LEAF

17 October 2017

Housekeeping



Fire procedures

Refreshments





Facilities

Introductions



Today's topics

- GDPR
- Scheme update
- Ill Health costs
- TPR Requirements
- Annual Benefit Statements
- Administration update

GDPR

- When and what is it?
  - 25 May 2018
  - Replaces existing Data Protection rules
  - New UK Data Protection Bill



New, Not new


Jeopardy
Trust Me I'm A Game Show Host
Match Game
Spin Off
Family Feud
Pop Quiz
Wheel of Fortune
Hollywood Game Night
OLD STANDBY
BRAND SPANKING NEW

GDPR

'Individuals have a right to object to decisions being taken by automatic means'



GDPR

'Individuals have a right to object to decisions being taken by automatic means'

Not new – DPA 2008

GDPR

'The information you provide to people about how you process their personal data must be; provided free of charge and written in plain language, particularly if addresses to a child'



GDPR

'The information you provide to people about how you process their personal data must be; provided free of charge and written in plain language, particularly if addressed to a child'

Not new – DPA 2008

GDPR

'If you offer an 'information society service' (i.e. online service) to children you may need to obtain consent from a parent or guardian to process that child's data'



GDPR

'If you offer an 'information society service' (i.e. online service) to children you may need to obtain consent from a parent or guardian to process that child's data'

New - GDPR

GDPR

‘Images of people must be treated as personal data’



GDPR

'Images of people must be treated as personal data'

Not new – DPA 2008

GDPR

- WYPF are:
  - Beginning to map data flows
  - Documenting grounds on which we are processing data
  - Updating policies and privacy statements
  - Reviewing third-party agreements

Considerations for your organisation

- Who will be your Data Protection Officer?
  - Stricter qualification and experience requirements with GDPR
- Failure to plan and take action now could have significant consequences in the future.

Regulatory Update

- Exit payment recovery and cost cap
- Amendment regs (TUPE/Fair deal)
- AVC/freedom and choice
- Auto enrolment - transitional delay
- Brewster judgement

Ill health early retirements

- Martin Curran

19 September 2017

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Ill health early retirement

Tier 1 — Not returning to work before SPA

Immediate payment of accrued pension plus 100% of expected future service to retirement

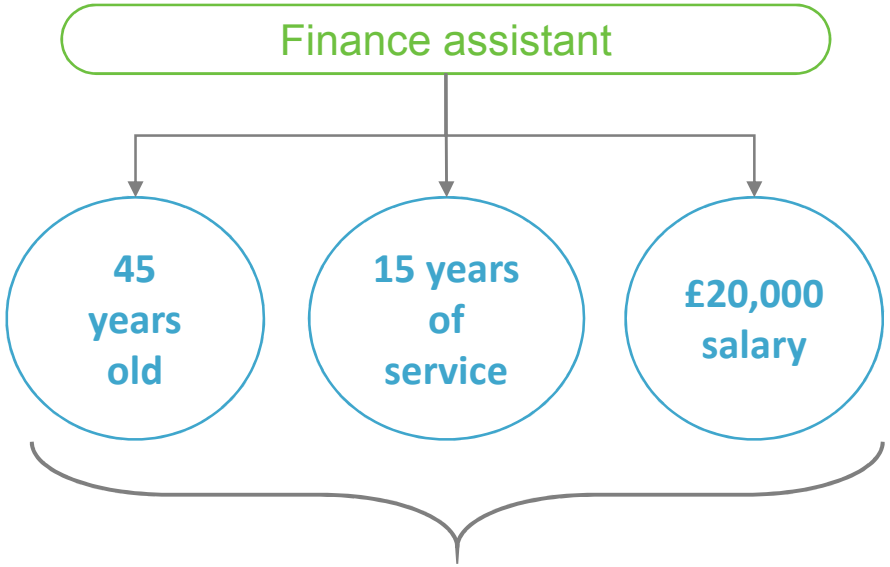
Tier 2 — Not returning to work for at least 3 years but before SPA

Immediate payment of accrued pension plus 25% of expected future service to retirement

Tier 3 — Expected to return to work within 3 years

Immediate payment of accrued pension – payable for up to 3 years

Ill health cost challenges – an example



Tier 1 ill health pension £13,000 p.a.

