

**REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES COMMITTEE & PENSION BOARD – 24<sup>TH</sup> JUNE 2019**

**REPORT ON: PENSION ADMINISTRATION PERFORMANCE – QUARTERLY UPDATE**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 237-2019**

## **1 PURPOSE OF REPORT**

This report provides information on the recent quarter's operational performance in relation to Pension Administration.

## **2 RECOMMENDATIONS**

The Sub-Committee are asked to note the contents of the report.

## **3 FINANCIAL IMPLICATIONS**

There are no financial implications.

## **4 BACKGROUND**

Reference is made to Article VIII of the minute of meeting of this Committee and Board of 6 June 2016, wherein details were given of the review undertaken by AON Hewitt following the retirement of the Pensions & Payroll Manager, the Sub-Committee and Board members requested a quarterly update report to inform of key issues identified and achievements in the previous quarter and to maintain an operational understanding of service levels, demands and constraints.

## **5 SERVICE SUMMARY**

<b>Actual Pensions Brought into Payment in Quarter</b>	<b>April - June</b>	<b>July - Sept</b>	<b>Oct - Dec</b>	<b>Jan - March</b>
Efficiency/Redundancy	91	22	31	7
Ill Health	19	19	12	14
Flexible	12	17	11	16
Preserved into Payment	49	75	72	68
Voluntary (inc Employers consent)	54	66	65	68
Voluntary Age 65	20	28	32	15
<b>Total Pensions Brought into Payment</b>	<b>245</b>	<b>227</b>	<b>223</b>	<b>188</b>

<b>Estimates - VER Exercises &amp; Operational since last report</b>	<b>April - June</b>	<b>July - Sept</b>	<b>Oct - Dec</b>	<b>Jan - March</b>
VER	14	6	49	28
Total Estimates received in this quarter	87	97	108	131
Total Estimates outstanding at the end of the quarter	46	4	7	27

<b>Other Pension Events</b>	<b>April - June</b>	<b>July - Sept</b>	<b>Oct - Dec</b>	<b>Jan - March</b>
Deaths	127	129	124	157
Survivors Pensions	87	62	82	83

With effect from April 2018 the task management workflow system on the Altair Pension Administration System was re-implemented to the individual tasks carried out by the Administration Team. This system allows for further statistics to be recorded and declared on the range, volume and duration of individual tasks carried out. In order to ensure that this roll out did not affect the ongoing work of the team it was decided that a phased approach be taken, as this could be absorbed by the team and also ensured that where amendments to the individual workflows were required that these could be carried out as required.

Workflow tasks have been created to capture data in respect of the tasks carried out by the Clerical Assistants, such as changes of bank and address, completing DWP forms, inputting nomination details, on deaths processed, dependents pensions brought into payment, death gratuity payments made, CETV (Cash Equivalent Transfer Values) for Divorce, miscellaneous payroll tasks, refunds of contributions, estimates and retirements.

Over the period 1<sup>st</sup> January 2019 to 31<sup>st</sup> March 2019 all of the tasks noted above were completed.

<b>Task being measured</b>	<b>No. cases processed in quarter</b>	<b>Description</b>	<b>Notes</b>	<b>Average days from process start to close</b>	
				<b>Oct - Dec</b>	<b>Jan - March</b>
<b>CLERICAL TASKS</b>	466	Various amendment and creation task carried out by the Clerical Assistants/Modern Apprentices. Includes Nominations Forms changes of address (on both Altair and Resource link), changes of bank, DWP forms to be completed and returned, and recording Power of Attorney documents.	During this period 382 tasks were opened and fully processed, with the balance of 84 tasks being carried over from the last quarter. There has also been an increase in the processing time for cases during this quarter.	25.00	19.17
<b>DEATH GRANT</b>	26	Process of collating information and issuing documentation to Trustees/and making payment to started beneficiaries.	15 cases were opened and fully processed during this quarter. 11 cases from previous quarters were also brought to completion during this quarter.	44.00	36.23

