



Buckinghamshire County Council

Agenda

PENSION FUND CONSULTATIVE GROUP

Date	Friday 26 October 2007
Time	10.00 am
Venue	New Ireland Room, New County Offices, Aylesbury

Agenda Item	Page No
1 WELCOME AND INTRODUCTIONS A copy of the Terms of Reference for the Consultative Group is attached for information.	1 - 2
2 2008 LGPS SCHEME UPDATE Report of Julie Smith, Pensions Manager. A copy of the LGPS Update is attached to the agenda and papers.	3 - 4
3 PENSION FUND ANNUAL REPORT Report of Cheryl Platt, Communications Officer. A copy of the Report is attached to the agenda.	
4 PENSIONS ADMINISTRATION PERFORMANCE Report of Julie Smith, Pensions Manager	5 - 8
5 DATE OF NEXT MEETING The next meeting of the Group will be held on 11 March 2008 at 10.00am in Mezzanine Room 3	
6 EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)	
7 PENSION FUND MANAGER PERFORMANCE Report of Julie Edwards, Treasury Manager	9 - 10
8 AVC OPTIONS PRESENTATION A full colour copy of this presentation will be available on the day.	11 - 16

*For further information please contact: Maureen Keyworth on 01296 383603
Fax No 01296 382538, email: mkeyworth@buckscc.gov.uk*

Members

Mr R Atkins
Ms S Burgess
Mr J Cowell
Mr S Cox
Mr F Downes (C)
Mrs J Eubank
Mr S Gilchrist
Mr S Mason

Mr J McMillan
Mr C Palfreyman
Ms T Pearce
Ms M Shannon
Ms L Turvey
Mr P Watson
Ms J Whiteley

Buckinghamshire County Council Pension Fund Consultative Group – Terms of Reference

1. Purpose

- 1.1 To provide a forum for employers and employee representatives for communication and consultation about the activities and governance of the Pension Fund.
- 1.2 To make recommendations to the Pension Fund Committee on matters of note.

2. Terms of Reference

- 2.1 Once each year, to receive the Annual Report and Accounts of the Fund for comment and consideration.
- 2.2 On a six-monthly basis, review the performance of the pensions administration team against the objectives, benchmarks and targets set and to consider if, and to what extent, any change may be necessary to ensure continued efficient and effective performance.
- 2.3 Consider any customer service issues raised.
- 2.4 Receive stakeholder feedback on Pension issues such as the new scheme proposals.
- 2.5 To discuss implementation issues for new developments.
- 2.6 To receive messages from Pensions Administration regarding future developments and requirements (e.g. valuation data requirements).
- 2.7 To receive and pass comment on periodic reports of a financial nature due for presentation to the Pension Fund Committee (e.g. performance reports and valuation reports).
- 2.8 To receive feedback from the Pension Fund Committee.
- 2.9 To discuss the principles and practices of interaction between the Administering Authority and Participating Bodies of the Fund
- 2.10 To consider any other business that is consistent with the purpose and objectives of the meeting.

3. Reporting

- 3.1 Minutes of the Group will be reported to the Pension Fund Committee and published on the Pension Fund website.
- 3.2 Some items for discussion may be deemed confidential as deemed by the Chairman.
- 3.3 The Chairman shall consult with the County Council's Monitoring Officer (and that of any relevant partner organisation) when any Member misses three Committee meetings in a row.

4 Membership


- 4.1 There shall be 12 Members.
- 4.2 One member of the Pension Fund Committee who will act as the Group's Chairman.
- 4.3 A Union Representative
- 4.4 Two Employee Representatives
- 4.5 A County Council HR/OD Representative
- 4.6 A County Council Finance Representative
- 4.7 A Pensioner Representative
- 4.8 A representative of the Thames Valley Police Authority
- 4.9 A representative of Milton Keynes Council
- 4.10 One representative selected from the four District Councils within Buckinghamshire.
- 4.11 Two Admitted Body Representatives
- 4.12 The quorum for this Committee is 6 Members.

5. Frequency

- 5.1 Two meetings will be scheduled each year.