Strain cost to employer = £265,000

Cost must be met by employer

Lincolnshire Pension Fund experience

- In the last triennial valuation period c25% of IH ER strain costs were over £100k.
- Recent strain costs:

Member Age	Salary	Service	Part Time Percentage	Strain/ Claim
47	£12,000	5 years	61%	£125,000
54	£113,700	36 years	100%	£772,000
60	£20,000	4 years	80%	£35,000

Figures taken from latest Lincolnshire Pension Fund ill health experience data.

Ill Health Liability Insurance



Tier 1 — Not returning to work before SPA

Immediate payment of accrued pension plus 100% of expected future service to retirement

Tier 2 — Not returning to work for at least 3 years but before SPA

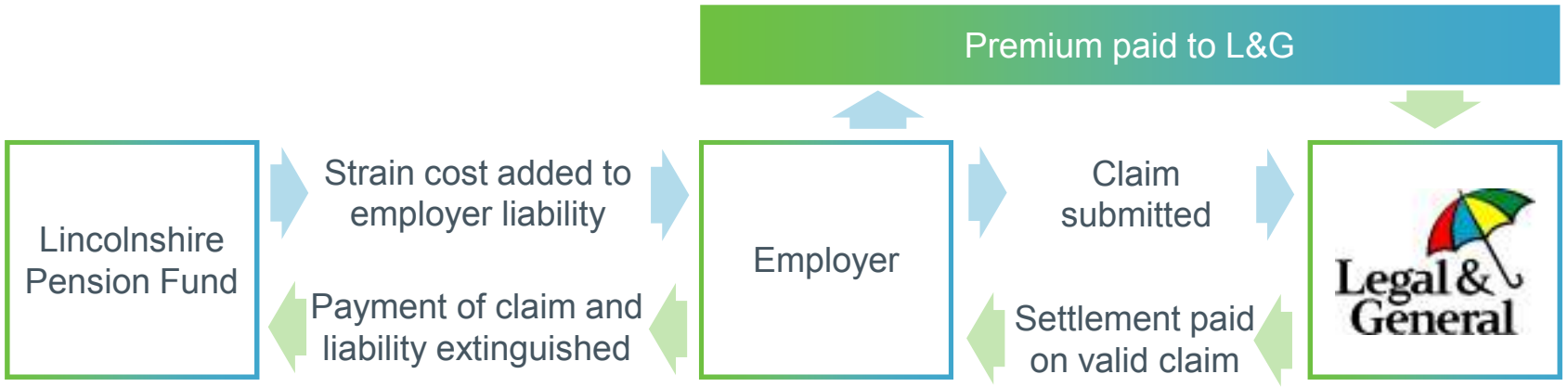
Immediate payment of accrued pension plus 25% of expected future service to retirement

Tier 3 — Expected to return to work within 3 years

Immediate payment of accrued pension – payable for up to 3 years

How does it work?





Next steps

To obtain a free quotation or find out more, please contact



Martin Curran

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0141 566 7874

Thank you

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Break

LEAF – The Pensions Regulator – 17th October 2017



Lincolnshire COUNTY COUNCIL
Working for a better future

The Pensions Regulator

- Background
- The Fund's roles and responsibilities
- The employers' responsibilities
- What we monitor
- Reporting breaches
- TPR findings and areas of interest

Background

Role expanded from April 2015

Regulate compliance with the Governance and Administration requirements introduced by the Public Service Pensions Act 2013:

- engage mainly with scheme managers and pension boards
- investment: not the what (compliance with investment regulations) but the how (investment governance)

Educate and enable:

- codes, toolkit, news-by-email

Enforce:

- improvement and third party notices, fines etc.

