



Police Pensions Board

Date: TUESDAY, 9 JANUARY 2018
Time: 11.00 am
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Alderman Ian Luder (Chairman)
John Todd (Deputy Chairman)
Alexander Barr
Helen Isaac
Davina Plummer
Kieron Sharp

Enquiries: George Fraser
Tel.No.: 020 7332 1174
george.fraser@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part I - Public Agenda

1. **APOLOGIES FOR ABSENCE**
2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES**
Minutes of the last meeting, held on 2 October 2017

For Decision
(Pages 1 - 4)
4. **OUTSTANDING REFERENCES**
Report of the Town Clerk

For Information
(Pages 5 - 6)
5. **POLICE PENSIONS BOARD WORK PLAN**
Report of the Town Clerk

For Information
(Pages 7 - 8)
6. **POLICE PENSION SCHEME UPDATE**
Report of the Chamberlain

For Information
(Pages 9 - 10)
 - a) **Annual Schedule of Events**

For Decision
(Pages 11 - 12)
 - b) **Risk Register**

For Information
(Pages 13 - 14)
 - c) **Revised Deferred Benefits Covering Letter**

For Information
(Pages 15 - 16)

7. **BREACH OF THE LAW - LATE ISSUING OF 2017 ANNUAL BENEFIT STATEMENTS**

Report of the Chamberlain

For Decision
(Pages 17 - 20)

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

Part II - Non-Public Agenda

10. **NON-PUBLIC MINUTES**

Non-Public minutes from the last meeting, held on 2 October 2017.

For Decision
(Pages 21 - 22)

11. **POLICE PENSION SCHEME TRAINING PLAN**

Report of the Chamberlain

For Information
(Pages 23 - 40)

12. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

13. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

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POLICE PENSIONS BOARD

Monday, 2 October 2017

Minutes of the meeting of the Police Pensions Board held at the Guildhall EC2 at 11.00 am

Present

Members:

Alderman Ian Luder (Chairman)
Helen Isaac

John Todd (Deputy Chairman)
Alexander Barr

Officers:

Caroline Al-Beyerty	-	Chamberlain's Department
George Fraser	-	Town Clerk's Department
Jeff Henegan	-	Chamberlain's Department
Graham Newman	-	Chamberlain's Department

1. APOLOGIES FOR ABSENCE

Apologies were received from Kieron Sharp and Davina Plummer.

2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

a) Minutes

The Board considered the minutes from the last meeting held on 10 May 2017.

The Chairman noted that under Item 4 of the minutes, City of London Police Pension Scheme Update, it referred to a comment that stated the number of deferred scheme members as approximately 700. It was discussed and confirmed that the correct number, as referred to within Item 5, Appendix 5 on the current agenda, was 253.

The Chairman queried whether it would be appropriate to send a letter to request updated contact details from all those that have left prior to receiving letters detailing their entitlements – this would enable the scheme to record the number of those that are deemed to be “out of contact”. The Pensions Administrator explained that this would likely require contacting all deferred scheme members.

The Deputy Chairman illustrated his concern with adhering to regulation in the face of an audit process if there is a lack of attempted communication to deferred members. The Deputy Chairman also queried whether subsequent marriage was an issue affecting eligibility of deferred members. The Pensions administrator explained that marriage would not affect the eligibility of members

to the scheme, and emphasised that attempting to keep in touch should always be a priority. The Deputy Chairman stated his approval that significant efforts were being made in this regard.

MATTERS ARISING

The Deputy Chairman asked for confirmation that his appointment as Deputy Chairman had been reported to the Police Committee Members and the Chairman confirmed that this was the case.

RESOLVED – That the minutes be approved.

b) Outstanding References

OR1 – Annual Report to Grand Committee

The Chairman explained that the annual report to Police Committee should be submitted to the January meeting, and marked as due by the next meeting of the Board on 9 January.

The Deputy Chairman noted that the date of the previous meeting cited within the Outstanding References document was 30/05/17, where it should read 10/05/17.

OR2 – Issuing of Pensions Savings Statements

The Chairman explained that the Annual Benefits statements action should be split between two elements here – the Issue of Annual Statements by the end of August which should now be complete, and the Issue of Pension Saving Statements by the end of October. The Pensions Administrator confirmed they were unable to comply with the requirement to issue a Pension Statement by the date specified in the schedule, due to both software issues and the absence of a pension manager. A Member expressed concern that missed deadlines had not been explicitly identified by the covering report, and asked for clarification as to whether or not this apparent breach required reporting to The Pensions Regulator. (1)

RESOLVED – That the report be noted.

4. WORK PROGRAMME

The Board considered a report of the Town Clerk that summarised the proposed work programme of the Police Pensions Board.

RESOLVED – That the report be noted.

5. POLICE PENSIONS SCHEME UPDATE

The Board considered a report of the Chamberlain that provided Members with an update on activity of the Police Pension Scheme since the last meeting.

The Chairman queried the first sentence of the second paragraph of the letters in Appendices 2a and 2b, suggesting that it read: “Your deferred pension has been based on length of service and qualifying pensionable pay over the last

12 months of service". A Member suggested that a footnote was included for clarity. The Chamberlain suggested that perhaps the inclusion of an example would be helpful.

A Member queried the mention of the "cost-of-living index" within the letters, and requested confirmation that this was the relevant index to use. A Member explained that this should reflect the wording of the PMB and agreed to confirm this. (2)

The Chairman explained that he was pleased with the additional paragraph relating to the offering of advice as illustrated within Appendix 3.

The Deputy Chairman asked for clarification of who makes the decision within the Internal Dispute Resolution Procedure (IDRP). The Pensions Administrator explained that the Corporate Treasurer made this decision, and if it cannot be resolved at this point then it would go to the financial ombudsman.

The Chairman explained that Appendix 4, Risk Register, was too small to read clearly.

The Chairman queried the risk of Pension Fraud moving from Serious to Minor, and the Chamberlain explained that this was the target risk, rather than current risk.

A Member asked whether the heavy reliance on external trainers should be viewed as a risk. The Chairman explained that they are reliant on having the appropriate level of training. The Chamberlain explained that there is a Member group that carries out checks on Barnet Waddington to fulfil mitigation, as well as Financial Investment Board oversight. The Chairman concluded that although they are reliant on external training, the mitigation measure is to ensure that the trainers are competent.

The Deputy Chairman explained that there was a new campaign released by The Pensions Regulator (TPR) to improve standards of governance by making communication more clear and directive. He explained that this should be circulated to Board Members. (3)

The Chairman queried whether Data Protection Training would be necessary for Board Members. He asked whether or not this training was run centrally for Corporation Staff, and if it would be considered a risk if Members didn't make themselves available for training. (4)

In reference to Appendix 5, the Deputy Chairman asked for clarification over "eligible children". The Pensions Administrator explained that the child would be eligible until the age of 23, and that child's parent died, then they may perhaps be eligible for life.

The Deputy Chairman asked whether The Pensions Regulator was due to receive the minutes of the Police Pensions Board. It was confirmed by the Chairman that the minutes would be provided if necessary under challenge.

RESOLVED – That the report be received.

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**

There were no questions.

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no further business.

8. **EXCLUSION OF THE PUBLIC**

Members of the public were excluded.

9. **TRAINING UPDATE**

The Board received an update on training provision to Members that summarised the analysis carried out since the last meeting.

RESOLVED – That the report be received.

10. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

The Chairman requested that the date of the next meeting be added as an item to the agenda in future. (7)

There were no other non-public questions.

11. **ANY OTHER NON-PUBLIC BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no further non-public business.

