



**REPORT OF THE SERVICE DIRECTOR – HUMAN RESOURCES &  
CUSTOMER SERVICE**

**LOCAL GOVERNMENT PENSION SCHEME – ANNUAL BENEFIT  
STATEMENTS**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to inform the Pensions Sub-Committee of the current position relating to the preparation and distribution of annual benefit statements to members of the scheme.

**2. Information and Advice**

- 2.1 Members will be aware that the fund is required to produce an annual benefit statements for each scheme member giving a description of the benefits accrued in respect of his or her pensionable service.
- 2.2 The scheme regulations require the statement to be issued no later than five months after the scheme year to which it relates, which means the 31<sup>st</sup> August in any given year. However this year there have been a number of exceptional circumstances which have led to a delay in distribution of the statements.
- 2.3 Members will be aware that the new career average arrangements were introduced on 1<sup>st</sup> April 2014 and therefore the submission of data for the year 2014/15 was the first under the new provisions. The changing nature of data requirements has affected the ability of scheme employers to submit their year-end returns in accordance with the set deadline, to the extent that less than half of the 251 employers from whom a year end return was expected were able to do so. This is a picture mirrored nationally, with a significant number of fund administering authorities experiencing similar issues. Of the 89 fund administering authorities in England and Wales only 6 issued their annual benefit statements within the expected timescale.
- 2.4 The Local Government Association (LGA) have acknowledged that despite full HR, payroll and end of year guidance being made available, obtaining accurate information from employers to meet the requirements of the new scheme has proved difficult. Therefore on behalf of all LGPS funds, the LGA has been in discussion with the Pension Regulator and raised a number of issues, including the introduction of the new scheme and the need to develop new systems, as mitigating factors which have led to the delayed distribution of the statements.

- 2.5 The statements will now be sent out in two batches. The first batch, scheduled for November, will include scheme members of employers where the data has been received and successfully loaded. The second, scheduled for December, will include member records which are currently subject to review and system actions.
- 2.6 A communication plan has been drafted setting out required actions to inform scheme employers and members of the reason for late distribution and the revised distribution timescale. Information will be circulated via a range of communication channels including the NCC intranet, the fund website, email notifications and payslip messaging. In keeping all interested parties informed it is anticipated that this will help to manage the expectations of employers, members and the Pension Regulator.
- 2.6 Whilst the 2014/15 year end process has provided a particular set of unique challenges, we are mindful that next years' process takes place in a valuation year which will offer its own set of demands. The Pensions Office will therefore be engaging further with employers to ensure accurate and timely data is received in order for annual benefit statements to be distributed in accordance with the required timescale next year. The communication channels used as part of the current exercise will be further developed with a view to achieving full employer compliance in respect of 2015/16.

### **3. Statutory and Policy Implications**

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **4. Recommendation**

- 4.1 The Pensions Sub-Committee is recommended to note the contents of the report.

**MARJORIE TOWARD**  
**SERVICE DIRECTOR (CUSTOMERS & HR)**

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#### **Constitutional Comments (KK)**

Because this report is for noting only, no Constitutional Comments are required..

#### **Financial Comments (SRC 22/10/15)**

There are no direct financial implications arising from this report.

**Background Papers**

None

**Electoral Division(s) and Member(s) Affected**

All