



The Surrey Local Pension Board 25 July 2018

Communications update

1. Three topics are covered this month, employer discretion's and internal disputes in this paper (below) and our report on the implementation of GDPR is included in a separate report prepared by the Pensions Administration Team.

Report on an exercise to persuade employers to publish their discretions

2. We considered a number of providers before requesting a quotation from Jardine Lloyd Thomas. After careful analysis, we decided against implementing JLT's proposal preferring to deliver a discretions exercise in house instead.
3. We believe that the exhaustive list of discretions published by the LGA intimidates employers and inclines towards an academic exercise given that many of the minor discretions are either self-selecting (forfeiture and recovery of a monetary obligation) or so esoteric that they have little relevance in the real world. On the other hand, we felt that JLT's proposal – which only covered the mandatory discretions - excluded a number of provisions that have real practical merit. In view of this, we prepared our own list of fifteen discretions, which includes all the mandatory ones, that tries to strike a healthy balance between minimalism and completeness.
4. Our plan is to send out the list of discretions, the statutory background and a brief tutorial at the end of July and to remind the employers who have not responded one month later. Two months after that, we will send a further letter to the employers who have still not responded and, in addition, telephone all employers with more than 500 members (this figure could be set lower) to ask them whether they need any help. At this point we will review the exercise, analyse the results and decide on the next steps.

Support for Surrey Pension Scheme employers with internal disputes resolution procedure (IDRP) determinations

5. All LGPS Administering Authorities must have an internal disputes resolution procedure (IDRP) for resolving any disagreements about the pension entitlement of individual members. There are two stages to the IDRP. These are set out in the Regulations governing the LGPS and require the employer to nominate an adjudicator to decide a dispute at stage 1.

6. A dispute continuing to stage 2 is decided by the administering authority (SCC) and ultimately, if the matter is not resolved internally, it can be referred to the Pensions Ombudsman. The Regulations also set a timetable for progressing disputes and the circumstances in which these can be extended.
7. Fortunately there are very few pension disputes but, equally, this means that many employers will not have managers familiar with the Regulations and able to draw on past experience to act as an adjudicator.
8. Surrey County Council can provide a service to support employing authorities who may not have in-house expertise in pension appeals, or do not feel comfortable hearing them.

Surrey County Council will;

- Acknowledge receipt of the appeal, manage the timescales and keep the appellant informed of progress
 - Identify the information necessary to determine the appeal
 - Distil the key facts of the case and set out the legal landscape
9. The Council will also assist in drafting a determination that meets regulatory requirements, setting out the key facts of the case, the relevant law, the reasons for the decision, the appellant's rights regarding a second stage appeal and how they may access assistance from the TPAS, which migrated to the Pensions Ombudsman's office following their merger on 1st April 2018.
 10. Employers will be asked to nominate a member of staff to be the principal point of contact, to liaise with SCC and provide a history of the dispute and any relevant documentation. They will also need to appoint an adjudicator with authority to agree and sign off the determination on their behalf. Although it may seem daunting to act as an adjudicator, in practice, they will be provided with a carefully considered and complete response that they can either "top and tail" or amend as they see fit.
 11. In the event that the appellant is not satisfied with the outcome of an appeal and initiates the second stage, this will be determined by an SCC officer who has had no previous involvement with the dispute.
 12. We are planning to roll this service out at the same time as the discretions exercise, in order to avoid duplication of effort, and we will reinforce the message in periodic updates for employers.

Report contact: John Smith, Senior Advisor (Investments, Finance and Governance)

Contact details: T: 020 8213 2700 E: john.smith@surreycc.gov.uk