

your
pension
service

LANCASHIRE COUNTY PENSION FUND

Annual Administration Report 2015



Administered by



1. INTRODUCTION

Purpose

This annual 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 year.

Review of the Year

2014 has been yet another busy year of embedding the new LGPS 2014. This meant continuing to host further roadshow and drop in sessions to raise awareness of the new scheme to members and engaging with employers to ensure the efficient use of the new EPIC system, thus continuing the YPS e communication ethos.

The "My Pension Online" facility was also promoted at every opportunity resulting in a 27% increase in sign-ups to the service. This was in part due to holding a number of drop in sessions to assist members in getting online.

Annual Plan – 2014/15



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 to Pensioners	●	○	○	○	○	○	○	○	○	○	○	○
Issue Newsletter	●	○	○	○	○	○	○	○	○	○	○	○
Complete HMRC Scheme Returns	○	○	○	○	○	○	○	○	○	●	○	○
Provide FRS17 data	○	○	○	○	○	○	○	○	○	○	●	○

2. PERFORMANCE

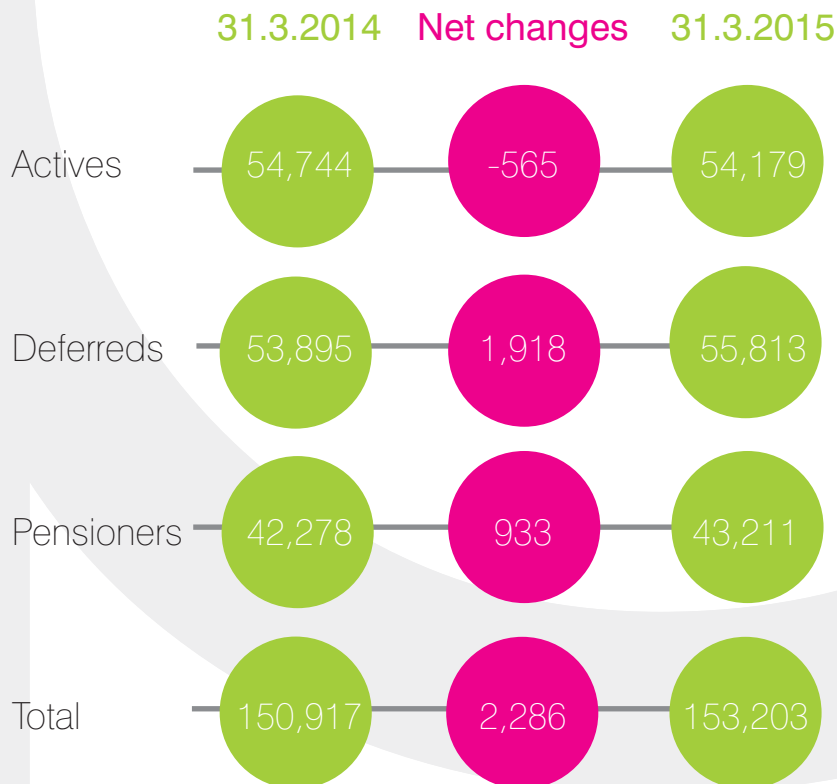
Annual Benefit Statements

Over the year the service produced over 108,600 online benefit statements for active and deferred scheme members. Annual newsletters were also posted online alongside the statements. Email alerts were also issued to all scheme members who signed up to the "My Pension Online" facility to promote the annual benefit statements and pensions surgeries.

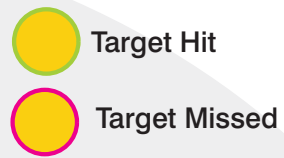
Membership

Membership of the fund has increased overall by 1.48% over the year.

LGPS



PERFORMANCE STANDARDS



Service Level Agreements (LGPS Members)

During the reporting period 61,669 individual calculations/enquiries were completed, of which 60,632 met the performance standard; an overall performance of 98% was achieved.

