

**Wiltshire Council**

**Wiltshire Pension Fund Committee**

**14 December 2022**

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## **Pension Payroll Database Reconciliation Project Update**

### **Purpose of the Report**

1. The purpose of this report is to provide for the Committee's consideration, a further update on the detailed, and ongoing reconciliation project between the pension administration system (Altair) and pensioner payroll system (SAP).

### **Background**

2. This paper provides an update on the progress of this ongoing project.

### **Current situation**

3. The current situation of the rectification project is as follows, for the greater than £5 per month cases:
  - Aon has been appointed as a third-party administrator and a contract was signed in November 2022.
  - Aon have been assigned the remaining pensioner and dependant cases (925 cases in total) which fall into the scope of the rectification project and will begin work in December.
  - The project is due to be complete within 9 months from now although exact timeframes need to be discussed and agreed with Aon due to some procurement delays which held up the contract being signed.
4. For the under £5 per month discrepancies (but over £1 per year), the Fund is resolving these in two stages. Firstly, to correct Altair where Altair is deemed at fault. Secondly, to correct SAP. Stage one is progressing during November and December and the SAP changes will be made before next year's pension increase exercise (which is likely to result in up to a c10% increase due to high inflation).

### **Considerations for the Committee**

5. Officers continue to undertake a full monthly reconciliation between the Altair and SAP to act as a key control to ensure no new cases arise and ensure that the overall gaps between Altair and SAP are being closed. This reconciliation started in April 2022.
6. Information on the full picture of the scale and magnitude of the differences between the two systems is covered in detail in the KFC report.

7. Since the last report, offices have altered the tolerance from 10p per annum to £1 per annum to align with approach in paragraph 4 and in recognition of unavoidable rounding issues on the SAP system. These minor differences will be resolved when the Fund moves to an integrated Pensioner Payroll System (and the minor issues should also no longer occur).
8. At the current time, 28.3% of records have a difference between the two systems of over £1 per year (note this percentage has reduced substantially due to change outlined in paragraph 7). It is important to note that these do not all represent an actual incorrect payment, but nevertheless are an administrative problem for the Fund and need to be corrected. The vast majority of the differences are low value. The overall magnitude of the difference is around £60k per month (gross value of all unders and overs), representing around 0.8% of the total payroll. The variances can be categorised as follows:
  - Difference of <£5pm – 3,955 records (80%)
  - Difference of £5-50pm – 778 records (16%)
  - Difference of >£50pm – 213 records (4%)

### **Environmental Impact**

9. There is no environmental impact from this report.

### **Financial Considerations**

10. There are no new financial considerations related to this update paper.

### **Risk Assessment**

11. There are no new risks related to this paper.

### **Legal Implications**

12. There are no new legal implications related to this paper.

### **Safeguarding Considerations/Public Health Implications/Equalities Impact**

13. There are no implications at this time.

### **Proposals**

14. Committee is asked to note this update and is invited to make any comments or recommendations that it has in relation to this piece of work.

### **Jennifer Devine**

Head of Wiltshire Pension Fund

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Unpublished documents relied upon in the production of this report: NONE