

# **REPORT FOR: Pension Board**

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<b>Date of Meeting:</b>	5 December 2018
<b>Subject:</b>	Information Report – Performance Monitoring
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance
<b>Exempt:</b>	No
<b>Wards Affected:</b>	All
<b>Enclosures:</b>	Appendix 1: Pension Administration Performance Monitoring Q2 to 30th September 2018.

## **Section 1 – Summary**

### **Summary**

This report presents the Board with performance monitoring information for the quarter ending 30th September 2018. Pension Board are requested to note the completion of the Guaranteed Minimum Pension Reconciliation exercise has been completed and agreed with HMRC before the 31 December 2018 deadline.

### **For information**

## **Section 2 – Report**

1. At several of their meetings the Board has rightly suggested that it sees part of their role as monitoring the service performance of the Fund. Whilst to date it has received a substantial amount of performance information through the Fund's Annual Report and Accounts, the Scheme Advisory

Board's Benchmarking and Key Performance Indicators return and reports on the triennial actuarial valuation .It has been monitoring comparative pensions administration indicators since June 2017.

2. The Pensions administration performance statistics measured against the national benchmarks for the second quarter to 30 September 2018 are set out in Appendix 1. There were 2 ill-health retirements in the quarter. The Board is invited to comment on this performance.
3. Table 1 below sets out the membership of the Pension Fund in the current year to 30 September 2018 with previous years as a comparator. The percentage of active members in the fund is one indicator of the maturity of the fund.

	30 September 2018	31 March 2018	31 March 2017	31 March 2016
Pensioners	5,730	5,760	5,576	5,438
Deferred	6,914	7,115	6,925	6,700
Active Members	5,374	5,557	5,659	5,561
% Active Members	29.8%	30.1%	31.2%	31.5%
Total	18,018	18,432	18,160	17,699

#### **Requirement to Report Breaches of Law**

4. Pension Board reviewed the breaches in law policy and breaches reporting procedure at its meeting on 20<sup>th</sup> September 2018.
5. There have been no known breaches of law in the current financial year.

#### **Internal Disputes Cases and Complaints**

6. No internal disputes have been raised in the current financial year.

#### **Issue of Annual Benefit Statements**

7. All benefit statements were published and distributed in early August well before the 31 August 2018 deadline.

#### **Payment of Employer Contributions**

8. Employer contributions are required to be paid in arrears by the 19<sup>th</sup> of each month. All employer contributions have been paid on time in the year to date. Employers are contacted if payment has not been received by the date.

## **9. Guaranteed Minimum Pension Reconciliation Exercise**

- 9.1 The Guaranteed Minimum Pension (GMP) is the minimum pension which a United Kingdom occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997. The amount is said to be 'broadly equivalent' to the amount the member would have received had they not been contracted out.
- 9.2 When contracting-out ended in April 2016, HM Revenue and Customs (HMRC) advised they would no longer track contracted-out rights against GMP amounts held on scheme records. This is known as a GMP reconciliation.
- 9.3 Following the completion of the GMP reconciliation, HMRC is planning to send individuals information about their contracting-out history. As a result of the above, all schemes including LGPS schemes were required to reconcile their GMP's with those held on HMRC's records by December 2018.
- 9.4 The project to reconcile the scheme records with the HMRC took over two years to plan and complete. For Harrow, 9321 records were listed in the HMRC file. All have been identified and reconciled to the HMRC database. 8 records have been flagged as stalemate cases with no records held by LB Harrow. This project has been completed on time and without reliance on external support.
10. The Board is asked to consider whether the information discussed in this report would meet its requirements for regular performance monitoring and to comment as it sees fit.

## **Financial Implications**

11. Whilst the provision of performance monitoring information should assist in the efficient and effective management of the Pension Fund there are no financial implications arising from this report.

## **Risk Management Implications**

11. All risks are included within the Pension Fund Risk Register.

## **Equalities implications**

11. There are no direct equalities implications arising from this report.

## **Council Priorities**

12. The financial health of the Pension Fund directly affects the resources available for the Council's priorities.

### **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert  Chief Financial Officer

Date: 26 November 2018

**Ward Councillors notified:** Not applicable

### **Section 4 - Contact Details**

**Contact:** Iain Millar, Treasury and Pensions Manager 0208  
424 1432

**Background Papers – None**