

Lancashire County Council

Pension Fund Administration Sub-Committee

Wednesday, 12th March, 2014 at 10.00 am in Assembly Hall - County Hall
Preston

Agenda

Part 1 (Open to Press and Public)

No.	Item	
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- | | | |
|----|---|-----------------|
| 1. | Constitution: Chair and Deputy Chair; Membership; Terms of Reference | (Pages 1 - 4) |
| 2. | Apologies | |
| 3. | Disclosure of Pecuniary and Non-Pecuniary Interests

Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda. | |
| 4. | Minutes of the Meeting held on 6 February 2013
To be confirmed, and signed by the chair. | (Pages 5 - 10) |
| 5. | Public Sector Pension Reform – Changes to the Local Government Pension Scheme | (Pages 11 - 44) |
| 6. | The Payment of Death Grants | (Pages 45 - 48) |
| 7. | Changes to the County Council's partnership with BT - Your Pension Service | (Pages 49 - 50) |
| 8. | Urgent Business

An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading. | |

9. Date of Next Meeting

To be confirmed.

I M Fisher
County Secretary and Solicitor

County Hall
Preston

Agenda Item 1

Pension Fund Administration Sub-Committee

Meeting to be held on 12 March 2014

Electoral Division affected: All

Pension Fund Administration Sub-Committee

Constitution: Chair and Deputy Chair; Membership; Terms of Reference

(Appendix 'A' refers)

Contact for further information:

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Executive Summary and Recommendation

The Sub-Committee is asked to note:

- i. the appointment of County Councillor M Parkinson and County Councillor T Burns as chair and deputy chair of the Sub-Committee for the 2013/14 municipal year.
- ii. the membership and terms of reference of the Sub-Committee.

Background and Advice

The County Council at its annual meeting on 23 May 2013 approved the constitution of the Sub-Committee on the basis of 2 Labour members, 2 Conservative members 1 Liberal Democrat member, 1 trade union co-opted member and 1 co-opted member representing the Lancashire District Councils and Unitary Authorities. The following members and co-opted members were appointed by their respective political groups or bodies:

Lancashire County Council:

County Councillor M Brindle
County Councillor T Burns
County Councillor M Parkinson
County Councillor A Schofield
County Councillor D Westley

Co-opted members:

Councillor M Smith (Lancashire District Councils/Unitary Authorities)

Mr B Harvey (trade union representative)

The Full Council also appointed County Councillor M Parkinson and County Councillor T Burns as chair and deputy chair of the Sub-Committee for the 2013/14 municipal year.

A copy of the Sub-Committee's terms of reference is attached at Appendix 'A'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications arising from this item.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A

Pension Fund Administration Sub-Committee

Composition and role

1. The role of the Pension Fund Administration Sub-Committee ("the Sub-Committee") is to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers, that the Fund is being run on an efficient and effective basis.
2. The Sub-Committee shall meet at least twice a year or otherwise as necessary.
3. The membership of the Sub-Committee shall be determined by the Pension Fund Committee ("the Committee"). The current membership is five County Councillors, one Trade Union representative and one representative from either the Lancashire borough and city councils or the Lancashire Unitary Authorities. All members have voting rights.

Terms of Reference

1. To ensure that the Committee's functions as Administering Authority are discharged and approve an Annual Administration Report.
2. To agree the terms of a Service Level Agreement in relation to the provision of administration services and support.
3. To submit reports and make recommendations to the Committee relating to the administration of the Lancashire County Pension Fund.
4. To respond to any Government consultations relating to the administration and benefits of the Local Government Pension Scheme.
5. To approve the following:
 - a. Pensions Administration strategy statement;
 - b. Communication Policy statement;
 - c. Internal Dispute Resolution procedure;
 - d. Death Grant procedure;
 - e. Bulk Transfer Payment policy;
 - f. Commutation policy (small pensions);
 - g. Transfer policy; and
 - h. Abatement policy.

Agenda Item 4

Lancashire County Council

Pension Fund Administration Sub-Committee

**Minutes of the Meeting held on Wednesday, 6th February, 2013 at 10.30 am
in Cabinet Room 'B' - County Hall, Preston**

Present:

County Councillor Michael Welsh (Chair)

County Councillors

M Brindle
P Evans

F De Molfetta
G Roper

Co-opted members

Bob Harvey, (Trade Union representative)
Councillor Mark Smith, (Blackpool Council
representative)

1. Apologies

None.

2. Disclosure of Pecuniary and Non Pecuniary Interests

None.

3. Minutes of the Meeting held on 11 October 2012

Resolved: That the minutes of the meeting held on 11 October 2012 be confirmed and signed by the Chair.

4. Your Pension Service – Transfer to One Connect Limited

The Sub-Committee considered a report on the decision by the County Council to transfer Your Pension Service to One Connect Ltd (OCL), the County Council's Joint Venture with BT. The transfer would be effective from 1 March 2013.

This decision had been taken because:

- a) There was a significant interaction and interdependence between Your Pension Service and other services already operated by OCL, in particular Payroll Services, ICT and Customer Access.
- b) Your Pension Service was a service that already operated in a highly commercial way and positioning the service within OCL would provide it with the necessary commercial support to continue to grow, for the ultimate benefit of the County Council and the Lancashire County Pension Fund as the key stakeholders.

A copy of the existing Service Level Agreement (SLA) with the Pension Fund Committee was presented. The SLA set out very clear performance standards and requirements around containing the cost of administration and it was noted that the transfer of the Your Pension Service would not result in any changes to the SLA.

Reports on administration matters would continue to be presented to the Pension Fund Administration Sub-Committee.

Members commented on the excellent and cost effective service currently provided by Your Pension Service, and a number of reservations and concerns were expressed about the transfer of the service to OCL. The following points were raised by members:

- The high quality of the existing service to members and their families as set out in the Service Level Agreement must be maintained;
- The expected expansion of the service on commercial lines must not put service standards at risk;
- The price per member (currently £21.50) should remain in the lower quartile;
- Confidential information concerning members and their families must at all times be secure;
- The transfer of Your Pension Service had not been considered or approved by the Pension Fund Committee; and
- There had not been any market testing prior to the transfer being approved.

