



City of
BRADFORD
METROPOLITAN DISTRICT COUNCIL

Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 26 March 2019.

Subject: Feedback from 2019 Annual Benefit Statements exercise and the functionalization of work production

Summary statement: Since a change in the pension regulations resulted in an increase in requests for pension estimates from age 55, WYPF changed the information provided on its Annual Benefit Statement (ABS) to include figures for retirement from age 55, 60, 65 and state pension age. This feedback demonstrates the effects which the change brought about for WYPF administration in its working practices, and the benefits for members of the pension scheme.

Recommendation: That the Pension Board:

- notes the work undertaken to implement improvements to the ABS's for scheme members in order to provide more details of retirement figures
- notes that the range of benefit calculations provided in one statement enables members to be better financially informed about retirement options
- notes the improvements and increases in work production following the application of functionalised working methods in the Service Centre

Rodney Barton
Director

Portfolio:

[Insert where appropriate]

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Overview & Scrutiny Area:

[Insert where appropriate]

1. Summary

- 1.1 WYPF have revised the information provided on the ABS for all members to provide better information to aid them in their personal financial planning.

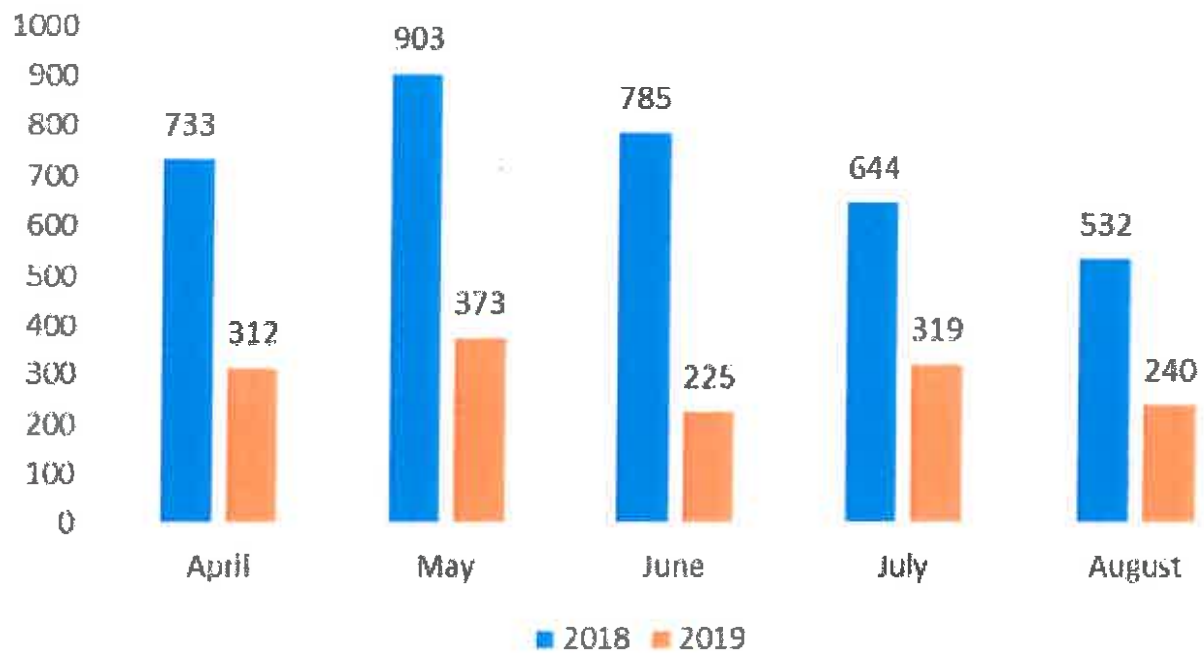
2. Background

- 2.1 On average, over 22,000 pieces of work are handled by the Service Centre each month, of which in December 2018, 650 were estimates and 3157 were retirements.
- 2.2 In April 2014 the pension regulations changed and allowed members to take reduced retirement benefits from age 55 without employer consent subject to an actuarial reduction.. The changes resulted in an increase in the number of requests from employers and members for early retirement estimates.
- 2.3 Steps were taken by the employers and WYPF to deal with the increasing volume of estimate requests.
- 2.4 On 14th May 2017 an amendment to the regulations was issued allowing deferred members to take reduced deferred benefits from age 55.
- 2.5 Roughly 56,500 members were aged 55 plus in December 2018, about a quarter of all members. Knowing we would not be able to maintain our high standard of service delivery with the ever increasing requests for estimates, we decided to work towards providing figures at different ages for members, on their ABS.
- 2.6 A senior officer on the UPM team began work in March 2019 to provide more calculations from the pension management system which could be incorporated on current and deferred members ABS's.