The meeting closed at 11.47 am

Chairman

Contact Officer: George Fraser
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POLICE PENSIONS BOARD
9 JANUARY 2018
OUTSTANDING REFERENCES

No.	Meeting Date & Reference	Action	Owner	Status
1.	02/10/17 Item 3a - <i>Minutes</i> Reporting missed Pensions Statements Deadlines	The Pensions Administrator confirmed they were unable to comply with the requirement to issue a Pension Statement by the date specified in the schedule, due to both software issues and the absence of a pension manager. A Member expressed concern that missed deadlines had not been explicitly identified by the covering report, and asked for clarification as to whether or not this apparent breach required reporting to The Pensions Regulator.	Chamberlain	COMPLETE – On the agenda
2.	02/10/17 Item 5 - <i>Pensions Scheme Update</i> Cost-of-living index	A Member queried the mention of the “cost-of-living index” within the letters, and requested confirmation that this was the relevant index to use. A Member explained that this should reflect the wording of the PMB and agreed to confirm this.	Helen Isaac	OUTSTANDING
3.	02/10/17 Item 5 - <i>Pensions Scheme Update</i> TPR’s Standards of Governance Campaign	The Deputy Chairman explained that there was a new campaign released by The Pensions Regulator (TPR) to improve standards of governance by making communication more clear and directive. He explained that this should be circulated to Board Members.	Chamberlain/ Town Clerk	COMPLETE – Link circulated to Members 02/10/17
4.	02/10/17 Item 5 - <i>Pensions Scheme Update</i> Data Protection Training	The Chairman queried whether Data Protection Training would be necessary for Board Members. He asked whether or not this training was run centrally for Corporation Staff, and if it would be considered a risk if Members didn’t make themselves available for training.	Town Clerk	OUTSTANDING

5.	02/10/17 Item 9 - <i>Training Update</i> Two Members “Immediate Needs” within training plan	The Chairman noted that two Members were required to follow up with the Trainer as referenced under “immediate needs” within the training plan.	Two Members/ Trainer	OUTSTANDING
6.	02/10/17 Item 9 - <i>Training Update</i> Required Training Standing Agenda Item	The Pensions administrator explained that the Trainer had communicated that Members were advised to read up on the literature to ensure that they remain informed on aspects identified. The Chairman explained that this would lead to the issue of “unknown unknowns” in which Members would not know what they need to learn. The Chairman asked for advice on the best route to source this information. A Member suggested that perhaps the best resolution would be to include a standing item on the Board’s agenda that provides a list of required reading/training necessary.	Chamberlain/ Town Clerk/ Trainer	COMPLETE – On the agenda
7.	02/10/17 Item 10 - <i>Non-Public Questions</i> Next Meeting Dates	Remaining two 2018 meeting dates to be circulated to Members via poll and confirmed at next meeting.	Town Clerk	OUTSTANDING
8.	30/05/17 Item 4 - <i>The City of London Police Pension Scheme - Update</i> Annual Report to Grand Committee	The Board to provide an annual report to the Police Committee. Update: This has been added to the Annual Schedule of Events.	Chamberlain	COMPLETE

Police Pensions Board – Work Programme

Category	9 Jan 2018	TBC 2018
Board Governance		<ul style="list-style-type: none"> - Review of Terms of Reference - Annual Report of Board's work to Police Committee
Communication with Scheme Members	<ul style="list-style-type: none"> - Documentation of all of the communications which are circulated to Scheme Members 	<ul style="list-style-type: none"> - Embedding the Pension Scheme into the Induction Process. - Documentation of all of the communications which are circulated to Scheme Members
The Police Pension Scheme	<ul style="list-style-type: none"> - Pensions Department Risk Register. - Scheme Record keeping. - Breaches since last meeting. - Complaints or Disputes. - Audit Reports. 	<ul style="list-style-type: none"> - Pensions Department Risk Register. - Scheme Record keeping. - Breaches since last meeting. - Complaints or Disputes. - Audit Reports.
National Regulatory Environment	<ul style="list-style-type: none"> - Annual Schedule of Events for the Pensions Scheme 	<ul style="list-style-type: none"> - Annual Schedule of Events for the Pensions Scheme
Training	<ul style="list-style-type: none"> - Police Pensions Scheme Training Plan 	

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Agenda Item 6

Committee: Police Pensions Board	Date: 09 January 2018
Subject: The City of London: Police Pension Scheme - Update	Public
Report of: The Chamberlain	For Information
Report author: Graham Newman – Chamberlain's Department	

Summary

At the Board's meeting on 02 October 2017, it was agreed that information regarding a range of topics in relation to the City of London Police Pension Scheme (the Scheme) would be provided at each meeting.

