

## APPENDIX 1

# Lincolnshire Pension Fund Data Improvement Plan

## 1. Introduction

- 1.1 This document defines the data improvement plan for Lincolnshire Pension Fund which is administered by West Yorkshire Pension Fund (WYPF) under a shared service arrangement.
- 1.2 WYPF collects and holds large amounts of digital and paper based data and is heavily reliant on the timely receipt of quality data from employers, in order to effectively administer the Local Government Pension Scheme (LGPS).
- 1.3 Fundamentally, the purpose of the Fund is to pay the correct pension benefits to its members when they become due. It is therefore imperative that the highest possible data quality standards are maintained, to comply with this core function and to ensure the cost effective use of resources.
- 1.4 The LGPS continues to face ongoing legislative change with oversight of administration and governance now falling under the remit of the Pension Regulator, with a heightened responsibility on scheme managers and local pension boards to ensure data is readily available and fit for purpose at all times.
- 1.5 The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.
- 1.6 The Pension Regulators guidance requires that schemes should:
  - Continually review their data and carry out a data review exercise at least annually
  - Where a review of the scheme's data identifies poor or missing data a data improvement plan should be put in place to address these issues

## 2. The Pension Regulator Annual Scheme Return

- 2.1 Annually the Pensions Regulator (tPR) issues a scheme return which should be completed and returned. From 2018 each Pension Fund is required to include in the return a Data Quality Score which has two types of data:
  - **Common data** – used to identify scheme members and includes name, address, national insurance number and date of birth.
  - **Scheme-specific data** – essential to calculate benefit entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers etc.
- 2.2 tPR has issued a quick guide on measuring scheme data which states that one piece of missing data, such as a current address on a deferred member's record should be reported to them as a failed record.

### 3. Key Objectives

The key objectives of this plan are to:

- Ensure member, pensioner, deferred and beneficiary records are maintained as accurately as possible to ensure benefits are paid correctly on time, members receive a high standard of service and the fund is able to meet legal obligations.
- Ensure Investment and Administration costs are reliable/correct.
- Ensure data supplied to the Fund's actuary for the valuation is as accurate as possible so the correct liabilities can be calculated.
- Ensure the Fund complies with tPR's Code of Practice.

### 4. Outcomes

Outcomes of an improvement in the data held by the Fund are:

- Improvement of tPR data score for Common and Scheme Specific (also known as conditional) data.
- Increase in the number of Annual Benefit Statements (ABS) issued by 31 August each year./members aware of the value of their benefits.
- Reduction in the number of Internal Dispute Resolutions (IDRPs) received for incorrect calculation of benefits or delays in paying benefits.
- Reduction in the number of queries from the Fund's Actuary at valuation time.
- Reduction in the number of queries received when ABS are sent out.
- Reduction in administration costs due to increased efficiency.
- Reduces the likelihood of the Government Actuary Department rejecting data for the scheme valuation.
- Improves accuracy for IAS19 valuations.
- Reduction in delays for calculating and paying retirement benefits, death benefits, transfers out.
- Reduction in the queries between WYPF and Employers
- Reduction of breaches recorded on the Breaches Register (e.g. due to ABS being issued late).

## **5. Additional general responsibilities relating to Data Improvement as follows:**

### **5.1 Fund Officers**

- Fund officers continually review and ensure data collected is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes have working instructions in place to assist with staff training, understanding and compliance.
- Team Managers are responsible for ensuring that staff have the appropriate level of UPM access to fulfil their duties and access is withdrawn upon the member of staff leaving WYPF. This minimises the risk of accidental loss, errors and unauthorised activity.

### **5.2 Scheme Employers**

- The Fund is reliant upon the accuracy, completeness and timeliness of data submitted by scheme employers and any third party agencies that they may utilise e.g. outsourced payroll providers.
- The Fund will work with scheme employers throughout the year to support the provision of data to the required standard.
- Details of the information employers are required to provide and the financial penalties should they fail to do so are detailed in the Fund's Pensions Administration Strategy.

## **6 Ongoing Data Cleansing**

### **6.1 Monthly Returns data quality checks**

WYPF embraced monthly contribution postings several years ago with the aim of simplification, systems integration, increased data accuracy and complete up to date member records. The benefits include ensuring that employee's contributions, member's personal details, and financial records are up to date, accurate and complete.

### **6.2 LGPS National Insurance Database**

Administered by South Yorkshire Pension Fund Authority on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for Local Government Pension Scheme (LGPS) administering authorities to share data to prevent duplicate payment of death grants. This follows changes to Scheme Regulations in 2014 where payment of a death grant in respect of a member with entitlement across multiple membership categories is restricted to an aggregate payment value in relation to any active or pensioner/deferred membership. When processing the death of a scheme member, officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds. (Please note not all LGPS administrators are part of this database).

### **6.3 ‘Tell Us Once’ Service**

The secure LGPS National Insurance Database also facilitates the integration of the Fund’s membership profile into the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The service allows a person registering a death to request that the DWP pass on the deceased’s information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

### **6.4 National Fraud Initiative**

The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. WYPF submit data to National Fraud Initiative on a regular basis to identify deceased members and members who are no longer entitled to receive a pension.

### **6.5 Mortality screening and tracing service**

WYPF engage with a Tracing Bureau for both monthly mortality screening and for members we don’t have a current address for. For deferred members, where a current address for a lost contact cannot be found by the Tracing Bureau, a more detailed check is carried out 3 months before payment of pension is due.

### **6.6 Annual Benefits Statement (ABS) checks**

Before producing an ABS each year certain checks are applied to active records to ensure accurate data is used in the production of the ABS. These checks include:

- Ensuring contributions are received for every month during the year,
- Checks to make sure there are no spikes in care pensionable pay,
- Checks to ensure the final pay has not increased by 20% or decreased by 10%,
- Checks to ensure there aren’t any outstanding processes,
- Address check to compare the address held on the record and that supplied on the monthly return,
- Identifying casual workers.

If these checks identify further information is required from an employer the ABS production for this case will be blocked and a query will be referred back to the employer. Upon receipt of the appropriate information the record will be updated and the ABS will be released for production.

## 6.7 Deferred pensions increase

As part of the annual deferred pensions increase process certain data errors are identified and pensions increase is blocked until they are resolved. These errors include:

- Incorrect elements present,
- Spouse elements that don't match member elements,
- Incorrect dates for the first entry after the member is deferred,
- Data errors are corrected to allow deferred pensions increase to run on to individual deferred folders.

## 6.8 Annual deferred benefit statements

Before producing the annual deferred benefit statements data errors that would result in potentially incorrect statements being produced are identified. These include:

- Deferred pensions increase not updated
- Multiple 'normal payment' dates being held on the deferred folder
- Multiple entries for the same date shown on the pension history screen
- Initial entries on the pension history missing
- Service start date mismatches

Once these errors are resolved and the records is updated the deferred ABS will be released for production.

## 7 Data errors

When tackling data errors the following considerations will be used when making the decision on the priority of errors to be resolved:

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- Priority identified on the error report
- Data improvement plans objectives

## 8. Frequency

Data Quality reports will be run on a quarterly basis to measure the data quality scores and identify any further action that may be required.

## 9 Appendices

- Appendix A details the Data Quality scores and errors
- Appendix B details to work planned to deal with the data errors identified.