In responding to the above, officers advised that the transfer would enable Your Pension Service to utilise OCL's commercial skills and systems to enhance and grow the business without affecting the current level of service. It was confirmed that the transfer of Your Pension Service had been market tested as part of the decision to include the transfer in the original list of council services to be transferred to OCL.

The Sub-Committee noted these comments but felt that the reservations expressed by members particularly around the future integrity of the service should be brought to the attention of the Pension Fund Committee and that the Service Level Agreement should be amended to reflect the transfer arrangements and to provide necessary assurances on the future delivery of the service.

The Sub-Committee's attention was drawn to the Pension Fund's Communication Policy Statement that was attached at Appendix 'B' to the SLA. It was noted that the Communication Policy Statement needed to be updated and that a further report would be presented to the Sub-Committee in July 2014.

Resolved:

1. That the County Council's decision to transfer Your Pension Service to Once Connect Ltd be noted.
2. That the members' reservations and concerns about the transfer, as set out above, be brought to the attention of the Pension Fund Committee with a view to further assurances on the future delivery of the service being provided by OCL.
3. That, subject to the amendments set out above, the current Service Level Agreement and associated performance standards, presented at Appendix 'A' to the report be confirmed.
4. That an updated Communication Policy Statement be presented to the next meeting of the Sub-Committee.
5. **Membership of Local Government Pension Scheme and Auto-enrolment**

The Sub-Committee considered a report on the effectiveness of a communications campaign to encourage a greater take up of the LGPS by County Council employees. The campaign which had been approved by the Sub-Committee on 11 October 2012 had been undertaken to coincide with the Council's auto enrolment staging date of 1 January

Details of the campaign which began in October 2012 were presented. The Sub-Committee noted that the campaign and auto enrolment had resulted in an increase in county council membership of the LGPS of 7.5%. This increase had exceeded the 5% target. It was also noted that the number of employees who had opted-out following the auto enrolment exercise was 33% and this was within the opt-out target of less than 50%. The opt-out rate would continue to be monitored and if necessary another wave of communications would be rolled out across the Council. It was suggested that any future campaign might be able to utilise One Connect Limited's marketing skills and that the benefits of the LGPS could be further highlighted in the revised Communication Policy Statement that would be presented to the next meeting of the Sub-Committee.

The Sub-Committee felt that it would be useful to have a break-down of county council employee opt-outs. It was agreed that further information showing the opt-outs by sex, age and salary would be presented to the Pension Fund Committee.

It was noted that the Fund's actuary would be attending the next meeting of the Pension Fund Committee to discuss the framework for the next actuarial

evaluation. The impact of auto enrolment and the proposed changes to the LGPS would be considered as part of the evaluation exercise.

The County Council was the first employer in the area to auto enrol its workforce. It was confirmed that all campaign materials would be made available to other Fund employers including District Councils and Unitary Authorities as the auto enrolment process began to affect them. The Your Pension Service had already been asked to provide support to UCLAN and the Service would run surgeries if requested to do so by other Fund employers.

Resolved:

1. That the evaluation of the communications campaign to encourage a greater take up of the LGPS be noted.
2. That a profile of county council employees who have opted out of the LGPS be presented to the next meeting of the Pension Fund Committee.

6. Statutory Consultation on the new Local Government Pension Scheme 2014 and related proposals

The Sub-Committee considered a report on the Department for Communities and Local Government (DCLG) consultation on draft regulations for the new Local Government Pension Scheme to come into force in April 2014.

It was noted that the main elements of the new scheme design reflected the proposals put forward previously within informal consultation. Therefore, on the basis that previous informal consultations had received overwhelming support, including support from Lancashire County Council, the Sub-Committee was asked to agree a response indicating their support for these proposals. It was also noted that the consultation asked practitioners to comment on a number of technical areas and that any response from the Fund would also contain a detailed commentary.

The Sub-Committee was asked to note that a number of related proposals (councillor's pensions, cost control and governance) would be subject to further consultation exercises during 2013. Further reports on these proposals would be presented as appropriate.

Resolved:

1. That a response supporting the draft regulations for a new Local Government Pension Scheme in April 2014 be submitted to the Department for Communities and Local Government
2. It be noted that that further reports on a number of related proposals would be presented during 2013.

7. Urgent Business

None

8. Date of Next Meeting

Resolved: That the County Secretary and Solicitor be asked to arrange the next meeting of the Sub-Committee to take place in July 2013.

I M Fisher
County Secretary and Solicitor

County Hall
Preston

9.

Pension Fund Administration Sub-Committee

Meeting to be held on 12 March 2014

Electoral Division affected: None

Public Sector Pension Reform – Changes to the Local Government Pension Scheme

(Appendices 'A' and 'B' refer)

Contact for further information:

Diane Lister, 01772 534827, Office of the Chief Executive.

diane.lister@lancashire.gov.uk

Executive Summary

The Local Government Pension Scheme (LGPS) is changing from 1 April 2014. The changes will reflect the provisions of the Public Service Pensions Act 2013. The new LGPS 2014 will be a Career Average Re-valued Earnings (CARE) Scheme and other changes will allow Scheme members more flexibility and affordability in respect of their benefits. All benefits accrued prior to 1 April 2014 will be protected. Other Public Sector Schemes are due to follow suit from 1 April 2015 at the same time that the government's new cost sharing and governance arrangements are due to take effect.

This change represents the biggest change to Public Sector pension provision in recent memory and has necessitated significant amendments to administration systems and processes. A major project is underway and is being robustly managed to ensure the 1 April timescale is met.

The greatest element of this change is the move from calculating benefits based on final salary to a calculation based on career average pay. This requirement has highlighted the need for Scheme employers to share information with the Fund on a more frequent basis if benefits are to be correctly calculated. The Fund's Pensions Administration Strategy Statement has been amended to reflect the change in administration processes.

The requirement to communicate scheme change to members has become more important than ever and a comprehensive communication campaign has been underway since 2013. Various media has been utilised during the campaign and Scheme employers have been provided with a communications toolkit to support them in communicating the change. Webcasts, road shows and online campaign windows have been used to create awareness and to provide information about the changes to Scheme members. A new online self service system allows members to view and track their pension benefits. The Fund's Communication Policy Statement has been revised to reflect this.

Recommendation

The Sub-Committee is asked to:

- (i) Note the changes to the Local Government Pension Scheme, as set out in the report.
- (ii) Approve the revised Pensions Administration Strategy Statement, as set out at Appendix 'A'.
- (iii) Approve the revised Communication Policy Statement, as set out at Appendix 'B'.

Background and Advice

The Local Government Pension Scheme (LGPS) is changing from 1 April 2014. The changes reflect the provisions of the Public Service Pensions Act 2013.

The main changes are: -

- The Scheme will be a Career Average Re-valued Earnings (CARE) Scheme
- Pension will build up at a rate of a 49th of pay
- Benefits will be re-valued each year in line with CPI.
- All pay is pensionable, including overtime
- The normal retirement age will reflect state pension age
- A new option allows members to take their retirement benefits from age 55, without the need for employer consent, albeit that appropriate actuarial reductions will be applied to benefits.
- The average employee contribution remains 6.5% of pay but part time and lower paid employees will pay less with employees earning more than £34,000 paying more.
- A 50/50 contribution flexibility option will allow members to pay half contributions and build up half Main Scheme benefits.
- The vesting period has increased from three months to two years.
- All accrued rights are protected and benefits built up to 31 March 2014 will be linked to final salary when members leave the scheme.
- There is a protected underpin for members aged 57 or over.

This change represents the biggest change to Public Sector pension provision in recent memory and has necessitated significant amendments to administration systems and processes. A major project is underway to upgrade the pension administration system and to amend and introduce new administration processes and procedures. In addition, more frequent data capture/collection requirements

have been introduced to ensure that Scheme employers provide information on a timely basis in order that new scheme benefits calculations are accurate. The project is being robustly managed to ensure the 1 April timescale is met.

The Fund's Pensions Administration Strategy Statement (Appendix 'A') has been amended to reflect the change in administration processes and the new requirements upon employers. The Statement sets out the respective responsibilities of the Fund and Scheme Employers and sits alongside a comprehensive Employer Guide and Administration Procedure Guide.

The requirement to communicate scheme change to members has become more important than ever and a comprehensive communication campaign has been underway since 2013.

Various media has been utilised during the campaign and Scheme employers have been provided with a communications toolkit to support them in communicating the change. Webcasts, road shows and online campaign windows have been used to create awareness and to provide information about the changes. Posters and postcards have complemented the campaign. A new online self service system allows members to view and track their pension benefits.

The Fund has a dedicated resource to ensure that communication and working in partnership with Scheme employers is given priority in order to raise awareness of pensions in the workplace and to encourage staff to save for their retirement.

The Fund takes advice and assistance from Lancashire County Council's Corporate Communications Team to ensure that messages are extensively communicated using the best available methods.

The Fund's Communication Policy Statement (Appendix 'B') has been revised to reflect the variety of media and methods of communication currently used.

A number of other changes are expected to become effective from 1 April 2015 when the rest of the public sector pension schemes move to career average benefit structures. Proposals on how to manage future cost risks have been agreed in principle and Ministers are committed to establishing a National Advisory Board for the LGPS which, amongst other things, is expected to allow employers, trades unions and other scheme stakeholders to effectively manage the future cost risks of the scheme. Discussions about the precise role, composition and scope of the proposed Board are ongoing. A separate report will update the Sub-Committee once the detail of these changes is known.

Implications:

This item has the following implications, as indicated:

Risk management

The change is being strongly project managed and risk assessed with regular reporting back to the Deputy County Treasurer.

The scale of this change presents a range of risks, particularly around the timeliness of the finalisation of regulations intended to allow the transition to the new benefit structure to take place and the absence of revised actuarial factors necessary to calculate benefits in the new Scheme. Both are expected imminently but have not been received at the time of writing this report.

Financial Management

Additional costs have been incurred as a result of these changes and this is expected to increase the charge to the fund in respect of administration in the current financial year, although charges will not exceed the lower quartile benchmark as set by the Fund.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		

Lancashire County Pension Fund

Pension Administration
Strategy Statement
2014

Lancashire County Council
as administering authority of
**Lancashire County Pension
Fund**

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Acknowledgement & Review

This statement will be reviewed by Your Pension Service on an annual basis.

Signed and dated

Diane Lister

Date

Head of Your Pension Service

Employer Acknowledgement

Signed and dated

Signature of Fund Employer

Date

_____ Employer

_____ Name

_____ Designation

Background

Lancashire County Council as 'Administering Authority' is required by law to administer the Local Government Pension Scheme in Lancashire.

The Council delegates its functions in respect of Scheme to its Pension Fund Committee who further delegates the administration of the Scheme to Your Pension Service under the terms of a Service Level Agreement.

Purpose

Regulation 59 of the Local Government Pension Scheme Regulations 2013 allows for the Administering Authority to prepare and publish, following consultation with Fund Employers, a 'Pension Administration Strategy' to facilitate best practices and efficient customer service in respect of the following:-

- Procedures for liaison and communication with Scheme employers;
- The establishment of performance levels which the administering authority and fund employers are expected to achieve;
- Procedures to ensure compliance with statutory requirements in connection with the administration of the LGPS;
- Procedures for improving the methods of passing information between the administering authority and fund employers;
- The circumstances when the administering authority may consider recovering additional costs that have been incurred due to the unsatisfactory performance of a Scheme employer;
- Any other matters that the administering authority consider suitable for inclusion in the 'Pension Administration Strategy.'

Regulation 59 is set out fully at Annex A.

Compliance

The undertakings set out within this Pension Administration Strategy will be reviewed annually. Scheme employers will be consulted on any changes to the Strategy. In no circumstance does this Strategy override the contents of the Service Level Agreement with Lancashire County Pension Fund nor does it override any provision or requirement of the Regulations set out at Section 1.6, nor is it intended to replace the more extensive commentary provided by the Employers Guide to the day to day procedures of the LGPS.

1. Your Pension Service' Undertakings

1.1. Liaison and Communication

a) Your Pension Service has a dedicated Partnerships Team who will act as primary contact for employers in respect of all areas of pension administration. The Team are responsible for all aspects of communication and employer liaison.