Item	Update
Annual schedule of events for the Pensions Scheme	Update provided (Appendix 1).
The Pensions Board's Risk Register	Appendix 2
Documents sent to early leavers with revised definition of pensionable pay	Appendix 3
Information of Scheme Record Keeping	No amendments since the last Board meeting.
A record of any complaints or disputes under the Scheme's complaints procedure	As per previous Board meeting, there has been one case for which IDRP Stage 1 has been completed and a recommendation has been made to the employer.
Any recent breaches of the law	As per previous Board meeting, 2017 Annual Benefit Statements issued after the 31/08/2017 deadline. Separate report provides further details. No further breaches to report.
Any audit reports relating to the administration of the Scheme	None to report.
Required Training	No regulatory changes to report. Training plan is currently being developed.

Members are requested to review this information and provide any comments regarding it.

Recommendation

The Board is recommended to consider the information provided in the following reports and provide any comments in relation to this information.

Appendices:

Appendix 1 – Annual Schedule of events

Appendix 2 – Risk Register & Risk Matrix

Appendix 3 – Deferred benefit cover letter sent to early leavers from the 1987 Scheme with revised definition of Average Pensionable Pay

Contact:

Graham Newman

Telephone: 020 7332 1132

Email: graham.newman@cityoflondon.gov.uk

City of London: Police Pension Scheme Annual Schedule of Events

Date Due	Event	Date Completed
1 st April 2017	Employee Contribution band implementation	No change for 2017/18
1 st April	Employer Contribution implementation	No change for 2017/18
1 st April	Revaluation of CARE benefits	Software updated 09/03/2017 Revaluation effective from 01/04/2017
1 st Monday in April after 6 th April	Pensions Increase – Annual Inflation Increase	Pensions Software updated 09/03/2017 Payroll updated 27/03/2017 Increase effective from 10/04/2017
5 th April	IAS19 month 12 update if necessary	6 th April
May	Home Office Year End Finance Return and 5 year forecast	10 th May
Within 2 weeks of June quarter	Tax Return for June Quarter	No data to return
31 st August	Issue of Annual Statements Deadline	8 th September
September	Home Office Autumn Finance Return and revised 5 year forecast	8 th September
Within 2 weeks of September quarter	Tax Return for September Quarter	No data to return
6 th October	Issue of Pension Saving Statements Deadline	Information included on the Annual Statements (issued 8 th September). Separate correspondence to be issued to members with a potential tax liability (not a requirement of the Regulations)

25 th October	Deadline for Scheme Return to the Pensions Regulator	25 th October
Within 2 weeks of December quarter	Tax Return for December Quarter	
After 31 st March	Report to Police Committee regarding the activities of the Police Pension Board.	Draft report to be provided for consideration in spring Board meeting
1 st April	Employee Contribution band implementation	
1 st April	Employer Contribution implementation	
1 st April	Revaluation of CARE benefits	
1 st Monday in April after 6 th April	Pensions Increase – Annual Inflation Increase	
To be confirmed	Triennial Scheme Valuation: assesses the value of the Scheme at 31/03/2018 – submission / deadline dates to be provided.	

City of London: Police Pension Scheme Risk Register for the Police Pensions Board - FOR CONSIDERATION

