

your
pension
service

LANCASHIRE COUNTY PENSION FUND Annual Administration Report

1 April 2017 to 31 March 2018



Administered by



1. INTRODUCTION

Purpose

This administration report is produced in accordance with the Service Level Agreement (SLA) for the provision of pension administration services to Lancashire Pension Fund. The report describes the performance of Your Pension Service (YPS) against the standards set out in the SLA during the period 1 April 2017 to 31 March 2018.

Annual Plan – 2017/18



Due



Completed

Event	Responsibility Your Pension Service (YPS)											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Application of Pension Increases												
Issue Annual Benefit Statement to Active Members												
Issue Annual Benefit Statement to Def Members												
Issue P60s and Newsletter to Pensioners												
Issue Newsletter to Active Members												
Complete HMRC Scheme Returns												
Produce annual allowance information in line with HMRC deadline												
Provide FRS17 data												

2. PERFORMANCE STANDARD



Target Missed



Target Hit

Service Level Agreements

During the reporting period 27,433 individual calculations/enquiries were completed, of which 26,337 met the performance standard; an overall performance of 96% was achieved.

LGPS

Performance Standard

Estimate benefits within 10 working days



Payment of retirement benefits within 10 working days



Payment of death benefits within 10 working days



Implement change in pensioner circumstance by payment due date



Respond to general correspondence within 10 working days of receipt



Action transfers out within 10 working days



Action transfers in within 10 working days



Pay refunds within 10 working days



Provide leaver statement within 10 days



Amend personal records within 10 working days



VR Estimates



VR Payments



29,136

27,433

26,337

96%

1,703

3. MEMBERSHIP

Fund membership

Lancashire County Pension Fund	31/03/17	31/03/18
Number of active scheme members		
County council	26,416	27,059
Other employers	29,499	29,817
Total	55,915	56,874
Number of pensioners		
County council	23,141	23,722
Other employers	23,012	23,723
Total	46,153	47,445
Number of deferred pensioners		
County council	34,668	35,477
Other employers	30,573	32,276
Total	65,241	67,753
Total membership	167,309	172,074

As at 31 March there were 5,530 pending leavers

4. CUSTOMER SERVICE

Retirement Experience

Elapsed time from retirement to first pension payment.

Average 42 days
to payment
of pension

2588 new
pensioners

Compliments/Complaints

18 compliments

49 complaints

During the period the service received 18 compliments, these related to the helpful and prompt service provided by the staff within Your Pension Service.

Almost all the 49 complaints were from active and deferred members that related to the length of time taken to process benefits.

Telephone helpdesk

A dedicated pensions helpdesk is the first point of contact for both scheme members and employers. Over the period 93% of calls were successfully answered against a target of 90%. The service also received 44,681 emails.

	Calls offered	Calls answered	% Calls answered	Target %	Average call wait time
2017/18	85,490	79,467	93	90	1m 5s

5. FIRST STAGE APPEALS

Members who disagree with decisions taken by their employer or administering authority may appeal using the Internal Dispute Resolution Procedure (IDRP) under the LGPS rules. The IDRP is a formal appeal procedure which contains two stages. The first stage allows the person to ask the body who originally made the decision to review it, i.e. either the employer or the administering authority. The second stage allows the person if they are not satisfied with the outcome at the first stage, to ask the Appeals Officer at the administering authority to review the disagreement. The appeals in the main related to ill health pensions.

Period 01/4/2017 - 31/3/2018



6. EMPLOYER RISK

Employer Risk Team - Admissions and Exits

The team manages the admissions and exits process for the Fund, with significant volumes of activity in the year:

Admissions and Exits 2017/18	Admissions	Exits
In progress at beginning of year	12	30
New cases to be processed	24	23
Cases completed	24	34
In progress at end of year	12	19

The bulk of new admissions result from scheme employers, largely academies, contracting out services to contractors; when this occurs transferring staff have a right to retain membership of the LGPS, so the contractor is then admitted to the Fund.

