



Surrey Firefighters Local Pension Board 26 October 2017

Annual benefit statement 2017: project review

Recommendations:

1. The Board is asked to **note** the content of this report.
2. The Board **notes** that a Breach has been reported to the Pensions Regulator (tPR).
3. The Board **recommends** that a project report on the production of annual benefit statements for 2017/18 be brought to the Board at its next meeting

Detail:

4. It is a regulatory requirement to produce annual benefit statements to active and deferred pension members. The deadline to issue these statements is 31 August 2017 for 2016/17
5. A total of 523 annual benefit statements were identified for 2016/17; all of which were issued or made available by 13 September 2017; 13 days outside of the deadline date.

Lessons learnt and improvements planned for 2017/16 statements for active members

6. The 2015/2016 statements were only being issued in February 2017. The primary reason for the delay was the technological challenges to the Altair pension database to produce both final salary scheme and CARE scheme benefits for the first time under the different pension schemes.
7. Although the technological challenges associated with the CARE scheme, were addressed during the 2015/16 exercise, delivery of 2016/17 statements was delayed due to the identification of an error by the pension administrator's systems supplier, Heywood, during a sample run of statements in early August 2017.
8. In order to remedy this error, the pension administration took the decision to design a bespoke statement for issuing to firefighters. This bespoke statement was issued in over 80% of cases. The remaining cases were issued using a standard Heywood document as these were not subject to errors. The creation of the bespoke statements created the delay to issuance beyond the statutory deadline.

9. Although the breach of time scales is disappointing, the statements were issued much sooner than previous years. Additionally, building on feedback received from members regarding the 2015/2016 statements, the 2016/17 statements incorporated an estimate of benefits at age 55 as well the Normal Pension Age for those firefighters who had accrued benefits in the 1992 scheme but did not reach 30 years service at age 55.

Breach reported to the Pensions Regulator

10. In accordance with the Surrey FFPS Breaches Policy the Responsible Officer will inform the Chairman of the Local Pension Board of the requirement to report the late issuance of annual benefit statements to the Pensions Regulator.

Next steps

- 11 A project report on the production of annual benefit statements for 2017/18 be added to the Board Forward plan with an update brought to the Board at its next meeting.

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Sources/background papers:

tPR Code of Practice no 14 (Governance and administration of public service pension schemes)

Annexes: