



Pension Administration Records Management & Data Improvement Policy

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by Pension Committee on

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1. Introduction

This document defines the records management and data improvement policy of the Pension Administration section of Merseyside Pension Fund (the Fund) and is supplemental to the Pension Administration Strategy.

The Fund 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).

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 Fund achieves and maintains the highest possible data quality standards, to comply with its core functions and to ensure the cost effective use of resources.

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.

To strengthen overall Scheme governance a Scheme Advisory Board is now in place, along with two cost control mechanisms; which seek to monitor and contain the overall cost of the LGPS at a national level, with individual funds providing experiential data to inform the process.

Given the financial constraints faced by the local government sector and the budgetary implications of delivering local fund valuations, it is critical that member data be sufficiently robust to inform the valuation exercise and withstand scrutiny from both internal and external audit.

The continuing diversification of the employer base, the increasing number of payroll providers and IT systems used to transfer information present the Fund with significant operational challenge in meeting the statutory record keeping requirements.

2. Purpose

This policy applies to all records created, received or maintained by staff at the Fund, its systems suppliers, professional service providers and consultants acting on behalf of the Fund during the course of carrying out the administration function.

Records are defined as all those documents which facilitate the business carried out by the Fund and what are, thereafter, retained for a period to provide evidence of its transactions or activities. These records may be created or received, and then stored, in paper copy or digital form (document, spreadsheet, database entries etc).

Some of the Fund's records are selected for permanent preservation as part of the Wirral Council's Record Retention Policy (documented separately).

‘Common’ & ‘Conditional’ Data

The Pension Regulator acknowledges that complete, accurate scheme records are a vital part of the administrative function. The Regulator defines two types of data held in scheme records:

Common Data	used to identify scheme members and would include names, addresses, national insurance number and date of birth.
Conditional Data	essential to calculate benefit entitlements such as, member contributions, pensionable pay, service history. It also encompasses data relating to events that occur during an individual’s membership, for example transfers, purchase of additional pension and pension sharing orders.

Both types of data are equally important, but are defined separately for the purposes of measurement and relationship to obligations under the Data Protection Act (personal data).

Data Protection

The Fund needs to collect and use different types of information about people with whom it deals and communicates in order to operate. The Data Protection Act details the requirements and safeguards which must be applied to personal data to ensure the rights and freedoms of living individuals are not compromised.

The Fund is a ‘data controller’ as defined by the Data Protection Act and must observe the principles relating to the processing of personal data as outlined in the regulations. Registration at the Information Commissioner’s Office (ICO) is under the name of the administering authority, **Metropolitan Borough of Wirral** (Registration Number Z5881449).

This policy is also informed by the significant change to the Data Protection Act 1998 effective from 25 May 2018. The changes will require a greater level of transparency and accountability on authorities who manage the data of individuals.

The Fund will need to ensure ongoing compliance with record keeping and data quality standards in line with industry best practice, demonstrating to stakeholders the appropriate consideration of the Data Protection Act.

3. Legislative Framework

This Fund and its Employers have a legal obligation and statutory duty to comply with a number of regulations, standards and formal guidance; these include, but are not limited to:

- LGPS Regulations 2013, as amended;
- Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Act 1995, 2004 and 2008;

- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013;
- Data Protection Act 1998, and replacement legislation in May 2018;
- Freedom of Information Act 2000;
- Pension Regulator’s Code of Practice No.14

4. Key Objectives & Activities

The key objectives of this policy and the activities of Fund officers are directed to ensure that:

- a) the Fund ensures compliance with the guidance of the Pension Regulator and establishes a robust, reviewable and transparent framework necessary for the acquisition and upkeep of accurate, complete and up-to-date records
- b) accurate records are maintained for the purpose of calculating pension entitlements and employer liabilities; ensuring all information and data is communicated securely and accurately, within prescribed timescales
- c) secure communication processes are in place to enable both the Fund and employers to proactively and responsively engage with each other in respect of record keeping and data quality standards
- d) the continued development of appropriate technology to improve data quality standards, and the streamlining of operational processing across employer and Fund workstreams
- e) the Fund and employers have a clear understanding of their respective roles and responsibilities, ensuring all parties are committed to the continuing engagement to improve data quality and promote accurate record keeping
- f) all data collection processes are clearly documented and regularly reviewed to ‘stress test’ the validity of data and to ensure they are aligned to updated legislative requirements
- g) there is commitment to monitor the delivery of specified activities in accordance with the relevant regulations and the Pension Regulator’s Code of Practice
- h) an audit programme is in place to assess compliance with the policy, to test internal controls inherent within data collection processes and to ensure training requirements are identified and actioned
- i) the Fund will engage with large Scheme employers to facilitate a drive towards electronic submission of member data and documentation using the Fund’s established protocols (‘Employer Electronic Interface Files’)
- j) the Fund is committed to extend the secure electronic submission of member data and documentation by other employers over a four year staged programme.

