



Surrey Local Pension Board 23 October 2018

Annual benefit statement exercise 2018

Recommendations:

1. The Board is asked to **note** the content of this report and **make recommendations** to the Pension Fund Committee if appropriate.

Detail:

2. 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 2018 for 2017/18

Summary

Active members

The key ABS statistics for active members and deferred beneficiaries;

A total of 33,349 annual benefit statements were identified for 2017/18, of which 31,735 (95%) was issued or made available by the deadline of 31 August 2018, 1,614 did not receive the annual benefit statement by this deadline.

Nine scheme employers did not submit their end of year data and one, UCA, provided it after the deadline. The nine scheme employers who failed to respond are all small and none of them employs more than fifty members. However, UCA has (circa) 885 members and, therefore, that failure may be material.

Deferred members

Turning to deferred beneficiaries, a total of 31,872 annual benefit statements were identified for 2017/18, of which 19,988 were issued by the deadline of 31 August 2018. Over a third did not receive annual benefit statements. As, employees of working age tend to be mobile and it is not unusual to hold a significant number of out-of-date addresses / defunct e-mail addresses. Nonetheless, a 37% failure rate is at the higher end of the scale and it may be worth considering engaging a tracing agency, which would remedy the situation - at least in the short-term - although it would be costly.

Breaches

The Pension Fund is required to report material breaches and the Local Pension Board may wish to consider whether the late return from UCA and the high number of deferred beneficiaries for which we do not hold addresses meet that test. Under Surrey County Council's breaches policy, the Local Pension Board must decide whether these issues constitute material breaches and advise the Pensions Committee accordingly. If there is a consensus that they are material, Surrey County Council must report itself to the Pensions Regulator (tPR).

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