The Service will:

b) Ensure that Employer Forums and Conferences are held on a regular basis and actively seek to promote the Local Government Pension Scheme via attendance at the following events, in conjunction with the employer:

- Pre Retirement courses
- New Starters Induction courses
- Benefit Statement and AVC surgeries

Attendance by Your Pension Service will be subject to a maximum of 10 working days in any financial year. Attendance in excess of 10 working days will be provided at a daily rate to be determined on request.

c) Provide a Helpdesk facility for enquiries, available during normal office hours, providing a single access point for information relating to the pension scheme.

d) Provide Scheme information: Annual newsletters will be made available to members and potential members of the scheme.

e) Provide employer training in the following areas (as appropriate):

- Pension basics and general employer administration functions
- Changes to the regulations
- New technological developments
- Navigation of systems

f) Develop, promote and encourage electronic/online communication.

g) Carry out annual employer visits for employers with more than 100 employees.

1.2. Performance Levels

A Service Level Agreement is in place for the provision of a range of pension administration services.

The minimum performance targets set are shown below. Performance against these targets is reported to the Pension Fund Committee. The Annual Administration Report as reported to the Pension Fund Committee is available in the Employers area of the Your Pension Service website.

www.yourpensionservice.org.uk

1.2.1. Pensioner Members

<u>Performance Standard</u>	<u>Minimum Target</u>
a) Make payment of pensions on due date.	100%
b) Production and distribution of annual P60s to pensioners within statutory deadlines.	100%

- | | |
|--|------|
| c) Implementation of annual pension increases by payment due date. | 100% |
| d) Implementation of change in pensioner circumstance including the calculation and quoting of benefits on death of pensioners and administering the recovery of overpayments by payment due date. | 90% |
| e) Provide information on request in respect of Pension Sharing on Divorce within legislative timescales. | 100% |
| e) Implement Pension Sharing Orders within legislative timescales. | 100% |
| f) Respond to general correspondence within 10 working days of receipt. | 90% |
| g) Calls to the Pensions Helpdesk answered. | 90% |
| h) Undertake annual reviews to establish continuing entitlements to pension for all children over age 17. | 100% |

1.2.2 Active & Deferred Members

<u>Performance Standard</u>	<u>Minimum Targets</u>
a) Amend personal records within 10 working days of receipt of required documentation.	90%
b) Providing an annual statement of benefit entitlement to all active and deferred members.	100%
c) Calculation of additional membership for transfer values within 10 working days of receipt of transfer details.	90%
d) Action agreed transfer values within 10 working days of receipt of acceptance.	90%

- | | |
|--|------|
| e) Provide information on request in respect of Pension Sharing on Divorce within legislative timescales. | 100% |
| f) Implement Pension Sharing Orders within legislative timescales. | 100% |
| g) Provide a statement of deferred benefit entitlement on leaving service within 15 working days of date of leaving or receipt of notification, whichever is later. | 90% |
| h) Respond to requests for estimates of benefits in relation to retirement, leaving service or on death within 10 working days following receipt of request. | 90% |
| i) Calculating and paying refunds of pension contributions, including deducting statutory deductions in accordance with HMRC and DWP regulations within 15 working days of receipt of notification. | 90% |
| j) Respond to general correspondence within 10 working days of receipt. | 90% |
| k) Calls to the Pensions Helpdesk answered. | 90% |
| l) Calculation and payment of retirement benefits, deferred benefits and death in service lump sums in accordance with LGPS rules, members' options and statutory limits. The service includes the recalculation and payment of benefits as a result of amended data received by Your Pension Service. Within 10 working days of receipt of notification or date of entitlement to benefit; whichever is later. | 90% |
| m) Advise transfer value out within 15 working days of receipt of necessary documentation. | 90% |
| n) Action agreed transfer values out within 15 working days of receipt of acceptance. | 90% |

1.3. Administration of the LGPS and Compliance

1.3.1. Contributions

Your Pension Service will ensure the following functions are carried out in relation to the Lancashire County Pension Fund:

- a)** Collect and reconcile employer and employee contributions (plus interest as appropriate).
- b)** Maintain and update members' records regarding additional contributions.
- c)** Calculate service credits, additional pensions or maximum cash on retirement where appropriate based on fund values received from the Additional Voluntary Contribution (AVC) providers.
- d)** Maintain and keep up to date additional contracts for members' contributions and provide information to employers on request on members' contributions regarding breaks in service / maternity/paternity/adoption and leave of absence.
- e)** Account to Her Majesty's Revenue and Customs in respect of income tax on pensions, refunds of AVCs and commutation of pensions where appropriate.
- f)** Send quarterly and annual event reports to HRMC in respect of lifetime and annual allowance reporting requirements.

1.3.2. Year End Information

- a)** Your Pension Service will process pensioner payroll year end routines and comply with HRMC PAYE legislation
- b)** Your Pension Service will update its systems and member records each year
- c)** At each Actuarial Valuation period, Your Pension Service will forward the required data in respect of each member and provide statistical information on member movements over the valuation period in order that the Fund Actuaries can determine the assets and liabilities of the Fund.
- d)** Your Pension Service will communicate the results of each Actuarial Valuation to Fund Employers within 12 months of the end of the relevant Valuation period.

1.3.3. Processing

Your Pension Service will ensure the following functions are carried out:

a) Data Collection File

Reconcile contributions and update scheme member personal and financial data received from employers in the LGPS2014 Data Collection File every pay period.

b) New Starters / Disclosure of Information

Create member records for all new starters admitted to the LGPS. Send a welcome letter to all members, by email if possible.

c) Adjustments of Career Average Pay

Apply any retrospective adjustments to career average pay and accrual rates as informed by employers.

d) Change in circumstances

Update and maintain a member's record for any changes received in their circumstances.

e) Absence

Update member records in line with absence notifications, and set up APC arrangements to cover lost absence as appropriate.

f) Benefit Estimates & Annual Benefit Statements

Provide every active, deferred and pension credit member a benefit statement each year.

g) Early Leavers

Process early leavers (deferred benefits / refunds) within 15 working days of the receipt of form YPS Employer – Leaver form. Pensions Increase Order will be applied to all deferred benefits each year in line with the annual Pensions Increase (Review) Order.

h) Payment of Benefits where employment is continuing

Arrange payment of retirement benefits and create a new record for ongoing pension scheme membership if applicable.

i) Retirements

Calculate and pay benefits within 10 working days of receipt of notification or date of entitlement, whichever is the later.

