

Powys Pension Fund Data Improvement Plan 2018/19 (Draft)

Introduction

In 2015, the Pensions Regulator (TPR) assumed responsibility for Public Sector Pension Schemes. Prior to this, in June 2010, TPR issued guidance on the approach that they consider to be good practice for measuring the presence of member data. Specific targets were set for inclusion in the 2018 TPR report for data that TPR deemed as 'common'.

In March 2018 Powys Pension Fund commissioned a complete a review of the administration system's common pension data in line with the guidance notes set down by TPR.

The Fund has carried out data cleansing exercises and checks periodically in the past as part of year-end exercises and triennial valuations. These exercises checked data provided by employers and data held on scheme member records.

As part of continuing efforts to improve the quality of its data, Powys Pension Fund has started moving towards the monthly reconciliation of data from employers with over 90% of active scheme member data now collect on a monthly basis direct from Employer payroll systems via the i-Connect facility.

Benchmark

TPR have set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand. To provide focus on the key areas of common data to be addressed, each data category is measured against a benchmark of 95%.

Aims

This data improvement plan aims to address the main data issues that were identified in the review of March 2018. It will set out the steps that the Fund will take to tackle the issues and improve the quality of the data that it holds in a continuous basis, with a view to achieving the highest quality of data possible.

Objectives and measures

1. **To ensure accuracy in the quality of data held on scheme member records in order to facilitate accurate and timely payment of pension benefits.**

This will be achieved and measured through continuous reviews of data quality testing and measured through audit testing and checking against published service standards.

2. **To improve compliance with The Pensions Regulators (TPR) Code of Practice 14.**

This will be achieved and measured by a continuous improvement of scores in the TPR Compliance Monitoring Document.

3. **To decrease the number of ‘gone away’ addresses held for Scheme Members**

This will be achieved by undertaking a member tracing analysis.

4. **To ensure high quality data for valuation purposes and, therefore, increasing accuracy in valuation results with consideration given towards setting accurate employer contribution rates through accurate assessment of Fund assets and liabilities.**

This will be achieved through pre-valuation data cleansing exercises carried out with the Pension Fund Actuary and ongoing data quality testing via the iConnect system

Scope and prioritising

The data quality review undertaken in March 2018 checked the data on the administration system against the two types of data categories that TPR require:

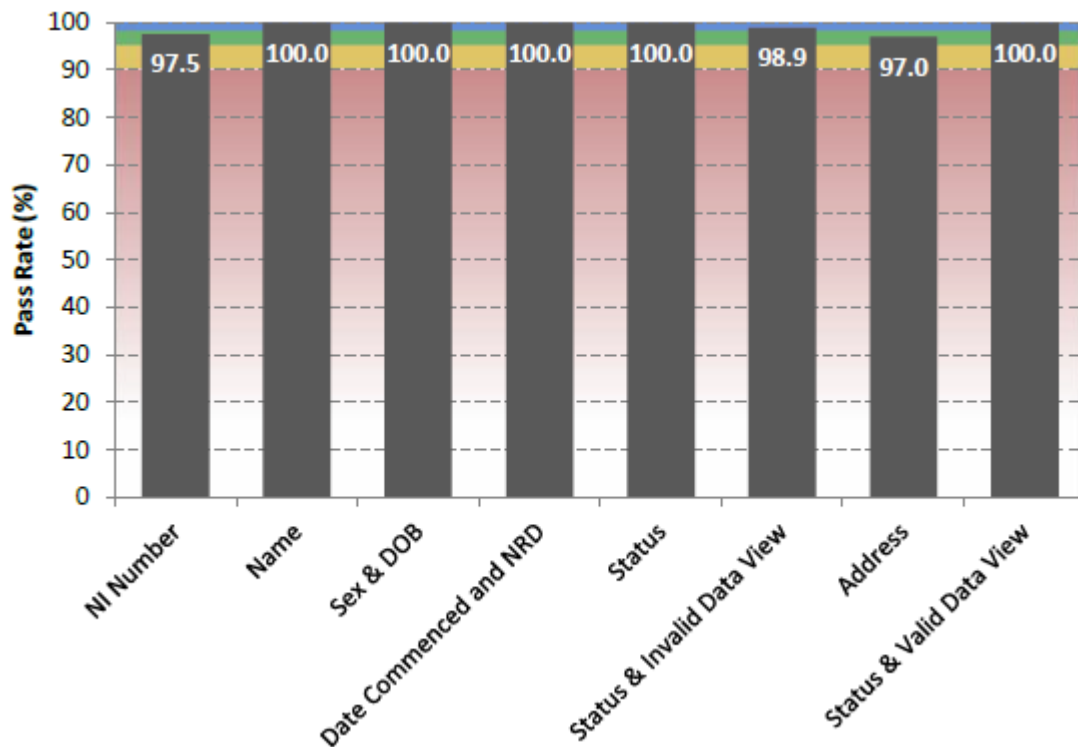
- Common Data
- Scheme Specific Data

The Common Data items are specific in the Pensions Regulators guidance and pension scheme data must be measured against:

Common Data item	Membership type tested
NI number	All members
Name	All members
Sex and Date of Birth	All members
Date Commenced and NRD	All members
Status	All members
Status and invalid data view	All members
Address	All members
Status and valid data view	All members

Summary of Common Data results from initial scan

The graph below indicates Powys Pension Fund’s performance for each data category against the agreed Common Data field benchmarks. The results presented here were generated from data extracted from the Fund’s Live Pension Administration system in March 2018. The overall percentage of tests passed for Powys Pension Fund’s common data is **99.2%**.

