

**Update on the production and distribution of the Annual
Benefits Statements for 2015/16**

Report of the Strategic Finance Director

1. At the last meeting of the Board, the Head of the Pension Fund reported that the Fund had not met the deadline of 31st August 2015 for issuing Annual Benefit Statements to active and deferred scheme members.
2. This was the result of receiving employer returns for 2014/15 after the statutory deadline of 30th June. To avoid a similar occurrence in relation to the 2015/16 Annual Benefit Statements the Head of the Pension Fund reported that steps would be taken to ensure employer information was provided on time in future, and an update report would be submitted to the next meeting of the Board.
3. Significant action has now been taken to fully communicate the importance of meeting the deadlines for the receipt of information from employers for use in the valuation being undertaken in 2016/17 and for the production and despatch of the Annual Benefits Statements by the August 2016 deadline.
4. These communications include the following:
 - a. Detailed email communication to all employers sent out on the 12th January 2016 (attachment 1).
 - b. Targetted slides delivered at the Employers Forum on 13th January 2016 (attachment 2).
 - c. E-mail to all employers sent out on 12 February 2016 attaching the slides and minutes of the 12th January Employers forum and again highlighting the importance of meeting deadlines (attachment 3).
 - d. Letter commissioned from Hymans and emailed to all employers on 16th February outlining the importance of accurate and timely data and highlighting the impact of inaccurate data (attachment 4).

5. Given that the largest employer within the fund was one of the 52% of Fund employers who failed to meet the deadlines for the 2014/15 statements, the Head of the Pension Fund and Pension Administration Manager have been working with payroll colleagues within Gloucestershire County Council to ensure that robust, tested, systems are in operation within the Council to ensure that the year end data is provided to the Pension Fund within the deadlines set for the submission of the 2015/16 year end information. This has involved systems enhancements and testing.
6. Following this work, the Head of the Business Services Centre, who provide payroll services to the County Council and many Academy Schools, has been able to provide assurance to the Statutory Chief Financial Officer within the County Council that the deadline set for the provision of year end information to the Pension Fund for the valuation of the end of April 2016 should be met. Assurance has also been given that the statutory deadline for the provision of the information for the Annual Benefits Statements will be met for all GCC employees and LGPS employees of Academy Schools that receive payroll services from the County Council.
7. Similarly, the Head of the Pension Fund has confirmed to the Statutory Chief Financial Officer that if the above deadlines are met, all data will be submitted to the actuary for the valuation in accordance with agreed timescales and the Annual Benefits Statements for 2015/16 will be issued to fund members by the statutory deadline.
8. Once the April 2016 deadline has passed another email communication will be sent to any employer who has not met the deadline, which will be followed up by a telephone call, during the first week in May 2016. These communications will again emphasise the potentially negative impact that the non return of full and accurate data may have on contribution rates, due to the fact that the actuaries will have to use incomplete information and in this context make very prudent assumptions as part of the valuation process.
9. An update report will be submitted to the Pensions Committee on 13th May 2016 setting out the current position regarding meeting the end of April deadline, and outlining any further follow up action that will be taken.

Recommendation

That the Board note and comment on the procedures followed.

Contact Officer

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