

Report of the Director West Yorkshire Pension Fund to the meeting of Local Pension Board to be held on 13 September 2022.

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Subject: Register of Breaches of Law

Summary statement:

In accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes come under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that:

- (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
- (b) the failure to comply is likely to be of material significance to The Pensions Regulator in the exercise of any of its functions.

A Register of Breaches of Law is therefore maintained in accordance with the Pensions Regulator's requirements and WYPF Breaches procedure.

EQUALITY & DIVERSITY: None

Mr Rodney Barton
Director

Portfolio:

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Overview & Scrutiny Area:

1.0 Background

1.1 Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to the Pensions Regulator as soon as reasonably practicable where a person has reasonable cause to believe that:

- (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
- (b) the failure to comply is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions.

1.1 This requirement applies to:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

1.2 The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However, the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

2. Reporting Breaches Procedure

2.1 A record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). WYPF maintains a record of all reported or unreported breaches.

2.2 The Register of Breaches of Law (reported or otherwise) is provided to each Joint Advisory Group meeting, and is also shared with the Pension Board.

3. Breaches

The entries on the Register of Breaches for 2021/2022 relate to:

- Delays with Prudential updating members' accounts with contributions, which have also delayed the payment of some retirement benefits. This breach is considered to be of material significance due to the number of members involved and the continuing and prolonged rectification of this issue. As a result, this issue has been reported to the Pensions Regulator.

- Contributions being paid late by employers and therefore not being received by the fund until after the Pension regulators deadline of the 21st day of the following month.
- An outgoing Transfer Value which was paid after the 3 month guarantee date.
- the non-issue of Annual Benefit Statements by the 31 August 2021 for a small number of active members.

4. OTHER CONSIDERATIONS

- None

5. FINANCIAL & RESOURCE APPRAISAL

- None

6. RISK MANAGEMENT AND GOVERNANCE ISSUES

- None

7. LEGAL APPRAISAL

Appendix A - details whether each Breach has been deemed to be of material significance and as a result been reported to the Pensions Regulator in accordance with Section 70 of the Pensions Act 2004.

8. OTHER IMPLICATIONS

- None

8.1 SUSTAINABILITY IMPLICATIONS

- None

8.2 GREENHOUSE GAS EMISSIONS IMPACTS

- None

8.3 COMMUNITY SAFETY IMPLICATIONS

- None

8.4 HUMAN RIGHTS ACT

- None.

8.5 TRADE UNION

- None

9. NOT FOR PUBLICATION DOCUMENTS

- None

10. OPTIONS

- None.

11. RECOMMENDATIONS

- It is recommended that the Local Pension Board note the entries and action taken on the Register of Breaches.

12. APPENDIX

- Appendix A– Register of Breaches 2021/2022

13. BACKGROUND DOCUMENTS

- None