<b>DIVORCE</b>	16	Issue of CETV (Quote) to Member/Solicitor / Implementation of Pension Sharing Order (including setting up of pension credit records or payment of transfer out and letters to all interested parties)	7 cases were opened and fully processed during this quarter but this quarter also saw the completion of 9 cases carried over into this quarter.	31.20	32.63
<b>ESTIMATES</b>	204	(Estimates processed from employers (VER/VSS, flexible, Ill Health and employer consent retiral) along with estimate requests received from individual members.	104 cases opened and fully processed during this quarter and an increase in processing time has also been achieved during this quarter.	54.18	41.82
<b>MISC PAYROLL</b>	139	This includes the processing of balances of pension, responding to queries, age 75 reviews, age 18 & age 23 reviews for dependent children's pensions.	60 cases opened and fully processed during this quarter and an increase in processing time achieved during this quarter.	75.65	74.36
<b>REFUND</b>	75	Process includes the Issue of letter/form to member (NB - for those leaving active service the form cannot be signed until one calendar month has elapsed) and including payment of refund being processed to member.	51 cases opened and fully processed during this quarter. Although processing time has significantly increased several cases has been awaiting reply from members and this affected the overall processing time. For example at least 10 cases were for refunds claimed over 1 year from the date of leaving.	18.00	50.81
<b>RETIRALS</b>	188	Process includes issue of initial calculation to the member along with essential forms for completion, and may also include queries raised with the employer on the information issued. On receipt of all paperwork includes the further calculation of benefits via Altair, the creation of the Resource link payroll record and the payment of the lump sum via the Sundry system and the issue of final letter to member.	89 cases opened and fully processed during this quarter. Processing time during this quarter was affected by the closure of several cases which had been active for long periods of time. For example once case closed during this period was opened during November 2017 with all requested paperwork only being returned by the member during this quarter.	43.45	50.68
<b>No. individual tasks processed in quarter</b>	<b>1150</b>				

Reference is also made to Article III of the minute of this Committee and Board of 31 August 2015, which detailed specific performance measures for employers in the pensions administration strategy. The continuing introduction of task management and Pensionweb online service has allowed for statistics to be recorded and the following can now be measured against the set target and further details will be issued in future periods.

Where Death in Service cases are being notified out with the expected timescale further engagement with the specific employer will be undertaken to establish the cause of the delay in issuing details.

<b>DEATH IN SERVICE</b>						
<b>MONTH</b>	<b>MEMBER</b>	<b>DATE OF DEATH</b>	<b>NOTIFICATION RECEIVED</b>	<b>NET WORKING DAYS</b>	<b>TARGET (NOTIFICATION RECEIVED WITHIN 10 DAYS OF DATE OF DEATH)</b>	<b>% WITHIN TARGET</b>
APRIL	JG442797B	05/04/2018	10/04/2018	4	10	
JUNE	WM608495A	27/06/2018	02/07/2018	4	10	
						<b>100.00%</b>
JULY	JT523060A	20/07/2018	01/08/2018	9	10	
JULY	YS700750D	25/07/2018	27/07/2018	3	10	
AUGUST	YY718102B	24/08/2018	02/11/2018	51	10	
						<b>66.67%</b>
OCTOBER	JC993449B	27/10/2018	22/11/2018	19	10	
NOVEMBER	JE101862C	19/11/2018	28/11/2018	8	10	
						<b>50.00%</b>
DECEMBER	JG274820A	13/12/2018	19/12/2018	5	10	
						<b>100.00%</b>
JANUARY	WB888635C	16/01/2019	21/01/2019	4	10	
	NX591640B	13/01/2019	13/01/2019	0	10	<b>100.00%</b>
FEBRUARY	YX732638C	01/02/2019	04/02/2019	2	10	
	YR154489A	26/02/2019	26/02/2019	1	10	
	NY654758B	15/02/2019	27/02/2019	9	10	
	YP718476C	26/02/2019	18/03/2019	15	10	
	YL939173A	19/02/2019	20/02/2019	2	10	
						<b>80.00%</b>

The statistics reflect the net working days between the date of the death and the issue to us, by the employer of the relevant paperwork allowing us to start our processing.

