

Pension Fund Committee

Meeting to be held on 22 March 2013

Electoral Division affected: All

Report of the Administration Sub-Committee

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The Pension Fund Administration Sub-Committee met on 6 February 2013. A copy of the minutes of the meeting is attached at Appendix 'A'.

Recommendation

The Committee is asked to note the minutes of the Pension Fund Administration Sub-Committee meeting held on 6 February 2013.

Background and Advice

The Pension Fund Administration Sub-Committee met on 6 February 2013 to consider reports on the following:

- The transfer of Your Pension Service to One Connect Limited
- Membership of Local Government Pension Scheme and Auto-enrolment
- Statutory Consultation on the new Local Government Pension Scheme 2014 and related proposals

Further information including the decisions taken can be found in the minutes of the meeting which are attached at Appendix 'A'. However, the Sub-Committee would like to draw the Committee's attention to the following:

1. The transfer of Your Pension Service to One Connect Limited

The Sub-Committee commented on the excellent and cost effective service currently provided by Your Pension Service and requested that assurances from One Connect Limited with regard to maintaining the quality of the Service be brought to the attention of the Pension Fund Committee. Further details about the concerns and reservations of the Sub-Committee can be found at Appendix 'A'.

The following statement is intended to provide assurance to the Pension Fund Committee that the high quality of the existing service to members and their families as set out in the current Service Level Agreement will be maintained.

Specifically, One Connect Limited undertakes to ensure that: -

- Any expansion of the Service will not affect current service standards.
- The Service will continue to be cost effective
- The integrity of the service, including data integrity, will remain secure.

In addition, this transfer will enable Your Pension Service to benefit from One Connect Limited's commercial skills, as well as its ongoing focus on high performance, continuous service improvement and placing the customer at the heart of the organisation. The transfer will see benefits arising from OCL's systems expertise which will enhance, improve and grow existing and future business without detriment to current levels of service.

In summary, the future delivery of the Service will remain in line with current standards and performance targets as set out within the existing Service Level Agreement.

2. Membership of Local Government Pension Scheme and Auto-enrolment

The Sub-Committee requested a further break-down of county council employee opt-outs following auto-enrollment on 1 January 2013.

An updated evaluation as at end of February is set out below:

Targets

The following targets were set in order to measure the success of the campaign:

- Increase the number of LCC employees in the Lancashire County Pension Fund by 5%
- Achieve an opt out rate of less than 50%

The success of the communications campaign, as measured by the above targets, taken as at the end of February 2013, is set out below

LGPS Membership:

Number of LCC members before 1 January 2013	25,635
Number of LCC members following auto enrolment	27,442

