

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	13 November 2020	AGENDA ITEM NUMBER
TITLE:	Statutory Reporting and Year End	
WARD:	ALL	
AN OPEN PUBLIC ITEM		

1. THE ISSUE

- 1.1. The purpose of this report is to inform the Pension Board of the actions undertaken by the Fund Administration in completion of the 2019/2020 employer year end data exercise and statutory annual benefit statement exercise.
- 1.2. The law requires schemes to disclose information about benefits and scheme administration to scheme members
- 1.3. The Fund has a legal statutory requirement to provide members with a benefit statement annually by 31st August.
- 1.4. Where applicable the Fund has a legal statutory requirement to issue a Pension Saving Statement (PSS) if a members' pensions savings exceed the standard annual tax year allowance.

2. RECOMMENDATION

- 2.1. That the Board notes the report.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct implications related to the Pension Board in connection with this report.

4. REPORT

- 4.1. The introduction of the Pensions Act 2013 extended the powers of the Pensions Regulator (TPR) to public sector schemes from 1 April 2014. The Pension Regulator introduced the Code of Practice 14 for the administration of public sector schemes in 2015. This, amongst other things, addressed the issue of annual benefit statements to members.

5. YEAR END EXERCISE

- 5.1. In preparation the Fund must undertake an annual exercise to reconcile member data supplied by employers at each 31st March year end. There are 432 active employers of which 269 provide member data digitally to the Fund on a monthly basis. The remaining 163 employers continue to provide data annually.
- 5.2. For the purpose of data accuracy, the digital monthly employer returns undergo a reconciliation process on a continuous basis. Where the employer annually submits a data return it invariably will require further scrutiny and employer engagement to reconcile. The Fund is aiming to digitalise all employer returns as part of its published Administration Strategy.
- 5.3. To enable the Fund to scrutinise and reconcile member data all employers are requested to submit year end returns by 30th April with any subsequent follow up queries and amendments notified to the Fund by 30th June
- 5.4. All digital returns up to 31st March were received in April and loaded on to the Altair software system.
- 5.5. Of the 163 employers that supply their data via a manual return, 159 returns were received by the deadline. The 4 outstanding employers (covering 10 members) have been contacted by Employer Relations team and the Fund will consider the reasons for the delay in providing the required information and whether any breach is likely to be of material significance to the Pensions Regulator.

6. MEMBER COMMUNICATIONS

6.1. Annual Benefit Statements – active members

6.2. Officers completed work to reconcile data returns ahead of the statutory ABS exercise. Summarily, 94% of 36,189 active member statements were issued ahead of the 31st August deadline. The table below details the statements sent

Statement type and collation	Total Statements	Total mailing
Single Statements	27983	27983
Double Statements	4546	2273
Triple Statements*	1089	363
Four Statements*	252	63
Five Statements*	40	8
Six Statements*	6	1
Seven Statements*	7	1
PSOD Single Statements*	26	26
Overseas Statements	3	3
Removd/Extrcted Statements	2237	
Totals	33952	30721

6.3. A further 2,237 perspective statements were extracted due to the following:

Missing Address
Casual Missing Hours/Earnings
In-Progress Leaver

6.4. Work is ongoing to obtain missing member CARE data and to trace any missing addresses

6.5. A further 275 active member statements were issued as part of a supplementary ABS exercise on 26th October 2020.

7. PENSIONS SAVINGS STATEMENTS

7.1. Detailed work undertaken by Quality Assurance team to complete the annual process to assess member savings has been completed. The Fund issued 68 PSS for LGPS members

7.2. The Fund is required to issue a statement if pensions savings in the APF exceed the standard annual allowance. The annual allowance is the maximum amount of pension saving that an individual can make each tax year that benefits from tax relief. The standard annual allowance is £40,000 for the 2019/2020 tax year. The statement includes information that members must consider in determining whether a tax charge is liable.

7.3. Members are required to receive notification by 6th October however due to workload and redesign of the PSS letter and statement there was a short delay this year with statements being issued during w/c 19th October. The TPR have been advised of the delay.

8 RISK MANAGEMENT

8.1 The Avon Pension Fund Committee is the formal decision-making body for the Fund. As such it has responsibility to ensure adequate risk management processes are in place. It discharges this responsibility by ensuring the Fund has an appropriate investment strategy and investment management structure in place that is regularly monitored. In addition, it monitors the benefits administration, the risk register and compliance with relevant investment, finance and administration regulations.

9 EQUALITIES

9.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

10 CLIMATE CHANGE

10.1 The Fund is implementing a digital strategy across all its operations and communications with stakeholders to reduce its internal carbon footprint in line with the Council's Climate Strategy. The Fund acknowledges the financial risk to its assets from climate change and is addressing this through its strategic asset allocation to Low Carbon Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

11 CONSULTATION

1.1 Reports and its contents have been discussed with the Head of Business Finance & Pensions representing the Avon Pension Fund and Service Director – One West representing the administering authority.

Contact person	Geoff Cleak – Pensions Manager – 01225 395277
Background papers	Various statistical reports
Please contact the report author if you need to access this report in an alternative format	