5. Responsibilities of Key Parties

A detailed overview of Fund and employer responsibilities, performance standards and escalation policy can be found within the Pension Administration Strategy.

In regard to the records management policy, there are additional general responsibilities.

Fund Officers

Individual service areas have the responsibility to continually review and ensure that data collection is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes must be underpinned by suitable documentation, staff training and skills transfer to ensure ownership, understanding and compliance at both a Fund and employer level.

All staff must undertake an annual e-learning course entitled “Responsibility for Information” as staff awareness of data protection is a significant part of ensuring ongoing compliance.

All staff will retain and dispose of records as part of a managed and documented process, overseen by service area managers. Staff must ensure records are disposed of in a secure and confidential manner; paper records with personal or commercial data must be placed into secure waste bins available in all service areas.

Service area managers monitor performance in relation to records and data quality this is used to inform decision making, activity priority and employer engagement. Performance standards and achievements are reported to and monitored by Wirral Council Pension Board three times a year.

Service area managers, supported by Fund IT staff, are responsible in ensuring that staff members have the appropriate level of system access to fulfil their duties; the control of access minimises the risk of accidental loss, errors and unauthorised activity.

Employers

The Fund is reliant upon the accuracy, completeness and timeliness of data provision for participating employers and any third party agencies they may utilise e.g. payroll providers.

To maintain complete and accurate records there has to be a continual dialogue with participating employers in regards the provision of data. Fund Officers will work with named employer representatives throughout the year to support the general activities of the Fund, clarifying information and data provided. There is an employer responsibility to provide resources to respond to ad-hoc enquiries, but also structured bulk activities such as year-end contributions returns and data reconciliations.

Administering Authority

Wirral Council as the administering authority provides the computer network infrastructure for the Fund and the supporting procedures and guidance for staff on records management and Information Governance issues; including Data Protection.

The Operations & Information Governance Manager is the link officer between Fund and the corporate functions of the administering authority, in regards Information Governance, Cyber-Security and Records Management.

6. Data Review Activities

To ensure compliance with the LGPS regulations and the Pension Regulator Code of Practice, the Fund will undertake the following data related activities:

Review activity	Monitoring Performance	Timescale
<p>The Fund will undertake biannual data reconciliation exercises with all employers to identify discrepancies within member datasets, carrying out a detailed analysis on any data gaps</p>	<p>Regular engagement with employers in regards to outstanding data items, with the production of action plans where required. Where action plans fail and no improvement is evident, the Fund will hold face to face meetings to discuss required actions</p>	<p>Data reconciliation exercises will be carried out January and September with regular ongoing chase of outstanding data</p>
<p>Following year-end contribution return exercise, the Fund will provide employers with a detailed review of errors and data gaps encountered during the process</p>	<p>The Fund will monitor progress against resolution of errors.</p> <p>Where errors are not resolved within timescales prescribed within the Pension Administration Strategy, employers may be subject to the Fund's escalation policy on charging employers for unsatisfactory performance</p>	<p>Within 30 days of receipt of complete and correct year end contribution return</p>
<p>To continually develop the documentation and engagement plan with employers in regard data provision to the Fund.</p> <p>Assess appropriateness of specific practitioner training for data review activities, including individual coaching opportunities.</p>	<p>Assess improvements in data quality following revision to documentation and delivery of internal/external training/coaching.</p>	<p>Ongoing</p>

7. Data Improvement Plans

Where the Fund identifies poor quality or missing data, it will put in place a data improvement plan to address these issues. The plan will have specific data improvement measures that can be monitored with a defined end date within a reasonable timeframe.

Wirral Council Pension Board has delegated responsibility for the development of a data improvement plan to the Fund's Operations & Information Governance Manager, supported by the Data Compliance & Technical Officer and the Data & Systems Analysts.

In collaboration with lead officers at each employer, individual employer data improvement plans will be developed, supported by biannual data reconciliations. The Fund will report individual performance to employers, identifying any areas for improvement (by either party) and where necessary develop an action plan to address outstanding data.

Progress of data improvement plans will be monitored by Wirral Council Pension Board, and will detail any enactment of the escalation policy in regard unsatisfactory performance by employers, along with any required Fund procedural changes to enhance service delivery or support to employers.

8. Third Party Data Services

The Fund will make use of third party data services to improve the quality of its data and also support the administrative function. These are provided by outside organisations as either collaborative ventures (at no or minimal cost) or procured commercially.

LGPS National Insurance Database & 'Tell Us Once' Service

Administered by South Yorkshire Pension Fund Authority (SYPA) on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for LGPS administering authorities to share data to prevent the duplicate payment of death grants. This follows changes to Scheme Regulations in 2014, by virtue of which payment of a death grant, in respect of a member with entitlement to 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 procedurally check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.

The secure LGPS National Insurance Database also facilitates the integration of the Funds membership profile into the government 'Tell Us Once' service, as administered by the Department of Work & Pensions (DWP). The 'Tell Us Once' service allows a person registering a death to request that the DWP pass on the deceased's information to other government departments 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 designated Fund officers that a copy death certificate is available for access on the secure government gateway.