The increase in LCC membership due to auto enrolment is 7%

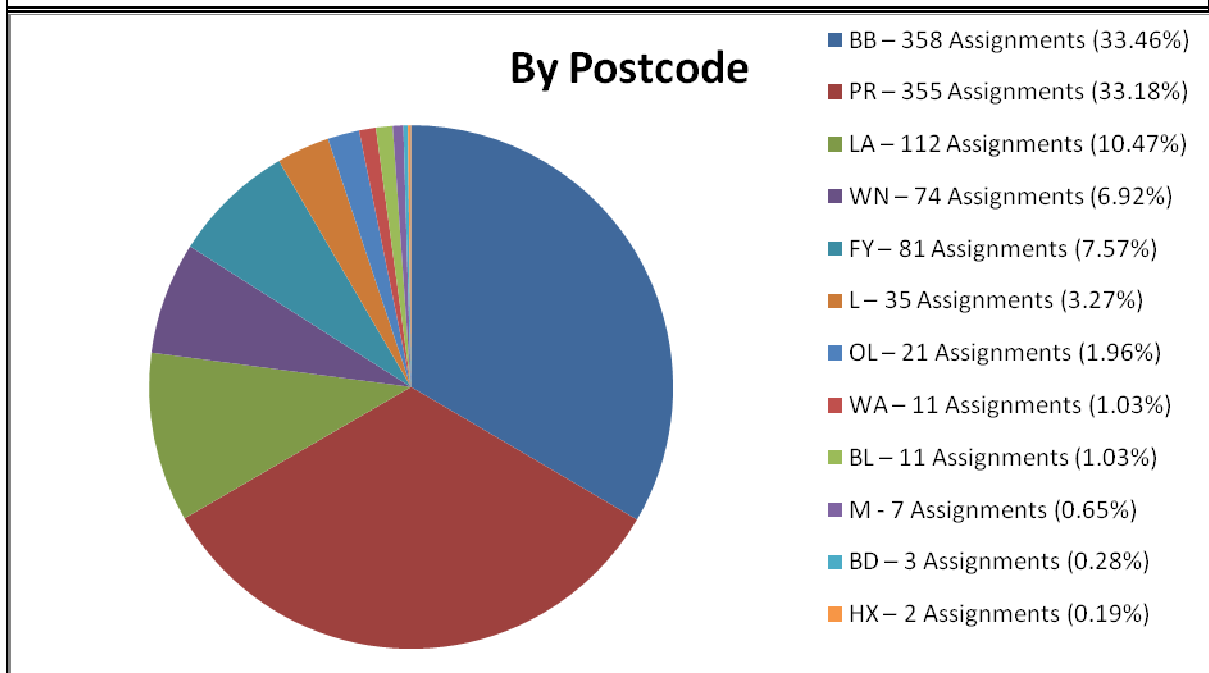
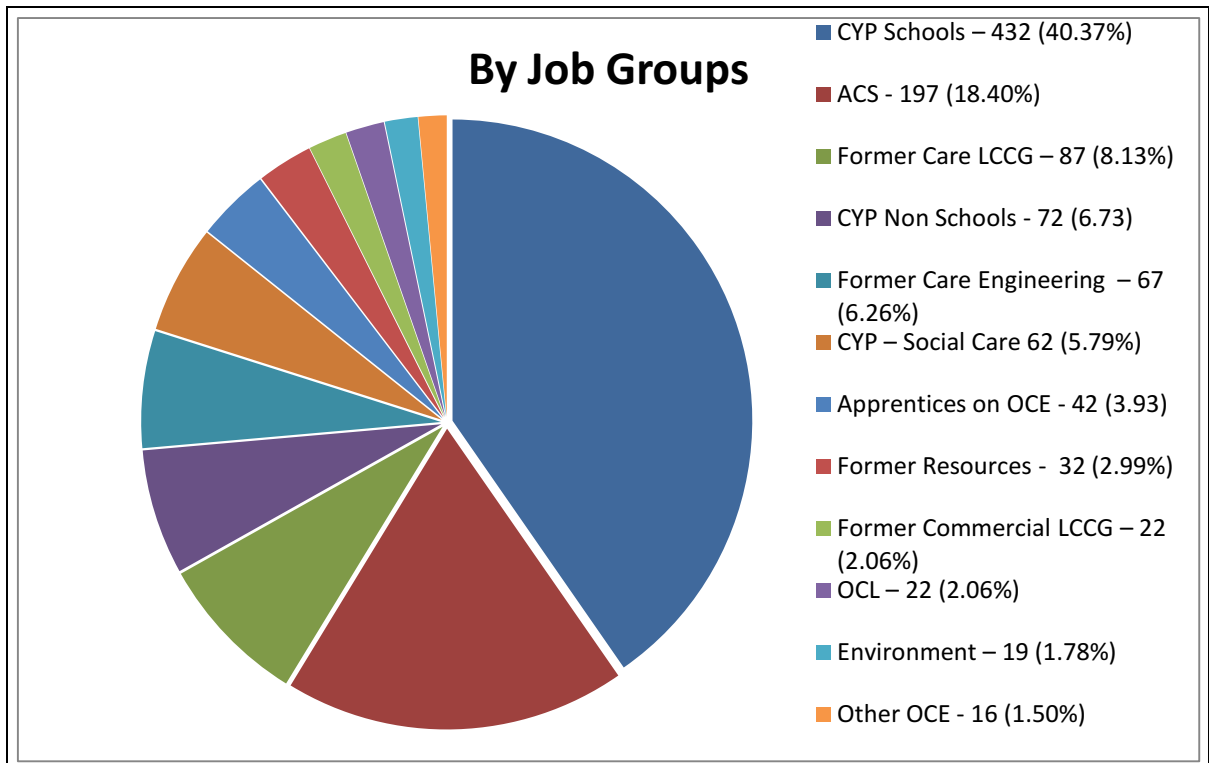
Opt Out Rate:

2,877 employees were auto enrolled on 1 January 2013
 1,070 employees have opted-out during January & February 2013

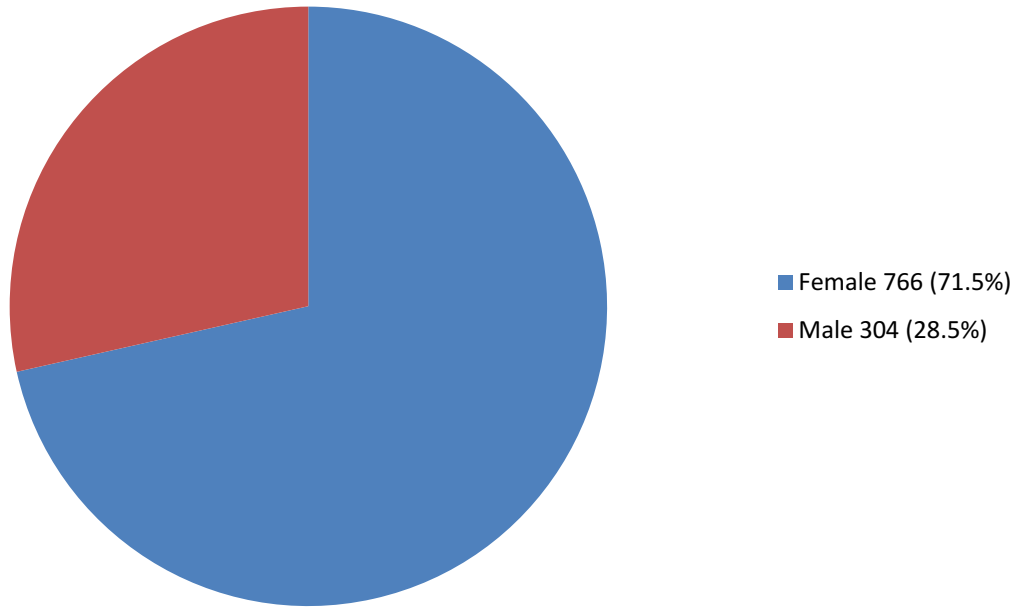
This indicates an opt-out rate of 37%.

Breakdown

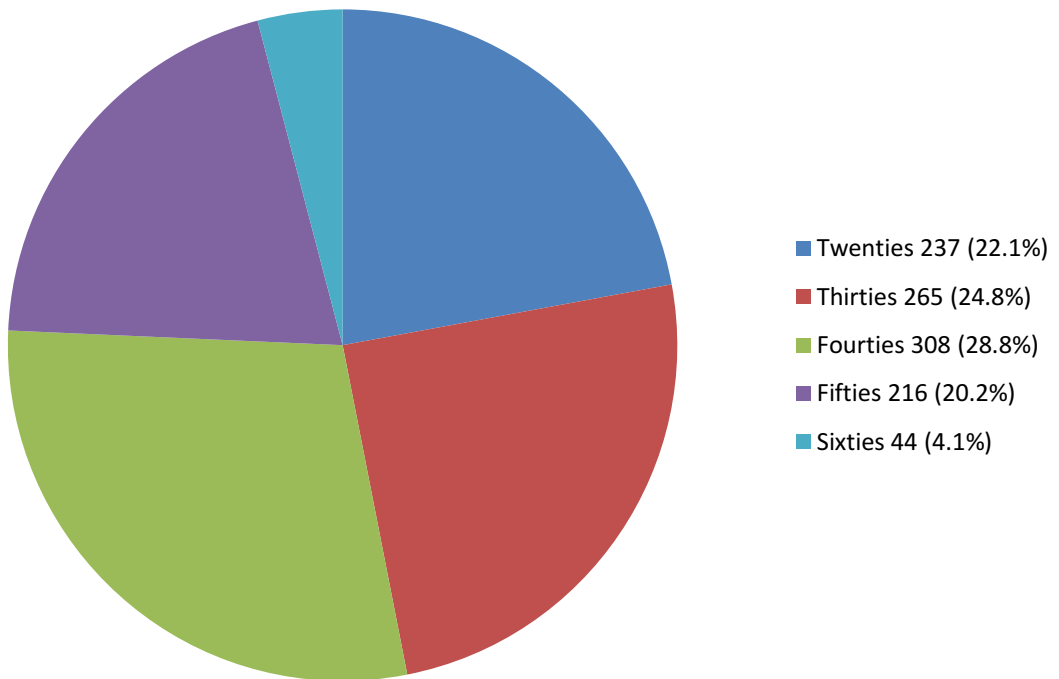
A breakdown of the employees opting out is presented below:



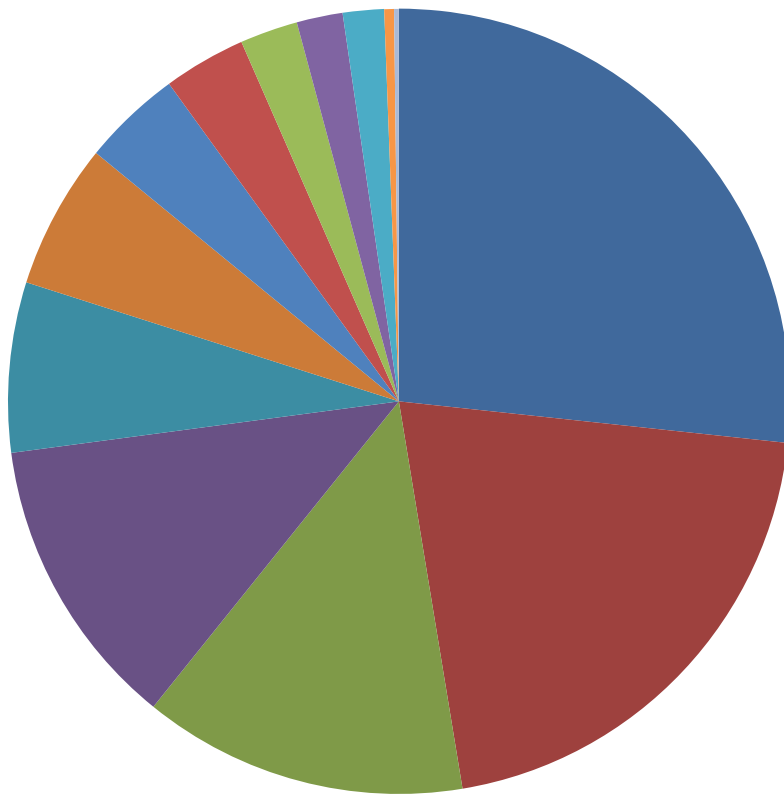
By Gender



By Age

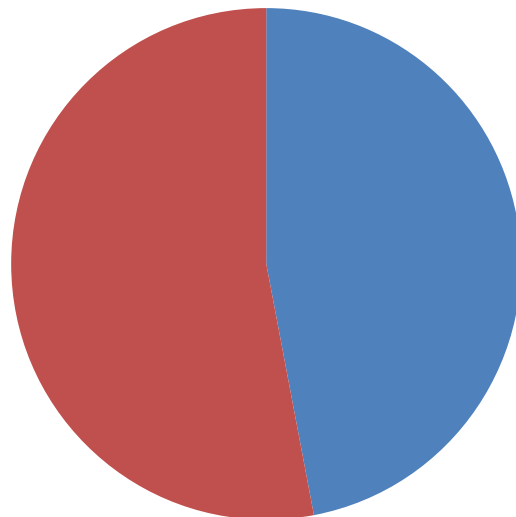


By Salary



- Grade Four 286 (26.7%)
- Grade Six 222 (20.7%)
- Grade Five 143 (13.4%)
- Grade Three 129 (12.1%)
- Grade Seven 75 (7.0%)
- Grade Eight 65 (6.0%)
- Grade One 44 (4.1%)
- Grade Two 36 (3.4%)
- Other 26 (2.4%)
- Grade Ten 20 (1.9%)
- Grade Nine 18 (1.7%)
- Grade Eleven 4 (0.4%)
- Grade Twelve 2 (0.2%)

Full Time/Part Time



- Full Time (502) 47%
- Part Time (568) 53%

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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N/A

Reason for inclusion in Part II, if appropriate

N/A