

your  
pension  
service

# LANCASHIRE COUNTY PENSION FUND

## Annual Administration Report 2016



Administered by





### Fund membership

Lancashire County Pension Fund	31/03/16	31/03/15
Number of active scheme members		
County council	27,106	27,405
Other employers	29,223	26,774
<b>Total</b>	<b>56,329</b>	<b>54,179</b>
Number of pensioners		
County council	22,414	21,765
Other employers	22,093	21,446
<b>Total</b>	<b>44,507</b>	<b>43,211</b>
Number of deferred pensioners		
County council	33,253	29,148
Other employers	28,377	26,665
<b>Total</b>	<b>61,630</b>	<b>55,813</b>
<b>Total membership</b>	<b>162,466</b>	<b>153,203</b>

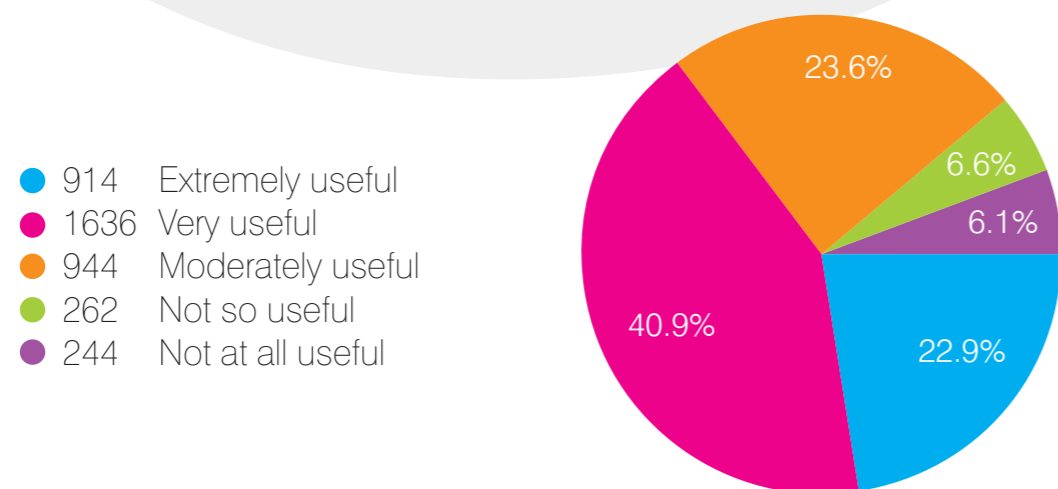
## 3. Customer Service

During July 2015 Your Pension Service was re-accredited with the Governments Customer Service Excellence Award. This award focuses on developing customer insight, understanding scheme members' experience and delivering a first class service. The Service has held this award since 2008. This section reports the ongoing work being undertaken to develop further customer insight, to better understand the customers experience and to consider improvements in service provision.

### My Pension Online Survey

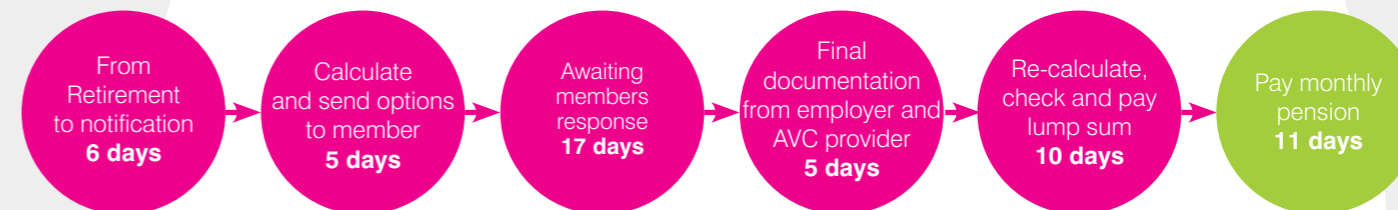
Members who are signed up to the online service were surveyed and below are the most recent results. The results are used to consider improvements to the user experience.

**If you are registered for the "My Pensions Online" system how useful do you find this?**



### Retirement Experience

The average time spent to complete each part of the retirement process has been analysed. A guide to the retirement process has been produced to aid the members understanding. (See annex A)



(average 54 days) Work is underway to streamline the retirement process.