Fund's Role and Responsibilities

Scheme manager:

- overall management and administration responsibility
- expected to take appropriate action to secure compliance
- functions delegated to pension committee under s101
- should be looking to pension board for assistance

Pension board:

- to assist scheme manager in securing compliance with scheme regulations and other legislation (including PSPA13)
- not decision makers
- focus on governance and administration to include top 3 risks (record-keeping, internal controls and communications)

Fund's Role and Responsibilities

TPR's Code of Practice 14

- Reporting Duties
- Knowledge and Understanding
- Conflicts of Interest
- Publishing Scheme Information
- Risks and Internal Controls
- Maintaining Accurate Member Data
- Maintaining Contributions
- Providing Information to Members and Others
- Internal Dispute Resolution
- Reporting Breaches
- Scheme Advisory Board Requirements

Fund's Role and Responsibilities

Records of member information

- Scheme managers must ensure that member data across all membership categories specified in the Record Keeping Regulations is **complete** and **accurate** . Member data should be subject to regular data evaluation.
- Schemes should require participating employers to provide them with **timely** and **accurate** data in order for the scheme manager to be able to fulfil their legal obligations. Schemes should seek to ensure that processes are established by employers which enable the transmission of complete and accurate data from the outset.

Fund's Role and Responsibilities

Records of member information

- Schemes should seek to ensure that employers understand the **main events** which require information about members to be passed from the employer to the scheme and/or another employer, such as when an employee:
  - joins or leaves the scheme
  - changes their rate of contributions
  - changes their name, address or salary
  - changes their member status, and
  - transfers employment between scheme employers.

Fund's Role and Responsibilities

Records of member information

- Schemes should ensure that appropriate **procedures** and **timescales** are in place for scheme employers to provide updated information when member data changes, for checking scheme data against employer data and for receiving information which may affect the profile of the scheme**. If an employer fails to act** according to the procedures set out above, meaning that **they and/or scheme managers may not be complying with legal requirements**, those under a **statutory duty** to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.

Fund's Role and Responsibilities

Maintaining Contributions

- Employer contributions must be paid to the scheme **in accordance with any requirements in the scheme regulations**. Where employer contributions are **not paid on or before** the date they are due under the scheme and the scheme manager has reasonable cause to believe that **the failure is likely to be of material significance** to the regulator in the exercise of any of its functions, the scheme manager **must give a written report of the matter to the regulator** as soon as reasonably practicable.

Fund's Role and Responsibilities

Maintaining Contributions

Examples of payment failures that are likely to be of material significance to the regulator include:

- where schemes have reasonable cause to believe that the employer is **neither willing nor able** to pay contributions
- where there is a payment failure involving possible **dishonesty** or a **misuse** of assets or contributions
- where the information available to schemes may indicate that the employer is knowingly concerned with fraudulently **evading their obligation** to pay employee contributions

Fund's Role and Responsibilities

Maintaining Contributions

Examples (cont.)

- where schemes become aware that the employer does not have **adequate procedures or systems** in place to ensure the correct and timely payment of contributions due and the employer does not appear to be taking **adequate steps** to remedy the situation, for example where there are **repetitive** and **regular** payment failures, or
- any event where contributions have been **outstanding for 90 days** from the due date, unless the payment failure was a one-off or infrequent administrative error that had already been corrected on discovery or is thereafter corrected as soon as possible.

Employers' Responsibilities

Pensions Administration Strategy

- Sent to all employers when they join the Fund
- On the shared website at www.wypf.org.uk

Contains:

- Events – e.g. monthly postings
- Method of notification – e.g. approved spreadsheet via portal
- Target timescales – e.g. 19th of month following payroll
- Acceptable performance – e.g. 100% compliance

All you need to do to ensure that the Fund meets its responsibilities and serves its scheme members!

