

The Highland Council
Pensions Committee – 23 May 2013

Agenda Item	4
Report No	PC/06/13

Pension Fund Contributions and Administration

Report by Director of Finance

Summary

The purpose of this periodic report is to update Members on the efficiency and accuracy of pension contributions paid to The Highland Council Pension Fund.

1. Introduction

- 1.1 The Highland Council is the Administering Authority for the Highland Council Pension Fund.
- 1.2 In addition to the Highland Council, 33 employers participate as Admitted Bodies in the Fund.
- 1.3 Participating employers are required to calculate and deduct the appropriate rate of pension contributions from salaries in addition to an employer's contribution in accordance with guidance issued by the Highland Council Pension Section.
- 1.4 These contributions are remitted monthly to the Highland Council Pension Fund. The statutory deadline for payment to be made is the 19th of each month.

2. Pension Contributions

- 2.1 Pension contributions received from employers are checked for accuracy against known parameters and the dates received are recorded and monitored.
- 2.2 Contact is made with an employer in instances where payments are received late or not to the expected value.
- 2.3 Contributions from scheme employers are all being received on time and all contributions are up to date.

3. Administration Costs

- 3.1 The annual staffing budget for Pensions Administration is £478,515 and for the year to 31st March 2013 the overall position was an underspend of £881 in staffing costs.

4. Actuarial Fees

- 4.1 Actuarial fees for specific tasks are agreed as part of the actuarial contract between the Council and Barnett Waddingham.
- 4.2 Actuaries' fees for pre-arranged work for the period to March 2013 were £23375 These were checked and approved against the scale charge in the contract.
- 4.3 Following a full Tendering exercise, Hyman's Robertson have been appointed as the Council's Actuaries with effect from April 2013. The contract will run for 5 years.

5. Performance Indicators

- 5.1 The Highland Council Pension Fund Administration Strategy became operational on 1st July 2012 following consultation with scheme employers.
- 5.2 The strategy sets out the roles and responsibilities of both the Administering Authority and scheme employers and includes a number of key process and task to be benchmarked against expected results which will be included in the Council's Pension Fund Accounts.
- 5.3 Service level standards for the administering authority performance are based on industry standard Performance Indicators and are detailed in the table below.
- 5.4 In the majority of processes the expected results have been achieved or exceeded.
- 5.5 There are delays in information being received from some employers in respect of new starters and leavers but this will be addressed by the newly appointed Communications and Technical Officer.

Administering Authority Performance.

Task	Target	Total received	% completed within target	Previous Year Percentage
New Entrants	Issue Statutory Notice within 14 days of receipt of a new start notice	920	88%	n/a
Early Leaver	Issue entitlement notice within 2 months of leaving employment	585	86%	n/a
Retirements including deferred benefits coming into payment	To be paid by date of entitlement	357	85%	n/a
Deaths in Service	Contact next of kin within 5 days of notification being received	15	100%	n/a
Transfers in from outwith fund	Issue statutory notice within 14 days of receipt of payment	70	100%	n/a
Transfers of pension rights outwith fund	Make payment within 14 days of receipt of election	55	100%	n/a
Estimate of benefits	Issue within 10 days of receipt of request	525	100%	n/a

Scheme Employer Performance- Target performance 90%

Standard	Number from 1/7/12 to 31/3/13	% achieved	Previous year Percentage
New Start Notification – within 30 days of joining (or 10 days from first deduction if later)	920	91%	n/a
Retirement information – to allow benefits to be paid on time	218	89%	n/a
Death in Service notification – within 7 days of death	15	100%	n/a
Year End Query responses – within 14 days	19 employers were issued with queries	100%	n/a

6. Recommendation

The Committee is asked to consider the details of the report

Designation: Director of Finance

Date: 14 May 2013

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