

Report for: Pensions Committee - November 2018

Item number:

Title: Pensions Administration Report

Report authorised by : Jon Warlow, Director of Finance

Lead Officer: Janet Richards – Pensions Manager,

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Ward(s) affected: Not applicable

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. The report also gives a breakdown of the amount of visits made to the Haringey pension fund website
- 1.2. The report details the 2018 Annual Benefit Statement for Active members of the pension scheme

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations that members:

Note

- 3.1. Note that the report gives a breakdown of the amount of visits made to the Haringey pension fund website.

Note and Approve

- 3.2. Note the late notification of active members Annual Benefit Statements due to an administration error in the external third party printers mailing process and agree that the matter should not be reported to the Pension Regulator on the basis that the breach is not a material breach.
- 3.3 Approve the additional one off cost of £52,000 for Licence and Implementation and £8,000 per annum for the Hosting and Support and maintenance for the upgrade to new Member Self Service. This will allow the upload of the 2019 annual benefit statements onto Member Self Service so active members can access their annual benefit statements on the scheme's website.

4. Reason for decision

Annual Benefit Statements

- 4.1. The Administrating Authority must issue Annual Benefit Statements by 31 August each year.

- 4.2. The Administration team produced and issued the annual benefit statements to an external printing organisation but due to an error posted the statements after 31 August.
- 4.3. The Haringey pension fund has a dedicated website www.haringeypensionfund.co.uk which has useful information about the pension scheme. The website allows secure access to Haringey's member self service facility which if upgraded will enable active members to view their annual benefit statement.

5. Alternative options considered

Not applicable

6. Background information:

- 6.1. Local Government Pension Scheme Regulations 2013, Regulation 89 states that Annual Benefit Statement must be issued each year no later than 5 months after the end of the scheme year to which it relates, ie 31st August.
- 6.2. The 2018 Annual Benefit Statements for active employees were calculated and prepared by the pensions team and sent to the third party printers for printing and issuing. The printers forwarded the prepared statements to their mail distribution centre for posting on 25th August. An administration error between the printers and their mail centre, meant the statements were not posted on the 25th August.
- 6.3. The pension team were advised by the printers that the statements were sent out in the post prior to 28th August.
- 6.4. On 5th September the pension team were aware that scheme members had not received their statements so the pensions team contacted the printers to confirm that the statements had been posted. The printers contacted their mail distribution centre and advised the pension team that they had discovered that due to an administration error between them and their mailing centre the statements had not been sent, but would be sent as soon as possible.
- 6.5. The statements were sent out by the mail centre and received by scheme members on 8th September.
- 6.6. The pensions team contacted the Pensions Regulator to seek advice whether this postal error by a third party should be classed as a 'Material Breach'. The Pensions Regulator stated it would be up to the Pensions Committee and Board to determine whether they thought that the breach was a 'Material Breach' and therefore needed to be reported to the Pensions Regulator.
- 6.7. Legal advice has been sought to determine if the breach was a material breach and is attached as Appendix 1. The advice is that the breach is not a material breach.
- 6.8. In order to prevent a reoccurrence of this situation as the current Member Self Service provided by our software provider, Heywood is nearing its end of life and will be withdrawn in April 2020. By providing additional funding the Fund could move to the new version of Member Self Service, with its increased security and use of the latest technology for active members we can insert the annual benefit statements on the members record which can be accessed and viewed via the pension fund website, it should also improve efficiency. The additional MSS cost would be a one off sum of £52,000 for the licence and implementation based on time and materials. The annual cost is £5,000 per annum for the additional support and maintenance and £3,000 for the hosting fee. The Committee is asked to approve the spending of this sum.

6.9. The visits to the Haringey website www.haringeypensionfund.co.uk for the last two months are as follows:

	users	Page views
August 2018	338	1623
September 2018	408	1757

The average amount of users per month to the pension website is 373 and they view on average 1690 pages, just over 4.5 pages for each user.

7. Contribution to strategic outcomes

Not applicable

8. Statutory Officers' comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Chief Finance Officer

8.1. The costs of the pensions administration system are costs which are funded solely from the pension fund, in line with proper accounting practices and relevant legislation. Members will note the increased costs mentioned within this report.

Assistant Director of Corporate Governance

8.2. The Assistant Director for Corporate Governance has been consulted on the content of this report. Legal advice has been provided on the breach of the Regulations referred to in this report. This advice is attached at Appendix 1. The report raises no other legal issues.

9. Use of Appendices

Appendix 1 – Legal Advice regarding Annual Benefit Statement

10. Local Government (Access to Information) Act 1985

Not Applicable