### Compliments/Complaints

During the period the service received 17 compliments that related to the excellent online services and the helpful service provided by the staff within Your Pension Service.

There were 10 complaints received with the majority of them relating to the late payment of pension.

Complaints in this context are complaints received by the Chief Executives/Leaders Office as well as complaints received directly to YPS.

### Telephone helpdesk

A dedicated helpdesk, AskPensions provides the first point of contact for members and employers. The helpdesk has a target to answer 90% of calls offered. Between 1 April 2015 and 31 March 2016, 60,444 calls were offered and 96% of them were answered. The average wait time was 40 seconds.

99.5% of the 28,800 emails received were answered, with 157 emails outstanding as at 31 March 2016.

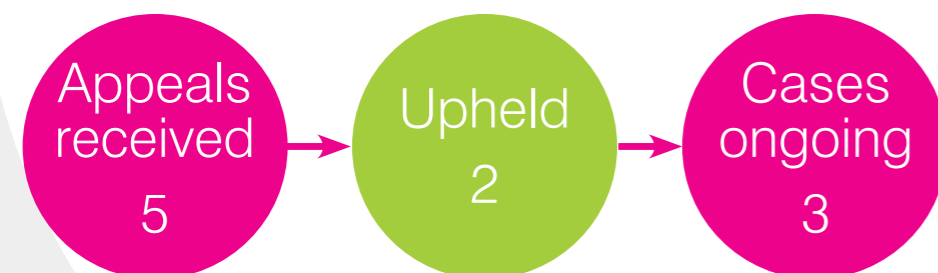
## 4. Appeals

Members who disagree with decisions taken by their employer or administering authority may appeal using the Internal Dispute Resolution Procedure (IDRP) under the LGPS rules. The IDRP is a formal appeal procedure which contains two stages. The first stage allows the person to ask the body who originally made the decision to review it, i.e. either the employer or the administering

authority. The second stage allows the person, if they are not satisfied with the outcome at the first stage, to ask the Appeals Officer at the administering authority to review the disagreement.

Current appeals relate to ill health, and are currently being dealt with under stage 1 of the appeals process.

Period 01/04/2015 - 31/03/2016



## 5. Admissions

The Local Government Pension Scheme is open to 2 main types of employers, "Scheduled Bodies and Admissions Bodies". Scheduled Bodies are listed within the LGPS regulations and if they meet criteria are eligible to participate. During the period 38 employers applied to join the scheme (2 parish councils, 15 academies and 21 contractors).

Admissions Bodies participate through a written contractual agreement and the majority of cases are established when outsourcing a service or function, where the new contractor wishes to provide continued LGPS membership.

Admissions to fund – 01/04/2015 – 31/03/2016



## 6. Communications

### The Team

Communications are delivered by the Partnerships Team. The team consists of a Manager and three Client Liaison Officers. They are the link between Your Pension Service scheme members and employers. The Team have been very busy lately hosting a wide range of events and services for both employers and scheme members alike.

### Employers

The second edition of the employer e-zine was issued to all employers, this included articles on the 2016 Valuation, fund discretions, the redundancy cost cap and upcoming events. The Partnerships Team completed the Annual Visits to over 30 employers, these are provided automatically to all employers who have at least 100 active members and are a very popular method of communication. The visits provide the opportunity to build and maintain excellent working relationships with scheme employers.

### Employees/Scheme Members

During the period member communications have been around the annual benefit statements and the Scheme Talk newsletter. The communications included details on booking an appointment at one of the many pension surgeries held throughout the County.

As well as the routine presentations that are carried out which include attending pre-retirement courses and ad-hoc 'Scheme Basics' presentations, particularly at schools across the County, who find it difficult to get time away from work to attend main events, The Partnerships Team have continued to deliver roadshow presentations for active Members across the county, highlighting the flexibility of the LGPS. A series of presentations were delivered to coincide with the new rules

surrounding contracting out and proved very popular with members.

With many organisations going through restructures, The Partnerships Team have produced the tailored presentations at the request of scheme employers to support staff and provide information on how pension benefits may be effected.

The first annual Fund Members Meeting was held at the Guildhall in Preston on 11 November with over 250 members in attendance and proved a great success. The agenda included delivery of the Fund Annual Report, investments, the Local Pension Board and the Local Pensions Partnership.

