**Teachers’ Pension Scheme Pension Board – May, June and July 2016**

The purpose of this document is to advise the TPS Pension Board of recent key events relating to the administration of the scheme so as to assist with its assurance role - in particular in the areas of maintaining the quality of member data and record keeping (in line with the requirements of the Pensions Regulator), and reporting certain breaches of the law. The report also aims to assist the Board in its strategic role by providing information on specific actions and projects that aim to ensure the administration continues to improve and best serve all stakeholders’ needs.

**TP Administration Update**

The processing of summer retirement applications is going well, with over 14,000 received so far.

The deadline for returning the Annual Service Return (ASR) was 6 July. We have received information relating to 85.8% of the active member population compared to 87.3% this time last year; 92.92% of employers have submitted their returns compared to 87.01% this time last year. All Local Authority submissions have been submitted except one, where the person responsible has just returned from sick leave (TP are working with them). To seek to further boost compliance, a letter to the Chair of Governors has been issued where the employer is a school, letting them know that TP will: advise members of the consequences for them of the late submission; alert employee representative groups (unions); and notify the Pensions Regulator. In fact, we have agreed with the Pensions Regulator to provide a list of employers who have not submitted their ASRs during September, this is ahead of the timetable followed last year when the information was provided to tPR in January.

An issue emerged relating to the Disclosure of Death Registration Information (DDRI) process during the period. DDRI was a service enhancement implemented in April 2015 to speed up the handling of death claims and avoid bereavement debt; it has run successfully for a number of months, supplementing existing processes. During this quarter it emerged that the DDRI returns from Capita Tracing Services (CTS) failed to load correctly, resulting in the failure to suspend pensions of deceased members whose death had not previously been notified to us. The cause of the error has been identified as a flaw in change control processes and rectification has taken place. The overpayments attributable to this error are subject to separate reporting and monitoring as the administrator, rather than the scheme is liable for any loss, should the monies not be recovered.

The Board has been kept aware of progress on the fraud incident. A former TP employee was sentenced to 32 months in prison for fraud in July; DfE and Capita press offices worked together to manage press interest. The draft audit report relating to the actions identified and implemented following the incident is being considered and will be finalised during the next reporting period.

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| **Customer Satisfaction** |  |

The arrangements for obtaining feedback on customer satisfaction as members and employers touch the operation continues to prove effective with 25,539 items of feedback received from members this quarter and 3,064 received from employers. Member feedback is good across all measures – with the contact centre continuing to achieve the highest scores. Outcome Measure 7 (re. recently retired teachers level of satisfaction) is slightly below target tracking at 78% of members reporting they are satisfied, but we expect that this will improve as the Autumn retirement applications work through the system and that the target of 80% will be reached by the end of the contract year. Feedback from employers shows levels of satisfaction continue to improve and is now above target.

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| **SLAs and KPIs** |  |

Achievement against Service Level Agreements (SLAs) has been excellent this quarter with no financial penalties applied in April. This is the best performance against SLA targets since contract year 2.

KPI performance has been good, the quality management measures highlighting some staff training issues.

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| **Legislative Changes** |  |

No significant legislative changes have impacted on service delivery this quarter though TP/DfE staff continue to liaise over impending changes, such as those in respect of changes in exit payments and guaranteed minimum pension arrangements.

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| **Significant Projects** |  |

**Guaranteed Minimum Pension reconciliation**

Last quarter we referenced how managing the throughput of work is dependent on HMRC responding to queries within agreed timescales. Good links have been set up between the operational team at TP and HMRC to monitor HMRC delivery. The first set of HMRC responses are due back mid-September.

The project remains on track to complete before December 2018 when HMRC will start sending out information regarding contracted out service (including GMP).

So far approx. 86K of the 263K queries for pensioners and deferred have been completed.

Analysis work is being undertaken to estimate the nature and scale of potential overpayment cases. This information, when finalised, will be shared with HM Treasury to inform their consideration of what the picture is across all schemes and what actions should be taken in relation to overpayments. The Department will ensure HM Treasury are fully aware of potential impacts on members and Board Members will be consulted on handling arrangements before communications go to members.

**Monthly Data Collection (MDC)**

As described in previous reports, MDC will replace the Annual Service Return, Re-employment certificates and starter and leaver information. It gives significant benefits to members and employers allowing real time information to be available and reduces the burden of current processes. Currently information relating to 11% of active members is collected this way.

TP are incentivised to achieve 60% active member coverage by 1 October 2017. This will be the only method of submitting information about service and salary information from 6 April 2017. At the last TPSPB the Board heard about “exceptional arrangements” for brining information up to date where employers had failed to meet the deadline.

Provisional dates have been obtained from the remaining 162 LA employers, the majority will on-board in April 2017 when their payroll providers have updated software, this covers 50% of the member population.

From 7 July, employers who are currently using MDC will no longer be required to complete a certificate of re-employment for members taking age or premature retirement, reducing the burden on employers.

**Data Strategy**

As described in previous reports, the data strategy falls into two main areas: MDC and data cleanse, data cleanse is focussed on retirements and ensuring the correct information is held to calculate benefits. MDC boarding will be the trigger for improving past service and salary information for the employees in scope, enabling active member to plan their retirement better. MDC will also provide email addresses so the improvements identified in the employer review can be implemented. Collection of contributions data via MDC moves us beyond tPR record keeping requirements to covering financial assurance around contribution reconciliation.

A wide range of other activities are also taking place which contribute to the data cleanse work, for example, GMP reconciliation, the deferred member project, and work on valuation and accounts processes.

The data strategy steering group has met for the first time and agreed indicators to monitor the achievements of the agreed data improvements via progress reports and agreed measures.

**Employer Review**

As described in previous reports, the Department initiated a joint project with TP to review the role of the employer within the administration of the scheme. This project is intended to ensure that the role of the employer remains sustainable and deliverable over the mid to long term, to ensure that the scheme continues to be effectively managed and that employers and members continue to receive the best possible service.

Work this quarter has concentrated on assurance measures, and what can be done so that employers understand their responsibilities and provide information that allows the scheme to be administered properly. There is a separate presentation to the Board on this matter.

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| **Reporting Breaches** |  |

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| **Subject Area** | **Typical Breaches** |
| **Access to Data**  **Occurrences in the 3 months to 31 July** | * Unauthorised access to data; * Security/IS breaches.   nil |
| **Disclosure of Data**  **Occurrences in the 3 months to 31 July** | * Unauthorised/inappropriate disclosure of data; * Disclosure of personal data to incorrect Data Subject; * Failure to verify identity before releasing information; * Medical/sensitive information inappropriately disclosed; * Selling personal data. * 6 instances where incorrect information was enclosed with correspondence to members (human error, staff reminded of need for vigilance when manually packing envelopes (7 last quarter) * 1 Change of address processed on incorrect record (2) * 1 Email campaign issued to wrong email address (o) * 1 Correspondence issued to incorrect address |
| **Processing of Data**  **Occurrences in the 3 months to 31 July** | * Misuse of data; * Removal of data without permission; * Failure to rectify incorrect personal data.   nil |

In all cases the breach is resolved with the member/employer and action is taken to re-inforce processes that have failed.

Employers reported to tPR –

* Five were reported for failing to pay contributions for a period of 90 days or more (or failing to adhere to a previously agreed payment plan to recover arrears due). Three were from the Independent sector and two were Academies. One of the Independent Schools has now closed and debt recovery action is being taken.