

Warwickshire Local Pension Board
Internal Disputes Resolution Procedure

26 January 2021

Recommendation(s)

1. That the Local Pension Board note and comment on the Internal Disputes Resolution Procedure.

1. Executive Summary

- 1.1 All pension schemes are required by the Pensions Act 1995 and *the Pension Regulator* to have in place a formal dispute resolution procedure.
- 1.2 The Local Government Pension Scheme Regulations also require scheme employers and administering authorities to have formal procedures in place to address and resolve grievances scheme members and other interested parties may have in how their membership of the scheme or how their benefit entitlement has been dealt with either by their employer or the administering authority.

2. Financial Implications

- 2.1 There are potential fines or awards of compensation which can be levied either by the Pension Regulator or the Pension Ombudsman for cases of maladministration.

3. Environmental Implications

- 3.1 None.

4. Supporting Information

- 4.1 The Local Government Pension Scheme Regulations specify that both the scheme employer and the administering authority have specific areas of responsibility concerning a scheme member's pension entitlement. A scheme employer for example, will decide:
 - Whether an employee is eligible to join the scheme,
 - What rate of contribution the member will pay,

- The pay used in calculating a member's benefit
- The benefit a member is entitled to on retirement

The administering authority will decide on matters such as, but not limited to:

- Previous pensionable service
- The amount of benefit due to the member

These are known as 'first instance decisions' and the member must be notified by either their employer or the administering authority of any decision affecting their pension record or entitlement.

- 4.2 On receiving notification from the employer or administering authority the member has the right to question and seek clarification of the decision about their pension entitlement. If they are not satisfied by the answer they may appeal by way of the Internal Disputes Resolution Procedure
- 4.3 It is however, hoped that many questions can be resolved before Internal Disputes Resolution Procedure is enacted. This is known as the 'informal stage' and many cases are resolved with the member receiving confirmation that their case has been dealt with correctly in accordance with the provisions of the Local Government Pension Scheme Regulations.
- 4.4 If a member remains dissatisfied and instigates an Internal Disputes Resolution Procedure appeal their grievance can potentially go through a formal two stage process. For example, if a member is not satisfied with the benefit awarded by their employer, they can appeal to the employer for their case to be reviewed by a 'nominated person' appointed by the employer. The nominated person must be independent and not have been involved in the original decision.
- 4.5 If the member is not satisfied by the Stage One decision their grievance can be escalated to Stage Two with the Administering Authority who appoints an adjudicator or panel to review the case.
- 4.6 In rare cases where they remain aggrieved the member can refer their case to the Pension Ombudsman and potentially make a claim to the High Court.
- 4.7 Appendix 1 is the guide available for members.

5. Timescales associated with the decision and next steps

- 5.1 This report is due to go the Staff and Pensions Committee at their March 2021 meeting.

Appendices

1. Appendix 1 Employees guide to Internal Disputes Resolution Procedure.

Background Papers

1. None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Warwick, Singh Birdi, Falp, O'Rourke and Boad