



# Committee report

Committee	<b>ISLE OF WIGHT LOCAL PENSION BOARD</b>
Date	<b>06 April 2022</b>
Title	<b>ADMINISTRATION SERVICE UPDATE</b>
Report of	<b>PENSIONS MANAGER</b>

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## EXECUTIVE SUMMARY

1. The following report sets out the statutory reporting to the Local Government Pensions Board from the Isle of Wight Council Pensions Administration Team.

## MEMBERSHIP NUMBERS

2. Changes in membership status from 31 August 2021 to 28 February 2022 as follows:

	Aug-21	Feb-22	Change	% chge
Active	4,296	4,330	34	0.8%
Deferred	6,007	6,245	238	4.0%
Pensioner	5,146	5,267	121	2.4%
Frozen & Undecided	1,242	1,027	-215	-17.3%
TOTAL	16,691	16,869	178	1.1%

Please refer to Appendices 01 and 02 for full breakdown of current membership.

## PROJECT UPDATES

3. Updates for:
  - (a) **i-Connect**
    - (i) MHR (Ryde Academy) went live with their data submission in December 2021 and we are now collecting 75% of active status member's data through the i-Connect portal. This leave one payroll provider, Strictly Education, who are responsible for 4 academies and 23 IWC schools, who are not providing data through the portal. We have been struggling to engage with Strictly, along with another 10 pension funds, to get the i-Connect file correctly configured. This situation is ongoing.
  - (b) **McCloud**
    - (i) 86% of McCloud Data Received from Employers.
    - (ii) 73% of McCloud Data Member Matched with Altair Data.
    - (iii) 8% of McCloud Data Analysed and ready for Provisional upload.

- (iv) The team are currently working additional hours to analyse the data and to manually update service lines on member records so data can be interfaced into Altair.
- (c) **GMP**
  - (i) Mercer requested further payment for the completion of the project, due to the delays from the HMRC, which we rejected, and we have confirmed that the original agreement still stands with no further payment.
  - (ii) We are finalising the payment of the project in respect of the HMRC final SRS (Scheme Reconciliation Service) report and once we have run Pensions Increase for April 2022, we will forward the payroll report to Mercer for them to analyse.
- (d) **Administration System Procurement**
  - (i) Product specification and expression of interest were issued, and all three providers responded by 02 February 2022 to confirm they would like to bid.
  - (ii) Tender request for further competition issued 09 March 2022.
  - (iii) Please refer to Appendix 03 for provisional timetable.
- (e) **Valuation 2022**
  - (i) Agreed deadline with Hyman's final data submission 31 July 2022.
  - (ii) We have currently supplied Hyman's with our cleansed data up to 31 March 2021 and will be in a position, after the i-Connect monthly data file is uploaded into Altair to process month 12 (for those employers on i-Connect). We have prepared and reviewed the monthly data returns for Strictly Education as best we can in readiness for their Annual submission.
- (f) **Tracing Procurement**
  - (i) We have engaged with Procurement and will be using the National Framework to procure a provider.
  - (ii) Next stage is to put together a specification.
  - (iii) Within the framework there will be a direct award process.
- (g) **End of Year (EOY)**
  - (i) Email instructions issued to i-Connect employers on how to complete their March 2022 returns in readiness for the EOY process. Deadline for submissions 19 April 2022.
  - (ii) Email instructions and templates issued to Strictly Education for collection of full year data April 2021 – March 2022. Deadline for receipt of completed templates 29 April 2022. Data will require validation and review before it can be interfaced into Altair.
- (h) **Online Payslips and P60s for Pensioners**
  - (i) The team have developed and are currently testing the new online pay advice which will automatically upload to a members record on Member Self Service. This will be live for the April Pensioner Payroll and the P60s for the statutory deadline of the 31 May 2022.
  - (ii) We have already undergone a communications preference with all our pensioners and will be issuing the final communication in April 2022.
  - (iii) The project will cut down on the number of payslips that will be issued by post and the annual equipment charge needed to seal them.
- (i) **Annual Benefits Statement (ABS) document update**
  - (i) Heywood announced their intention to no longer support the existing ABS document template. This has necessitated development of new templates for Active and Deferred members. This has been completed and the new templates are currently being tested. Deadline for issuing ABS is 31 August 2022.

