

## **WILTSHIRE COUNCIL**

WILTSHIRE PENSION FUND COMMITTEE  
14 September 2020

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### **ANNUAL BENEFIT STATEMENTS EXERCISE 2020 REVIEW**

#### **Purpose of the Report**

1. The purpose of this report is to present a summary of the outcome of Fund's Annual Benefit Statement (ABS) process for consideration by Committee members.

#### **Background**

2. As part of the LGPS Regulations 2013, the Fund is required to produce ABSs for all active and deferred members by the 31 August each year, showing the value of their benefits as at the 31 March of the same year.
3. The Pension Regulator (tPR) oversees this requirement within the LGPS and, as with other regulatory requirements, the Fund is due to log any breach of regulation and to report to tPR any breach which it considers may be of material significance to them.
4. tPR primarily focuses on the percentage of active ABSs and as such, the Fund set out within its Business Plan actions for 2020/2021 to produce 99% of active ABS by the 31 August 2020. The production rate for 2019/2020 was 95%.
5. Unfortunately, due to the impact of COVID-19 on some of our participating employers, some employer returns from key employers were sent late, leaving reduced time to undertake our standard data checks.
6. Furthermore, in line with changes to the Fund's Communications Strategy and after twice giving notice to all members, this year the Fund took the approach of uploading ABSs to member's online accounts through the member portal (My Wiltshire Pension) in all cases. In addition, if a member 'opted in' to receive paper copies, officers now send paper copies to them until they notify us of a change of preference.
7. The new approach has allowed the Fund to be able to analyse the levels of engagement with members and effectiveness of the approach used.

#### **Considerations for the Committee**

8. Active ABSs  
The Fund produced 96.9% of ABSs by the 31 August 2020 (adjusting for exclusions), which translates as 680 statements not being produced on time.
9. Out of those 680 statements not produced, nearly all of these relate to cases where the employer had failed to resolve a data query. Officers continue to work with employers to resolve these queries and use our escalation policy when the employer fails to engage with us. Once a data query is resolved, a statement will be produced.
10. Deferred ABSs

The Fund produced 99.9% of ABS for members which were deferred as at 31 March 2020. A small number of records (19) had a technical issue which prevented a statement being produced.

11. The deferred ABS percentage does not include an allowance for the number of records which are on a holding status because they are yet to be processed (which would either result in a deferred benefit, refund or aggregation of benefits).
12. Member engagement and system access  
The Fund sent out an email notification to the 13,055 unique members with accounts (note: a number of members have multiple pension records). Out of those notifications sent, around 10,132 members opened the message sent and 5,594 clicked on the link to log in. A small number of emails bounced back (just 61).
13. Despite nearly 2,500 members managing to access their My Wiltshire Pension on the day the notification was sent out, the date of notification unfortunately coincided with system downtime due to issues experienced by our software provider. The issue was intermittent and only lasted 1-2 days but this may have affected the sign in rate. As such, officers will send out a reminder email shortly which should also act as a reminder to members who took no action on initial receipt of the email regardless of the systems (other than opening the message).
14. The software provider has undertaken a detailed review of the access issues experienced and is putting steps in place to stop a repeat.

### **Conclusions**

15. Whilst the active ABS production rate was lower than hoped, it still represented an improvement on last year and should be considered within the context of lockdown restrictions causing certain employers some operational difficulties.
16. Officers consider the percentages to be sufficiently high level to not be considered a material breach by the tPR. Furthermore, tPR issued guidance that it would take a more relaxed approach to enforcement due to operational difficulties caused by COVID-19.
17. As officers re-start the work to onboard more employers on to the i-Connect platform, this should yield a number of benefits related to the Annual Benefit Statement process for onboarded employers including:
  - No need for an end of year process;
  - Data being checked and reconciled during the year;
  - An opportunity to space out ABS notifications, reducing the risk of system failure impacting the members along with spreading out emails and phone calls to the team, reducing the impact on business as usual work;
  - Potential to issue ABSs earlier (better customer service);
  - Bringing forward the ABS exercise would allow the annual allowance yearly exercise to take place earlier (deadline of 5 October each year and needs to follow the end of year exercise as well)
18. Officers will issue a second batch of ABS at the end of September and thereafter will just add any remaining ABSs as resolved; this work is important groundwork for onboarding employers on to I-connect.

### **Environmental Impact**

19. There is no environmental impact from this report.

**Financial Considerations**

20. There are no financial considerations related to this report.

**Risk Assessment**

21. There are no direct risks to the Fund associated with this reporting.

**Legal Implications**

22. There are no immediate legal implications arising from this report.

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

23. There are no implications at this time.

**Proposals**

24. The Committee is asked to note the current situation and the Fund's plans for next year.

**Andy Cunningham**

Head of Pensions Administration and Relations

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