



Pensions Committee
Date 20 March 2026

Item

Public

Pensions Administration Monitoring Report

Responsible Officer:	Vicky Jenks		
email:	Vicky.jenks@shropshire.gov.uk	Tel:	01743 252192
Cabinet Member (Portfolio Holder):			

1. Synopsis

The report provides members with monitoring information on the performance of and issues affecting the pensions administration team.

2. Executive Summary

- 2.1. Detail is provided on team workloads and performance, and projects currently being undertaken, including valuation 2025 and Pension Dashboards.
- 2.2. Information is also included regarding regulatory changes. Impacting on the work of the administration team.

3. Recommendations

- 3.1. Members are asked to note the KPI chart and information on those KPI's not currently meeting the 95% target and the actions being taken to address this. (Appendix A).
- 3.2. Members are asked to note the progress and completion of key activities from the business plan 2025-26 up to Q3. (Appendix B).
- 3.3. To note the progress of the Pension Dashboard implementation which is provided in the update report (Appendix C).
- 3.4. To note the regulatory updates coming up that will have a significant impact on the work of the team.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Risk Management

Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to. Administration risks are identified and managed and are reported to committee on an annual basis.

4.2. Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

4.3. Environmental Appraisal

There is no direct environmental, equalities or climate change consequences of this report.

5. Financial Implications

- 5.1. Managing team performance, collaborating with other administering authorities, and making best use of the technology that is available to use ensures costs to scheme employers for scheme administration are kept to a minimum.

6. Climate Change Appraisal

- 6.1. Energy and fuel consumption: No effect
Renewable energy generation: No effect
Carbon offsetting or mitigation: No effect
Climate Change adaptation: No effect

7. Performance and Team Update

- 7.1. The team's output and performance level for the period 1 April 2025 to 30 December 2025, up to the end of Q3 is attached at Appendix A. The chart shows that 10 of the 14 KPIs are achieving at least 95% of cases being completed by the legal time limits.
- 7.2. In December, the office closed from 24 December and re-opened on 5 January, this meant there was less time to process cases. We also had one pensions assistant resign and another has now gone on maternity leave; this has impacted on the KPI for deferred benefits. Following our return to the office after the Christmas break, we

are in the process of recruiting to these posts and a plan for training has been created.

- 7.3. It is worth noting the improvement to the KPIs for transfers, this has been down to a change to how we resource these cases.
- 7.4. From February 2026, we have introduced a new process for allocating work within the Membership and Benefits team. Cases will now be distributed according to individual skill sets and capacity, rather than the current alphabetical split, where all Officers manage multiple types of casework such as retirements, deaths, and transfers. This new approach will also consider staff absences and project commitments. After implementation, we will review and set customer service targets for providing information to members. We will update the information shared with both the committee and board to reflect our performance against these targets.
- 7.5. We have also considered the resources needed for additional work that will be created from 1 April 2026 when the implementation of changes from the recent consultations for Access and Fairness, Access and Protections and Fit for the Future will begin. A business case for an additional Pensions Officer has been approved, and we have recruited an existing member of the team to this role.

8. Mortality Screening

- 8.1. In June 2025 we changed our provider for mortality screening purposes, the chart below provides data on the number of cases where member deaths have been picked up via the screening service:

Number of Death	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026
Pensioner/Dependents*	12	2	3	6	5	3	3	4	2
Deferred Members**	3	0	2	1	1	1	0	0	1
Frozen Refund***	1	0	0	0	0	0	1	0	0

* Deceased in receipt of a monthly pension

** Deceased has left and has deferred benefits in the Fund waiting to be paid at Normal Retirement Date

*** Deceased has left less than 2 years membership and is due a refund of contributions

- 8.2. Mortality screening is just one process we have to identify death cases; we also have access to the 'Tell Us Once' Service operated by DWP, the National Fraud Initiative and run annual existence checks for our pensioners living overseas. This helps to reduce the number of cases where an overpayment of pension may occur.
- 8.3. The fund pays out on average over £7m each month in pension payments, overpayments for 2024-25 totalled £66,177.24 of which £60,492.52 was recovered and £5,684.72 written off. In addition, invoices raised to recover overpayments that have not yet been paid totalled £22,728.20.

