

# **Staff and Pensions Committee**

**12 June 2023**

## **Pensions Administration Activity and Performance Update**

### **Recommendation**

That the Committee notes and comments on the content of the report.

### **1. Executive Summary**

- 1.1 This report updates the Committee on the key developments affecting pensions administration and the performance of the Pensions Administration Service (PAS).

### **2. Financial Implications.**

- 2.1 All financial implications are dealt with in the body of this report.

### **3. Environmental Implications**

- 3.1 None arising directly from the content of this report.

### **4. Member Self Service - MSS**

- 4.1 We continue to promote the use of MSS with our pension scheme membership.
- 4.2 Letters have now been sent out to Pensioner members to introduce the facility to them. Pensioners will be able to see the current value of their pension in payment and update their personal details. The updates to personal details such as address, and email contact will then be downloaded from the Altair administration system and uploaded into the payroll system so that the member only has to do one update for both systems. This will also ensure both systems match.

4.3 The take up split by our different types of members is as follows:

Active	4,959	31% of active members
Deferred	3,972	22.2% of deferred members
Pensioner	3,118	17% of pensions

4.4 Work will begin in 2023/24 to review the take-up of MSS so that the PAS can target its promotion of MSS and the scheme to those members where take-up is lowest.

## **5. E-payslips**

5.1 We have been informing Pensioners that the removal of paper payslips will happen on 30 May 2023. This date has been chosen as it is the first month pensioners will receive a full month of pensions increase due from 10 April 2023. The amount paid in this month is generally what should be paid for the rest of the financial year, unless there are any tax code changes or other changes implemented by the PAS team. If such changes occur, we will write and confirm those with the member. It is hoped that by introducing MSS to Pensioners, they will be encouraged to sign up so that we then have an email address to which their e-payslip can be sent out. E-payslips sent out to the members email account and are password protected.

5.2 We have had a particularly good response from our pensioner members regarding the removal of paper payslips and the sign up for MSS and e-payslips. So far, we have received 2,500 requests to sign up from 9,500 letters issued. We have also received confirmation from 100 that they will not be able to access the service and wish to opt out of digital communications. For these, a letter will be sent out each April to confirm the increase that has been applied to their pension. They can also have a paper payslip on request; however, these will not be sent out every month.

5.3 There are some lessons learnt from the way we have completed this exercise which will inform future approach. Feedback received from members include that the letter sent out was not sufficiently clear that members could opt out of digital communications.

5.4 There were some initial issues with the telephone number people had been advised to call, but these were rectified quickly. The PAS plans to move to a new telephony system, which will allow us to set up helpline numbers and calls groups, record calls for training and monitoring purposes and provide data on call volumes. This will help improve the service for customers, so that they can get straight through to a team member who can help with queries.

## 6. Key Performance Indicators (KPIs)

- 6.1 Appendix 1 shows the KPI performance for the period 1 April 2022 to 31 March 2023. The KPIs and target timescales are listed in Appendix 2.
- 6.2 9 out of 14 KPIs are meeting their target and the remaining 5 have all seen improvements in the total number of cases being completed within the KPI deadline.
- 6.3 For context the table below shows the volume of cases per KPI and the number of cases that were dealt within the KPI target.

task (KPI)	target	% achieved on time	total number of cases	total number achieved by target
1.Letter detailing transfer in quote	10 days	61.46%	606	372
2.Letter detailing transfer out quote	10 days	87.44%	470	411
3.Process and pay a refund	10 days	91.75%	338	310
4.Letter notifying estimate of retirement benefits (Active)	15 days	90.54%	293	265
5.Letter notifying actual retirement benefits (Active)	15 days	99.54%	341	339
6.Process and pay lump sum (Active)	10 days	97.44%	341	332
7.Process and pay death grant	10 Days	97.79%	111	109
8.Initial letter notifying death of a member	5 days	94.63%	456	432
9.Letter notifying amount of dependents benefits	10 days	86.37%	173	149
10.Divorce quote letter	45 days	99.09%	108	107
11.Divorce settlement letter	15 days	100.00%	1	1
12.Send notification of joining scheme to member	40 days	97.79%	634	620
13.Deferred benefits into payment	15 days	97.50%	689	672
14.Calculate and notify deferred benefits.	30 days	94.86%	2212	2098

## 7. Pensioner Payroll Key Performance Indicators

- 7.1 Pensioner payroll for Warwickshire Pension Fund is administered by Warwickshire County Council's payroll team.
- 7.2 14,398 payments for pensioners are paid each month.
- 7.3 The table below provides information on the pensioner payroll service KPIs. Priority is given to ensuring payments are made by the agreed payment dates. Please note the customer care indicator is only recorded for formal complaints. Nil indicates no complaints have been received.