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Provision of City of London Police actuarial data to the Home Office	Chamberlain	(i) Inaccurate data supplied to the Home Office. (ii) Poor assumptions used by the Home Office.	National employer rate incorrectly determined.	Robust Year End procedures and updates. Checking for errors or inconsistencies in valuation extract report before submission to the Home Office.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
2	Failure to comply with legislative requirements.	Chamberlain	(i) Lack of appropriate knowledge or skill. (ii) Lack of training/appropriately skilled staff	(i) Inaccurate benefits paid. (ii) Financial loss (iii) Increase in Appeals (iv) Reputational damage (v) Fines from Pensions Regulator	Recruitment of suitable staff appropriate salary levels. Appropriate training. Attendance at seminars and Forums, webinars and user groups.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3
3	Pension Scheme Administration (Personnel)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) Data Accuracy.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Robust checking procedures in place at all stages of record managment from starting, transfers received, career changes, pension top-ups, leaving and benefit payment. (iii) If staff or other resouces are lacking ensure priority cases are covered and all checking levels maintained.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4
4	Pension Scheme Administration (Systems)	Chamberlain	(i) Ineffective succession planning. (ii) Inadequately trained staff. (iii) Absences/ Increased Staff turnover. (iv) IT system failure (v) Data Accuracy. (vi) Lack of resources.	(i) Inaccurate benefits paid or delayed. (ii) Increased costs of inefficiencies. (iii) Financial penalties/ sanctions	Recruitment and training of staff plus (i) Ensuring software is the latest version and any known errors are reports. (ii) Ensure IT have sufficent back-ups and Disaster Recovery	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Serious	Green 4

Risk No.	Risk (Short description)	Risk Owner	Cause	Effect	Existing Controls	Current Risk				Planned Actions	Target Risk		
						Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
5	Pension Fraud	Chamberlain	(i) Continued payment of pensions following death. (ii) Staff acting inappropriately	(i) Overpaid pensions. (ii) Financial loss	Use of Mortality Screening Service and Tell Us Once Service [Government initiative that allows us to be notified of a death when registered]. Participation in the National Fraud Initiative. Sending Life Certificates to Overseas Pensioners.	Unlikely	Serious	Green 4	↔	Continue existing controls	Unlikely	Minor	Green 2
6	Protected Pension Age (PPA)	Chamberlain	Retiring officers of a certain age losing their PPA as a result of being re-employed by the same sponsoring employer without a sufficient break between retirement and re-employment.	HMRC make 'unauthorised payment' charges to both the member and the organisation.	(i) Ensuring officers are aware that a break is needed if they are retiring between ages 50 and 55 and intend to seek to be re-employed with CoL Police or the CoL. (ii) Ensuring Police HR are aware or the rules regarding PPA and re-employment	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1

Chamberlain's Department

Dr Peter Kane MA, MSc, CPFA
Chamberlain (Finance Director)

Telephone 020 7332

Fax 020 7710

Email

Our ref PG/PEN/

Case Officer

Date

Dear

The Police Pension Regulations 1987 (as amended)

I am writing to advise you that upon leaving the Force on, and under the provisions of the above Regulations you are entitled to a Deferred Pension. This entitlement will become payable from your 60th birthday, or earlier if you should suffer a permanent break down in health, which would have precluded you from carrying out your duties as a police officer, had you remained in service.

Your deferred pension has been calculated with reference to your length service and your highest Average Pensionable Pay (APP) in the last three years of your service. For the purposes of this calculation, a year is calculated from the date of leaving backwards in blocks of 365 days – it is not a rolling year.

A statement of your entitlement is enclosed for your information. The pension will be subject to the Pensions Increase Acts and will be increased annually in line with the cost of living index from the date of leaving the Force until the date your pension becomes payable and each year thereafter.

When your pension comes into payment you will be allowed to commute a portion of your pension, normally up to one quarter, in favour of a tax free lump sum payment. You will be contacted about three months prior to your 60th birthday, when you will be advised of the increased pension payable and provided with an option form in respect of commutation. It is essential therefore that you notify this office of any permanent change of address.

In the event of your death, whether or not your deferred pension has come into payment, your spouse may claim a pension, which is equal to ½ of your pension entitlement, by making an application to this office.

I would mention that it may be possible to transfer your rights to another pension arrangement and if you are interested in this you should ask your new pension scheme administrators to contact me. However, the rules regarding transfers-out of public sector pension schemes are very strict and depending on your new scheme this option may not be applicable.

I trust that the position is clear to you, but should you have any queries or disagree with any of the details provided regarding your pension entitlement please do not hesitate to contact

I am required to advise you that there is an internal dispute procedure should you be dissatisfied or have a complaint regarding your pension entitlement. An application form detailing the procedure, together with the name and address of the appointed official to whom the complaint should be sent may be obtained from the pensions office.