9. Communications

9.1. The following chart shows statistics on the work undertaken by the helpdesk team not covered by the workflow system or reported with the wider team statistics in Appendix A.

	April 25	May 25	June 25	July 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec25
Telephone calls received to helpdesk team	696	618	552	628	523	608	575	514	**449
% of calls answered	94%	96%	97%	97%	95%	98%	97%	94%	94%
Contact us forms/Emails received to pensions@shropshire.gov.uk	681	814	680	798	756	907	767	778	524
% responded to within 10 working days	100%	100%	100%	100%	100%	100%	100%	100%	100%
My Pension Online activation keys issued	70	102	67	102	97	113	90	75	61
Incoming post received and indexed to the pensions administration system (items per day)	103	102	109	105	94	92	123	85	104
1-2-1 video appointments held with scheme members	11	5	4	6	5	4	2	4	3
Users visiting the website*	3,759	758	797	794	769	812	804	617	562

* This number indicates the number of users who have clicked to accept the cookie, which will then record their visit to the website. If members do not click this their visit is not recorded. This accounts for the drop in visit numbers from April 2025.

** Office was closed from 24-31 December

9.2. Penny the Pensions Bot which can be accessed via our website, continues to support members by answering questions, the chart below shows the accuracy rate for the responses provided.

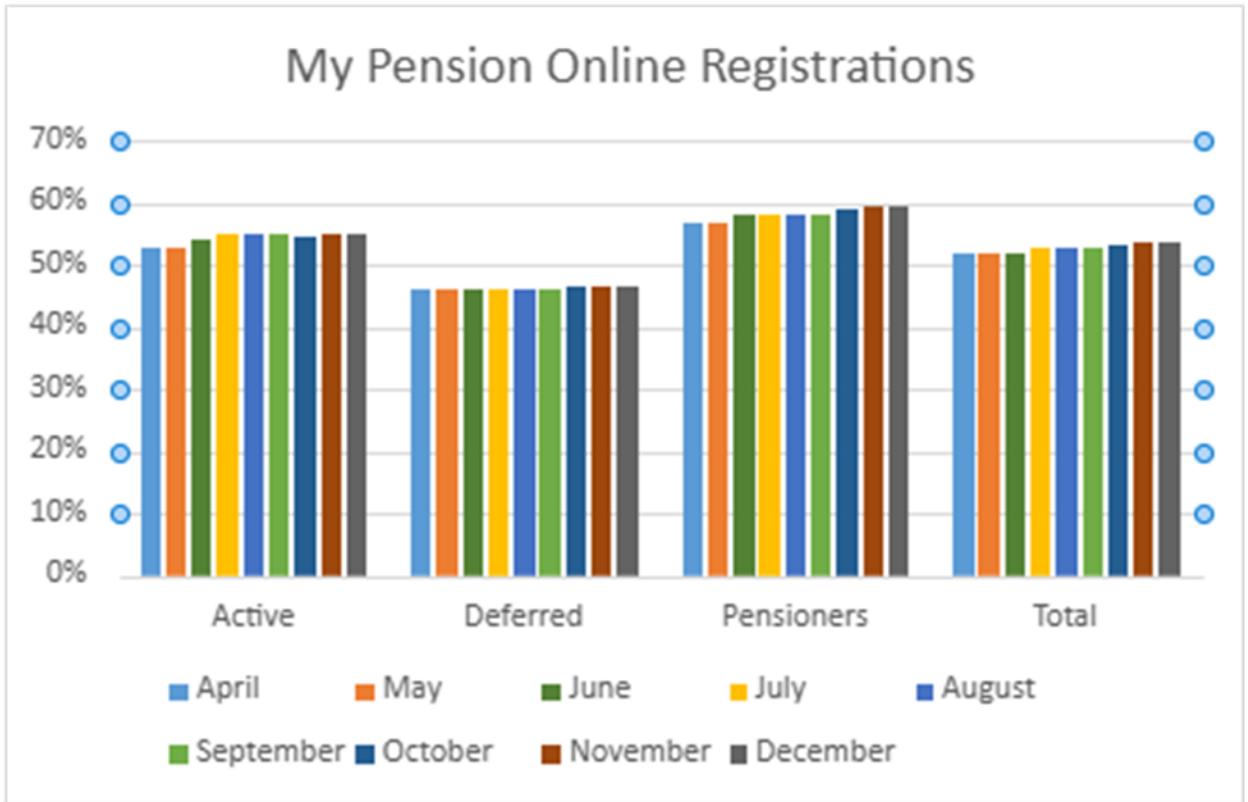
9.3. The team continue to develop the information bank to improve the accuracy level however, the way questions are phrased by members can sometimes confuse the BOT.