Arrange to make pension payments on the last working day of each month.

Make payment of compensatory added years pensions as agreed on behalf of the employer in connection with redundancy retirements and recover these amounts via direct debit collection on the date payment is made to the former employee or by an annual payment in advance as agreed with Your Pension Service. Statements will be provided annually to the relevant employer.

Produce and distribute P60s to pensioners by the 31 May each year.

Apply Pensions Increases to pensions on the due date.

Implement changes in pensioner's circumstances by payment due date in the month of the receipt of the information.

j) Death in Service

Calculate and pay dependants benefits within 10 working days of receipt of notification or date of entitlement, whichever is the later.

Arrange to make pension payments on the last working day of each month.

Make payments to the member's estate / nomination within one month of receipt of the required documentation.

Produce and distribute P60s to pensioners by the 31st May each year.

Apply Pensions Increases to pensions on the due date.

Implement changes in spouse / dependants circumstances.

1.4. Online Communication and Information Sharing

1.4.1 Electronic/online systems

YPS will develop and actively promote the use of electronic/online facilities for data sharing and communication purposes between employers, scheme members and the Service.

1.4.2 Self Service

Your Pension Service will develop and actively promote the use of member and employer online self service systems and provide day to day access and query support.

1.5. Circumstances for recovery of Additional Costs

See section 2.5 Employer Undertakings.

1.6. Other Matters

1.6.1. Decisions

Your Pension Service will ensure that members are notified of any decisions made under the scheme regulations in relation to their benefits within 10 working days of the decision being made and will ensure the member is informed of their right of appeal.

1.6.2. Policies (Administering Authority Discretions)

Your Pension Service will ensure the appropriate policies are formulated, reviewed and publicised in accordance with the scheme regulations

1.6.3. The Regulations

Your Pension Service will comply with the principal regulations (as amended from time to time) relevant to this Pension Administration Strategy Statement as shown:

- Local Government Pension Scheme Regulations 2013 [2013/2356]
- Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [2014/]
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]

And the following Acts (including relevant secondary legislation made under each Act not mentioned above)

- Finance Act 2004 [c.12]
- Pension Schemes Act 1993 [c.48]
- Pensions Act 1995 [c.26]
- Pensions Act 2008 [c.30]
- Public Service Pensions Act 2013 [c.25]
- Welfare Reform and Pensions Act 1999 [c.30]
- Pensions (Increase) Act 1971 [c.56]
- Date Protection Act 1998 [c.29]
- Freedom of Information Act 2000 [c.36]

2. Employer Undertakings

2.1. Liaison and Communication

- a) The employer shall nominate a person / persons who will act as the primary contact(s) for general administration, HR & payroll, financial and regulatory/discretionary issues with Your Pension Service.
- b) The employer will facilitate an annual visit by Your Pension Service with the appropriate primary contact.
- c) The employer shall nominate an authorised signatory/signatories in respect of all documents and instructions received by Your Pension Service
- d) The employer shall ensure representation at Employer Forums and Practitioner Conferences as specified in Section 1.1.
- e) The employer shall undertake to ensure that all personnel dealing with the Local Government Pension Scheme as part of their day to day role undergo appropriate training as noted in Section 1.1.
- f) Where an employer contracts a third party HR or payroll provider the employer must authorise Your Pension Service if they wish YPS to deal directly with the payroll provider in matters of pensions administration.

2.2. Performance Levels

Performance achieved by the Employer in relation to the following will be monitored by Your Pension Service: - .

- Payment of contributions collected, completion and submission of YPS Employer - Contributions Payment form;
- Payment of AVCs to Prudential;
- Submission of YPS LGPS 2014 Payroll Data Collection File every pay period
- Notification of leavers

An annual statement of employer performance will be produced by Your Pension Service.

2.3. Administration of the LGPS and Compliance

2.3.1. Contributions

The employer will ensure that both employee and employer contributions are deducted at the correct rate (plus any additional contributions as Your Pension Service may request the employer to collect). The employer must record the scheme section (50/50 or Main) in accordance with any election made by the scheme member, and deduct contributions as appropriate. The employer must maintain a policy to review employee tiered contribution rates, and notify Your Pension Service of any changes (see 2.3.3c).

All contributions, but not Prudential or Equitable Life AVC's, must be paid to the Lancashire County Pension Fund on a monthly basis and in any case ***before the 19th of the month following that in which they were deducted.*** Non-compliance may result in a fine on the employer.

Form 'YPS Employer – Contributions Payment' must be completed and returned each month to pensionsfinance@lancashire.gov.uk by 6th of the calendar month following the month in which the contributions were deducted. The amounts specified on the form will then be recovered by direct debit on 19th of that month (or the banking day before if 19th is a non-banking day).

Where the 'YPS Employer – Contributions Payment' form is not received in time the direct debit will be recovered based on the previous month's payment and an adjustment made in the following month. Interest may be charged on any shortfall.

The employer will ensure that employee's Equitable Life and Prudential AVC's are paid direct to the provider as soon as possible after deduction but in any case ***before the 19th of the month following that in which they were deducted*** as stated above.

2.3.2 Pension Strain

Each quarter YPS will issue an invoice to the employer reflecting the cost of any non-ill health early retirements processed in the previous quarter. The employer must pay the amount within one month of the date of the invoice.

2.3.3 Rechargeable Pensions

Where amounts of discretionary pension are paid by YPS on the employer's behalf, the monthly amounts will be recharged to the employer and will be recovered by direct debit on 28th of the month following the month of payment (or the next banking day if 28th is a non-banking day).

This also applies in respect of other rechargeable pension e.g. where the employer has liability to pay for pre 1.4.1974 pensions increase payments and other unfunded pensions.

2.3.4. Year End Information

The employer will provide information requested by YPS at year end by no later than 31 May.