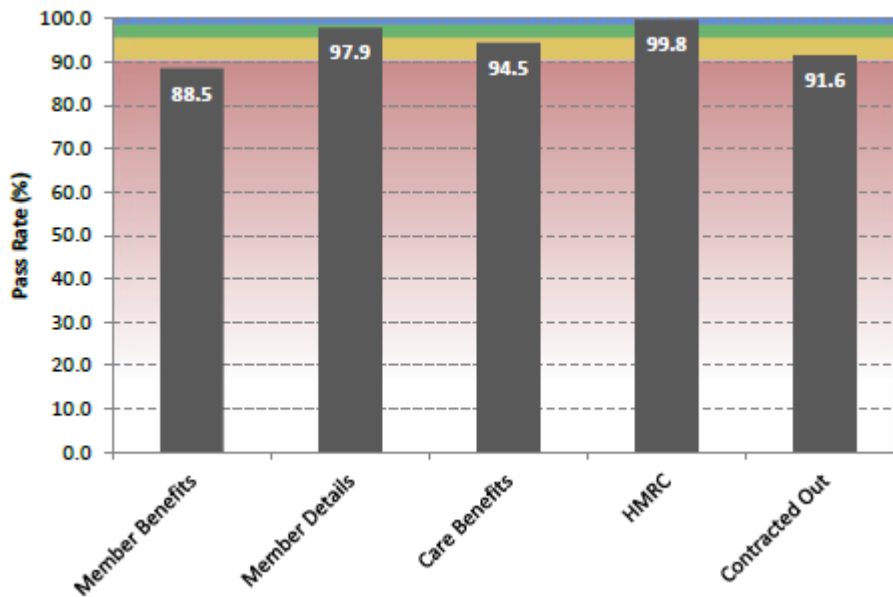


Summary of Scheme Specific Data results from initial scan

Scheme Specific data items are not prescriptive but is generally data key to running the Scheme and meeting legal obligations. The Pensions Regulator has not yet set the definitive list of data items for the Scheme Specific data. However, illustrative examples of the data required to run a Pension Scheme has been published by the Pensions Regulator and these examples were taken into consideration by the Fund when agreeing the Scheme Specific data to be checked.

The graph below indicates the Fund's performance for each data category against the agreed Scheme Specific Data field benchmarks. The results presented here were generated from data extracted from the Fund's Pension Administration service in March 2018. The overall percentage of tests passed for scheme-specific data is **95.7%**. The percentage of member records without a single scheme-specific data failure is **75.9%** and this is the figure that TPR will be requesting on the scheme return.

The LGPS Scheme Advisory Board are now looking to assist administering authorities in meeting the Pension Regulators requirements for monitoring and improving data. This project will include the identification of scheme specific conditional data and the production of guidance for authorities and employers. Once the guidance has been received the Fund will update the Scheme Specific data tests previously run.



The data items tested for both Common and Scheme Specific Data are as follows:

Common Data item	Membership type tested
NI number	All members
Name	All members
Sex and Date of Birth	All members
Date Commenced and NRD	All members
Status	All members
Status and invalid data view	All members
Address	All members
Status and valid data view	All members

Scheme Specific data category	Scheme Specific Data item	Membership type tested
Member Benefits Data	Divorce Details	Status 1, 2, 4, 5 & T
	Transfer In Details 1	Status 1, 2, 4, 5 & T
	Transfer In Details 2	Status 1, 2, 4, 5 & T
	AVC Details	Status 1, 2, 4, 5 & T
	Total Original Deferred Benefit	Status 4
	Tranches Of Original Deferred Benefit	Status 4
	Total Gross Pension	Status 5 & T
	Tranches Of Pension	Status 5 & T
	Total Gross Dependant Pension	Status 6
	Tranches of Dependant	Status 6
Other Member Data	Date Of Leaving	Status 1, 2, 4, 5, 9 & T
	Date Joined Scheme	Status 1, 2, 4, 5, 9 & T
	Employer Details	Status 1, 2, 4, 5, 9 & T
	Salary (Final Salary members)	Status 1, 2, 4, 5, 9 & T
	Contributions	Status 1, 2, 4, 5, 9 & T
	Leavers	Status 4, 5, 9 & T
	Service	Status 1, 2, 4, 5, 9 & T