Tracesmart IQ

Provided commercially by LexisNexis, this web-based tracing service provides officers with an avenue to find the most recent postal address of a member to whom contact has been lost. The loss of contact will occur when a deferred or pensioner member fails to notify the Fund of a change of address.

National Fraud Initiative (NFI)

Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, the Fund receives a report of 'matches' to investigate, to take remedial actions and update records accordingly.

Mortality Screening Services

Provided commercially, the Fund periodically engages in comparing its deferred and pensioner memberships against the national death register as administered by the General Register Office which is part of Her Majesty's Passport Office.

9. Priority Data Areas

To ensure compliance with the LGPS regulations and to effectively administer the scheme, the Fund has identified priority areas of data provision. The Fund's Data Compliance & Technical Officer, supported by the Data & Systems Analysts, is responsible for ensuring review of the following priority areas of data quality and compliance.

Ref	Data Area	Potential Impact	Mitigation	Review Frequency
DA1	Failure to maintain accurate and up to date member records	Inability to ensure accurate payment of benefits within prescribed timescales Potential additional administration and legal costs to correct historical errors Breach of Data Protection Act	Frequent ongoing data reconciliation exercises will highlight gaps and anomalies in Fund records, and also bring to light poor performance of employers regarding notification of new starters, changes and leavers Increased use of 'Electronic Employer Interface Files' with large employers to facilitate uploading directly into systems (no data re-entry)	Biannual exercise to align Fund and employer data, in addition to year end contribution exercise. Ongoing engagement with large scheme employers.
DA2	Failure to identify the misallocation of CARE data to member accounts	Failure of Fund to fulfil its statutory requirement to ensure accurate payment of benefits within prescribed timescales	Continued liaison and development of bespoke automated annual return data linking for large scheme employers, relating to their current payroll system to enable accurate digital import of data	Annually – before commencement of year end contribution exercise
DA3	Data quality control of CARE data received on year end contribution return	Fund systems are updated with CARE data that has not been subject to data quality control checks Impact on annual allowance calculation for members	Continued development of "sanity" checks on pay data submitted Regular revision and improvement of Fund pay tolerance levels Descriptive feedback to employers where anomalies are highlighted	Annually – before commencement of year end contribution exercise

DA4	Verification and authorisation of year end contribution data received from employers	Non verification and authorization of year end contribution data could result in failure to identify fraudulent activity that may have financial consequences	Robust authorisation controls – submissions requires sign off by Section 151/Chief Finance Officer of employer Assessment of pay benchmarked against highest paid officer within the organisation. Regular review of Fund’s register of officers authorised to verify year end contribution return	Annually – before commencement of year end contribution exercise
DA5	Processing amendments received to year end contribution return data	Non verification of amendments to year end contribution data could result in failure to identify fraudulent activity that may have financial consequences	Ensure all amendments are verified by the appointed authorised officer and submitted within the specified Fund format	Annually – before commencement of year end contribution exercise
DA6	Failure to identify gaps within member CARE data	Failure of Fund to fulfil its statutory requirement to ensure accurate payment of benefits within prescribed timescales	Continued development of Fund systems to highlight gaps within CARE data Engagement with employers to ensure the timely provision of year end contribution return data	Annually – before commencement of year end contribution exercise
DA7	Failure to hold and transfer member data securely	Breach of Data Protection Act, data lost or compromised	Compliance with Wirral Council Data Protection and IT Policies Electronic transfer of member data between the Fund and employers carried out via secure email server	Ongoing

10. Review

The Fund will review this policy document as required to reflect changes in regulations and Fund working practices.

11. Monitoring Compliance

Compliance with this policy and related standards and guidance will be monitored as part of the work of the Wirral Council Pension Board and supported by specific programmes of activity by the administering authority auditors.

Fund and employer performance outcomes will be subject to scrutiny by the Pension Regulator, the Local Pension Board and Pensions Committee, as well as both Internal and External Auditors as part of the governance arrangements of the Fund and the LGPS.

12. Associated Policy Statements

Pension Administration Strategy

The aims and objectives of the strategy are to:

- detail requirements for liaison and communication between the Fund and employers
- outline performance expectations for the Fund and employers
- promote good working relationships and improve transparency, efficiency and quality of data
- ensure the fair apportioning of costs across all employers
- provide a good quality, efficient and value for money service to all stakeholders

The draft version, approved for consultation with employers by the Pensions Committee can be found on the Fund website at:

<http://mpfemployers.org.uk/pdf/draftpas2018.pdf>

Governance policy

Wirral Metropolitan Borough Council is the Administering Authority for Merseyside Pension Fund. The Council has delegated to the Pensions Committee various powers and duties in respect of its administration of the Fund.

This statement sets out the scheme of delegation and the terms of reference, structure and operational procedures of the delegation and can be found on the Fund website at:

<http://mpfemployers.org.uk/content/governance-fund>

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Approved by: Pensions Committee

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