9.4. A more sophisticated BOT is currently being developed by the Council ICT team which we will look to adopt later in the year. This should then help to improve the accuracy level.

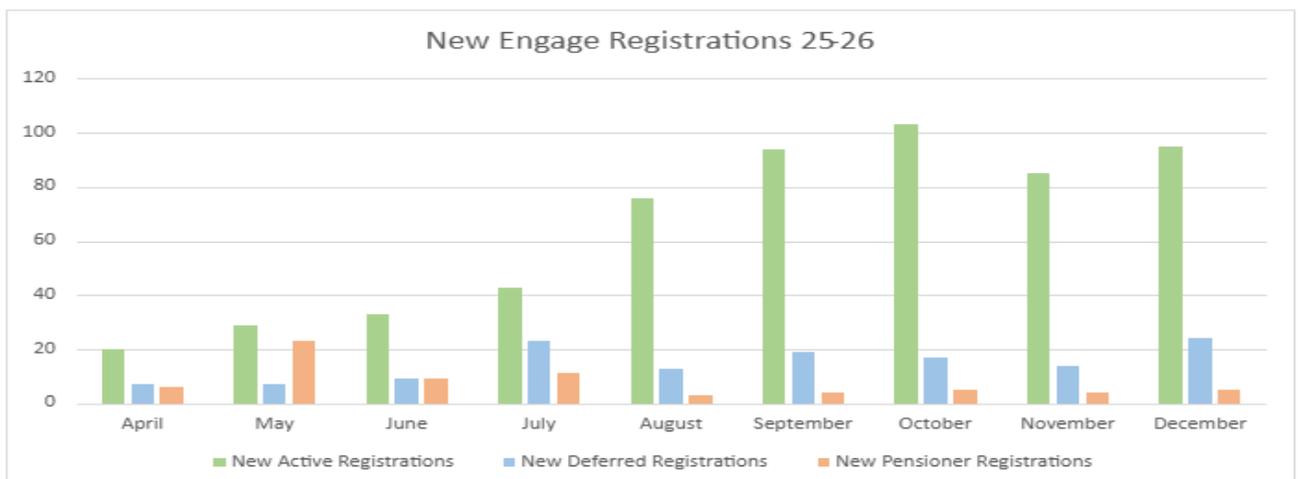
2025	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Questions submitted	96	99	116	81	113	133	119	147	75
Asked an expert	6	5	10	9	5	14	8	19	6

Accuracy %	83%	79%	83%	75%	78%	72%	73%	73%	73%
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9.5. The table below shows the percentage of members who have registered for ‘My Pensions online’ by the different member types in the fund. It encouraging to see that we are seeing a steady increase in the numbers registering for the service for active and pensioner members.



9.6. The chart below shows the number of new registrations we have received since April 2025. The spike in numbers correlates with campaigns where we have sent out information to members, i.e. May – Pensioner P60s are sent out, July to September, Annual Benefit Statements are sent to active and deferred members.



10. Employer Performance

10.1. In line with the Shropshire County Pension Fund administration strategy, employers must pay their contributions and lump sum deficit payment by the 19th of the month. Accompanying data must also be submitted via i-Connect by this date. The below table shows the percentage of employers who have made payments by the deadline over this quarter.

10.2. We have been working with two employers who have changed their payroll provider. This has proved challenging as there have been issues with data supplied and delays with getting a satisfactory submission provided. The team are looking at creating an information guide for employers which will clearly set out the requirements to help make this process smoother for both the Fund and employers.

10.3. Although the contributions have been received for those employers who have moved payroll provider, the difficulty has been the data uploads, and this is reflected in the table. One of the employers is a Multi Academy Trust with 12 schools treated separately for pension purposes, so the payroll moves make up 13 of the late submissions for September, October, and November. As of February 2026, both employers who have changed payroll provider are now up to date with their data submissions.