15 days case: First informed of the death on 18/03/2019, paperwork received 19/03/2019.

Discussions were held with both of the employers involved in the cases to ensure that in future essential documentation be issued to us within timescale, employers were advised that failure to provide the required documentation results in a delay in the payment of benefits, both for survivor's pensions and also for any death grant that may be payable and as a result can have both a financial and emotional impact of the families of their deceased employees.

Employers are specified to have their monthly contributions returns made by the 19<sup>th</sup> of the month following deduction and the following table details the performance over the period to date. In the statistics above timing issues were caused by changes in staff and illness.

<b>2018/19</b>		
<b>CONTRIBUTION PAYMENTS (DUE 19TH OF THE MONTH)</b>		
<b>MONTH</b>	<b>% WITHIN TARGET</b>	<b>EMPLOYERS OVER TIMESCALE (BASED ON 44 EMPLOYERS)</b>
APRIL	97.73%	1
MAY	97.73%	1
JUNE	90.91%	4
JULY	93.18%	3
AUGUST	95.45%	2
SEPTEMBER	97.73%	1
OCTOBER	95.45%	2
NOVEMBER	95.45%	2
DECEMBER	97.73%	1
JANUARY	97.73%	1
FEBRUARY	95.45%	2
MARCH	100.00%	0

### **Queries & Complaints**

- Approximately 5816 e-mail queries were received (into the [pensions@dundee.gov.uk](mailto:pensions@dundee.gov.uk) email box) daily during the period, which is an average of 65 per working day.
- All counter visits were accommodated within 10 minutes of arrival.

### **Recruitment & Outsourcing**

- GMP Reconciliation Progress – Following telephone conference, Tayside Pension Fund have elected not to go ahead with accepting the CEP extinguishing payments by HMRC as an estimated cost figure could not be provided. The scheme is now 94% reconciled.
- Following JLT being granted access to the Altair system by Aquila Heywood cases are now being completed direct onto the system, checking is also undertaken by JLT as will the issue of the formal documents to members. Queries continue to be collated and referred in the first instance to the Admin Team for investigation and response, where rectification cannot be carried out by the Admin team a request to the employer is raised.
- During March 2019 a Pensions Assistant and Clerical Assistant both retired.
- Current recruitment is in process in respect of 3 Pension Assistants and 2 Clerical Assistants.
- Recruitment exercise for an IT Systems/Process Analyst recruitment is currently underway.

### **Communications**

- The new Human Resources Manager for Carnoustie Golf Links visited Tayside Pension Fund for a demonstration of PensionWEB. Pension presentations have been arranged for office staff and greenkeepers on 10<sup>th</sup> May 2019.

- In January 2019 letters were issued to pensioner members advising them that with effect from April 2019 paper payslips would no longer be issued as standard. Approx. 15,000 letters were issued, this exercise resulted in approximately 2,500 telephone/email enquiries. As at the end of March 2019, 2,900 members have registered for the online service, and 1,400 members requesting that paper payslips continue to be issued.

## **6 RESOURCE**

Additional tasks have been allocated to JLT during the previous quarter (due to the resignations, recruitment and subsequent training needs of new staff), and they have completed a significant caseload within the areas of concurrency of employments calculations and also in aggregation and the issue of CETV (Transfers Out).

## **7 POLICY IMPLICATIONS**

This Report has been screened for any policy implications in respect of sustainability, strategic environment assessment, anti poverty, equality impact assessment, privacy impact assessment and risk management.

There are no major policy issues

## **8 CONSULTATIONS**

The Chief Executive and Head of Democratic and Legal Services have been consulted in the preparation of this report.

## **9 BACKGROUND PAPERS**

None

**GREGORY COLGAN**  
**EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**30 AUGUST 2019**