

Pensions Increase update

June 2024



Avon
Pension
Fund



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Phase 1 is complete

Phase 1

- Remediated **801** members using Retro PI process: –
 - **696** members paid arrears/interest and corrected their monthly pensions going forward (**645** LGPS and **51** Teachers).
 - **105** members fixed in readiness for 2024 PI.
- Modest increase in member calls and emails. Response to date has been largely neutral.
- Short-term pensions (**46**) and Tier 3 Ill-health cases (**7**) corrected manually – no arrears due. *(Note: Included non-PI cases).*

POPULATION	Monthly Arrears (£)	SUPP PI Arrears (£)	Interest (£)	Total Paid (£)	Numbers
LGPS	547,977.07	62,003.72	45,569.74	655,550.53	645
Teachers	100,050.45	-	8,619.64	108,670.09	51
TOTAL	648,027.52	62,003.72	54,189.38	764,220.62	696

2024 PI

- 2024 Pension Increase successfully run.
- APF team used Provisional PI runs to identify and clear errors arising on both Admin and Payroll systems.
- Future Phase cases - errors already identified.
- Retirement cases held until after 2024 PI run were processed by Member Services with Quality Assurance team support.
- Member Services training completed to address root cause member Admin record date anomalies emanating from benefit processing.

Lessons learned - Phase 1



- We have **improved our knowledge** of the PI annual process. Heywood support has been invaluable and effective.
- **Communication** with the APF Committee, Pension Board and Council, and within the APF project team has been constructive.
- We achieved the Phase 1 **timeline** within the hard deadline imposed by the 2024 PI run.
- We underestimated the time needed for **payroll** updates, testing and live execution putting pressure on the APF project team. Project plan lacked contingency for the issues that we encountered.
- **Additional checks** on initial Altair data will be done to surface interface record issues earlier.

Future phases plan

Population

- Cases are more complex than Phase 1 and require deeper analysis.
- Not all of population will require remediation.

Approach

- Technical Manager to lead project and will form part of teams BAU project work.
- Use full end-to-end bulk remediation process where possible – run smaller batches with similar profiles once analysis and any correction work complete.
- Payroll query and tracing case work started. Other categories will be addressed as resource permits and decisions on process have been made.

Aiming to address all cases by end 2024.

Population	Number	APF Resource
Payroll queries	118	Payroll
Suspended from outset (tracing)	92	Data Control
GMP	150	Technical/ GMP project
Other record issues	84	Technical
Deaths	32	Technical
2024 PI run & payroll reconciliation	15	Technical
TOTAL	491	

Notes:

- Maximum number. After review some may not need remediation.
- Total LGPS PI cost is expected to be within the original £1.5m estimated at the outset of project. We expect there will be no aggregate actuarial impacts but there may be some impacts on the individual employer level.
- Interest outstanding for some manually corrected cases to be calculated and paid during future phases.

Project costs – Phase 1

Category	Description	Cost to Fund
645 LGPS members	Pension increase remediation – Arrears and interest paid	£655,550
51 Teachers	Pension increase remediation – Arrears and interest paid	Nil cost to Fund £109k billed to BANES
Total Cost		£655,550

Project costs – Future Phase estimate

Category	Description	Cost to Fund
Future LGPS members	Pension increase remediation – Arrears and interest to pay	£600,000 to £800,000