	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025
i-Connect data received on time	98%	99%	87%	90%	90%	90%
Monthly contributions received on time	98%	98%	98%	98%	97%	97%
Monthly deficit lump sum payments received on time	96%	96%	90%	100%	100%	89%

11. Projects

11.1. **Valuation** - The individual employer results have been distributed to employers and have been signed off by all employers. The rates confirmed in the schedules will now be implemented from 1st April 2026.

11.2. **Pension Dashboards Project report** –Appendix C. We are currently assessing further work areas and considering any necessary changes to processes or staffing in preparation for launching Dashboards to the public, this is expected as early as April 2027 (six months after all pension schemes have connected).

- 11.3. With greater public engagement, there may be an increase in benefit payment requests and transfers out of the scheme for members who hold deferred benefits. We have recruited an additional Pensions Officer to ensure we have enough capacity to manage any extra workload.
- 11.4. More information can be found on the Pensions Dashboard Programme website: [Homepage | UK Pensions Dashboards Programme](#)
- 11.5. **Pensions Increase 2026** - The team are preparing to implement Pensions Increase to all pensions in payment ready to be paid in April. The increase this year is 3.8% payable from 6 April 2026.
- 11.6. **Year End** – The Team is preparing for year end where data and payments received must all be reconciled and signed off by all employers who are in the fund.

12. CIPFA Benchmarking

- 12.1. The fund has taken part in the 2025 CIPFA benchmarking exercise, this looks to compare the cost for running the administration of LGPS funds across the country.
- 12.2. The table below shows the costs for Shropshire compared to the average of all administrators that completed the survey:

Pension Fund	Admin Cost per Member	Net Admin Cost per FTE	LGPS Members per FTE	% of Pensioner Members	% of Active Members	Pensioner Payroll Cost per Pensioner
Shropshire	£30.34	£53,500	1,583	28.3%	30.4%	£6.35
Average	£40.52	£225,091	3,877	30.2%	28.2%	£6.58

- 12.3. The fund aims to provide value for money and excellent service for all stakeholders, as shown by its low admin cost per member and net cost per FTE.

13. Regulatory updates

Access and Fairness Consultation – The government has published its response, with most regulatory changes set to take effect from 1 April 2026 these are:

Death grants and survivor benefits

- equalisation of survivor benefits
- removal of the upper age limit of 75 to qualify for a death grant
- removal of the requirement to pay a death grant to personal representatives if the administering authority has not paid it using their discretion within the 'Two-year period'. The 'two-year period' is the two years after the member's death, or the two years after the date on which the administering authority

- could reasonably be expected to have become aware of the death
- removal of the requirement to have nominated a cohabiting partner for deaths between 1 April 2008 and 31 March 2014
- minor changes to the rules covering short term children's pensions.

Qualifying additional pension arrangements (QAPAs)

- the cost of buying back pension 'lost' during a period of authorised unpaid absence of more than 14 days to be based on the member and employer's normal contribution rates. These contracts will be known as QAPAs.
- the time limit to apply for a QAPA will be one year after returning to work. This is an increase from the current limit of 30 days, but will only be possible while the member is an active member in the same employment
- allowing employers to contribute to the cost of a QAPA for the whole of an unpaid absence that lasts more than three years
- the pension bought through a QAPA will mirror normal pension built up: it will count towards the calculation of survivor pensions, and will not be reduced if the member retires on redundancy or efficiency grounds
- these new rules will only apply to a continuous period of authorised unpaid absence that started after 31 March 2026
- The existing rules will apply to unpaid breaks that started before 1 April 2026:
 - cost to buy 'lost' pension is based on age-related factors
 - employer funds two thirds of the cost if the member elects to buy the lost pension within 30 days of returning to work (or such a longer period allowed by the employer)
 - added pension reduced on redundancy or efficiency retirement before Normal Pension Age
 - the added pension does not count towards survivor pensions.