The annual practitioner conference for fund employers was held at Woodlands on 12 October with over 100 delegates in attendance.

The day included a presentation from Pensionwise and an update on the new regulations.

### Coming up

As this year is the triannual valuation the fund is planning a series of engagement sessions to communicate with the employers. The annual Directors Brief is also planned to be held at County Hall in December. This meeting is the annual update to Chief Executives and Chief Finance Officers from the Director of Administration and the Head of the Pension Fund. There will also be presentations on investments, administration and an update from the Fund Actuary.

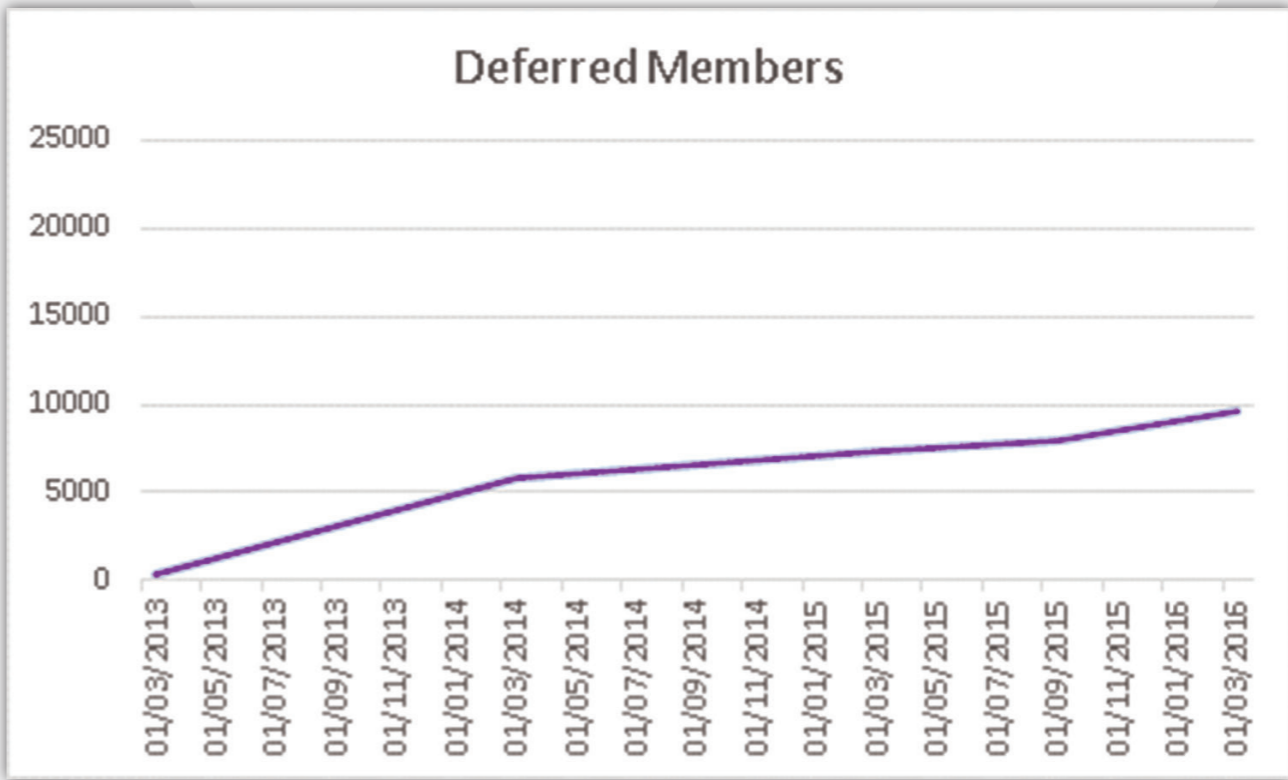
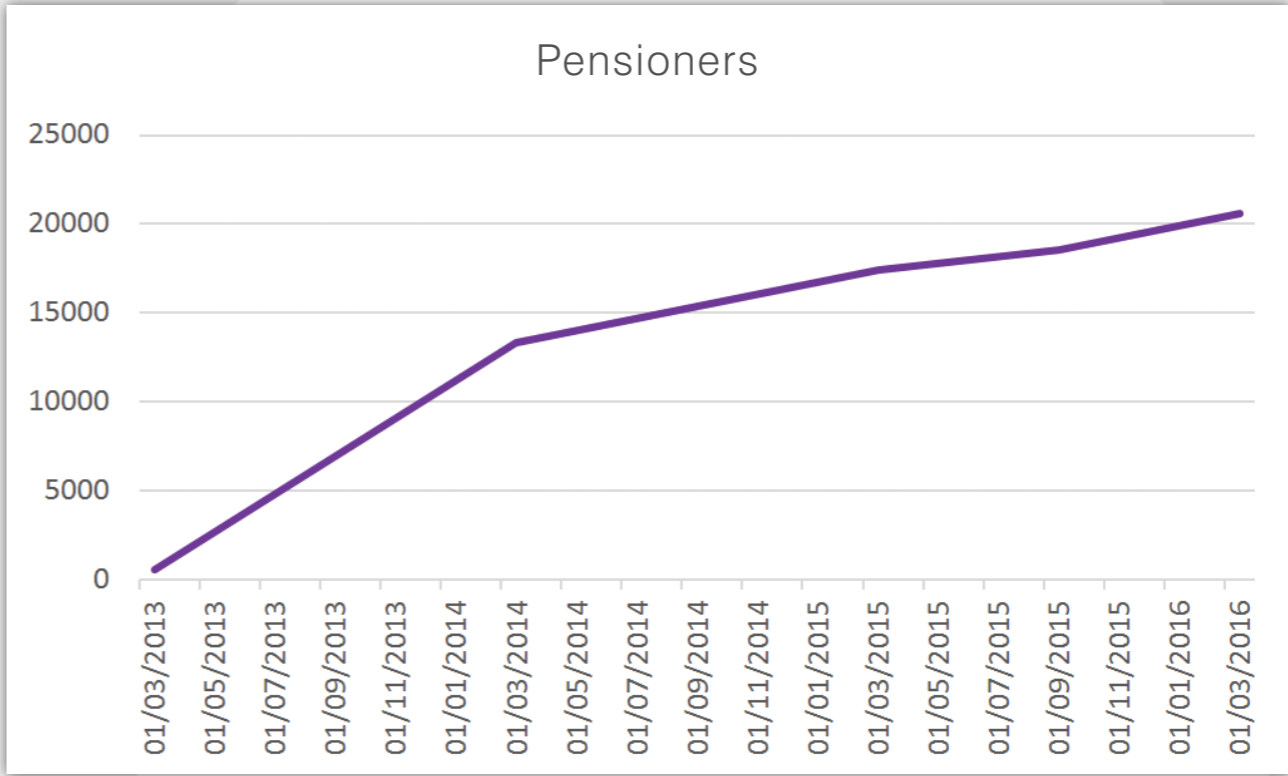
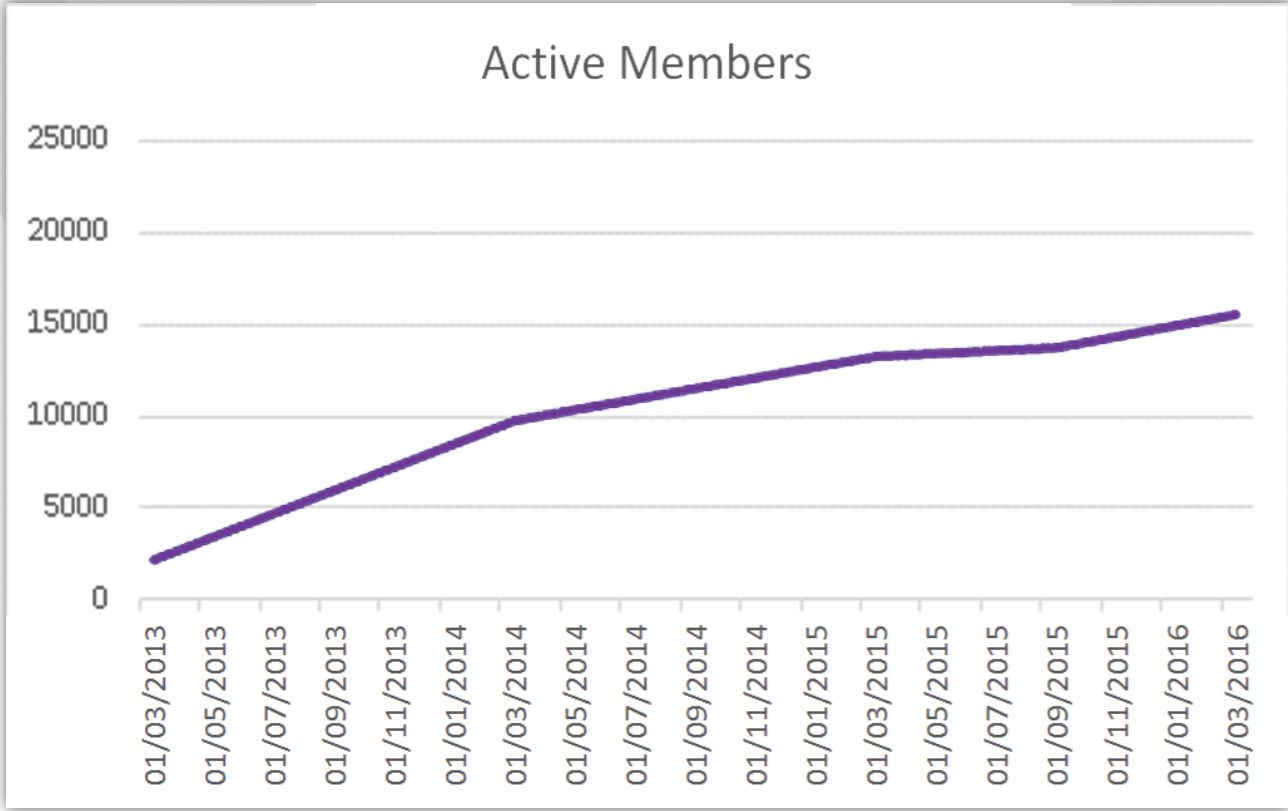