The bulk of exits relate to contractors whose contract (to provide services to scheme employers) has expired, and affected staff either transfer to a new contractor or back to the original scheme employer. Other exits occur, for example due to consolidation between employers, or where previously admitted employers choose to leave the LGPS. During the financial year, a number of larger employers have left the scheme, mainly housing providers, which have put in place alternative pension arrangements for their staff. Several charities have also left the Fund.

In addition to admissions and exits, the team manages the processes involved where Fund employers merge with other organisations, or otherwise change their status where pensions implications occur.

Risk Assessment and Covenant

Funds within the LGPS are required to regularly assess the risk presented to them by employers, to ensure that all monies due to funds are ultimately paid.

The team manages the covenant and risk assessment process, in accordance with policy set by the Fund. This process involves analysing financial performance and the associated issues that influence this, and requires engagement with employers. Where risk is identified, a number of measures can be put in place to mitigate these, the ultimate aim being to prevent losses to the Fund in the event of insolvency.

March 2019 Valuation

The next Fund valuation will take place next year – this is a large and complex exercise which ultimately determines employers' contribution rates over the subsequent triennial period. The valuation exercise requires providing the Fund's actuary with both detailed records and an awareness of employers' risk profiles, and will draw upon the results from covenant and risk assessment processes accordingly.

7. COMMUNICATIONS

The Team

Communications are delivered by the Engagement Team - a manager and three client liaison officers. They are the link between Your Pension Service scheme members and employers.

Employers

The Team visits employers (with more than **100** active members) on an annual basis in order to maintain relationships, update employers of any change affecting them and to address any issues that may have arisen during the year. Thirty two visits have been carried out across Lancashire over the year to date. The annual employer visits are extremely popular, they give the scheme employer an opportunity to build and maintain excellent working relationships.

The annual practitioners conference was held on the 15th November 2017 at the Hallmark Hotel in Leyland with over 80 employers in attendance. This year the presentations included a technical update, the new GDPR regulations and a training overview covering pay to name just a few. The service also hosted the Directors Brief in December on behalf of the fund with over 40 finance professionals in attendance.

Employer training was delivered either in groups or one to one for over 50 Payroll and HR practitioners at varying locations to assist them in providing accurate data to the service.

Employees/Scheme Members

Pension surgeries are hosted throughout the county on an annual basis from October through to March. The sessions help members to understand their annual benefit statements, although any member can attend so that their queries can be dealt with face to face. seventeen surgeries have been held across Lancashire since October 2017.

Drop in sessions are hosted during the year where members can be helped through the process of registering to use the online self-service portal. Four drop in sessions have been held over the year.