Employers' Responsibilities

Outsourced payroll provider?

- It is still **your responsibility**…
- What **contract monitoring** and **reporting** do you have in place?
- Questions to ask….
  - Evidence of date and time of submissions each month
  - Error reporting – how many each month – improving?
  - Backlogs reporting
    - New starters
    - Hours changes
    - Leavers

What we monitor….

Monitoring done within LCC team

- Contributions received
- Deficit received
- Submission received
- Fines issued!

Monitoring done within WYPF team

- Data quality
- Compliance with administration strategy

Developing reports back to employers and Fund

Reporting Breaches….

Statutory responsibility….

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement on the following persons:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of such a scheme;
- the employer(s) in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers in relation to the scheme.

Reporting Breaches….

Statutory responsibility….

The requirement is to report a matter to The Pensions Regulator as soon as is reasonably practicable, where that person has reasonable cause to believe that:

> (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
>
> (b) the failure to comply is likely to be of material significance to The Pensions Regulator.

Lincolnshire's Policy can be found at:
http://www.wypf.org.uk/Member/Publications/PolicyStatements/Lincolnshire/PolicyStatements_Lincoln_Index.aspx

Reporting Breaches….

Report considerations of referral, late submissions and fines to Pensions Committee and Pension Board

The latest Board report shows late submissions as below:

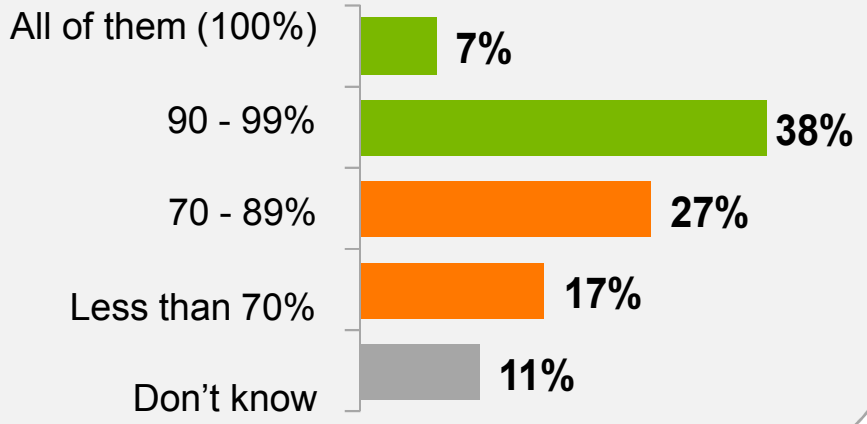
Month	Number	%	Comments
April	6	2.5	
May	11	4.6	
June	30	12.5	All CIT (x7), most Strictly Education (x7)
July	21	8.8	Most Strictly Education (x7)
August	26	10.8	CIT (x7) and Capita (x5)
Average	19	7.8	2016/17 average 16 or 6.7%

In addition, one employer is being considered for referral due to a backlog of leaver returns and generally poor data

TPR's Findings – Annual Survey

- Employer data remains an issue, with only **45%** providing good data as a matter of course.
- The larger the scheme, the lower the proportion of employers providing good data
- Single employer schemes see higher proportion of employers providing good data

Proportion of employers providing timely, accurate & complete data



40% - respondents identify poor records as a top risk

36% - respondents report delays in payment benefits as one of top three complaints received

TPR's Areas of Interest

Increasing focus on locally-administered schemes – specifically LGPS

Key focus areas:

- governance
- record-keeping
- internal controls
- member communications

We want to keep off their radar….

Worst case…
Fines – up to £5,000 per individual and £50,000 in other cases
Public notices – do you want the reputational damage?
Further investigation

My plea to you all!

Please help us to meet our requirements by you meeting yours…



incorrect or missing data impacts your employees and our scheme members.

Questions?



