

**Open Report on behalf of Andrew Crookham, Executive Director -
Resources**

Report to:	Lincolnshire Pensions Board
Date:	09 January 2020
Subject:	Temporary Bank Accounts

Summary:

This report updates the Board on the number of temporary bank accounts created by WYPF to hold monies due to beneficiaries of the scheme.

Yunus Gajra, the Business Development Manager from WYPF, will update the Board.

Recommendation(s):

That the Board note the report.

1.0 Background

- 1.1 For a number of years, WYPF have set up a number of temporary bank accounts with HSBC for deferred or pensioner beneficiaries who appear to be entitled to a pension scheme benefit but for whom we have lost contact with.
- 1.2 Under the current scheme rules members who are entitled to a refund are required to claim the refund within 5 years of leaving. WYPF has a number of members who have not claimed the refund within the 5 year period. As a result temporary deposit accounts have been set up for these members. Late claims will then be released from the account and paid to the claimant.
- 1.3 The payment into a temporary bank account means that the Fund has discharged its liability and the member is not faced with an unauthorised tax charge if they were to claim their benefits late.
- 1.3 The Pensions Board have asked for the number of temporary accounts held and the amount of money held in these accounts.

2.0 Lost Contact Pensioners/Deferreds

- 2.1 The number of temporary deposit accounts held for this category of members is has decreased to 42 from 64 which was reported at the last Pensions Board.

Total number: 42

Current amount held in accounts: £55,736.18

3.0 Post 2014 Preserved Refunds

- 3.1 The number of temporary deposit accounts held for this category of members has increased to 64 from 38:

Total number: 64

Current amount held in accounts: £3,777.81

- 3.2 This is an increase of 26 reported at the last Pensions Board, as expected as more and more members come up to their five year deadline. However, the National Technical Group has contacted the Scheme Advisory Board to request a change in the LGPS Regulations 2013 to remove the requirement for a refund to be paid within five years. A response is still awaited.
- 3.3 A full breakdown of the number of accounts opened and closed is shown at **Appendix 1**.

4.0 Tracing

At least on an annual basis WYPF review the bank accounts and carry out further traces to see if the member can be located. This can be through the national Fraud Initiative, using a tracing agency or other means such as death notifications, member contacting us etc.

5.0 Conclusion

- 5.1 Payments into a temporary bank account are made when all tracing options are exhausted and means that the Fund has discharged its liability and the member is not faced with an unauthorised tax charge if they were to claim their benefits late.
- 5.2 The accounts are regularly monitored and closed where members are located or confirmation received that they have died.

Consultation

a) Have Risks and Impact Analysis been carried out??

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Pensions Manager.

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Yunus Gajra, who can be contacted on 01274 432343 or Yunus.gajra@wypf.org.uk.

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