


Non-Executive Report of the:  <b>Pension Board</b>  <del>Monday, 24 June 2024</del> <b>Monday, 8<sup>th</sup> July 2024</b>	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Julie Lorraine, Corporate Director, Resources	<b>Classification:</b> Open
<b>Annual Benefit Statements (ABS) 2024</b>	

<b>Originating Officer(s)</b>	Paul Audu, Head of Pensions and Treasury (Interim)
<b>Wards affected</b>	All

### Reasons for Urgency

The report was not published five clear days in advance of the meeting. Therefore, before this item can be considered at this meeting, the Chair of the Board would need to be satisfied that it is necessary to consider Annual Benefits Statements (ABS) 2024 at this meeting, the Board may also take the view that it is important that there should not be an extended period without any member oversight.

### Executive Summary

This report updates the Pension Board on the production of Annual Benefit Statements (ABS) to Tower Hamlets active and deferred Scheme members by the statutory deadline of 31 August 2024.

### Recommendations:

The Pension Board is recommended to:

1. Note this report and the work being carried by the Pension Administration Team to ensure the timely provision of the 2024 Annual Benefit Statements.

#### 1. REASONS FOR THE DECISIONS

- 1.1 LGPS Administering Authorities have a statutory obligation to provide annual benefit statements to scheme members by no later than 31 August 2024.
- 1.2 The Fund's governance framework requires officers to inform the Board if any breach in the Regulations occur or likely to occur. This report provides an update to show that the Fund is working towards meeting the statutory deadline of 31 August 2024 in respect of Annual Benefit Statements.

#### 2. ALTERNATIVE OPTIONS

2.1 None.

### **3. DETAILS OF THE REPORT**

3.1 Under the Public Service Pensions Acts 2013, administering authorities are required to provide Annual Benefit Statements by no later than 31 August each year, five months after year-end. To support this annual exercise, the TH pensions administration team must obtain year-end data from all the employers in the TH Fund.

3.2 The Pension Regulator (tPR) monitors LGPS administering authorities' compliance with the ABS requirement, mainly focusing on the percentage of active Scheme members receiving statements by the 31 August deadline. TH pensions administration team aim to produce 99% of active Scheme members' statements by 31 August 2024.

3.2 Each year the pensions administration team issue Annual Benefit Statements providing details and current value of active and deferred Scheme members' pension benefits in the LGPS. The statements show estimates of members' pension at retirement age, based on the data currently held by the Pension Fund.

3.3 Annual Benefit Statements provide active members with estimates of:

- pension build-up for the earlier tax year (1 April 2023 to 31 March 2024)
- the current value of pension benefits on 31 March 2024
- pension benefits if they continue to pay into the LGPS at the same rate until their Normal Pension Age
- death-in-service grant.

3.4 Annual Benefit Statements provide deferred members with:

- the current value of their deferred pension benefits including pensions increase
- the due date of the deferred pension benefits
- the death grant payable on death before receiving their benefit.

3.3 The 2024 Statements will reflect the pensions increase of 6.7% which was applied from 6 April 2024.

3.4 In line with the TH Pension Fund Communications Strategy, Scheme members registered to use the TH self-serve portal will be able to access their statements online. Statements are dispatched to members who opted to receive paper statements until they change their communication preference.

3.5 Statements for approximately 8,000 active members and 8,400 deferred members will be produced in-house in 2024. Pensions administration officers are currently reviewing the processes, resources, design and format of last year's Statement to ensure its suitability. The statements will be printed and posted by an external contractor ahead of the 31 August statutory deadline. The TH ABS process is as follows:

a) The previous years' templates are reviewed/amended by a design team;

- b) The data is checked by pensions administration team;
  - c) An external printing company is selected by the communication team;
  - d) The data and template are securely delivered to the chosen printing firm; and
  - e) Sample ABS are sent to the pensions administration team for proofing and sign-off.
- 3.6 Officers are working collaboratively with specialist firms to cleanse the pensions data. However, it is likely that some statements might contain incomplete or inaccurate information. The Pensions Team is working with employers and the Fund's tracing agency to rectify data issues before the statements are published.
- 3.7 Analysis of the Annual Benefit Statements sent in 2024 will be provided to the Board in due course. The information (for active and deferred members) will include the following:
- number / % of statements issued; and
  - number / % of statements with errors or omissions.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 There are no specific equalities implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

#### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 There are no specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

#### **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This is a noting report. There are no direct financial implications arising from this report. The costs associated to the administration of this function will be met from current approved budget.

#### **7. COMMENTS OF LEGAL SERVICES**

- 7.1 S.14 of the Public Service Pensions Act 2013 requires that an annual benefit statement is provided to scheme members by the relevant date (31 August 2024).
- 7.2 The Pension Regulator may, if it considers it desirable for the purpose of ensuring compliance with pensions legislation, appoint a person to assist the pension board of a public service pension scheme in the discharge of its functions if the statutory requirements are not met (under s.14A of the Act).
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- NONE

### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of “Background Papers” used in the preparation of this report.**

- NONE

### **Officer contact details for documents:**

Paul Audu – Head of Pensions and Treasury Tel: 020 7364 4248 (Ext. 4248)

3<sup>rd</sup> Floor, Town Hall, 160 Whitechapel Road, London E1 1BJ

Email: [paul.audu@towerhamlets.gov.uk](mailto:paul.audu@towerhamlets.gov.uk)