Please note, The City of London Pensions Office is not authorised or regulated to provide financial or other advice. The information provided is not intended to be and does not constitute financial advice or any other advice. You may therefore wish to speak to an independent financial adviser authorised by the Financial Conduct Authority (FCA).

Yours sincerely

Agenda Item 7

Committee: Police Pensions Board	Date: 09 January 2018
Subject: Breach of the Law – Late issuing of 2017 Annual Benefit Statements	Public
Report of: The Chamberlain	For Decision
Report author: Jeff Henegan – Chamberlain's Department	

Summary

Annual Benefit Statements for active members must be provided in accordance with the HM Treasury Direction issued under section 14 of the Public Service Pensions Act 2013 by 31st August each year.

Annual Benefit Statements for active Police Pension Scheme members with the City of London Police were not distributed until the 8th September 2017.

There is a legal requirement to report to the Pensions Regulator (tPR) when there is a material breach of the law.

This report asks the Police Pension Board to agree to the Chamberlain reporting the late issuing of 2017 Police Annual Benefit Statements for active members as a breach of law to the Pensions Regulator.

Recommendation

It is recommended that board approve that the Chamberlain reports the late issuing of Annual Benefit Statements for 2017 to the Pensions Regulator as a breach of the law.

Main report

Background

1. There is a legal requirement to report to the Pensions Regulator when there is a material breach of the law.
2. The breach is likely to be of material significance to the Pensions Regulator where it was caused by:
 - dishonesty
 - poor governance or administration
 - slow or inappropriate decision making practices
 - incomplete or inaccurate advice, or
 - acting (or failing to act) in deliberate contravention of the law.

3. The Pensions Regulator's framework for overall consideration of the breach is summarised below;

Red breaches Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance, the breach is 'red'.

These must be reported to tPR.

Amber breaches Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance, the breach is 'amber'. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right.

Reporters will need to exercise their own judgement to determine whether the breach is likely to be of material significance and should be reported.

Green breaches Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance, the breach is 'green'.

These should be recorded but do not need to be reported.

Causes of the Breach

4. Cause of the breach – continued development of the benefit statement templates since the introduction of the Police Pension Scheme 2015 coupled with limited resources due to staff vacancy.
5. This is the second year following the introduction of the Police Pension Scheme 2015. A significant amount of manual checking was required on the way the pension software was calculating benefits especially for those members with benefits protected under the terms of the old Police Schemes.
6. There is a continued vacancy in the Pensions Office which limited the resources available to carry out these checks.
7. Annual Benefit Statement guidance from the software provider was not released until 8th August 2017. Revised Annual Benefit Statement templates were not available until 14th August 2017. The new templates were checked and final statements were generated on 30th August 2017. Statements were returned from the printers on 7th September 2017 and distributed on 8th September 2017.

Material Impact

8. Effect – Annual Benefit Statements were issued after the deadline of 31st August for all active Police Pension Scheme members. The Annual Benefit Statements were issued as soon as possible, missing the deadline of 31st August by one week. The Pensions Office provides estimates on request throughout the year for scheme members to assist with their financial planning.
9. Reaction – Annual Benefits Statements were issued as soon as possible after the breach. In planning to avoid future breaches a procedure manual has been developed for the production of the Annual Benefit Statements. Testing on the interface between payroll and pension software will commence in January 2018 to ensure a prompt interface of data as soon as possible after the end of the financial year. This will allow for a longer run in time for generating and reviewing the Annual Benefit Statements in time for deadline 31st August. The format of the statements will be tested as soon as possible following the posting of year end information.

Conclusion

10. The impact of the breach has been limited by producing Annual Benefit Statements as soon as possible after the deadline. The issues and problems experienced in 2017 have been used to develop and update the processes used to produce the Annual Benefit Statements. This will allow for a smoother and quicker production of Annual Benefit Statements in the future. However, as every active Police Scheme member received their Annual Benefit Statement late in 2017 it may be viewed as an Amber breach under the Pension Regulators framework and therefore reportable to tPR.

Jeff Henegan

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