Further information:

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jo.ray@lincolnshire.gov.uk

Tel: 01522 553656

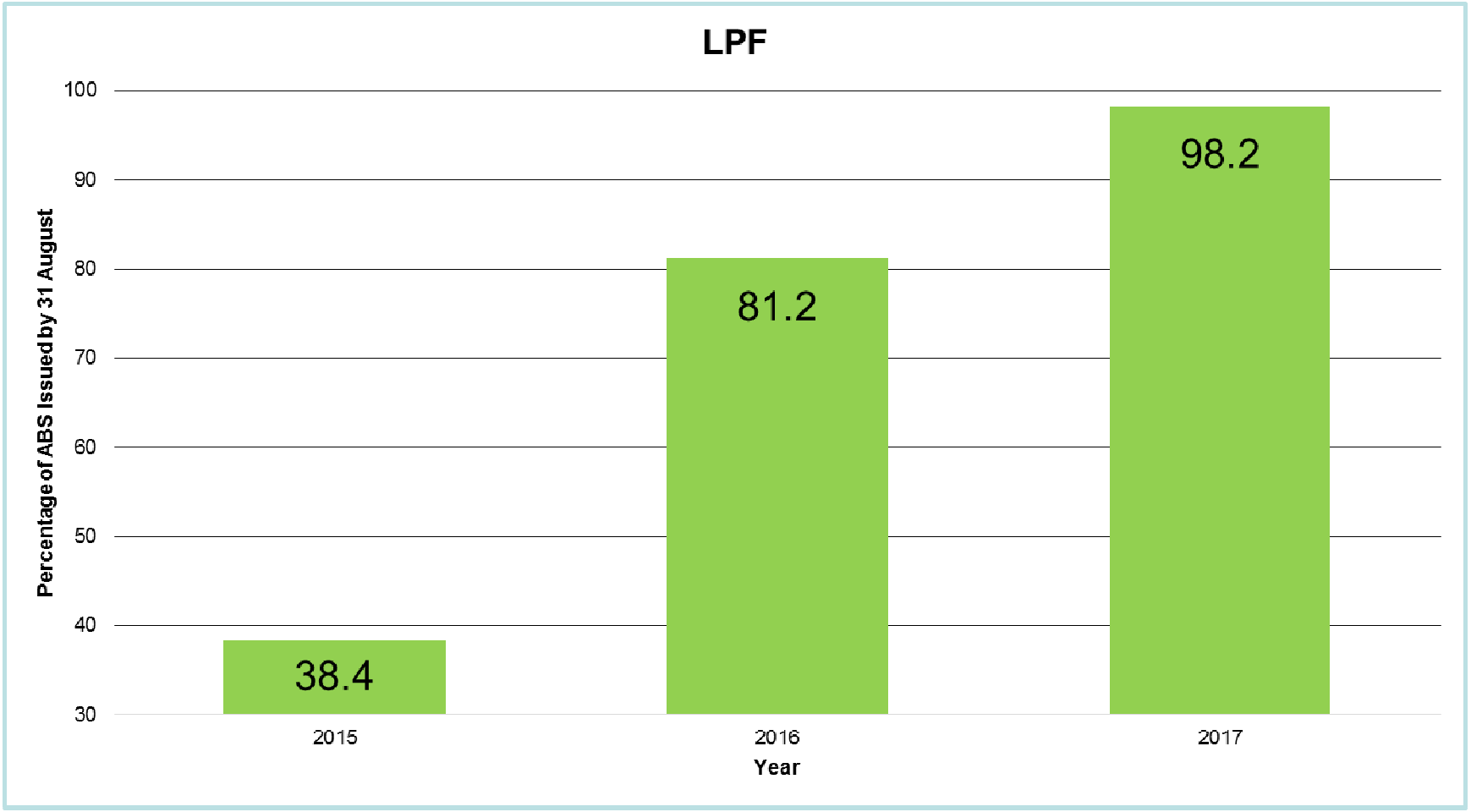
Room 107, County Offices

Website: www.wypf.org.uk

The Pensions Regulator

Website: www.tpr.gov.uk

Annual Benefit Statements



Issues Arising

- Employers not able to reassign work
- WYPF unable to move postings
- Queries not received before summer break