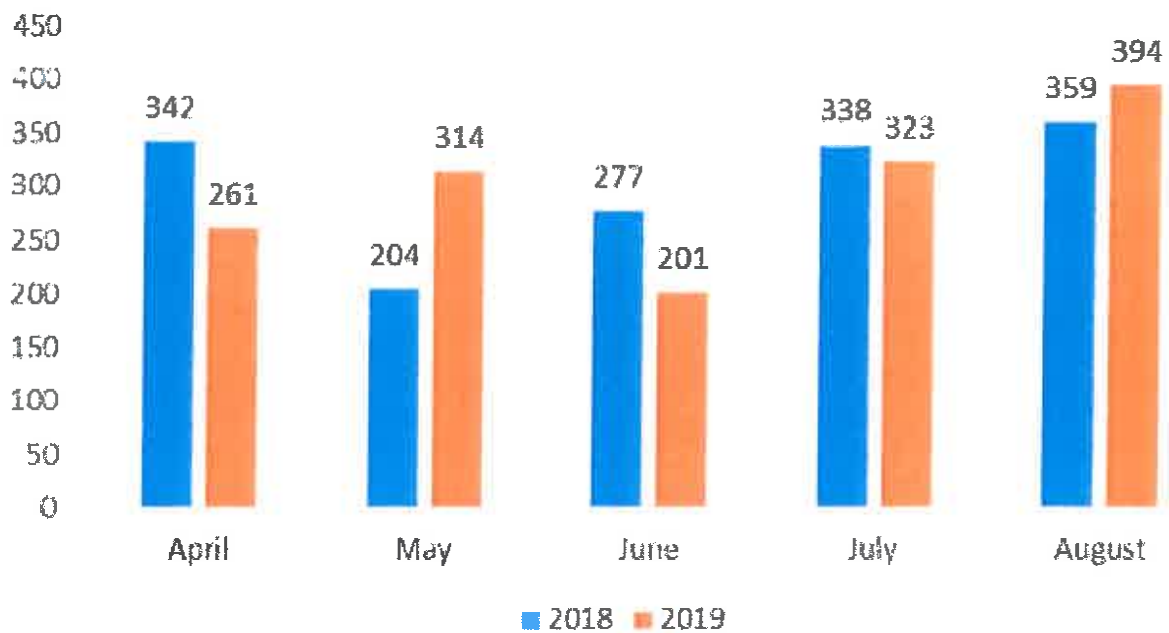
Recent Developments

- 3.1 Production of ABS's commenced in April 2019. The redesign provided current and deferred members with retirement figures, at age 55 (or current age if over 55), at age 60 and at age 65. It also provided current members with retirement figures to the end of March 2019.
- 3.2 Staff in the Service Centre teams provide all the immediate pension calculations and services to current, deferred and retired members. We have previously made changes to how these staff members work and deal with the different areas of pension work. We functionalized the work into teams and allocated staff to these. However when we experience surges in any type of work, we are able to move work to other members of staff so that we can meet the demand. This is how we have dealt with the resulting increase in work from the regulation changes and higher demand from members.
- 3.3 Below are some statistics which reflect changes in work patterns and demands. They reflect changes from April to August 2018 (the last year of the old ABS) to April to August 2019 (first year of the new ABS).

