

# Report of the Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 25 July 2019.

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## **Subject:**

**Pensions Administration**

## **Summary statement:**

This report gives an update on West Yorkshire Pension Fund's (WYPF) pensions administration activities over the last six months.

## **Recommendation:**

It is recommended that the Joint Advisory Group note the report.

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Mr Rodney Barton  
Director

**Portfolio:**

Report Contact: Yunus Gajra  
Phone: (01274) 432343  
E-mail: [Yunus.gajra@bradford.gov.uk](mailto:Yunus.gajra@bradford.gov.uk)

**Overview & Scrutiny Area:**

## 1.0 Background

1.1 As well as providing pensions administration for WYPF scheme members, WYPF provides a full administration service to Lincolnshire Pension Fund, the London Borough of Hounslow and to fourteen Fire Authorities. This includes pensioner payroll (except for the London Borough of Hounslow), all member and scheme level events, reporting to statutory bodies, provision of data to external bodies such as actuaries, and local authorities for the production of the scheme accounts.

## 2.0 Performance and Benchmarking

2.1 The table below shows the performance against key areas of work for the period 1 January 2019 to 30 June 2019.

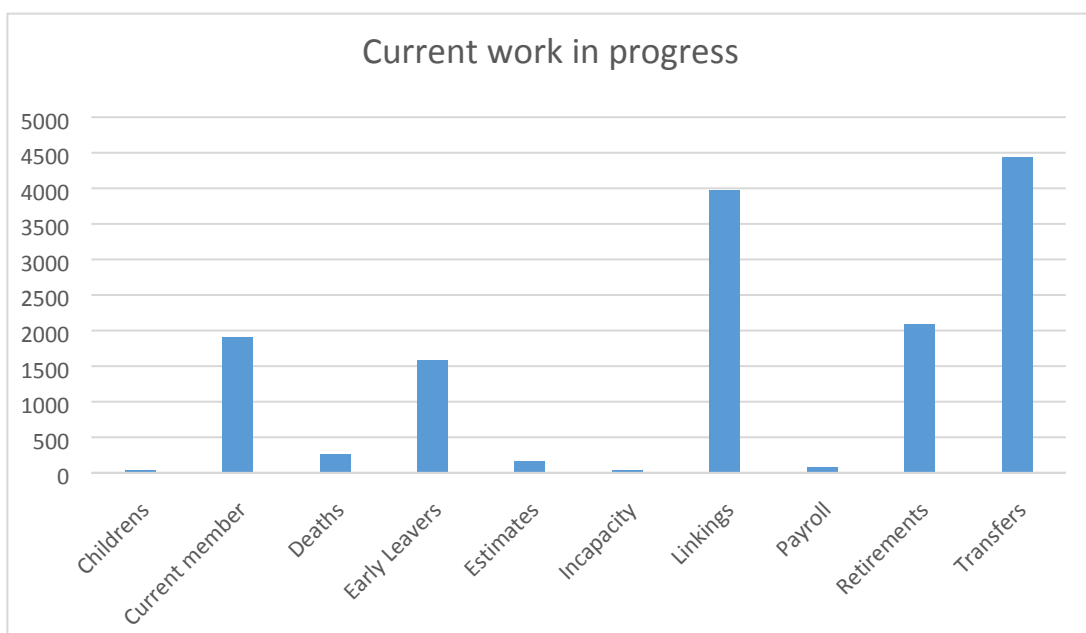
KPI's for the Period 1.1.19 to 30.6.19					
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	513	35	510	85	99.42
Transfer In Actual	348	35	326	85	93.68
Divorce Settlement Pension Sharing order Implemented	17	80	17	100	100
Deferred Benefits Set Up on Leaving	8761	10	7855	85	89.66
Refund Quote	3678	35	3548	85	96.47
Refund Payment	2014	10	1981	95	98.36
Transfer Out Payment	152	35	151	85	99.34
Pension Estimate	2139	10	1655	75	77.37
Retirement Actual	1612	3	1512	90	93.8
Deferred Benefits Into Payment Actual	2543	5	2493	90	98.03
AVC In-house (General)	927	10	877	85	94.61
Deferred Benefits Into Payment Quote	3243	35	3190	85	98.37
Transfer Out Quote	1010	20	919	85	90.99
Monthly Posting	4777	10	4466	95	93.49
Set Up New Spouse Pension	663	5	607	85	91.55
Divorce Quote	370	20	355	85	95.95
Change of Address	2397	5	2275	85	94.91
Change of Bank Details	1440	For next payroll	1254	85	100
General Payroll Changes	1601	For next payroll	1538	85	100
Age 55 Increase to Pension	12	For next	10	85	100