*A table that depicts the Key Performance Indicators for the payroll service*

Indicator	Description	Measure	Q1	Q2	Q3	Q4
Customer Care	We will respond to any queries about service delivery within 5 days. (Formal complaints)	95% of queries will be responded to within 5 days.	NIL	NIL	NIL	
Accuracy	Paying people accurately.	99% of all requested staff payments will be paid accurately.	100%	100%	99.99%	
Assurance	Paying people on time.	100% of input submitted onto Your HR before deadline will be paid on the relevant scheduled pay day.	100%	100%	100%	
Statutory returns	We will make all statutory returns by the required deadlines.	100% of third party payments and statutory returns will be submitted on or before the deadline.	100%	100%	100%	
Satisfaction with service	We will achieve constantly high levels of customer satisfaction	Traded wide net promoter score will be 8.8 or more.	9.3	9.2	9.1	

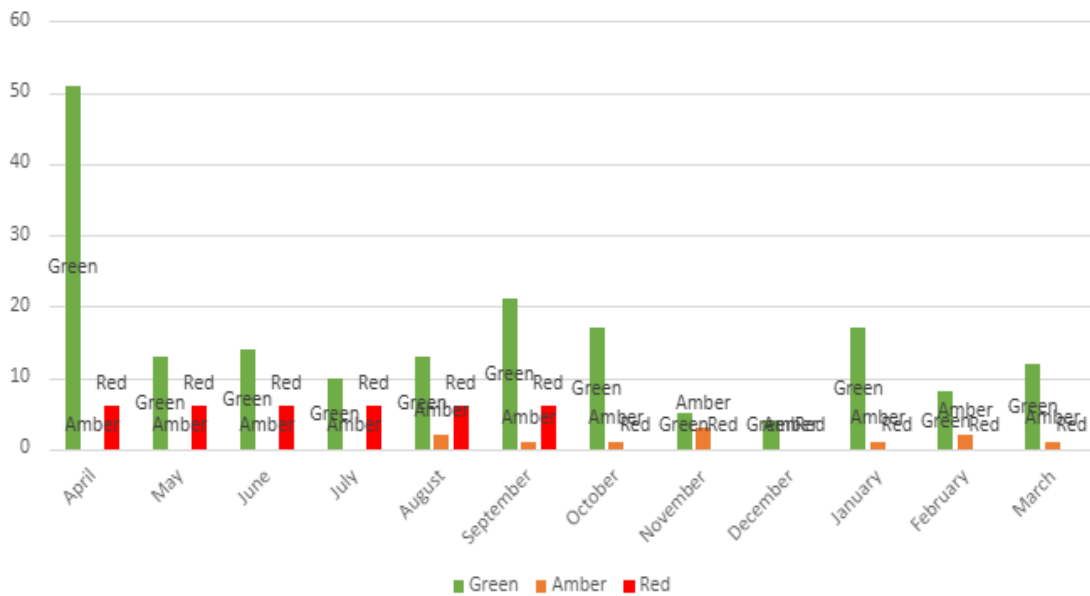
## 8. Workloads

- 8.1 The PAS continues to monitor work being received by the team and ensure we have the resources to manage the workload.
- 8.2 Appendix 3 shows on a monthly basis, the amount of work received, and the amount of work being completed. From the 1 January 2023 to 31 March 2023 there have been 10,347 cases created and 11,008 completed, this compares to 10,807 created and 9,816 completed in the same period last year. There are currently 3,165 open cases across the section.

## 9. Breaches

- 9.1 In accordance with the Fund's Breaches Policy, any amber breach results in direct contact with the employer responsible to resolve the issue. If this does not result in the necessary action required, further escalation can be used.
- 9.2 The table below indicates the number of breaches the Fund has recorded for the period 1 April 2022 to 31 March 2023:

## WPF Employer Breaches 22/23



### ***What constitutes a breach?***

9.3 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a Scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

#### ***Example 1 - Green Breach***

9.4 An employer is late in paying over employee and employer contributions. It is contacted by officers from the administering authority, it immediately pays the contributions that are overdue, and it improves its procedures so that in future contributions are paid over on time.

