

Report to: Local Firefighters Pension Board

Date: 17th December 2018

By: Senior Pensions Lead

Title: A failure to pay member/dependant benefits either accurately or in a timely manner

Purpose: Provide the Board with an update on the corrective action taken

RECOMMENDATIONS

The Board are requested to note the report and are invited to comment.

1. Background

- 1.1. Following a ruling by the Pensions Ombudsman in May 2015 four widow dependants within the Surrey Fire Fighters Pension Scheme were due additional benefits as a result of incorrect* commutation factor being used to calculate the cash sum of the deceased member in respect of the part of their pension they commuted.
- 1.2. The administrators for the scheme until very recently had failed to pay out those additional sums to those four dependant widows for two main reasons:
 - Not producing and arranging for appropriate discharge forms to be signed by the dependants to authorise the release of additional benefits in a timely manner.
 - The additional benefits payable required additional factors to be provided by the Government Actuary Department (GAD). Requesting and obtaining these factors took a considerable amount of time.

NB: the factors used by the administrator were provided by the Government Actuary Department (GAD) and were correct at the time – following the Ombudsman ruling GAD needed to correct those factors as set out.

2. Progress since the last LFPB meeting 18th October 2018

- 2.1. The Senior Pension Lead has been in contact with the dependent and providing them with weekly verbal updates on the progress being made.
- 2.2. The factors needed for the additional payment calculation were being produced by the Government Actuary Department (GAD). GAD had originally told us they would provide us with the factors and calculation at the end of October. Unfortunately, this deadline was missed and the case worker at GAD went on leave until the 15th November.
- 2.3. As a consequence of 2.2 above the Senior Pensions Lead escalated the matter to Client Services Director at GAD who promised that the calculations would be progressed by them as a priority.

- 2.4. Following a chaser from the dependent an email update was provided to the Pension Board on 14th November by the Senior Pension Lead stating that we hoped that by the end of November that payment would be made to the dependent and the other three impacted individuals.
- 2.5. The revised factors and calculations were received as promised by GAD on the 16th November. It then took a few days to process the claim and complete the required paperwork internally.
- 2.6. Confirmation was received by the Senior Pension Lead from the dependent that correspondence and payment had arrived in their bank account on 30th November 2018.
- 2.7. Additionally during November, the dependent formally raised an IDRP Stage 1 concerning this matter. This was referred to the Responsible Officer (Sally Wilson) who conducted a fact find and responded to the dependent reassuring her that payment would be made by the end of November.
- 2.8. In terms of reporting the breach to TPR a formal report was drafted and circulated by Responsible Officer in line with the agreed procedural process. The breach was submitted to TPR using the “exchange online portal” on the 4th December 2018.
- 2.9. I confirm that we have made a small compensation payment to the four impacted individuals to reflect the inconvenience and stress caused.

3. Next Steps

- 3.1. Provide a verbal update to the Pension Board on the 17th December of any further developments since drafting the paper and the meeting taking place.
- 3.2. Provide the detailed calculations to the dependent, which she has now requested.
- 3.3. Await a response from TPR who might impose some form of sanction on the scheme. Our hope is that this will not be the case as the matter has now been resolved.

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