		payroll			
NI adjustment to Pension at State Pension Age	51	20	50	85	98.04
Enquiry	79	5	73	85	92.41
DWP request for Information	386	10	372	85	96.37
Life Certificate Received	2934	10	2845	85	96.97
Death Grant Nomination Form Received	7337	20	7337	85	100
Spouse Potential	89	20	83	85	93.26
Death Grant to Set Up	371	5	356	85	95.96
Initial letter Death in Retirement	1719	5	1644	85	95.64
Death In Retirement	1719	5	1593	85	92.67
Initial Letter Death in Service	61	5	60	85	98.36
Death In Service	61	5	55	85	90.16
Initial letter Death on Deferred	117	5	94	85	80.34
Death on Deferred	117	5	100	85	85.47
Estimates for Deferred Benefits into Payment	264	10	239	90	90.53

### Reasons for underperforming KPI's:

Monthly Posting	Files that cannot be validated because of errors, queries, mismatches etc. Average time taken across all employers is less than 10 days.
Initial letter Death on Deferred	Deaths picked up through national Fraud Initiative and Mortality Screening. Delays in tracing beneficiaries.

## 2.2 Work in progress



The above graph shows the total volume of work in progress categorized into work groups. Work volumes will fluctuate depending on how much work comes in and how much work is completed. Some of the larger volume work cover:

Current Member – changes to member records, changes to AVC's, queries from monthly postings

Early Leavers – calculation of refunds, calculation of deferred benefits, contribution postings queries

Linkings – multiple employments where member can link those employments

Retirements - Retirement quotes and actuals, deferred benefits into payment (quote and actual)

Transfers – Transfers in and out (quote and actual), AVC transfers, Divorce

### 3.0 Scheme Information

3.1 Membership for all schemes administered as at June 19 was 422,177. A full breakdown between the different Funds and Schemes is shown at Appendix 1.

3.2 Number of Employers in the West Yorkshire Pension Fund

Scheduled		As at 31.3.18	Number Admitted	Changes +/-	Number Leaving	As at 31.3.19
Schedule 1	Local Authorities	5	0	0	0	5
	Academies	180	22	4	10	196
	Others – active	42	0	3	4	41
	Others – defunct	169	0	9	0	178
Schedule 2	Town and parish Councils	29	0	0	0	29
	Others – actives	5	0	0	0	5
	Others – defunct	24	0	0	0	24
<b>Total Scheduled</b>		<b>454</b>	<b>22</b>	<b>16</b>	<b>14</b>	<b>478</b>
<b>Admitted</b>						
Transferee (External Contractors)		99	13	6	17	101
Community		3	0	1	1	3
Others	Actives	44	0	4	4	44
	Defunct	122	0	14	0	136
<b>Total Admitted</b>		<b>268</b>	<b>13</b>	<b>25</b>	<b>22</b>	<b>284</b>

### 4.0 Praise and Complaints

4.1 As part of our commitment to improving our services we carry out a random survey of customers who have been in contact with us regarding their pension benefits.

We also have an online survey which any member can complete at any time. An analysis of the responses received for the quarter January to March for each of the Funds is shown:

- Appendix 2 - WYPF
- Appendix 3 - LPF
- Appendix 4 - LBH

**4.2 Employer Training**

A number of Employer training sessions were held over the quarter January to March across locations covering all three LGPS Funds.

Feedback from the events are attached:

- Appendix 5 - WYPF
- Appendix 6 - LPF
- Appendix 7 - LBH

**5.0 Internal Disputes Resolution Procedures**

5.1 All occupational pension schemes are required to operate an IDRPs. The LGPS has a 2-stage procedure. Stage 1 appeals, which relate to employer decisions or actions, are considered by a person specified by each employer to review decisions (the 'Adjudicator'). Stage 1 appeals relating to appeals against administering authority decisions or actions are considered the Director of WYPF. Stage 2 appeals are considered by the Chief Executive of the City of Bradford MDC.

