



The Surrey Local Pension Board 17 January 2019

Review of Internal Dispute Resolution cases in 2018/19 (quarter three).

Recommendations:

1. The Board is asked to **note** the content of this report.

Detail:

Introduction

2. Pursuant to the Local Government Pension Scheme (LGPS) Regulations 2013 (the Regulations) each scheme employer and administering authority must appoint an adjudicator to consider applications regarding the first instance decisions made by the scheme employer or where relevant the administering authority.
3. Under the Scheme of Delegation relating to section 106 agreements, the following officers are nominated to hear stage one and stage two Internal Dispute Resolution (IDRP) appeals:
 - The Acting Section 151 Officer.
 - The Director of Legal and Democratic Services.
 - The Director of People and Development.
 - The Head of Pensions (Pension Fund and Treasury).

Summary of the appeals in 2018/19 (quarter three)

Stage 1 IDRP Determinations relating to complaints from previous quarters

There were two determinations in this category;

- (1) an appeal concerning an annual allowance charge, which was dismissed and

- (2) a complaint concerning loss of pension relating to the interaction between the LGPS and the state pension scheme was dismissed because any loss was adjudged to be the fault of the Department of Work and Pensions (the member does not have an LGPS pension).

Stage 1 Determinations complaints relating to complaints in quarter three

There were three determinations in this category;

- (1) An appellant requested a quotation for trivial commutation (draw their pension as a lump sum) but was unable to commute at retirement because the value of their pension benefits had increased and exceeded £30,000. The member was awarded £250 for inconvenience and distress in respect of an inaccurate estimate.
- (2) An inaccurate pension estimate overstated the value of a member's pension benefits in the run up to their retirement. The error was introduced at the estimate stage and, although it should have picked up at the checking stage, it appears to have been a collective aberration rather than a systemic issue. The member was awarded £1,000 for inconvenience and distress.
- (3) A deferred member asked for actuarial reductions to their pension to be waived if they chose to draw her pension benefits early. The employer declined and the consequent appeal was dismissed.

Stage 1 IDRPCs received in quarter four that have not yet been determined

There are three appeals received in the quarter that are awaiting determination.

- (1) A member requested an estimate shortly before they retired and launched an appeal because they did not receive the estimate in good time.
- (2) A former member transferred their pension benefits to another provider several years ago and, following subsequent unfortunate developments, their agents are alleging that Surrey should have ignored the member's instruction to transfer and prevented it from happening.
- (3) A member complained that their application for ill-health retirement had not been handled properly and, in view of significant delays, the IDRPC has been fast tracked to stage 2 (missing out stage 1 altogether – see the stage 2 IDRPC appeals). This case related to one of the employing authorities and they have been provided with guidance on how to handle ill-health retirement cases properly.

Stage 2 IDRPCs received in quarter three

There are two appeals received in the quarter that are awaiting determination.

- (1) An inaccurate pension estimate overstated the value of a member's pension benefits in the run up to their retirement (the member was offered £1,000 for inconvenience and distress at stage 1 – see above).

(2) A member complained that their application for ill-health had not been handled properly and, in view of significant delays, the IDRPs have been fast tracked to stage 2.

Pensions Ombudsman final determination (1 case)

One case concerning a part-time buy back appeal was referred to the Pensions Ombudsman in a previous quarter. We have received the final determination which dismisses the appeal.

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Sources/background papers: The LGPS Regulations 2013

Annexes: None

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