



Committee and Date

Pensions Committee

20 June 2011

10 am

Item

11

Public

PENSIONS ADMINISTRATION MONITORING

Responsible Officer Debbie Sharp

e-mail: debbie.sharp@shropshire.gov.uk Tel: 01743 252192

1. Summary

- 1.1 The report provides Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Performance is considered and monitored to ensure regulatory timescales are adhered to.
- 3.2 The recommendations contained in this report are compatible with the Human Rights Act 1998
- 3.3 There is no direct environmental, equalities or climate change consequence of this report.

4. Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5. Performance

- 5.1 The performance chart showing the team's output and performance levels to the end of May 2011 is attached at **Appendix A**.
- 5.2 The number of procedures completed during the last quarter fell but has picked up in May 2011. This resulted in the number of Procedures Outstanding to rise above 1200, but fall back to below this figure in May '11.

- 5.3 The team has downsized since the beginning of 2011. Losing a Pension Officer post and a Pensions Assistants post. The team is currently working with only 2 Pensions Assistants and it is hoped that a vacant assistant post can be filled in due course.
- 5.4 The team successfully increased all Pensions in payment in April by 3.1% (CPI). This meant pensioner records on the payroll system were all updated and a letter was issued to all Pensioners together with their April payslip and a newsletter. The pension system AXIS was also updated with the increase. This is an increase in the workload for the team and contributed to the rise in Outstanding Procedures noted in above.
- 5.5 Year end returns have been received from employers and the posting of contributions to individual records on the Pensions System is underway.
- 5.6 Balancing the contributions received by the Fund to the year end returns is also underway. A check on the rates employers are now paying back to the Valuation report will take place during the next quarter.

6. Valuation 2010

- 6.1 The final report was issued by the Actuary, Mercers. The results have now been implemented. Employers are paying the new contribution rates from payroll each month. In order to protect the fund from falling payroll numbers, the deficit is being collected as a lump sum payment from most employers.

7. Academy Schools

- 7.1 The Pension Fund currently has 4 Academy Schools as Scheme Employers; Abraham Darby School, Madeley Court School, Newport High School and Priorslee Primary School.
- 7.2 The team has been approached by a further 3 schools who are considering Academy status.
- 7.3 Academy Schools become a separate employer in the Pension Fund as a Schedule Body just like Shropshire Council. As more schools become Academies the number of employers in the Fund will increase. The team usually visit the school to provide information and guidance on becoming a separate employer within the Fund. The Actuary is required to calculate employer contribution rates.

8. Communications

- 8.1 The team took part in a seminar at Telford & Wrekin for employees interested in taking early retirement. Consultations have also been held at Severnside Housing for current Scheme Members.
- 8.2 A meeting for all Scheme Employers was on held on 6th May 2011 in the Council Chamber at Shirehall. A number of issues were covered including changes to the Annual and Lifetime Allowances and how these would impact on the information we will require from them.
- 8.3 A seminar was held in April for all “high earners” in respect of the reduction in the Annual Allowance and taxation. This was run by Matt Hawkins from Mercers. This seminar was very well attended and received.
- 8.4 The latest edition of “InTouch”, the magazine for retired scheme members, was issued in April. A copy is attached at **Appendix B**.
- 8.5 A meeting for retired scheme employees will be held on 21st June 2011 at the Walker Theatre, Theatre Severn, in Shrewsbury. There will be speakers from the National Trust and the Much Wenlock Olympian Society.
- 8.6 Discussions have been had with the Shropshire Council Web Team about possible improvements and developments to the website. It is hoped these can be implemented shortly.
- 8.7 The team are continuing to work jointly with neighbouring Pension Funds to plan ways in which we can reduce our costs, especially the cost of communication material. This joint working has already produced a document to be issued to schools considering applying for Academy status.
- 8.8 Letters will be sent to all scheme employees over the age of 45 to make them aware of our Additional Voluntary Contribution Scheme and the advantages of this as a form of pension savings.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee, 23 February 2011, Item 9, Pensions Administration Monitoring

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

Appendix A – Performance Monitoring

Appendix B – InTouch Magazine

APPENDIX A

Task Statistics

