

Bath & North East Somerset Council		
MEETING:	LOCAL PENSION BOARD - AVON PENSION FUND	
MEETING DATE:	30 November 2021	AGENDA ITEM NUMBER
TITLE:	Statutory Reporting and Year End	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of Attachments to this report:		
Appendix 1 – TPR Annual Scheme Return		

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 2020/2021 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 459 active employers of which 273 provide member data digitally to the Fund on a monthly basis covering 76% of active scheme membership. The remaining 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 annually by 30th April with any subsequent follow up queries and amendments notified to the Fund by 30th June. Where there is a failure to provide timely or accurate information the Fund will review each affected employer in accordance with the criteria set out in the Administration Strategy with a view to potential penalty charges being applied.

5.4. With regard to potential employer penalty charges for 2021 the Fund identified the following:-

4 Late returns (including BCC)

3 employers with data queries in excess of 10% of active membership

3 for disproportionate work (Strictly Education)

9 for Data Improvement Plan (DIP) notices to be issued

No employers were identified as causing a materially significant breach to the TPR by the delay in providing information.

5.5. Administration Officers are in the process of a final review prior to issuing penalty notices. All fined employers will also receive a DIP in addition to any penalty charge with the option of receiving training in lieu of the charge if it is a first time occurrence.

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, 97.65% of 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	28,456	28,456
Double Statements	4,442	2,221
Triple Statements*	975	325
Four Statements*	224	56
Five Statements*	40	8
Six Statements*	6	1
PSOD Single Statements*	24	24
Overseas Statements	6	5
Totals	34,173	31,096

6.3. A further 3,314 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. Subsequently, a further 792 active member statements were issued as part of a supplementary ABS exercise on 25th October 2021.

7. PENSIONS SAVINGS STATEMENTS

7.1. The Fund is required to issue a Pensions Saving Statement (PSS) 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 2020/2021 tax year. The statement includes information that members must consider in determining whether a tax charge is liable.

7.2. Detailed analysis and work undertaken by Quality Assurance team to complete the annual process to assess member savings has been completed. The Fund issued 86 statements for LGPS members and a further 8 statements for members of the Firefighter's Pension Scheme. All statements were issued ahead of the statutory deadline of 6th October.

8 TPR - ANNUAL SCHEME RETURN

8.1 Public service schemes have a legal obligation to supply the Pensions Regulator annually with certain information via a scheme return.

8.2 The information required includes scheme details, employer details and governance details. All information is completed and submitted to TPR via the online service exchange.

8.3 A copy of the submission for the Fund as at 31st March 2021 is attached at Appendix 1.

9 RISK MANAGEMENT

9.1 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.

10 EQUALITIES

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

11 CLIMATE CHANGE

11.1 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 Paris Aligned Equities, Sustainable Equities and renewable energy opportunities. The strategy is monitored and reviewed by the Committee.

12 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	