CARE Benefits	Care Data CARE Revaluation	Status 1, 2, 4, 5, 9 & T N/A
HMRC	BCE* 2 BCE* 5 BCE* 6 BCE* 7 BCE* 8 LTA* Charge Paid AA* Charge	Status 5 & T Status 4 & T Status 5 & T Status 7 Status 3 Status 5 & T Status 1
Contracted Out	Date Contracted Out NI Contributions / Earnings History Pre 88 GMP Post 88 GMP	Status 1, 2, 4, 5 & T Status 1, 2, 4, 5 & T Status 4, 5, & T Status 4, 5, & T

*BCE = Benefit Crystallisation Event

Status Key:

- 1 Active
- 2 Undecided Leaver
- 3 Leaver
- 4 Deferred
- 5 Pensioner
- 6 Dependant Pensioner
- 7 Death
- 8 Awaiting Entry
- 9 Frozen Refund

- T Third Tier Ceased pension

Data Correction Plan

Focus on data which has the greatest impact on member benefits will be prioritised, to ensure that correct benefits are being paid to scheme members.

Data cleansing for these records has already commenced as part of the Guaranteed Minimum Pension (GMP) Reconciliation project, but work is ongoing using the data cleansing results as a tool to focus on any problem areas.

Breakdown of activities for improvement - Common data

Data Category	Milestone	Priority	How	Progress	Deadline
NI Number	Obtain correct NI numbers for the members with temporary numbers or those in the incorrect format	Low	Team to investigate	Underway - NI numbers in incorrect format have been investigated.	TBC
NI Number	Investigate as a priority the cases with blank NI numbers	High	Team to investigate	Underway - Records with temporary NI numbers are being investigated mainly frozen refunds.	TBC

Name	Obtain Forenames and Initials of 3 members identified	Low	Team to investigate	To be investigated	TBC
Sex and Date of Birth	Obtain sex and DOB of 3 members identified	Low	Team to investigate	To be investigated	TBC
Date commenced and NRD	<ul style="list-style-type: none"> Investigate the cases with a blank date joined fund as this could affect benefits Correct the date joined fund for the member affected 	High	Team to investigate	To be investigated	TBC
Status	No issues found	n/a	n/a	n/a	n/a
Status and invalid data view	Invalid data should be removed where necessary or the member status corrected where appropriate. These cases should be treated as a high priority as the presence of the data may affect benefits	High	Team to investigate	To be investigated	TBC
Address	Current addresses should be sought and uploaded for the members that failed this category	Medium	Member tracing service to be procured	To be investigated	TBC
Status and valid data view	Although small in number, two members with missing data views that hold their entitlement should be investigated as a high priority and either their status corrected or the correct data recorded	High	Team to investigate	To be investigated	TBC

Breakdown of activities for improvement -Scheme specific data

Data Category	Recommendation	Suggested Priority	How	Progress	Deadline
Member Benefits	Investigate incomplete Transfer In and AVC data with the very highest priority as benefits may be incorrect	Very high	Team to investigate	To be investigated	TBC
	Correct deferred benefit cases prior to running deferred annual benefit statements	High	Team to investigate	To be investigated	TBC
	Investigate defects in pension benefits	Very high	Team to investigate	To be investigated	TBC
	Investigate the Pension Dependant Pension	High	Team to investigate	To be investigated	TBC

	cases with small pensions				
	Investigate cases with an incorrect Pensions Increase Date	Very high	Team to investigate	To be investigated	TBC
Other Member Data	Investigate the 12 cases with an unexplained date of leaving present	Low	Team to investigate	To be investigated	TBC
	Investigate the member with incorrect Employer Details	Low	Team to investigate	To be investigated	TBC
	Investigate final salary pay issues prior to running annual benefit statements	High	Team to investigate	To be investigated	TBC
	Investigate cases with missing contributions prior to running annual benefit statements	High	Team to investigate	To be investigated	TBC
	Investigate 9 cases where date of leaving is blank or incorrect	High	Team to investigate	To be investigated	TBC
	Investigate 21 cases potentially missing service history	Very high	Team to investigate	To be investigated	TBC
	Data for 2016/17 year should be requested where missing	Very high	Team to investigate	To be investigated	TBC
CARE Data	Investigate all data issues in this category by status prior to issuing annual benefit statements for that status. Pensioners should be investigated as soon as possible to ensure correct benefits are in payment	High	Team to investigate	To be investigated	TBC
	CARE data should be requested where missing	Very high	Team to investigate	To be investigated	TBC
HMRC	Investigate the cases highlighted with incorrect BCE data	Low	Team to investigate	To be investigated	TBC
	Investigate the cases with missing death grant data	Low	Team to investigate	To be investigated	TBC
	Investigate the cases with missing Annual Allowance data, particularly the scheme pays cases. This should be dealt with as soon as possible	High	Team to investigate	To be investigated	TBC

Contracting Out	Review and update GMP values in conjunction with the GMP Reconciliation process	Medium	Team to investigate	To be investigated	TBC
	Obtain and upload GMP figures for the members with missing data as a high priority	High	Team to investigate	To be investigated	TBC
	Investigate cases with incorrect date of contacting out and NI contributions	Medium	Team to investigate	To be investigated	TBC