2.3.3 Processing

a) Data Collection file

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly at the end of every pay period. Data on this file must reconcile to contributions paid over each month, and must contain accurate figures of pensionable pay, including assumed pensionable pay where appropriate, for YPS to post to individual member records. Files should be at the latest submitted by 6th of the month following pay period end.

b) New Starters / Disclosure of Information

At the latest, on the first day of employment, the employer will provide all new starters with LGPS information and request that the employee completes a YPS Member – Enrolment Form.

The employer will notify the member of their formal admittance to the scheme, and the contribution rate they will pay.

If the employee opts out of the LGPS with less than three months active membership, the employer must refund contributions through payroll. The employer must not encourage employees not to join, or to opt out of the scheme.

The employer must continue to monitor the workforce in line with Automatic enrolment legislation, and re-enrol eligible employees to the LGPS at their re-enrolment date.

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, from which YPS will arrange for scheme membership for any new starters.

c) Adjustments of Career average pay

Employers must submit form YPS Employer – Pension Pot Adjustments in the following circumstances

- Where a retrospective change is made to the scheme section and the scheme section was reported incorrectly in a previous pay period;
- Where a member is brought into the scheme retrospectively and arrears of contributions are recovered;
- Where a leaver is overpaid, and pensionable pay has been reported incorrectly in a previous pay period.

d) Changes in circumstance

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, from which YPS will arrange for the update of scheme member records in the following circumstances -

- Change of hours / weeks;
- Change of name;
- Change of marital status;
- Change of contract;
- Change of tiered contribution rate;
- Change of title;
- Change of address.

e) Absence

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, which will provide YPS with information regarding employees who are absent, including assumed pensionable pay where relevant. On return from the following absences, the member will have suffered a loss of pension benefits, and the employer must write to the member with information on how to buy back these benefits through payment of an Additional Pension Contribution (APC).

- Additional Maternity, Paternity or Adoption Leave on no pay
- Unpaid Leave of absence
- Strike

If the member elects to pay APCs to buy lost pension within 30 days of returning from unpaid leave, the employer must fund 2/3rds of the cost. The exception to this is strike where the employee must pay the full cost.

The employer must submit form YPS Employer – Return from Absence within 10 days of return from unpaid leave.

f) Benefit Estimates & Annual Benefit Statements

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period. Where YPS have queries on the data or status of any member these must be dealt with by the employer within 5 working days, so that YPS data is always correct and up to date ready for benefit estimate requests.

Where a scheme member requests a benefit estimate for voluntary retirement, they should be directed by the employer to My Pension Online in the first instance. Once registered, the member can process their own estimate, or view their most recent benefit statement.

Employers are also required to use Altair Employer Services to run ad hoc benefit estimates when requested by their scheme members.

If the member requests a more complex estimate, or is retiring within the next 12 months, then the employer can request the estimate from YPS by completing the eform YPS Employer – Estimate request. Or the member can request this themselves

Where a scheme member or employer requires an early retirement estimate which requires the employer's consent there is likely to be a cost to the employer. Therefore the estimate request must be made by the employer, through completion of eform YPS Employer – Estimate request.

g) Early Leavers

The employer will send completed form YPS Employer – Leaver Form to Your Pension Service when an employee leaves employment (or 'opts out' of the scheme) with no entitlement to immediate payment of retirement benefits. The employer will send the form as soon as reasonably practicable and no later than 10 working days of the final payment of salary following termination from the scheme membership.

h) Payment of benefits where employment is continuing

The employer will send YPS Employer – Confirmation of Flexible Retirement form to Your Pension Service as soon as the flexible retirement has been approved.

Completed YPS Employer – Leaver form and YPS Member – Personal Details form will also be forwarded to Your Pension Service together with all supporting documentation, as soon as reasonably practicable and no more than 5 working days of the final payment of salary following the date of termination.

If the member elects to rejoin the Pension Scheme, the employer will set up a new employment record with a new pay reference number to enable separate reporting of pension cumulative and membership from the retired post.

i) Retirements

Employers must always request an estimate of retirement benefits where they are considering allowing a scheme member to retire with early payment of pension (e.g. redundancy and employer consent retirements). There is likely to be a cost to the employer which should be considered before allowing the retirement. This does not apply to ill health retirements.

The employer will send a YPS Employer – Intention to Retire form to Your Pension Service as soon as it is known that an employee is leaving with an entitlement to immediate payment of pension benefits or is aged 60 or over.

Completed YPS Employer – Leaver forms and YPS Member – Personal Details forms will also be forwarded to Your Pension Service together with all supporting

documentation, as soon as reasonably practicable and no more than 5 working days of the final payment of salary following the date of leaving.

Where an employer determines that preserved pension benefits are to be paid early, notification, including the date that benefits are to be brought into payment, will be provided to Your Pension Service within 5 working days following the date of the decision together with all supporting documentation.

Likewise, the employer should notify the member within 5 working days following the date of the decision, if their application has been refused.

j) Death-in-service

The employer will send a completed YPS Employer – Leaver form to Your Pension Service following the death of a member within 5 working days of being informed of the employees' death. The YPS Employer – Leaver form must provide details of informant and next of kin, if known.

2.4 Online Communication and Information Sharing

2.4.1. Data Sharing

Your Pension Service undertakes to develop alternative methods of data capture to automate processes and ensure that scheme member data held is accurate and up to date. The employer will commit to the online/electronic requirements of Your Pension Service.

2.4.2. Self service

Your Pension Service undertakes to develop member and employer self service system functionality to improve customer service and provide instant access to pension information. The employer will commit to the use of the self service system.

2.4.3. e- forms

Your Pension Service undertakes to develop alternative methods of data capture to automate processes and ensure that scheme member data held is accurate and up to date, including the development of e-forms. The employer will commit to the online/electronic requirements of Your Pension Service, including the requirement to use e-forms.

2.4.2. Access

The Employing Authority can authorise that specified employees are granted access to all scheme member records for that employer using Altair Employer Services. The employer must be satisfied that the individuals that are authorised have received appropriate information security training, and that system access is used for pension administration purposes only. The employer must observe its obligations under the Data Protection Act 1998 (or any legislation which amends or replaces this Act) arising in connection with use of the account and must not do anything which might imply a breach by Your Pension Service of such Act. The employer shall comply with obligations equivalent to those imposed on a data controller by the seventh principle of the Data Protection Act.

