

Lancashire Local Pension Board

Meeting to be held on Tuesday, 15 October 2019

Electoral Division affected:
(All Divisions);

Lancashire County Pension Fund Breaches Log

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Executive Summary

This report provides the Board with a summary of the Lancashire County Pension Fund Breaches Log for the period 1st July 2019 to the 30th September 2019.

Recommendation

The Board are asked to note the content of this report.

Background and Advice

The Lancashire County Pension Fund has policy and procedures in place to effectively record and, if necessary, report breaches to the Pension Regulator.

Practical guidance in relation to the legal requirements are set out in the Pension Regulator's Code of Practice 14.

Code of Practice 14 covers areas such as:

- Governing your scheme;
- Managing Risks;
- Administration;
- Resolving Issues.

The Administration section covers aspects such as:

- Scheme record keeping;
- Maintaining Contributions;
- Providing information to members.

The Lancashire County Pension Fund, in line with the breaches policy and supported by the Local Pension Partnership, have established a log to record all incidents which fall outside of the requirements of Code of Practice 14.

Contribution Breaches:

In the period July to September 2019 (September contributions have not been collected at the time of writing this report) there has been one breach in contribution payments. The breach related to a new employer admitted to the scheme during the period who failed to set up payment details in time for the contributions to be collected. Steps have been taken with the employer to ensure the details are set up for the September contribution collection process. The monetary value of the breach represents 0.01% of the total value of contributions received for the period to date.

There were a number of incidents recorded in the period which have resulted in corrective action being taken. A total of 14 employers failed to submit contribution figures. They have all been contacted in accordance with the Stage 2 escalation procedures. The number of employers which failed to submit contributions represents 2.19% of the total submissions, in monetary values this equates to 0.49% of the total contributions received during the period.

	Q1 Apr-Jun 19	Q2 Jul-Sep 19	Q3 Oct-Dec 19	Q4 Jan-Mar 20
Incidents	44	14*		
Breach	0	1*		

* Incomplete – only includes 2 months data.

Data Breaches:

For the period 1st July to the 30th September 2019 there has been no data breach.

Summary Table:

	Q2 18/19	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20
Data Breaches	0	1	7	1	0

Other Breaches:

A recent internal audit by the Local Pension Partnership discovered a number of errors in transfer out payments for the period 2018/19. There were a total of 14 breaches, of which 13 were underpayments and 1 overpayment.

The Partnership have reviewed all their processes regarding transfers out and have attributed the issue as being a consequence of the backlog of cases post go live of their new operating model. The monetary value was £46,172 of underpayments and £895 of overpayments.

All breaches are logged on the Fund breaches log as per the requirements of the Pension Regulator Code of Practice 14.

Consultations

The Local Pensions Partnership was consulted with regards to the data breaches.

Implications:

This item has the following implications, as indicated:

Risk management

The Lancashire Local Pension Board provide scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective compliance with the Pension Regulators' Code of Practice 14 – Governance and administration of public service pension schemes.

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

Paper	Date	Contact/Tel
Code of Practice 14 - Governance and administration of public service pension schemes	April 2015	Mukhtar Master 01772 532018

Reason for inclusion in Part II, if appropriate.
N/A