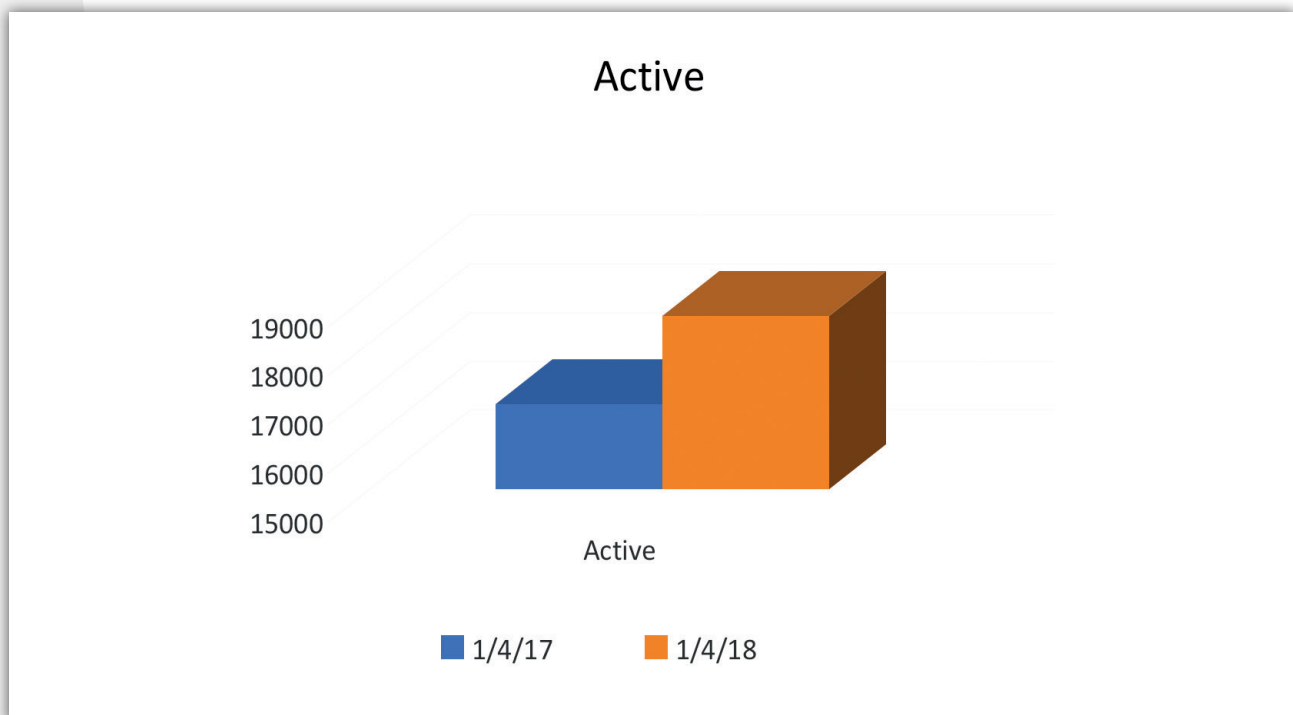
It is worth noting that the Fund was represented at 35 pre-retirements courses throughout Lancashire this year.

8. EPIC UPDATE

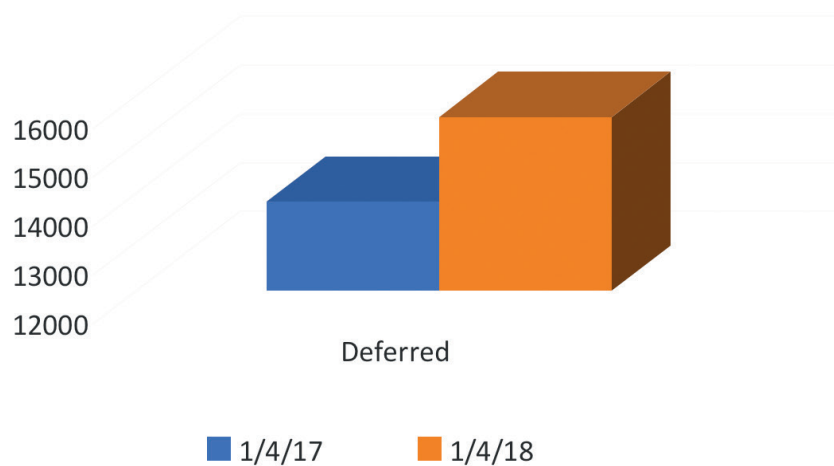
Monthly employee data files are submitted regularly each month by employers. The vast majority of employers submit files on a timely basis so that active data is as up to date as possible for members of the Lancashire Pension Fund.

9. MY PENSION ONLINE (MPO)

My Pension Online is an online facility that was developed in 2012 and launched comprehensively throughout 2013. Through 'My Pension Online' members can view their details and also securely update any changes in contact details. As well as this members can run various pension estimates assisting with planning for retirement. Members can also view their annual benefit statement via My Pension Online. Other benefits of the system include allowing members to view their nominated beneficiaries, access to forms and guides and allows Your Pension Service to communicate with registered members via email. Currently over 53,000 Lancashire LGPS members are registered online (31% of total membership).



Deferred



Pensioners / Spouses