9.5 In this instance there has been a breach, but members have not been adversely affected and the employer has changed its processes regarding future payments.

9.6 The breach is therefore not material to the Regulator and need not be reported.

#### ***Example 2 - Amber Breach***

9.7 A pension overpayment is discovered, the administering authority has failed to pay the right amount to the right person at the right time. A breach has therefore occurred.

9.8 The overpayment is however for a modest amount and the pensioner could not have known that they were being overpaid. The overpayment is therefore waived.

9.9 In this case there is no need to report the breach as it is not material.

*Example 3 - Red Breach*

- 9.10 An employer is late in submitting its statutory year-end return of pay and contributions in respect of each of its active members and as such it is in breach. Despite repeated reminders it still does not supply its year-end return.
- 9.11 Because the administering authority does not have the year-end data it is unable to supply, by 31 August, annual benefit statements to the employer's members.

Further information can be found in the Fund's Breaches Policy:  
<https://api.warwickshire.gov.uk/documents/WCCC-67491560-1272>

- 9.12 Two amber breaches have been recorded for February 2023. One is for a Parish Council who have submitted data through i-Connect late for 3 months. in a row. The second is for an academy who are late paying Additional Voluntary Contribution payments to Standard Life.

## **10. Internal Dispute Resolution Procedure (IDRP)**

- 10.1 The Fund has no outstanding IDRP cases.
- 10.2 The Fund has received 3 complaints, 1 relating to an ill health pension and 2 relating to the introduction of e-payslips. All 3 have received official responses from the Pensions Administration Delivery Lead. No further action or follow on from members has been received.

## **11. Pensions Dashboards**

- 11.1 The Department of Works and Pensions (DWP) are running the Dashboards Programme where all pension schemes will need to be able to connect to Dashboards. On 2 March 2023, the DWP made a written ministerial statement outlining the changes to the mandatory connection deadlines for pension schemes.
- 11.2 The statement explains that the Pensions Dashboard Programme will be unable to meet the connection deadlines set out in the legislation, and the timeline will need to be revised.
- 11.3 Although much of the work on the central digital architecture has been delivered there is more to do, and this is the main cause of the delay.
- 11.4 The PAS will continue to look at the work needed to be ready for dashboards, focusing on data quality, once the new timetable is released, we will develop a plan to deliver this project.

