



meeting

**PENSIONS ADMINISTRATION SUB - COMMITTEE**

date

**27 APRIL 2006**

agenda item number

## **REPORT OF THE DIRECTOR OF RESOURCES**

### **INTERNAL DISPUTE RESOLUTION SECTION 50 OF THE PENSIONS ACT 1995**

#### **1. Purpose**

- 1.1 To inform the Pensions Administration Sub - Committee of the latest position on Internal Dispute Resolution changes.

#### **2. Background**

- 2.1 Where a member is dissatisfied with any decision in relation to the LGPS scheme, they have the right to have their complaint independently reviewed under the Internal Disputes Resolution Procedure. The Procedure has two stages to the process:

a) First Stage - Any complaint must be made within six months of receipt of the notification of a decision about which a member is complaining. In the first instance the member is required to write to their Employer's representative, known as the Specified Person, who will review the complaint and make a decision on the case;

b) Second Stage – Following the above stated review, if the member is still dissatisfied with the decision, they may apply to have it reconsidered by an independent referee, known as the 'Appointed Person'. The Appointed Person is employed by the Pension Scheme's Administering Authority.

- 2.2 The Department of Work and Pensions (DWP) has decided not to proceed with the intended changes to the Internal Dispute Resolution (IDR) that was included in the Pensions Act 2004.

- 2.3 Section 273 of the Pensions Act 2004 was to substitute a new section 50 into the Pensions Act 1995, which would have changed the current statutory two-stage IDR process into a one-stage process, with trustees being required to make all decisions. This change was intended to come into force with effect from 6 April 2006.

2.4 Following comments received as a result of consultation on the associated draft regulations and draft code of practice, the DWP has reviewed the effect of the proposed change and now believes that it would not have the desired effect of simplifying procedures or introducing greater flexibility. It has therefore been decided to not to bring in the new legislation. The existing section 50 will therefore remain in force but will be amended at the first suitable opportunity in order to give schemes more flexibility. It would seem unlikely that the changes would take place this year.

3. Recommendation

3.1 It is recommended that the Pensions Administration Sub - Committee note the contents of this report.

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**Director of Resources**

Personnel Implications

None

Equal Opportunities Implications

None

Crime and Disorder Implications

None