

Report for: Pensions Committee and Board – 6 September 2023

Item number:

Title: Pensions Administration Update

Report

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Ward(s) affected: N/A

Report for Key/

Non Key Decision: Not applicable

1. Describe the issue under consideration

1.1. This report provides the Pensions Committee and Board (PCB) with the following updates regarding Pension Fund's administration activities:

- a. Pension Fund membership update
- b. Online Member Self Service portal update
- c. Update on McCloud project
- d. Update on Annual Benefit Statements

2. Cabinet Member Introduction

2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended to note this report and the information provided regarding the Pension Fund's administration activities for the quarter ending 30 June 2023.

4. Reason for Decision

4.1. Not applicable.

5. Other options considered

5.1. Not applicable.

6. Background information

Membership Update

- 6.1. Employees working for an employer that participates in the Local Government Pension Scheme (LGPS) are eligible for membership in the scheme. Membership in the LGPS is voluntary, and members are free to choose whether to continue participating in the scheme or to make personal arrangements outside of it.
- 6.2. The table below provides a breakdown of Haringey Pension Fund's membership on 30 June 2023.

Member status	30 Sep 22	31 Dec 22	31 Mar 23	30 Jun 23
Active members	6,301	6,271	6,350	6,244
Pensioner members	8,240	8,578	8,633	8,684
Deferred members	10,660	10,509	11,194	11,157
Total scheme members	25,381	25,358	26,177	26,085

Online Member Self Service Portal Update

- 6.3. The Member Self Service (MSS) portal is a pension scheme website that members can register an account with to view/edit their personal information as well as running their own retirement estimates.
- 6.4. The table below provides a breakdown of the number of active members registered for the Haringey Pension Fund's MSS as at 30 June 2023.

Member Self Service	30 Sep 22	31 Dec 22	31 Mar 23	30 Jun 23
Total active scheme members	6,301	6,271	6,350	6,244
Total active member registrations on MSS	953	1,028	1,057	1,087
Proportion of registered active members	15.12%	16.39	16.65%	17.4%

- 6.5. The table on the below provides a breakdown of the number of members who have accessed the Member Self Service portal over the past 7 days, 30 days, 2 months, and 3 months periods. This table is provided for information purposes only. Officers cannot actively influence the frequency of members accessing the MSS, as individuals will often have different reasons for requiring access to their pension's information.

Period last accessed	No. of Members
Last 7 days	38
Last 30 days	98
Last 2 months	79
Last 3 months	59

Update on McCloud Remedy Implementation Project

- 6.6. The Pensions Committee and Board has previously received advice regarding the outcome of the McCloud case, an age discrimination court case involving the transitional protection arrangements introduced as part of the 2014 reforms of the LGPS.

- 6.7. On 17 March 2022, the Public Service Pensions and Judicial Offices Act 2022 received Royal Assent and became law. In mid-July 2022, the Department for Levelling Up Housing and Communities (DLUHC) provided an update on its work to rectify the “McCloud” age discrimination across all affected public service pension schemes, including the LGPS. In relation to the LGPS, the Government’s consultation closed at the end of June, with the Government hoping to finalise the regulations in early September, before their coming into force on 1 October 2023. It plans to ‘establish a guidance working group’ with the LGPS Scheme Advisory Board (SAB) to consider what guidance is required.
- 6.8. Starting from 1 October 2023, the LGPS McCloud remedy regulations will be implemented. After this date, the scheme will be required to begin recalculating benefits for affected members according to the McCloud guidelines. The scheme will contact these members directly.
- 6.9. Officers have undertaken some preliminary work to identify the affected members ahead of the implementation date. To date, approximately 60% of employers had responded as part of the data gathering exercise. The guidance sets out the available options administering authorities may consider if they are unable to collect the necessary data to implement the McCloud remedy.
- 6.10. It is anticipated that the implementation of the proposed remedial regulations will be both complex and time consuming. Additional resources are likely to be required to undertake this work.
- 6.11. Officers will continue to keep the Pensions Committee and Board informed of developments related to the McCloud remedy activities and update on any additional resource requirements when identified.

Update on Annual Benefit Statements (ABS)

- 6.12. Administering Authorities of the Local Government Pension Scheme (LGPS) are required to provide all scheme members with a yearly benefit statement which shows the current value of pension benefits accrued as at 31 March of the previous financial year. The ABS includes a projection of future benefits members can expect to accrue until they reach their Normal Pension Age (NPA). This allows scheme members to better plan for their retirement.
- 6.13. According to regulations, these statements must be made available to members by 31 August each year.
- 6.14. Statements for all members have been produced and made available to members via Member Self Service portal or through the post. Internal communication has been produced and circulated to inform members that their statement is ready and provide information on how to obtain it.

7. Contribution to Strategic Outcomes

- 7.1. Not applicable

8. Carbon and Climate Change

8.1. Not applicable

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

Finance and Procurement

9.1. Not applicable.

Head of Legal and Governance [Patrick Uzice, Principal Lawyer]

9.2. The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. Members should note that the regulations relating to the “McCloud remedy” are still pending and further legal advice will be given when the regulations are published.

Equalities

9.3. The Local Government Pension Scheme is a defined benefit open scheme enabling all employees of the Council to participate. The report’s content has no direct impact on equality issues.

10. Use of Appendices

10.1. None

11. Local Government (Access to Information) Act 1985

11.1. Not applicable.