A summary of the IDRPs decisions for the period 1.1.19 to 30.6.19 is shown below:

	<b>Number of Determinations</b>	<b>Outcomes</b>	<b>Type</b>
<b>STAGE 1</b>	12		
		2 Upheld	Delays in providing information on linking  Delays in paying pension benefits (due to not receiving retirement notification)

		10 Turned down	1 Missing pension payment 1 Not entitled to transfer out (GMP in payment) 1 Discrimination - unequal retirement reduction factors 1 Delays and reduction in transfer out payment 3 Distribution of death grant 1 Level of service received on payment of benefits 1 Protected Normal Pension Age 1 Ceasing child's pension during work placement
<b>STAGE 2</b>	11		
<b>AGAINST EMPLOYER</b>	6	4 Turned down	2 not awarded ill health retirement 1 not granted early payment of deferred benefits 1 Tier of ill health benefits
		2 Referred back to employer to reconsider	2 Tier of ill health benefits
<b>AGAINST WYPF</b>	5	5 Turned down	1 Claimed was mis-sold LGPS pension 1 Missing pension payment 1 Over-payment of child's pension 1 Distribution of death grant 1 Delays in providing information on linking

## Pensions Ombudsman

5.2 The Pensions Ombudsman (PO) made two determinations on the following cases.

Distribution of Death – the deceased's children were not happy that deceased's partner was given 50% of the death grant, which was in accordance with the nomination form. PO determined that the decision was not perverse or irrational and WYPF had considered all the relevant facts in making its decision. The PO turned down the case.

Benefits paid beyond Normal Retirement Date – In this case the member complained that she had lost out on the pension payments and late retirement factor increase was not sufficient compensation. The member alleged that WYPF should have made her aware of this. WYPF gave her the option to receive benefits with reduction or defer them. The member elected to defer. WYPF had put on the correspondence to make contact should the member require further information. The member did not make contact. WYPF applied a late retirement increase in

accordance with the regulations. The PO turned down the case as was satisfied that WYPF acted within the statutory provisions and the member should have contacted WYPF to ask for more information on her benefits.

## **6.0 Administration Update**

### **6.1 Annual Benefit Statements**

This year the Annual Benefit Statement has been revamped to show more options to the member. It is hoped that this will reduce the number of queries from members. Production of the Annual Benefit Statements (ABS) started slightly earlier this year. To date 74% of ABS's have been issued to members. The statutory deadline to issue all ABS's is 31 August.

### **6.2 Deferred Benefit Statements**

To date 67% of Deferred Benefits Statements have been issued to members. Whilst there is no statutory deadline to issue these, they are being produced on a rolling programme with ABS's with an expected completion date of 31 August. It is expected that there will be a surge of requests for early payment as members can now have benefits paid from age 55, with reductions.

### **6.3 Accreditation to ISO27001 – Information Security Management System**

WYPF has recently attained accreditation to ISO27001 - Information Security Management System. This quality management standard will help the Fund to demonstrate its compliance with GDPR and Data Governance etc.

### **6.4 Data Improvement Plan**

As part of the annual return to The Pensions Regulator (TPR) WYPF is required to report a data quality score by measuring the quality of our data for common data and scheme specific data. The latest scores are:

Common Data – 96.24%  
Scheme Specific Data – 98.49%

This is a slight improvement on the scores reported in January.

WYPF has devised a Data Improvement Plan (DIP) which identifies the issues and the resolutions required. The DIP will be reviewed on a quarterly basis.

## **7.0 Awards**

7.1 WYPF were winners of the Best Administration Award presented by Pensions Age magazine at a ceremony held in London on 28 February.

7.2 WYPF also won the Pensions Administration Award which it received at the European Pension Awards held in London on 20 June.

## **8.0 Conclusion**

WYPF and LPF continue to work closely as shared service partners to provide an efficient and effective service to all stakeholders across all Funds and Schemes.



## Appendices

These are listed below and attached at the back of the report	
Appendix 1	Membership Numbers
Appendix 2	Customer Feedback - WYPF
Appendix 3	Customer Feedback - LPF
Appendix 4	Customer Feedback - LBH
Appendix 5	Customer Feedback - Fire
Appendix 6	Employer Feedback - WYPF
Appendix 7	Employer Feedback – LPF
Appendix 8	Employer Feedback - LBH