2008 LGPS Scheme Update


Julie Smith
Pensions Manager



New look LGPS – 1 April 2008


The new scheme will apply to:

- Everyone who is a current scheme member on 31 March 2008
- New employees with a contract of more than 3 months
- Existing casual staff will only remain in if there is a mutuality of obligation on 31 March 2008 and on 1 April 2008
- Existing casuals with no mutuality of obligation who work on 31 March 2008, will remain in for as long as there is no break
- New casual staff employed after 31 March 2008 will need a contract of mutual obligation of more than 3 months



Benefits under the new LGPS

- 1/60th accrual rate
- No automatic lump sum, can commute 25% of pension pot for a lump sum at 12:1
- Normal retirement age 65
- Earliest retirement age 55, but existing members protected at 50 until 31 March 2010
- Two tiers of ill health retirement



Death Benefits under the new LGPS

- Death grant of 3 times pay
- Spouse's pensions 1/160th
- Nominated partners
- Nominated/civil partners based on 1/160th of post 5 April 1988 service only
- Childrens pensions 1/160th of notional ill health pension up to a max of 2 children



Employee Contributions

- Banded Contribution Rate

Band	Range	Contribution rate
1	£0 - £12,000	5.5%
2	More than £12,000 up to £14,000	5.8%
3	More than £14,000 up to £18,000	5.9%
4	More than £18,000 up to £30,000	6.5%
5	More than £30,000 up to £40,000	6.8%
6	More than £40,000 up to £75,000	7.2%
7	More than £75,000	7.5%





Employee Contributions continued...

- Employer responsibility to determine member's band and send notification to member
- Additional contributions, AVCs or can buy additional pension in multiples of £250 p.a. up to a maximum of £5,000 p.a.



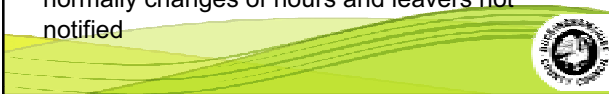

Pension Administration Performance

Julie Smith
Pensions Manager





Position as at 1 April 2007

- 1,671 - General queries
Updates of home address, requests for estimates, etc
- 922 – Leavers
Members who have left and not been processed
- 3,679 - Year end queries
Queries with employers on their year end return, normally changes of hours and leavers not notified

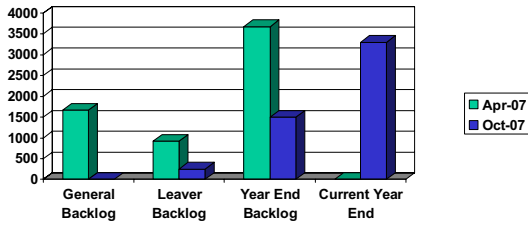


Position as at 23 October 2007

- All general queries have been dealt with
- 250 leavers remain, these are mainly queries outstanding with employers
- 1,500 year end queries, again mainly queries with employers
- No new backlogs this year, except...
- 3,300 new year end queries from 2006/2007 year end return



Comparison: April 2007 vs October 2007



What are the queries?

Non notification of:

- New entrants to the scheme
- Changes of hours
- Leavers
- Maternity leave
- Drops in pay



How are we trying to resolve this?

- The queries for each employer have been detailed on spreadsheets
- These are sent to each employer with a deadline reply date
- Pensions staff clear the queries they can
- Quite often the spreadsheet will go back to the employer for more information



Has this approach been successful?

- With your help, we have cleared 16,879 year end queries, this year
- Last year we cleared 10,915
- This means that more records are correct this year than ever before
- Which means we will be sending out more ABSs
- This year we are offering to send them out for you



Service Level Agreement (SLA)

- We launched our SLA on 1 August 2007
- Employers can now notify us of starters and changes by spreadsheet
- These are loaded onto the pensions system
- Should save time for both parties
- SLA clearly states who is responsible for what



Workloads

- From April to September the pensions team cleared the following numbers of tasks:
 - April 2007 11,949
 - May 2007 13,453
 - June 2007 14,953
 - July 2007 14,946
 - Aug 2007 16,025
 - Sept 2007 10,844



Time Scales

- We aim to clear tasks within 10 working days of receiving all the information:
 - April 2007 95%
 - May 2007 92.8%
 - June 2007 96.6%
 - July 2007 97.4%
 - Aug 2007 95.3%
 - Sept 2007 91.9%



Agenda Item 7

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Agenda Item 8

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