2.5 Circumstances for recovery of Additional Costs

2.5.1. Underperformance

Where the Administering Authority considers that the Employer has underperformed against the performance levels set out at section 2.2 of this statement, the Administering Authority will seek to recover additional costs under regulation 70 of the Local Government Pension Scheme Regulations 2013.

2.5.2. Late Payment

In addition the Authority will seek to recover interest on late payment of contributions under the terms of regulation 71 of the Local Government Pension Scheme Regulations 2013 calculated at 1% above base rate on a day to day basis from the due date to the date of payment and compounded with 3 monthly rests.

2.6 Other Matters

2.6.1. Employer Decisions

Any decision made by the employer under the scheme regulations should be notified to the member within 10 working days of the decision being made and must be accompanied by a statement in respect of their right of appeal.

2.6.2. Policies (Employer Discretions)

The employer will ensure that policies are formulated, kept under review and publicised in accordance with the scheme regulations.

Annex A – Regulation 59 Local Government Pension Scheme Regulations 2013

Pension administration strategy

Regulation 59

(1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.

(2) The matters are—

(a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");

(b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by—

(i) the setting of performance targets,

(ii) the making of agreements about levels of performance and associated matters,
or

(iii) such other means as the administering authority considers appropriate;

(c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

(d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;

(e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

(f) the publication by the administering authority of annual reports dealing with—

(i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and

(ii) such other matters arising from its pension administration strategy as it considers appropriate; and

(g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

(3) An administering authority must—

(a) keep its pension administration strategy under review; and

(b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

(5) An administering authority must publish—

(a) its pension administration strategy; and

(b) where revisions are made to it, the strategy as revised.

(6) Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.

(7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

(8) In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme employer.

Lancashire County Pension Fund

**Local Government Pension Scheme
Communication Policy Statement**

1 April 2014

Lancashire County Council
as administering authority of
**Lancashire County Pension
Fund**

Local Government Pension Scheme

Communication Policy Statement

Introduction

This is the Communication Policy Statement of Lancashire County Pension Fund which is administered by Lancashire County Council; the administering authority. All Local Government Pension Scheme (LGPS) administering authorities in England and Wales are required to prepare maintain and publish a written statement setting out their policy concerning communications with: -

- **Members;**
- **Representatives of members;**
- **Prospective members; and**
- **Scheme Employers**

In particular, the statement must set out their policy on: -

- ***The provision of information and publicity about the Scheme to members, representatives of members and Scheme Employers;***
- ***The format, frequency and method of distributing such information or publicity; and***
- ***The promotion of the Scheme to prospective members and their employers.***

Policy

Lancashire County Pension Fund recognises the government's objective to help people save for their retirement and will aim to: -

- ***Actively encourage the provision of good pension information and the promotion of pensions in the workplace.***
- ***Increase transparency and build trust, confidence and engagement in pension saving as the norm.***

To achieve its aim the administering authority will undertake to: -

- ***Provide clear, accurate and timely communication about the Local Government Pension Scheme to all stakeholders.****
- ***Actively promote the Scheme to prospective members and their employers.***
- ***Take a multimedia approach in recognition that different styles and methods of communication suit different stakeholders***
- ***Use and encourage the use of electronic/online communication and information sharing.***
- ***Support Scheme employers, providing publicity and information toolkits, to enable employers to fulfil their responsibility to communicate and share information with members in relation to the Scheme.***
- ***Treat information security with the upmost importance.***

Communication Policy Statement

Communication Programme

The Fund will regularly review the format, frequency and method of communication. The following programme is currently in use.

Information	Stakeholder*	Format	Frequency	Method of distribution
Actuarial Valuation	All Stakeholders	Presentation, formal report,	Triennial with annual updates	Email, mail, website and face to face briefings.
Fund Policy and Statements	All Stakeholders	website	As amended	Mail/email
Annual Benefit Statements	Members	Online self service	Annual	Online/email alert
Customer Satisfaction Survey	All Stakeholders	Website	Ongoing	Click question
Member Guides	Members	website	On or before employment. On request	Via employer HR/payroll departments Mail/intranet
Employer Updates	Employer	Website, online	As required	email/internet
Pensioner payslips/P60's	Member	Online self service, paper	Annually	email/mail
Employer Guide	Employer	Website,	As amended	email /internet
Employer Training	Employer	Presentation Webcast	On request in line with SLA	Face to face – In house Employer locations. Website
Factsheets	All members	Paper/website	On request / as required	Mail/email/ internet

Communication Policy Statement

Individual member information	All Stakeholders	Paper, Online self service	As required	Mail, email
Employer information pack	Employer	Paper/website	On Admission	Face to Face
Newsletters	Members	Paper/website	Annual	Online
Scheme change and legislative change	All Stakeholder	Presentation/webcast Website	As required and on request	Face to face/internet
Fund Report and Accounts	All Stakeholders	Paper/website	Annually	Mail/email/ internet
Service Level Standards	All Stakeholders	website	As amended	Internet /intranet
Query	All Stakeholders	Telephone/email/online	Mon – Fri	Telephone/email/ Online

**Stakeholders are defined as members, representatives of members, prospective members and employers (members are defined as active, deferred or pensioner members).*

Scheme Regulations and Overriding Legislation

Lancashire County Pension Fund undertakes to comply with Local Government Pension Scheme Regulations and the relevant Overriding Legislation; In particular, the Fund undertakes to comply with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]. A full list of Scheme and related legislation is set out below: -

Local Government Pension Scheme Regulations 2013 [2013/2356]

Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [2014/]

Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]

And the following Acts (including relevant secondary legislation made under each Act not mentioned above)

Communication Policy Statement

Finance Act 2004 [c.12]

Pension Schemes Act 1993 [c.48]

Pensions Act 1995 [c.26]

Pensions Act 2008 [c.30]

Public Service Pensions Act 2013 [c.25]

Welfare Reform and Pensions Act 1999 [c.30]

Pensions (Increase) Act 1971 [c.56]

Date Protection Act 1998 [c.29]

Review

This statement will be reviewed where there is any material change to the Funds policy in respect of communication.

