

The Highland Council

Pensions Committee – 14 November 2014

Agenda Item	4
Report No	PC/11/14

Pension Fund Administration

Report by Director of Finance

Summary

The purpose of this periodic report is to update Members on matters relating to the administration of 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, 32 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 Other Employer Payments

- 3.1 In addition to Contribution payments, scheme employers are also responsible for other costs associated with participation in the scheme e.g. costs related to early release of benefits and termination valuation costs.
- 3.2 Two scheme employers are currently in negotiation with Highland Council Pension Fund in regard to such costs.

- 3.3 Sight Action/Highland Society for the Blind are disputing liability for previously agreed cost relating to the cost of redundancy of a former employee amounting to £7.2k

The Fund will look to negotiate an extended repayment period and update the Committee further at a future meeting.

- 3.4 The Highland and Islands Structural Board are considering the termination costs of £757k as a consequence of closure of the company. A meeting involving the Actuaries is being arranged to agree a final value.

An update on the position will be provided at the next meeting of the Pension Committee.

4. Administration Costs

- 4.1 The annual staffing budget for Pensions Administration is £108k and is currently reporting a £19k underspend.

5. Actuarial Fees

- 5.1 Actuarial fees for specific tasks are agreed as part of the actuarial contract between the Council and Hymans Roberson.

- 5.2 Actuaries' fees for pre-arranged work for the period to September 2014 were £6075 These were checked and approved against the scale charge in the contract.

6. Triennial Valuation

- 6.1 The initial results of the Valuation exercise have been reviewed and the Actuaries are working on a Final report which will be presented to the February 2015 meeting of this Committee following the required consultation with scheme employers.

7. Implications

- 7.1 There are no additional implications other than those highlighted in the report.

Recommendation

The Committee is asked to consider the details of the report.

Designation: Director of Finance

Date: 30 October 2014

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