Gender pensions gap – other provisions

- compulsory pension contributions during authorised unpaid absences of 14 days or less, with contributions based on 'lost' pay and the member and employer's normal contribution rates. This applies to authorised absences that start after 31 March 2026. The current rules continue to apply to an unpaid break that started before 1 April 2026.
- assumed pensionable pay (APP) to apply during unpaid additional adoption leave, unpaid additional maternity leave and unpaid shared parental leave. APP will apply during these types of absences only if the unpaid period starts after 31 March 2026. The current rules will apply to any unpaid additional maternity or adoption leave, or unpaid shared parental leave that started before 1 April 2026.
- compulsory gender pension gap reporting from the 2025 valuation report. Simple reporting in 2025 will be replaced by more in-depth reporting from 2028 onwards.

Abolition of the lifetime allowance

- removal of references to the lifetime allowance
- withdrawing the GAD guidance on 'Limit on total amount of benefits – Lifetime allowance'
- replacing 'benefit crystallisation event' with 'relevant benefit crystallisation event', where appropriate
- introducing the long-term approach to the maximum pension commencement excess lump sum (PCELS). The new maximum will be 25% of the capital value of the benefits being crystallised, subject to the contracting-out limits.

- the new PCELS limit will apply to all PCELS paid after 31 March 2026.

Amendments related to McCloud protection

- introducing an underpin date for members who joined the LGPS after age 65, and transferred in remediable service from a different public service pension scheme, and providing for the provisional amounts to be calculated using GAD guidance
- minor change to ensure deaths on 30 September 2023 are correctly treated in calculations related to McCloud protection
- changes related to how McCloud is reflected in past pension debit calculations
- further detail about how McCloud protection affects certain calculations in respect of a pension credit member
- correcting the rules on special interest on Club transfer top-up payments
- rules for paying interest on McCloud compensation payments.

Other changes

- minor wording changes related to the revaluation adjustment
- adding a combined county authority created under section 9 of the Levelling-up and Regeneration Act 2023 to the list of employers in Part 1 of Schedule 2
- minor change in the definition of paternity leave
- allowing a de-minimis payment, sometimes referred to as a 'small pot payment', to be paid under the Registered Pension Scheme (Authorised Payments) Regulations 2009 where membership ended before 1 April 2008, subject to meeting the remaining criteria.

The Secretary of State issued actuarial guidance on reporting the gender pensions gap (GPG) on 3 February 2026. The guidance sets out how the GPG should be reported for the 2025 actuarial valuations.

The Government has not yet published the statutory instrument (SI) that will amend the LGPS Regulations to deliver these changes. We expect this early in March.

We also expect MHCLG to issue statutory guidance and new actuarial guidance in response to the changes.

The Government plans to implement the remaining proposals from the Access and Fairness consultation, including removing the requirement to pay refunds automatically at the end of five years, later in 2026

Access and Protections Consultation – We are expecting the response to this consultation before April, where some of the proposals are suggested to be implemented from, these include Councillors having access to the LGPS pension Scheme and the change to the normal minimum pension age.

We have received a partial response regarding access to the LGPs for elected members. The regulations are expected to come into force on 11 May 2026, the first Monday after the local elections. The Government acknowledges that bringing elected members into the LGPS will place additional administrative demands on administering authorities and employers. However, the Government believes this

will help talented people come into public service and ensure consistent treatment in terms of pension provision across the UK.

Fund Officers are in the process of evaluating these requirements and will report on progress in these areas at upcoming committee meetings later this year following the completion of the regulatory changes and receipt of guidance to support us in the administration of these changes.

LGPS England & Wales Scheme Advisory Board (SAB) 2025/26 Board Annual Review

[The Board's 2025/26 Annual Review](#) has now been published. The review focuses on the Board's key workstreams in the past year and the expected workstreams for the year ahead. Amongst other topics, the future workstreams will include:

- assisting the Scheme with embedding the Fit for the Future investment, pooling and governance changes
- increased engagement with pension committees and boards
- reviewing guidance for local pension boards
- undertaking peer support pilot events
- closing down the central Code of Transparency data system and launching a new Code of Transparency framework.

Pensions Committee: Administration and Regulatory Update December 2025

Local Member:

Appendices [Please list the titles of Appendices]

Appendix A – KPI tables Q3 2025

Appendix B – Business Plan Q3 2025

Appendix C – Dashboard Project update to February 2026