## Appendix A – Lincolnshire Pension Fund - results at November 2018

	Nov 18	Feb 19	June 19	Sept 19
TPR Score – Common	95.58	96.01	96.00	96.12
TPR Score – Conditional	94.47	95.78	81.53	85.69

### Breakdown of activities for improvement

	Nov 18	Feb 19	June 19	Sept 19
Count of Missing, Bad or Temp NI Number	81	78	84	84
Count of Bad Date of Birth	2	2	1	1
Count of Address Missing	3,131	2,839	2,818	2,725
Count of Postcode Missing	27	27	27	27
Count of No Date Joined Scheme	62	63	8	13
Count of No Folder Status History	9	10	9	9
Count of Folder Status/ Status History Mismatch	89	65	69	57
Count of Multi Folder Status History Entries on Same Day	60	53	60	72
Count of Missing or Bad Expected Retirement Date	3	3	7	5
Count of No Folder Scheme History	55	57	56	64
Count of Missing Date Joined Employer	3	3	2	1
Count of Missing Earnings	4,063	2,105	1,099	771
Count of Invalid Transfer In Present			6	7
Count of Invalid Part Time Service Present	66	67	66	64
Count of Missing CARE Benefit	5,099	3,090	1,583	1,120
Count of Missing CARE Revaluation Rate	4,038	2,229	1,150	823
Count of Invalid PSO or Sharing Order	48	48	48	48
Count of Invalid Contracted Out Date	19	19	19	20
Count of Missing Initial Pension (Def)	33	43	48	60
Count of Missing Initial Care Pension (Def)	96	139	169	217
Count of Missing CARE Initial Pension	16	21	20	23
Count of Beneficiary Link to Pensioner Missing	1,274	1,247	1,230	1,211
Count of Beneficiary Type Missing	1,274	1,247	1,230	1,212
Count of start date inconsistency		6,528	5,519	5,370

**Appendix B**

Data Category	Category	Issue	Priority	Resolution required	Responsibility	Progress	Deadline
Ni Number	Common	81 cases:	Low				
		6 actives		Obtain correct NI number from employer	Comms		Nov 19
		8 beneficiary pensioners		Report to be expanded to identify if beneficiary lives overseas who may not have a national Insurance number	IT		Nov 19
		10 deferred		Write to member to obtain NI number	Comms		Nov 21
		3 leaver options decision		Once leaver forms received write to member to obtain NI	Service Centre		Nov 21
		1 pensioner		Interrogate record	SC5		Nov 21
		53 preserved refunds		Interrogate record	Service Centre		Nov 21
Date of Birth	Common	2 cases	Medium				
		1 Active		Obtain DOB from employer	Comms		Nov 20
		1 beneficiary pensioner		Interrogate record	SC5		Nov 20
Address and postcode	Common	3131 cases	Medium				
		169 actives (address missing)		Contact employer for address	Comms		Nov 20
		4 beneficiary Pensioner (address missing)		Interrogate record or use tracing service	SC5		Nov 20
		2051 deferred (address missing)		Accurate Data services engaged to carry out address tracing for deferred and preserved refunds members.	Service Centre		Rolling program
		3 deferred ex spouse		Accurate Data services engaged	Service Centre		Rolling

		(address missing)		to carry out address tracing for deferred and preserved refunds members.			Program
		35 leaver option decision (address missing)		Accurate Data services engaged to carry out address tracing for deferred and preserved refunds members.	Service Centre		Rolling program
		33 pensioner (address missing)		Interrogate record	SC5		Nov 20
		836 preserved refunds (address missing)		Accurate Data Service engaged to carry out address tracing for deferred and preserved refunds members.	Service Centre		Rolling Program
		27 preserved refunds (post code missing)		IT to look up missing postcodes from address database	IT		Nov 20
No date joined scheme	Common	62 cases:-	Medium		IT		
		2 actives		interrogate records and/or obtain information from employer	Service Centre		Nov 20
		9 deferred ex spouse		Interrogate record	Service Centre		Nov 20
		1 full commutation		Interrogate record	Sc5		Nov 20
		24 pensioners		Interrogate record	SC5		Nov 20
		4 pensioner ex spouse		Interrogate record	SC5		Nov 20
		6 preserved refunds		Interrogate record	Service Centre		Nov 20
		9 deferred		Interrogate record	Service Centre		Nov 20