## Appendices

Appendix 1 – Key Performance chart

Appendix 2 – Key Performance indicators

Appendix 3 – Workflow chart

## Background Papers

None

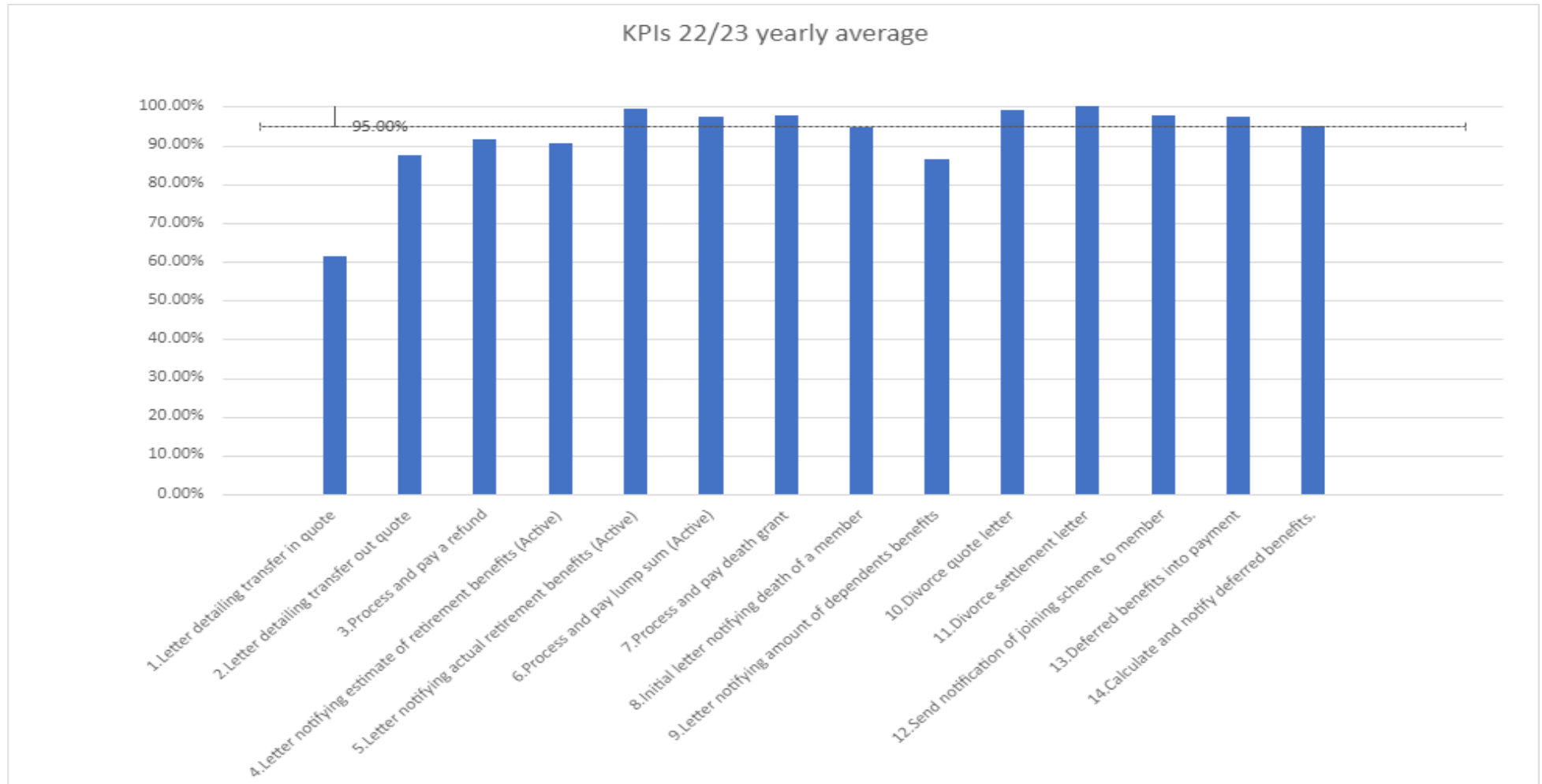
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The report was circulated to the following members prior to publication:

Local Member(s): Not applicable

Other members: Cllrs Peter Butlin, Yousef Dahmash and Bill Gifford,

**Appendix 1: A table that shows the 14 KPIs and the level of achievement marked against a target of 95%**

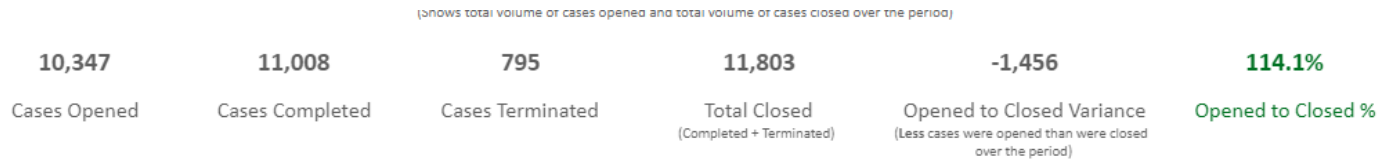




**Appendix 2:** *A table that shows the fund target dates for each KPI*

Key Performance Indicator	Fund Target
Target performance	
1.Letter detailing transfer in quote	10 days
2.Letter detailing transfer out quote	10 days
3.Process and pay a refund	10 days
4.Letter notifying estimate of retirement benefits (Active)	15 days
5.Letter notifying actual retirement benefits (Active)	15 days
6.Process and pay lump sum (Active)	10 days
7.Process and pay death grant	10 Days
8.Initial letter notifying death of a member	5 days
9.Letter notifying amount of dependents benefits	10 days
10.Divorce quote letter	45 days
11.Divorce settlement letter	15 days
12.Send notification of joining scheme to member	40 days
13.Deferred benefits into payment	15 days
14.Calculate and notify deferred benefits.	30 days

**Appendix 3: A bar chart that shows the number of workflow cases created and completed per month**



**Total Cases Opened & Total Closed Per Period**

Total closed cases are broken down to show volume completed and volume terminated