Employers Responsibilities

- Correct information provided in a timely manner
- Work on queries as soon as possible

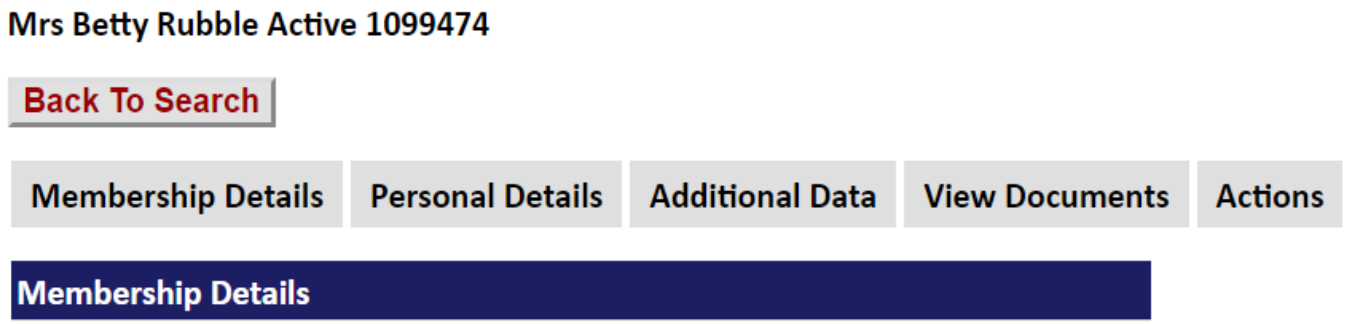
- How was it for you?
  - Comments
  - Suggestions

How can we help?

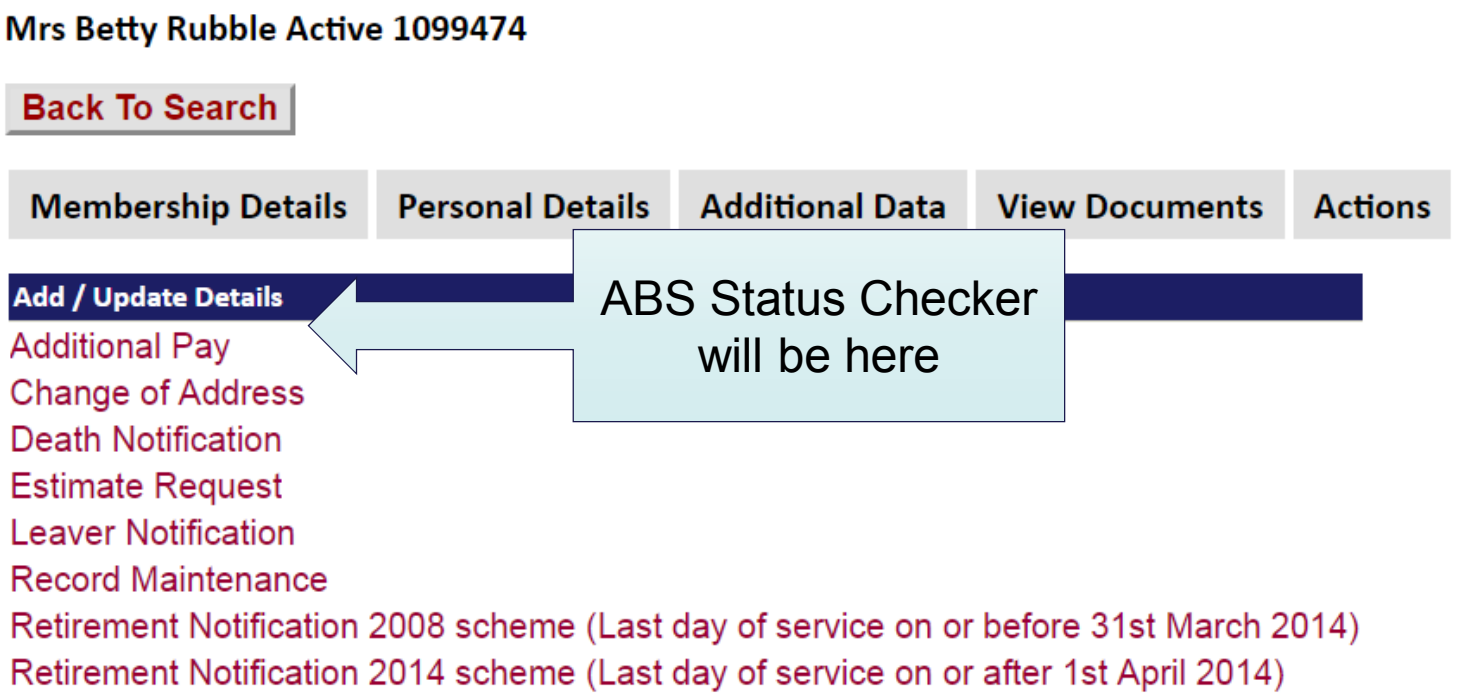
- Membership Audits – get your records sorted out well before 31st March
- Outstanding Leavers – get leavers notification complete on employer portal asap.
- We can send you reports

