

Report of the Director, West Yorkshire Pension Fund, to the meeting of West Yorkshire Pension Fund Pension Board to be held on 23 June 2020

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Subject: Impact of Covid-19 on WYPF Pensions Administration

Summary statement:

The impact of Covid-19 has meant that WYPF has had to instigate its business continuity plans, and provide business as usual remotely. Arrangements had to be made at very short notice to enable staff to work from home and make decisions on priority work areas, taking into account statutory requirements and the Pensions Regulator (tPR) guidance.

Appendix A – COVID-19 FAQs for LGPS administrators

Recommendations

- That this report be noted.
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Portfolio

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Overview & Scrutiny Area

1. Background

- 1.1 On 23 March the prime Minister asked that everyone stay at home except for a few restricted activities one of which was:

‘Travelling to and from work, but only where work absolutely cannot be done from home’.
- 1.2 Previously the Government published a list of key workers who are critical to the Covid-19 response. These include local government administrative staff ‘delivering essential public services such as the payment of benefits’.
- 1.3 WYPF made a decision that staff were key workers and were asked to attend the office if they were not able to work from home.
- 1.4 However, urgent negotiations commenced with Bradford Council’s IT to procure remote working equipment for the bulk of the staff that could not work from home, and within a matter of a couple of weeks almost all staff were enabled to work remotely.
- 1.5 Staff now only attend the office on a needs basis, i.e. to print, to scan post etc. Alternative arrangements for these tasks are now also in place.
- 1.6 After a short period of downtime for some individual members of staff who may have been self isolating or had childcare issues when schools closed, it is now almost business as usual.

2. Service priorities

- 2.1 The Pension Regulator’s advice applicable to DB schemes for administrators recommends that the focus of service delivery at this time should be on the following areas:
 - Payment of benefits
 - Employer contributions
 - Minimising the risk of scams
 - Supporting good decision making.
- 2.2 tPR also provided some comfort to administrators by recognising that some administrative breaches may occur at this time but they will maintain a ‘proportionate and fair approach’ to any action to take.
- 2.3 Payroll
We have tested and proved that our payroll can be run by members of staff working from home if necessary. However, we have made one change which is that our daily payroll will now be run weekly each Friday (or the Thursday if it’s a bank holiday).
- 2.4 Transfer Values
The processing of transfers is a second level priority. Club transfers and transfers

from schemes with a guarantee date will be processed although it might be more slowly.

2.5 Transfers in

Transfers in from personal pensions i.e. money purchase or defined contribution (DC) schemes are more of a concern as investment values are likely to have dropped in the period between receiving the member's election forms and requesting the money.

We are currently investigating with some of the bigger personal pension providers what their view is on proceeding in these circumstances and what the members' options might be. When we have more information on this we will write to affected members in line with the TPRs direction to support good decision making.

2.6 Transfers Out

We are aware that unscrupulous financial advisers may still try to target firefighters to release benefits. We have therefore added the tPR's latest guidance on scams to our website and briefed both the Contact Centre and Fire Team staff on these issues.

2.7 Children's Pensions

Because schools, colleges and universities have closed, we will continue to pay children's pensions where we know students are only part-way through a course.

For students who we know are in their last year of school, we would ask them as normal if they intend to go on to further study. If they say they are intending to continue their studies we will continue to pay their pension as normal (this is usual practice). For college or university students who we know are in their final year of study, we will suspend the pension as normal in June.

2.8 Life certificates

We will shortly be re-starting the life certificate exercise, which was temporarily suspended due to the need for pensioners to obtain witness signatures on their return form. This was to aid social distancing and isolation for the elderly.

2.9 Deferred Benefit Statements (DBS)

The number of Deferred Benefit Statements produced for all Local Government clients currently stands at 2624 which represents 62% of members eligible to receive one. The number of statements produced each day was initially reduced from 2,000 to 500 each day. Now that working arrangements are more settled the limit has been increased to 1000 per day.

2.10 Annual Benefit Statements (ABS)

The number of Annual Benefit Statements produced for all Local Government clients currently stands at 33% of members eligible to receive one. The low volume is largely due to the fact that the annual return for Hounslow is still to be posted to members records. Similar to DBS's, the number of statements produced each day was initially reduced from 2,000 to 500 each day. Now that working arrangements are more settled the limit has been increased to 1000 per day.

2.11 Remote Working

The arrangements for staff working remotely are operating well, with staff being able to do their normal work without any major issues. In line with Government advice, the arrangements are set to continue for the foreseeable future.

3.0 Local Government Association

3.1 The LGA has produced a frequently asked questions factsheet for LGPS Administrators which answers a number of questions that administrators may have, which is attached as Appendix 1 for information.

3.2 LGPS Resilience survey

LGA have undertaken an LGPS COVID-19 resilience survey. Nearly 80% of administering authorities in England & Wales and Scotland completed the survey between 24 March and 6 April 2020. The results show a high level of confidence in the ability to continue to pay more than 1.5 million LGPS pensions. Responses show that a minority of employers are in current difficulties and that there are some concerns about accessing the information required to pay new benefits.

It is to the credit of those authorities that they not only responded so promptly to the survey, but are able to respond so effectively to the challenges they face at the current time. The survey also asked for ideas for additions to the FAQs mentioned in 3.1. Those suggestions that are not already present are under active review. All points raised about regulatory flexibility have been raised with MHCLG and/or tPR.

Recommendations

- That this report be noted.

4. APPENDICES

COVID-19 FAQs for LGPS administrators