LGPS

Performance Standard

Performance Standard	Cases received	Cases completed	Within SLA	% Within SLA	Target	Cases outstanding
Estimate benefits within 10 working days	4,202	4,103	3,915	95%	90%	99
Payment of retirement benefits within 10 working days	1,951	1,882	1,806	96%	90%	69
Payment of death benefits within 10 working days	2,891	2,790	2,753	99%	90%	101
Implement change in pensioner circumstance by payment due date	42,347	41,682	41,265	99%	95%	665
Respond to general correspondence within 10 working days of receipt	2,485	2,397	2,315	97%	90%	88
Action transfers out within 10 working days	1,157	1,138	1,046	92%	90%	19
Action transfers in within 10 working days	761	752	715	95%	90%	9
Pay refunds within 10 working days	338	317	302	95%	90%	21
Provide leaver statement within 10 days	3,891	3,697	3,579	97%	90%	194
Amend personal records within 10 working days	857	855	850	99%	95%	2
VR Estimates	1,762	1,740	1,740	100%	100%	22
VR Payments	350	346	346	100%	100%	4
Total	62,992	61,669	60,632	98%	95%	1,293

3. CUSTOMER SERVICE

Partnership Events

During the year the service's dedicated Partnerships Team undertook a variety of events, courses and presentations. In addition the Team visited a number of employers to support, maintain and improve working relationships.

In addition to the annual pension surgeries the Team continued to deliver LGPS 2014 roadshows due to demand. The introduction of My Pension Online drop in sessions proved successful and there was an increase in sign up to the service.

Employer training events were hosted with payroll and HR practitioners present from employers across Lancashire. The services

annual practitioners' conference was held at Woodlands conference centre in Chorley on 20th October. The event reflected on the previous year and the effects of 2014 Scheme changes, including a demonstration of the website and a question and answer session with the Management Team with an opportunity for employers to share experiences and give feedback.

AskPensions

A dedicated Pension's Helpdesk is the first point of contact for both Scheme members and Employers. Over the year 94% of calls were successfully answered against a target of 90%

4. LEGISLATIVE CHANGE

On 1 April 2014, the new Local Government Pension Scheme (LGPS) came into effect being a career average revalued earnings (CARE) scheme and replaced the final salary scheme.

The new scheme –

- has a normal pension age equal to state pension age (minimum age 65)
- gives a pension for each year at a rate of 1/49th of pensionable pay received in that year
- provides increased flexibility for members wishing to retire early
- allows members to pay reduced contributions as an alternative to opting out (though benefits build up at a slower rate)
- provides for previous years' CARE benefits to be inflation proofed in line with the

Consumer Prices Index while the member is still paying in

- requires members to have at least 2 years' membership to qualify for pension benefits

Additionally, protection is given to members who were paying in prior to 1 April 2014.

On 28 January 2015, amendment regulations were laid before Parliament which, came into effect on 1 April 2015.

These regulations set up a national scheme advisory board to advise the government on the desirability of changes to the LGPS. Provision was made for each fund to set up a local pension board to assist it with the effective and efficient management and administration of the Scheme.

5. 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 Officer for Lancashire County Council is the Director of the Lancashire Pension Fund.

During the year, 9 second stage appeals were received, which mainly concerned the Scheme's ill health retirement provisions and transfers into the scheme. The Appeals Officer dismissed 7 and upheld 2 of these appeals.

6. e-DEVELOPMENT

Lancashire EPIC

Since 1 April 2014 LGPS employers have been submitting monthly files to Your Pension Service, which replace many of the forms that they used to complete, and enable us to accurately post and reconcile contributions and pensionable pay to individual member records. YPS use an internally designed system called "EPIC" to do this. EPIC has helped YPS to ensure that member data is accurate and up to date, and that every member receives their correct pension pot entitlement.

This has been a huge change in the way we do things, both for employers and for YPS. We are happy to report that we have received data for 98.7% of active membership. YPS are currently pushing employers to submit all files needed for the 2014/5 financial year, as this data is required for benefit statements that will be issued in August 2015

E communications

YPS is committed to electronic communications. Our primary method of issuing benefit statements and pensioner P60s is using our My Pension Online system. We are working towards making even more member communications online, to improve our service to members.

7. CHARGES

Your Pension Service makes a charge to the Pension Fund on a per member basis which is restricted to the lower quartile as reported in national benchmarking returns. This charge is

currently set at £21.50 per member as against a benchmark of £25.00. The ongoing level of charge to the Fund will be kept under review.