ABS Status Checker

- You can check the status of any statement
  - From the portal
  - Go to the member's record
  - Click on Actions tab



Actions Tab


Mrs Betty Rubble Active 1099474
Back To Search
Membership Details
Personal Details
Additional Data
View Documents
Actions
Add / Update Details
Additional Pay
Change of Address
Death Notification
Estimate Request
Leaver Notification
Record Maintenance
Retirement Notification 2008 scheme (Last day of service on or before 31st March 2014)
Retirement Notification 2014 scheme (Last day of service on or after 1st April 2014)
ABS Status Checker will be here

ABS Status Checker

- What can you see or do
  - See where the statement is printed / in queue
  - Can move statement up the queue
  - Can request a reprint
  - Change members address
  - Change the pay used

Pre – Retirement Workshops

- Room to hold 20 – 25 attendees
- Tea/Coffee (Biscuits would be good)
- Liaise with Affinity Connect and your staff
- Ensure room is ready for meeting

Affinity Connect Pre-retirement Courses

Date	Time	Venue
Tuesday 17th April 2018	1.00 - 4.15	
Tuesday 15th May 2018	1.00 - 4.15	
Thursday 14th June 2018	1.00 - 4.15	
Thursday 12th July 2018	1.00 - 4.15	
Tuesday 14th August 2018	1.00 - 4.15	
Tuesday 18th September 2018	1.00 - 4.15	
Tuesday 16th October 2018	1.00 - 4.15	
Thursday 15th November 2018	1.00 - 4.15	
Wednesday 12th December 2018	1.00 - 4.15	

Employer Workshops

- 3 workshops cancelled in last year – Why?
- What topics do you want us to cover?
- Where do you want them held?
- When do you want them held?

