Pension Administration
<b>Author:</b>	Meirion Jones, Pensions Manager
<b>Purpose:</b>	For information only

## **Introduction**

This report provides a general overview of pension administration over the last 6 months. It contains information on the work that has been accomplished over the period, an update on various projects that has previously been mentioned, changes in the regulations and also lists the challenges that the department faces from day to day.

## **Working from home**

The department's staff have been successfully working from home since 25/03/2020. We were very fortunate that the IT department were able to provide the relevant equipment e.g. laptops or Citrix access to us promptly.

As we receive a high volume of mail and outgoing mail we have a rota for staff to come in to scan incoming mail and print letters that need to be posted. 2 members of staff come in every Tuesday and Thursday to undertake this work, with all staff coming in to help out. On average between 250-300 letters are sent out weekly. We have arranged for the Support department to frank and send these envelopes every Tuesday and Thursday.

We have had to be flexible with some members of the team who have young children who have had to cope with childcare duties and working - the arrangements have worked well.

Two members of staff had been relocated to the Council Benefits department for a period of two months to assist with the payment of Business Grants, but they have now re-joined the team.

## **What work is being done?**

The Pensions Regulator has stated that the service should focus on the following tasks during the crisis:

- Paying existing pensioners
- Processing new pension benefit cases
- Dealing with bereavement cases

In order to carry out this work Pension Service staff are regarded as key staff.

Although the above tasks have been identified as the core work, we have been able to continue to provide a normal service to members with the processing of refunds, estimates, transfer of benefits, consolidation of benefits etc. continuing.

### **Keeping in touch**

Maintaining regular contact with the rest of the team has been important during the crisis. Microsoft Teams has been an invaluable tool during this time. We use it for:

- Weekly meeting with the team to give everyone the opportunity to catch up with each other and discuss any topic that needs to be discussed in relation to work.
- One to one talk with team members.
- 'Chat' facility to ask each other questions.
- Monthly meeting with Dafydd.
- Meetings with members instead of face to face meetings.
- Meetings with scheme employers.

It has also been useful for meeting with other funds such as the Welsh Pension Managers meetings and the Shrewsbury Pensions Officer Group. Conducting the meetings on a virtual basis saves time, travel costs and reduces the Council's carbon footprints. It is hoped that these meetings will continue in this way after the crisis has ended.

We have also created groups on Whatsapp to share information with each other.

### **Member Self Service**

Although we continue to send a large number of documents by post we have also increased the use of uploading letters to members on the members' self-service system.

Use of the system by members has also increased, with a high number of people contacting us to for help in creating a new account.

A new option has also been introduced on the site to allow members to upload documents e.g. their retirement form on the system - this means less scanning for staff and speeding up the processing of members' benefits.

### **Improving the service**

Historically the service has been heavily reliant on paper files in the office. The crisis has forced us to work paperless. This way of working ensures that all documents are securely on the member's record, available to view without having to search the file, and reduce the amount of paper used. From discussion with the team everyone thinks that the new system is working well and there is no desire to return to the old way of working.

We have also had the opportunity to work on automating processes and improving the quality of correspondence sent to members. By automating processes we are able to get work done faster and reduce the time needed to process and verify cases. Improving our correspondence also helps members to better interpret the information to ensure they choose the right options in relation to their benefits. The work is ongoing.

### **Annual Benefit Statements**

An Annual Benefit Statement must be produced for each scheme member by the end of August each year. This statement gives members details of the benefits accrued up to the end of the previous

financial year and forecasts the benefits payable at their Normal Pension Age. The statement also contains pay details and explanatory notes as to how the benefits are calculated.

Since 2018 these statements are available electronically on the Member Self Service section of our website. The 2020 statements were loaded onto the system for active and deferred members on 03/08/2020.

1,068 members have written in to confirm they wish to continue to receive a paper copy of their statements. These statements were sent out by an external company towards the end of August 2020.

We have also managed to upload statements online for members of the Councillor scheme for the first time this year.

### **Pension Saving Statements**

It is a requirement under HM Revenue and Customs (HMRC) regulations to issue a Pension Savings Statement to members if the total amount contributed into their pension scheme during a Pension Input Period (PIP) is more than the Annual Allowance (AA) for the tax year in which the pension input period ends.

The AA is set by HMRC, and represents the maximum amount of pension contributions that you are allowed to receive tax relief on, each tax year.

The AA for the tax year ending 5 April 2020 was **£40,000** (gross).

The statements are required to be sent by 6th October each year. For the tax year 2019/20, the statements were sent on 19 September 2020.

### **i-Connect**

Work has been ongoing to encourage employers to use the i-Connect system.

i-Connect ensures that members' records are updated monthly, rather than once a year as at present. The system also automates a number of procedures within the department and thus release staff to address other duties within the department.

I am pleased to announce that the i-Connect system is now being used for updating 99.9% of our active members' records each month.

### **Work to be done**

There are a number of tasks and projects that need attention over the coming months. These include:

- Website: We hope to have the opportunity to update and expand the website in the coming months.
- Continue to develop process automation and improve our communications.
- Scan the paper files in the office to make it paperless.
- McCloud: We have identified that with the help of Hymans Roberts, we will have to update or recalculate the benefits of approximately 11,500 records from the McCloud case. This work will be a huge undertaking for the service, as well as providing the usual service to members.

- £ 95k exit payment and changes to compensation regulations: There is a big change in the terms of members who are made redundant by their employer. The details are not yet clear - but it is likely to create additional work for the Fund to calculate all the options available to members.
- Reduce the number of 'undecided leavers' records, which are members who have left the scheme but their record has not been closed.