Pension Fund Administration Sub-Committee

Meeting to be held on 12 March 2014

Electoral Division affected: None

The Payment of Death Grants

(Appendix 'A' refers)

Contact for further information:

Diane Lister, (01772) 534827, Office of the Chief Executive

Diane.lister@lancashire.gov.uk

Executive Summary

This report seeks to clarify the procedures in respect of the payment of death grants where the beneficiary would be a young adult or child.

Recommendation

The Sub-Committee is asked to approve the revised procedures in respect of the payment of death grants as set out in the report and at Appendix 'A';

Background and Advice

The Local Government Pension Scheme Regulations provide for the payment of a death grant following the death of a member:

- During employment;
- Having left employment before becoming eligible to receive pension benefits; and
- During the minimum pension guarantee period of a pensioner.

Lancashire County Pension Fund has absolute discretion under the Pension Scheme Regulations to pay the death grant *'to or for the benefit of the member's nominee, personal representative, or any person appearing to the authority to have been a relative or dependant of the member.'* The only exception being where payment of the death grant has not been made before the expiry of 2 years and in these cases the amount is payable to the member's personal representatives.

The current decision making procedures relating to the payment of death grants was approved by the Sub-Committee on 15 June 2010

There are occasions when the beneficiary of the death grant, or part of it, will be a young adult or child dependant. In such cases a Trust Deed is utilised to ensure that as far as practicable the decision of the Fund is adhered to.

A review of the current process in relation to the payment of death grants has been undertaken to ensure that the current procedure complies with both the new Local Government Pension Scheme regulations which become effective from 1 April 2014 and previous Local Government Pension Scheme legislation, where this remains applicable.

The Sub-Committee is asked to approve the revised procedures in respect of the payment of death grants as set out at Appendix 'A'. Specifically the changes are intended to simplify the procedure, to allow the family of the deceased to exercise some autonomy and to give them the option to appoint an independent trustee. The procedures have also been amended to reflect necessary changes following the retirement of the Executive Director for Children and Young People.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
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Reason for inclusion in Part II, if appropriate

N/A

**Lancashire County Pension Fund
Payment of Death Grants - Procedure**

The following procedures shall apply in relation to the payment of death grants:

General

Save for 2 below, the payment of death grants under the Local Government Pension Scheme Regulations shall be delegated to the County Treasurer who will further delegate this responsibility to the Head of Your Pension Service.

Determination of beneficiary and payment of grant

1. To determine the beneficiary where the death grant does not exceed £100,000 and either:
 - There is a valid nomination held on record;
 - The deceased is survived by a next of kin;
 - A nominated co-habiting or civil partner's pension is being paid;
 - Payment is to be made to the Estate; or
 - There are no valid beneficiaries and payment is to be made to the Duchy of Lancaster.
2. If paragraph 1. above does not apply or there are exceptional circumstances, the decision regarding payment of the death grant will be made by the County Treasurer as Treasurer to the Lancashire County Pension Fund, taking advice as appropriate..

Payment of Death Grant to a Young Adult Dependent or a Child Dependent

3. Where the death grant payable to an individual is £25,000 or greater the death grant will be paid into a child's trust fund which will be payable:
 - a. On the child attaining age 25; or
 - b. On application under the terms of the Trust Deed, the Family Trustees may jointly agree with the Independent Trustee (if applicable), that a part of the child's trust fund shall be payable before the age of 25.
4. Where the death grant payable to an individual is under £25,000 and greater than £5,000 the death grant will be paid into a child's trust fund which will be payable:
 - a. On the child attaining age 18; or

- b. On application under the terms of the Trust Deed part of the child's trust fund shall be payable before the age of 18; and
5. Where the death grant payable to an individual is under £5,000 the death grant will be paid:
 - a. If the child is under age 16, to the child's parent / guardian for the benefit of the child; or
 - b. If the child has attained age 16, to the child.

Payment of death grants without letters of representation

6. Where a pension scheme member dies and payments due from the Pension Fund do not exceed the Administration of Estates (Small Payments) Act:
 - If a spouse, nominated co-habiting or civil partner's pension is being paid there are no further documentation requirements;
 - In all other instances a form of indemnity or letters of representation must be satisfactorily completed or produced before any payments can be made to the estate.

Pension Fund Administration Sub-Committee

Meeting to be held on 12 March 2014

Electoral Division affected: None

Changes to the County Council's partnership with BT - Your Pension Service

Contact for further information:

Diane Lister, 01772 534827, Office of the Chief Executive.

diane.lister@lancashire.gov.uk

Executive Summary

This report is to inform the Sub-Committee of the decision by the County Council to make changes to its Strategic Partnership arrangements with BT which result in the return of Your Pension Service, amongst a range of other services to the County Council.

Recommendation

The Sub-Committee is asked to note the decision by the County Council to return Your Pension Service to the County Council following changes to the Council's partnership with BT.

Background and Advice

Following a strategic review of the County Councils partnership with BT a proposal to restructure the partnership was agreed at a Cabinet meeting held on 24 January 2014.

The new partnership will become a wholly owned BT company and will focus on improving the efficiency and quality of information and communication technology (ICT), revenue, benefits and payroll services. As a result a number of services currently delivered by the partnership will return to being delivered within the County Council, including Your Pension Service.

Revising the partnership in this way will help to deliver improvements in services for communities across Lancashire and in those that are delivered internally. Cabinet concluded that those services returning in-house, including Your Pension Service, will sit better within the council's own structure whilst the partnership places emphasis on using the technological capability provided by BT's involvement to help with the council's transformation of services and the delivery of its savings plans.

Your Pension Service, along with the other returning services, will come under the umbrella of the Office of the Chief Executive (OCE) for the foreseeable future as they become part of the Council's overall plans to reshape the organisation to meet the significant financial challenges faced by the Council.

The Sub Committee is asked to note the decision to return Your Pension Service to the County Council following the transformation to the Council's partnership with BT.

The change will be effective from 1 April 2014.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

No significant risks have been identified.

Local Government (Access to Information) Act 1985

List of Background Papers

	Date	Contact/Directorate/Tel
Paper		

N/A

Reason for inclusion in Part II, if appropriate

N/A