Lincolnshire Pension Fund

Data Improvement Plan

1. Introduction

1.1 This document defines the data improvement plan for Lincolnshire Pension Fund (LPF) 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 LGPS 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 (tPR) 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 administrator 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 WYPF Officers

- WYPF 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

- WYPF 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.

- WYPF 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:

- 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 - Data Quality scores and errors

- Appendix B - Work planned to deal with the data errors identified

Appendix A - Lincolnshire Pension Fund results at November 2023

	Nov 21	Jun 22	Nov 22	Jun 23	Nov 23
TPR Score - Common	95.78%	96.06%	95.97%	96.17%	96.18%
TPR Score - Conditional	84.38%	86.54%	86.04%	87.91%	87.68%

Breakdown of activities for improvement

	Nov 21	Jun 22	Nov 22	Jun 23	Nov 23	Direction of travel
Count of Missing, Bad or Temp NI Number	70	67	73	67	63	⬇
Count of Bad Date of Birth	1	1	1	1	1	⬅
Count of Address Missing	3,164	3,055	3,164	3,027	3,084	⬆
Count of No Date Joined Scheme	0	0	1	1	0	⬇
Count of No Folder Status History	0	0	1	1	4	⬆
Count of Folder Status / Status History Mismatch	15	18	34	45	33	⬇
Count of Multi Folder Status History Entries on Same Day	62	65	61	70	51	⬇
Count of Missing or Bad Expected Retirement Date	1	1	1	1	0	⬇
Count of No Folder Scheme History	61	59	59	59	58	⬇
Count of no NI contributions or GMP	6,381	5,466	5,416	5,327	5,284	⬇
Count of no Date of Leaving	1	1	1	0	0	⬅
Count of missing benefit crystallisation record	36	35	35	38	37	⬇
Count of missing benefit crystallisation details	642	701	736	77	76	⬇

Count of Missing Earnings	672	869	793	373	481	↑ (red)
Count of Invalid Transfer In Present	152	168	172	207	222	↑ (red)
Count of Invalid Part Time Service Present	63	63	63	63	62	↓ (green)
Count of Missing CARE Benefit	275	274	271	361	313	↓ (green)
Count of Missing CARE Revaluation Rate	30	27	30	114	69	↓ (green)
Count of Invalid Contracted Out Date	20	20	20	20	20	← (green)
Count of Missing Initial Pension (Def)	45	50	49	47	44	↓ (green)
Count of Missing Initial Care Pension (Def)	130	128	127	123	120	↓ (green)
Count of Missing current Pension	1,753	1,340	1,323	1,299	1,258	↓ (green)
Count of Missing CARE Initial Pension	33	34	34	36	34	↓ (green)
Count of missing annual allowance calculation	321	106	874	341	725	↑ (red)
Count of start date inconsistent	4,838	4,769	4,696	4,564	4,489	↓ (green)
Count of deferred – No total exit GMP	4,975	3,995	3,977	3,945	3,955	↑ (red)
Count of No post 88 exit GMP	4,006	3,531	3,511	3,469	3,449	↓ (green)

Appendix B

Data Category	Category	Priority	Resolution required	Responsibility	Progress	Deadline
Missing Ni Number	Common	Low	Ni number to be identified where possible	Service Centre /Comms	Ongoing	Ongoing
Date of Birth	Common	Medium	Interrogate record	Service Centre		Nov 25
Missing Address	Common	Medium	Deferreds and preserved refunds use tracing agency	IT	Ongoing	Mar 24
Folder Status/ Status History mismatch	Common	Medium	Review cases as it appears there might be changes to folder status from monthly postings?	Finance		Nov 25
Multi folder Status history entries on Same day	Common	Low	Need to look at each case as it appears they might have moved onto 2 status on the same day	Service Centre		Nov 26
Missing or bad expected retirement date	Common	Low	Interrogate records	Service Centre		Nov 26
No folder scheme history	Common	Medium	Interrogate records	Service Centre		Nov 25
Missing earnings	Scheme specific	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	Low	Interrogate records	Service Centre		Nov 26
Missing CARE benefit	Scheme specific	High	Majority awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre	Ongoing	Deal with in accordance with KPI targets

Missing CARE revaluation rates	Scheme specific	High	Majority awaiting leaver/pensioner benefits to be calculated in Service Centre	Service Centre	Ongoing	Deal with in accordance with KPI targets
Invalid contracted out date	Scheme specific	Low	Interrogate records	Service Centre		Nov 26
Missing initial pension (DEF)	Scheme specific	Low	Possible bare EPB cases. To interrogate and sample records	IT		Nov 26
Missing Initial CARE Pension(DEF)	Scheme specific	Low	Interrogate records and spot check a number of cases as it might be where the member joined right at the end of the year and no care benefits	Service Centre	Ongoing	Nov 26
Missing CARE initial Pension	Scheme specific	Low	Interrogate records	Service Centre		Nov 26
Missing NI contributions or GMP	Scheme specific	Medium	IT to refine the report	IT		Nov 25
Missing Date of Leaving	Scheme specific	Low	Interrogate records	Service Centre		Nov 26
Missing benefit crystallisation record	Scheme specific	Low	Interrogate records	Service Centre		Nov 26
Missing benefit crystallisation details	Scheme specific	Medium	IT to consider bulk update	IT		Nov 25
Missing current pension	Scheme specific	Medium	IT to refine the report	IT		Nov 25
Missing annual allowance	Scheme specific	Low	IT to consider if a bulk update can be done	IT		Nov 26

Start date inconsistency	Scheme specific	Low	IT to consider if a bulk update can be done	IT		Nov 26
Deferred – No Total exit GMP	Scheme specific	Low	IT to review the report	IT		Nov 26
No total exit GMP	Scheme specific	Low	IT to review the report	IT		Nov 26
No post 88 exit GMP	Scheme specific	Low	IT to review the report	IT		Nov 26
Invalid Transfer in present	Scheme specific	Low	Interrogate records	Service Centre		Nov 26
No date joined scheme	Scheme specific	Low	Interrogate records	Service Centre		Nov 26

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.