No folder Status history	Common	9 cases;-	High				
		4 actives		Interrogate record	Service Centre		Nov 19
		5 preserved refunds		Interrogate record	Service Centre		Nov 19
Folder Status/ Status History mismatch	Common	89 cases:-	Medium				
		11 active		Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 20
		1 beneficiary pensioner		Interrogate record	SC5		Nov 20
		2 deferred		Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 20
		68 leaver options decision		Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 20
		2 preserved refund		Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 20
		5 serious ill health		Review cases as it appears they might be changes to folder status from monthly postings?	Finance		Nov 20
Multi folderStat hist entries on Same day	Common	60 cases:-	Low				
		2 actives		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
		4 deferred		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
		13 leaver options decision		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
		39 pensioners		Need to look at each case as it	Sc5		Nov 21

				appears they might have moved onto 2 status on the same day			
		2 preserved refunds		Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 21
Missing or bad expected retirement date	Common	3 active cases	Low	Bulk Update	IT		Nov 21
No folder scheme history	Common	55 cases: -	Medium				
		9 active case		Interrogate records	Service Centre		Nov 20
		9 deferred		Interrogate records	Service Centre		Nov 20
		9 deferred ex spouse		Interrogate records	Service Centre		Nov 20
		24 pensioners		Interrogate records	SC5		Nov 20
		4 pensioner ex spouse		Interrogate records	SC5		Nov 20
Missing Date joined employer	Scheme Specific	3 active cases	Low	Interrogate records possible intrafunds	Service Centre		Nov 21
Missing earnings	Scheme specific	4063 active cases	High	Majority Awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre	Ongoing	Deal with in accordance with KPI targets
Invalid part time service present	Scheme specific	66 cases:- 10 actives 28 deferred 28 pensioners	Low	Interrogate record– PT indicator but no PT hours recorded	Service Centre		Nov 21
Missing	Scheme	5099 active cases	High	Either outstanding leaver form to	Service Centre	Ongoing	Deal with in

CARE benefit	specific			be received – To be chased up monthly by Comms or outstanding work in service centre.	Comms		accordance with KPI targets
Missing CARE revaluation rates	Scheme specific	4038 active cases	High	Either outstanding leaver form to be received – To be chased up monthly by Comms or outstanding work in service centre	Service Centre Comms	Ongoing	Deal with in accordance with KPI targets
Invalid PSO or Sharing Order	Scheme specific	48 cases:-	Low				
		14 actives		IT to alter the report so it does not pick up ex spouse surname	IT		Nov 21
		11 deferred		IT to alter the report so it does not pick up ex spouse surname	IT		Nov 21
		23 pensioners		IT to alter the report so it does not pick up ex spouse surname	IT		Nov 21
Invalid contracted Out date	Scheme specific	19 cases:-	Low				
		1 deferred		Interrogate record	Service Centre		Nov 21
		18 pensioners		Interrogate record	SC5		Nov 21
Missing initial pension (DEF)	Scheme specific	33 deferred cases	Low	Possible bare EPB cases. To interrogate and sample records	IT		Nov 19
Missing Initial CARE Pension(DEF )	Scheme specific	96 deferred cases	Low	Interrogate record  Spot check a number of cases as it might be where member joined right at the end of the year and no care benefits	Service Centre	Ongoing	Nov 21
Missing CARE initial Pension	Scheme specific	16 pensioner cases	Low	Email sent to IT asking for the report to be expanded as the majority of cases appear to be correct	IT		Nov 19

Beneficiary link to Pensioners missing	Scheme specific	1274 beneficiary pensioner cases	N/A	Speak to MSM - Pensioner Services	SC5		Nov 21
Beneficiary type missing	Scheme specific	1274 beneficiary pensioner cases	Low	Speak to MSM - Pensioner Services	SC5		Nov 21

This improvement plan primarily aims to address the key issues identified from the Funds Data Quality review and data quality score and details the plans in place to improve the data we hold.

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