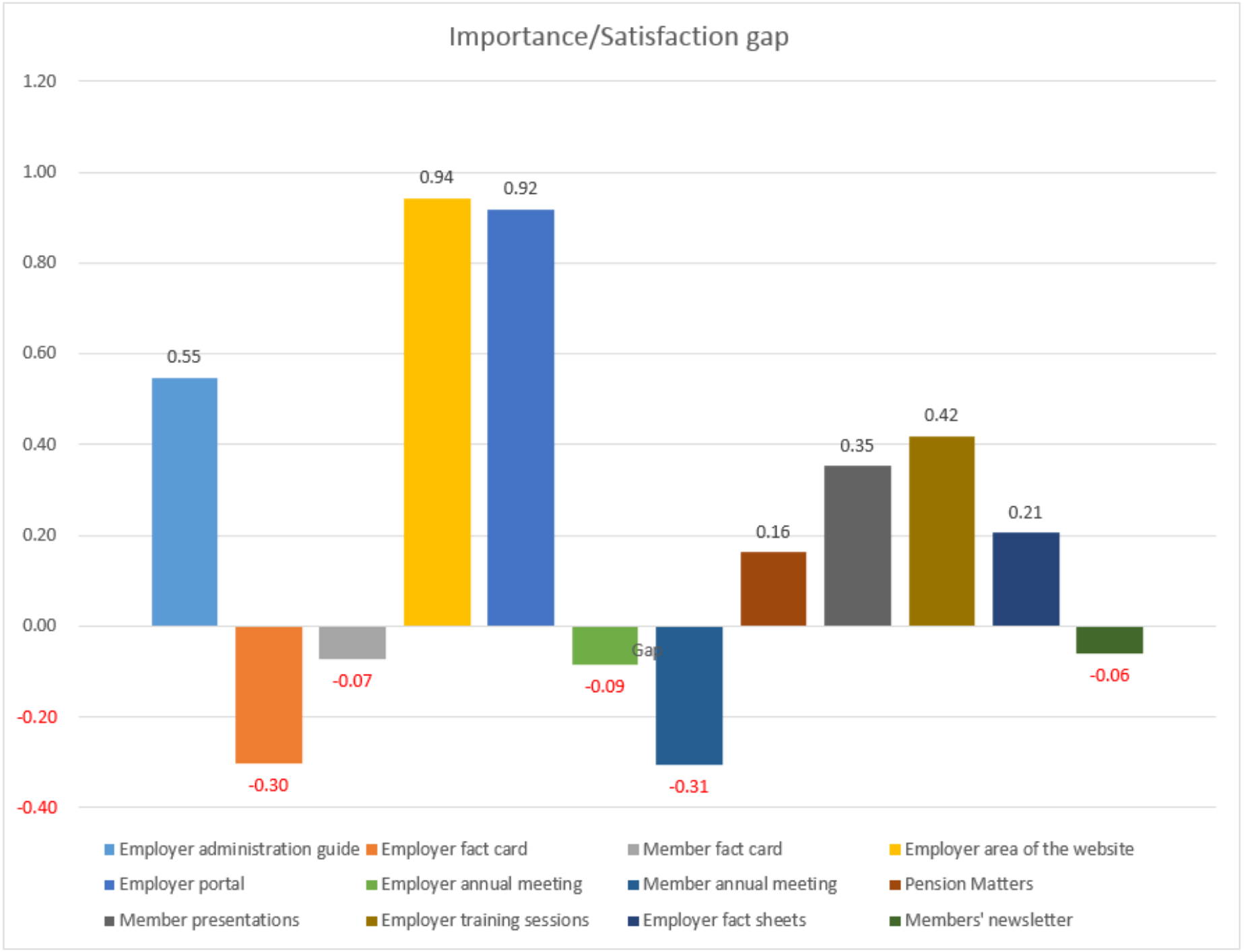
General Update

- mypension
- Performance dashboard
- Service Centre re-organisation

Communication survey

- Closed on Friday
- 52 responses
- Only just starting to analyse the results




Importance/Satisfaction gap
1.20
1.00
0.80
0.60
0.40
0.20
0.00
-0.20
-0.40
0.55
-0.30
-0.07
0.94
0.92
-0.09
-0.31
0.16
0.35
0.42
0.21
-0.06
Gap
Employer administration guide
Employer fact card
Member fact card
Employer area of the website
Employer portal
Employer annual meeting
Member annual meeting
Pension Matters
Member presentations
Employer training sessions
Employer fact sheets
Members' newsletter



Thank you for coming