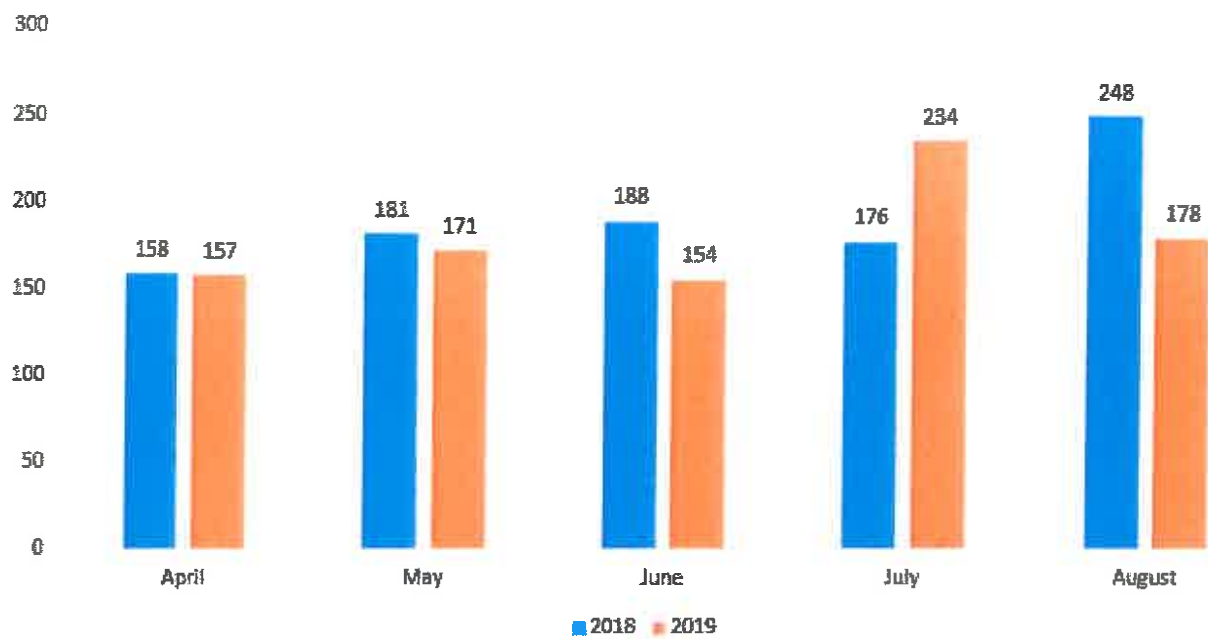
Estimate



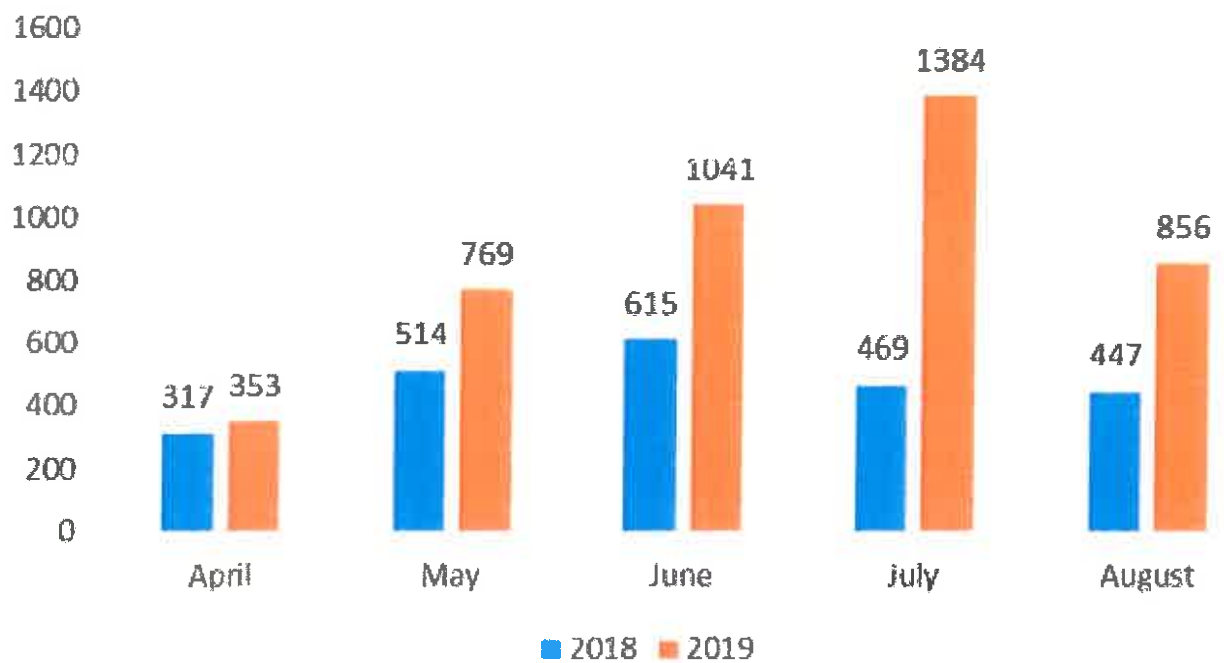
Retirement Actual



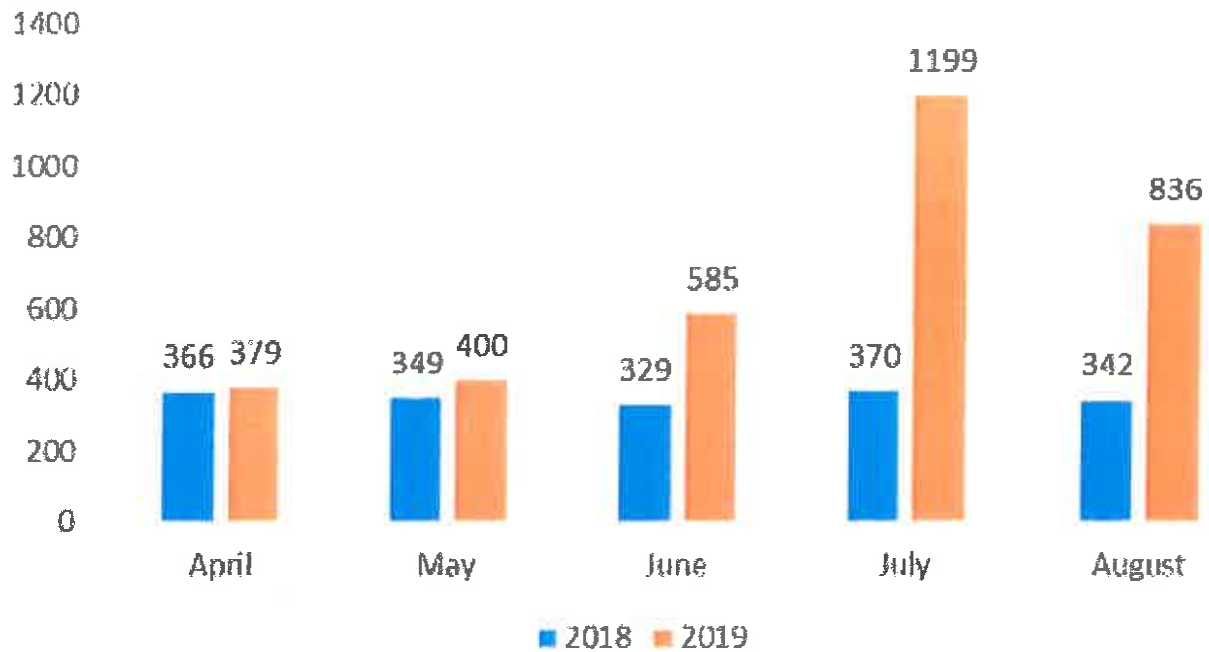
Estimate Deferred



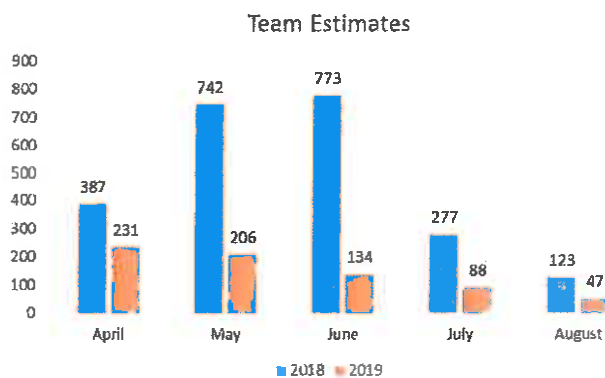
Deferred Retirement Quote



Deferred Retirement Actual



3.4 The total effect on the "Team Estimates" staff is as follows:



These figures tell us:

- There was an increase in people wanting a deferred retirement quote and/or payment because the 2019 DBS stated the hard- cash value they could receive 'now'
- There was a large reduction in people wanting estimates because the 2019 ABS and DBS quoted these figures as standard, so members didn't have to make a separate request
- There wasn't a material change in the number of retirement quotes and/or retirements, even though the 2019 ABS explained what the member could get if they finished work at the 'end of next month. It hasn't triggered a spike in retirements

Figures provided by Anthony Butterfield of the UPM team.

4. Recommendation

4.1 That the Pension Board

- notes the work undertaken to implement improvements to the ABS's for scheme members in order to provide more details of retirement figures
- notes that the range of benefit calculations provided in one statement enables members to be better financially informed about retirement options
- notes the improvements and increases in work production following the application of functionalised working methods in the Service Centre