## KEY PERFORMANCE INDICATORS

4. To note administration statistics for the year 2021-22 to date (please refer to Appendices 04 and 05 for a full breakdown).

## EMPLOYER COMPLIANCE WITH ADMINISTRATION STRATEGY

5. The report includes details of all monthly contributions for August 2021 to January 2022 for submissions and payments which were due by 22 February 2022. There was one late payment during the reporting period:
  - (a) CleanTEC Services – for September contributions. New employer's initial month payment and return received 5 days after submission deadline.There were also four late contribution submissions:
  - (b) CleanTEC Services – September & October data received within 5 working days of latest submission deadline.
  - (c) Strictly Education (St Blasius) – December data received within 2 working days of latest submission deadline.
  - (d) Strictly Education (St Francis) – December data received within 2 working days of latest submission deadline.Please refer to Appendix 06 for a full breakdown of employer compliance.

## COMPLAINTS

6. There has only been one complaint since the last meeting and that is because we do not offer Trivial Commutation. Please refer to Appendix 07 for a full breakdown.

## BREACHES OF THE LAW

7. To note that there have not been any breaches since the last meeting.

## ANYTHING ELSE

### 8. **Prudential AVC update**

As previously reported, the Prudential have encountered a number of issues following the implementation of their new software system. This delayed provision of both the end of year summary data, for reporting as part of the end of year accounts, and also member's annual benefit statements (ABS). The issue with the EOY data was resolved and the necessary reports provided in October 2021, please refer to Appendix 07 for copy of the email. ABS documents were uploaded to member's record on the Prudential online portal in January 2022.

One of the future stages of the software development will be to allow Pension Funds and Employers access to upload monthly contribution data directly to member records. We are in discussion with the Prudential to implement this and will be part of the testing working group once this phase of the project opens.

Regular meetings are now being held between members of each respective administration team and a representative of the Prudential Corporate Services team.

9. **Heywood Pension Technologies (HPT)**

- a) Update from HPT about a security vulnerability identified with Apache Log4j, the Java based logging utility, and actions take to protect Member Self-Service, i-Connect and Managed File Transfer services. Please refer to Appendix 8 for a copy of the email.
- b) Bulletin update from HPT about the heightened cyber security threat posed as a result of the situation in Ukraine. Please refer to Appendix 9 for a copy of the bulletin.

STRATEGIC CONTEXT

10. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The Isle of Wight Pension Fund Committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
11. In addition, the fund has agreed the following administration objectives, which underpin the delivery of the service:
  - Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and scheme employers at the point of need.
  - Provide pension and lump sum benefits for all members, in accordance with LGPS Regulations.
  - Clearly establish levels of performance and measure the performance of both the Fund and scheme employers against them.
  - Develop successful partnership working between the Fund and its employers.
  - Data is protected to ensure security and authorised use only.

RECOMMENDATION

12. That the content of this report be noted by the Pension Board.

APPENDICES ATTACHED

13. Appendices as attached:
  - a) Appendix 1 Membership statistics 28 February 2022
  - b) Appendix 2 Aggregate membership by status 28 February 2022
  - c) Appendix 03 Pension Administration System procurement provisional timetable 17 March 2022
  - d) Appendix 04 KPI statistics 31 January 2022
  - e) Appendix 05 Pensioner payroll statistics 28 February 2022
  - f) Appendix 06 Employer compliance January 2022

- g) Appendix 07 Breaches Log 15 March 2022
- h) Appendix 08 Prudential email 27 October 2021
- i) Appendix 09 Heywood Pension Technologies email 15 December 2021
- j) Appendix 10 Heywood Pension Technologies bulletin 3 March 2022

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