

APPENDIX 7 (to Pension Fund Administration Report)

COMMITTEE SUMMARY PERFORMANCE REPORT

This is the fifth report on the performance of Fund employers and the Avon Pension Fund staff following the Pensions Administration Strategy coming into effect on 1st April 2011.

Included in the Report are the following:

1. Graphs for each of the **largest employers* (viz. 4 unitaries) showing performance** on processing leavers (**retirements and deferred**). (Annexes 1 & 2) for the 7 quarter period from 1 April 2011 to 31st December 2012
2. Report of late payers of **pension contributions** (employers) in the 3 month period 1 April 2011 to 31st December 2012

** Smaller Employers: Performance of the remaining employers is not included in this report this time. This is a difficult area as in many cases there is little or no movement in membership and where for example there is only one leaver in the period their performance will either be 0% or 100% which is not very helpful information. The best way to report their performance is therefore being investigated and the intention is to include information in future reports to Committee.*

Any particular smaller employer's performance against target where there is cause for concern will be specifically reported to the Committee. **None need to be reported** in this period.

1. Performance on processing leavers

Graphs for each of the largest employers *(viz. 4 unitaries) showing their and APF performance on processing leavers (**Retirements and Deferred**). (See Annexes 1 & 2 attached) during the period 1 April 2011 and 31 December 2012.

DEFERREDS GRAPH- ANNEX 2 (IMPORTANT EXPLANATORY NOTE)

The graph showing performance figures for employers needs some explanation to put the information into context.

Some employers' performance shows as very poor. The reason for this is that the standard measure for performance is 20 working days from date of leaving and failure to meet this target adversely affects the figures shown.

Reconciliation of the information sent by employers in their 2011/12 year-end return revealed that some of the employers had not sent leavers forms to APF for leavers during 2011/12 or earlier. By their very nature these late submissions will be late and outside the target period.

Employers have been sending these forms in over the last few periods to remedy their earlier omissions and the figures on the attached statistics **include these late notifications** which will have impacted significantly adversely bringing down the number achieved within target and for some employers badly affected their performance against the standard 20 days target. **Once these older "backlog" cases are cleared we will see the employer performance figures improve.** The final date for clearance of these old cases is the end of February 2013 and the next statistics to 31 March 2013 should therefore show at least a marginal improvement with significant improvements in the following quarter to 30 June 2013.

The introduction of *i-Connect* software which is going live early this year with automatic updating of information and the production of monthly employee movement reports by employer payrolls will allow APF to pick up on leavers much more quickly than at present and APF will be able to press employers to send leaver information more expediently avoiding or at least reducing late notifications and improving overall performance and also the service APF can give to Scheme members.

Processing of older cases should be seen in context and appreciated for the effect it will have. The clearance of older non-reported cases will of course significantly improve the quality of member data held on which the forthcoming actuarial valuation will be based. It is a key component of the valuation and will have a significant effect on employers' pension costs. Inclusion of members as active will result in the actuary including the built up of future pension benefits and resulting in unnecessary and incorrect employer costs. The removal of members who have let the scheme is therefore very important and in all employers' interests.

Also clearance of non-reported cases will improve the accuracy of member data and increase the Fund's chances of meeting the Pension Regulator's requirements on minimum 95% data standard for legacy data being introduced in April 2015.

2. Late payers of Pension contributions

Late payment of contributions due in 3 months to 31st January 2013.

This report gives details of all payments (now paid or still outstanding) during the period, that relate to employers whose total aggregate late days during the period exceeded nine and whose value of one month's contributions exceeded £3,000. Late payments are not netted down by early payments. The report does not include new employers making their first payments who may experience delays in setting up their systems.

	<u>Payroll month</u>	<u>Days late</u>	<u>Payment</u>
English Landscapes	December 2012	12	£5,814

English Landscapes have a good record of paying on time. This appears to have been a "one off" error.

Total number of employers = 175

Total contributions received in period = £32,237,000

Total late contributions = £19,803 (0.06% of total contributions in period)

All late payers are contacted and reminded of their obligations regarding the timing of payments. Where appropriate they are advised on alternative, more efficient methods of payment.

Where material, interest will be charged on late payments at Base rate plus 1% in accordance with the 2008 regulations.