

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
16 December 2021

PENSIONER PAYROLL DATABASE RECONCILIATION PROJECT & NEW PENSIONER PAYROLL SYSTEM 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) as well as the project to move across to an integrated pensioner payroll system.

Background

2. This paper provides an update on how the situation has developed since the last quarterly meeting.

Current situation

Rectification project

3. The current situation of the rectification project is as follows, for the cases in scope:
 - a). There are now fewer than 80 cases still at 'stage 2' (where the pension administration system, Altair, is inconsistent with itself). Each case continues to take some time to correct and involves close working with the system's provider to remove complex errors. These errors need to be removed before the case can be properly assessed as part of stage 3, where a comparison is taken against SAP (the pensioner payroll system). In many, but not all cases, once the system error is resolved it is clear there is no under or over payment.
 - b). At the time of writing, officers have now initially been through all of the c1,100 pensioner cases that have already passed stage 2 and have peer reviewed around 510 of them, correcting and writing to members as necessary at the same time (completing stage 3 and 4). Note: Corrections to Altair or SAP can only take place once a case has been peer reviewed and not all cases have result in a change been needed to SAP (or for the member to be notified).
 - c). As a general rule, officers are giving members 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.
 - d). For cases where SAP is correct and Altair is incorrect, these are being prioritised behind those cases where SAP is incorrect.
 - e). Officers have received no further Internal Dispute Resolution Procedures (IDRPs) since the last update.

g). Furthermore, officers have now reviewed all other pensioners which were not initially in scope and this has resulted in a relatively small increase in cases which need to be corrected on SAP.

h). The project has also moved on to include within its scope a further review of dependant pensions too (further to the previous review which took place in around 2013); early signs suggest some issues which were either missed at the time or which have occurred since then (for example, due to receiving revised Guaranteed Minimum Pension values from HMRC) but these are generally much smaller than those cases in the original scope.

New pensioner payroll system update

4. The Committee approved the purchase of Altair Pensioner payroll and immediate payments (subject to compliance with procurement rules and contract) in June 2021, with intention to go live with the new integrated system in the Summer/Autumn of 2022
5. However, in consideration of the risks associated with the interdependencies with the Council's Evolve programme, the s151 officer has decided to postpone the movement to an integrated pensioner payroll system until after the Evolve programme goes live. This pushes back the likely go live date of the integrated payroll system until mid to late 2023 at the earliest and quite possibly not until during 2024.
6. Due to this change in approach, Fund officers are now engaging with the Evolve project to attempt to minimise the risks of the transition of the pensioner payroll to a new system and to seek out opportunities to make improvements to the service at the same time. In particular, officers are now also seeking to undertake other related mini projects to help align the set up records between Altair and SAP (and its replacement) which will make future reconciliations easier, help improve controls and provide the ground work for the eventual integration of systems.
7. Furthermore, officers are also exploring the possibility of still proceeding with implementing the immediate payments aspect (one-off payments), which would still bring some efficiency and control improvements, as well as the possibility of bringing the pensioner payroll team in house before the date of integration.

Considerations for the Committee

8. Officers are continuing 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 are relatively long and difficult to predict. It is possible that corrections could continue up to April or May 2022 but an early completion date is being targeted.
9. There are now four members of staff working on cases on a part-time capacity. However, the time that each person is able to dedicate to the project is dependant on being able to complete essential elements of their normal role.

Environmental Impact

10. There is no environmental impact from this report.

Financial Considerations

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

Risk Assessment

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

Legal Implications

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

Safeguarding Considerations/Public Health Implications/Equalities Impact

14. There are no implications at this time.

Proposals

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

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