### My Pension Online (MPO)

My Pension Online is an online facility that was developed in 2012 and launched comprehensively throughout 2013. Through 'My Pension Online' members can view their details and also securely update any changes in contact details. As well as this members can run various pension estimates assisting with planning for retirement. Members can also view their annual benefit statement via My Pension Online. Other benefits of the system include: allowing members to view their nominated beneficiaries; access to a host of forms and guides and also means that Your Pension Service can communicate with registered members via email. Currently over 45,000 members are registered online.

At every opportunity The Partnerships Team promote 'My Pension Online' always encouraging members to get signed up online, also including the benefits of 'My Pension Online' in all presentations. Throughout the period the team continued to deliver "drop in sessions" where members can sign up and be shown how to navigate the service and these have been held throughout the county.

Below is a summary of how membership of 'My Pension Online' has grown since 01/03/2013.



## 7. Legislative changes

The 2015/16 year has been another year of significant change in the world of pensions law. The following are some of the changes that had an impact on the Scheme that came into force during the year:

- At the 2014 Budget, the Chancellor announced huge changes allowing people with defined contribution pension savings greater freedom and choice as to how and when they may access those savings. The changes, in the main, took effect from April 2015. The LGPS gives 'defined benefit' savings rather than 'defined contribution' savings' so the changes did not directly impact on our members. However, the changes had a number of indirect impacts. To give one example, generally speaking, a member must now receive financial advice before they can transfer out their LGPS benefits to a defined contribution scheme.
- The Hutton Report in March 2011 made a number of recommendations as to how public sector pension schemes should be reformed to which government agreed. In response, the new LGPS CARE scheme was introduced in April 2014. Further changes were introduced in April 2015, as part of which a local pension board for each fund was set up and the Pensions Regulator began its new role of overseeing public sector schemes.
- During the first few months of operating the new CARE scheme rules, LGPS funds had found that various parts were not working well in practise or needed further clarification. To address these issues, Government made The Local Government Pension Scheme (Amendment) Regulations 2015. The changes came into force on 11 April 2015, but in the main had effect back to April 2014.
- Government announced further changes to pension tax relief. In particular, they have reduced the Lifetime Allowance from £1.25 million to £1 million and the Annual Allowance for high earners. Though these changes came into force in April 2016, there were some transitional changes to the Annual Allowance rules impacting on the 2015/16 year.

## 8. Charges

Your Pension Service makes a charge to the Pension Fund on a per member basis which falls within to the lower quartile as reported in national benchmarking returns. For 2015/16

this charge was set at £21.08 per member as against a benchmark of £22.

