

Wiltshire Council

Wiltshire Pension Fund Committee

5 April 2022

Pensioner 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).
2. The Committee is also asked to approve the recommendation in relation to cases with differences of under £5 per month.
3. The Committee is also asked to note the revised plan for implementing an integrated pensioner payroll system.

Background

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

Current situation

5. The current situation of the rectification project is as follows, for the cases in scope:

Membership type	Stage 1: GMP reconciliation with HMRC records	Stage 2: Altair consistency between initial and current pension values	Stage 3: Cross comparison between Altair/SAP at an initial individual record level review	Stage 4: Peer review.
Pensioners with a state pension age before 2016	Complete	<25 cases remain	70	390 cases outstanding
All other pensioners	Complete	Complete	34 cases outstanding	44 cases outstanding
Dependants	Complete	69 cases outstanding	60 cases outstanding	Not started yet
Totals	Complete	c94 cases	c164 cases	c434 cases

6. The following notes provide some additional context to the numbers stated above:

a) Only cases where the initial analysis suggested a payment discrepancy of £5 per month or more are currently in scope. A recommended approach for the under £5 cases is outlined in paragraph 8.

b) Scheme members are given around 2 months notification of any change to their payment amounts (with some exceptions for very small differences) to allow the member time to manage their financial circumstances and in line with national guidelines, therefore there is a delay between completing a case and the payment amounts being changed. Furthermore, stage 4 just covers cases which have not been peer reviewed yet For the purpose of that able in paragraph 5, partial completions are treated as completions.

c) For cases where SAP is correct and Altair is incorrect, these are being prioritised behind those cases where SAP is incorrect, with the largest differences being dealt with first for all SAP payment issues. Some of the cases at stage 4 have a final conclusion that the current payment was correct.

d) Officers have received a small number of Internal Dispute Resolution Procedures (IDRPs) so far in relation to this exercise, but below initial expectations.

Main Considerations

Rectification project (in scope)

7. Officers have continued to take a highly cautious approach to going through cases to try to limit the chance of errors being made as part of this review; in many cases, there is a large amount of information to review and consider to reach a final view point and hence the timeframes for the completion of this project have become relatively long and difficult to predict. It is possible that corrections could continue into late 2022, and an undetermined additional length of time for the cases under £5pm, depending on the approach taken. A proposal to outsource part of this work is included as part of the Business Plan and Budget for 2022/23.
8. There are currently two members of staff working on stage 4 cases on a part-time capacity (around 1.6 FTE in total) although two other members of staff are supporting where possible. It is also estimated that there is another 2 FTE of staff being spend on completing stage 2 and stage 3 cases and in overall management of this project.
9. In addition to the completion of this project, officers are also currently implementing ways to align the set up of records across both Altair and SAP to facilitate greater ease of reconciliations, improved controls, improved PI processes and identification of issues. This work will be beneficial as preparation for an integrated payroll system as well as for the movement to the SAP replacement system.

Rectification project (initially out of scope)

10. In relation to the under £5 per month cases, which were initially out of scope, the potential work involved in investigating each case would be similar to those of the

over £5 per month cases. However, the cost of the administration involved in correcting the cases becomes increasingly material relative to the size of the discrepancy as the discrepancy decreases. Therefore officers propose taking an approach of not reviewing these categories of discrepancies in the same depth and applying and, where appropriate, an approach of equalising the two systems on mass in such a way that the member is not disadvantaged.

Integrated Pensioner payroll implementation

11. Officers now intend to move across to an integrated pensioner payroll system in two stages, with the first stage (new pensioners only) occurring later in 2022 and the second stage (all other pensioners) occurring in late 2023 or early 2024. This will deliver the solution already approved by Committee but in a different way to what was originally envisaged. The risks identified in relation to this revised implementation plan are outlined below:

Risk	Mitigation
a). The Fund has insufficient expertise in the short-term to project manage the implementation of the integrated solution.	Whilst the Fund has in-house project management resource available to deliver this project, it has also identified and spoken with various consultancy firms and agencies which have confirmed they can provide us with specialist project management support as needed.
b). The Fund is unable to fill the required new permanent job role(s) in a timely manner (causing the project to overrun)	Some of the same consultancy firms as above have also confirmed they can support as with operational staff on a short-term basis to enable flexibility to appoint the correct additional staff and bring existing staff up to speed.
c). The software provider is unable to deliver the project in a timely manner	Officers have already spoken with the software provider and we are confident they can work within our desired timescales.
d). The Fund encounters material (unexpected) issues which result in the project being postponed until after the Evolve programme is completed.	As already informally agreed with the Evolve programme lead, the Evolve programme should continue to deliver the project with Pensioner Payroll fully in scope and therefore in the worse-case scenario of material issues being encountered and not overcome, the Fund as a contingency option in place to abandon this project and migrate the process for new pensioners on to Oracle as well as existing pensioners.

Environmental Impact

12. There is no environmental impact from this report.

Financial Considerations

13. There are no financial considerations related to this update paper.

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

16. There are no implications at this time.

Proposals

17. Officers ask the Committee to consider the information held within this paper to provide any comments or recommendations that it may have.

18. The Committee is asked to approve an approach for under £5 per month cases whereby a simplified review process will take place, using the principle that members will not lose out financially, and to approve delegation for formulating and approving a policy on the exact details to the Head of Wiltshire Pension Fund (seeking further advice as necessary).

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