

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

PAYMENT OF PENSIONS OVERSEAS

1. EXECUTIVE SUMMARY

- 1.1. This report outlines changes to the arrangements for paying pension benefits to pensioners with overseas bank accounts.

2. BACKGROUND

- 2.1. The Pension Fund has approximately 200 Pensioners whose benefits are paid into overseas bank accounts.
- 2.2. Under the current arrangement the Bank of Scotland transmits payments to the overseas bank accounts after currency conversion and the deduction of an administration charge of approximately £2.80 per transaction. The Pension Fund does not incur any charges for this process nor does it require any additional staffing or IT resources.
- 2.3. The Bank of Scotland has informed Merseyside Pension Fund (MPF) that it will no longer be offering this service after 31 December 2009. Following a review of alternative arrangements with other banking organisations undertaken in conjunction with the Procurement Unit MPF has begun negotiations with Citibank for it to replace the current Bank of Scotland operation for the required overseas pension payment arrangements.
- 2.4. The proposed Citibank arrangements are similar to those currently operated by the Bank of Scotland, in that there are no charges to MPF for using the facility; it will require minimal staffing resources to set up the new details and process future payments, and the transaction charge to pensioners for currency conversion and onward transmission is £2.74.
- 2.5. At the time of writing, Citibank has yet to complete due diligence on MPF under Anti Money Laundering legislation. A verbal update will be given at Committee.

3. FINANCIAL IMPLICATIONS

- 3.1. Under the proposals, no charges would be made to MPF.

4. STAFFING IMPLICATIONS

4.1. There are none directly arising from this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. There are none arising from this report.

6. COMMUNITY SAFETY IMPLICATIONS

6.1. There are none arising from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1. There are none arising from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

8.1. There are none arising from this report.

9. PLANNING IMPLICATIONS

9.1. There are none arising from this report.

10. MEMBER SUPPORT IMPLICATIONS

10.1. There are none arising from this report.

11. RECOMMENDATION

11.1. That Committee agrees the new banking arrangements with Citibank for processing the payment of pension benefits to overseas bank accounts with effect from 1 January 2010.

IAN COLEMAN
DIRECTOR OF FINANCE