

South Yorkshire Pension Authority

Project/initiative: ABS Exercise, April Highlight Report

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Period

This highlight report covers the preparatory stage of the 2021 Annual Benefit Statement (ABS) exercise. It is based on information and data gathered up to, and including, 9 April 2021.

Status summary

The 2021 ABS exercise is underway, with 50,963 total active members due to receive a statement by the end of August 2021.

As stated in the December report, a key challenge for the Authority was to get the Monthly Data Collection (MDC) process under control and fully up to date by the end of April 2021, as this significantly influences the starting conditions of the ABS exercise.

The MDC process has received a great deal of management attention over the last three months, but it would be inaccurate to say that all MDC processes were fully up to date. However, we can report strong progress (especially in recent weeks) and confidently state that the overall process is very much under control, thanks to daily monitoring and data-driven progress reporting.

The monitoring system we have put in place enables Officers to identify employers that are not meeting requirements or fulfilling their obligations. These signals determine the need for rapid engagement and intervention where necessary. As a result, more employers have submitted data on time.

The Authority is developing tools and apps with the aim of reducing the amount of extra work incurred due to data quality issues. Direct engagement, such as targeting certain employers and payroll providers, is also helping to improve data quality and timeliness issues. Increased levels of engagement are also benefiting in other ways. For example, the Authority has already collected instructions from employers on how they want us to process 2008 Final Salary Pay for ABS purposes.

The Authority's primary goal for the coming period is to be able to start the main ABS production process by the end of April 2021. Based on current data, the process is on-track, with SYPA "ready to run" when the ABS designs have been finalised and a few member test runs completed.

The next stage of the ABS exercise is currently being timetabled. Within this planning horizon, a major update to the pension management system (UPM) has been slated for the end of May, introducing a new element of risk. The update includes non-ABS related changes that the Authority has been requesting for some considerable time, and thus there are business-as-usual implications. However, ABS-related changes also form part of this update, so the decision to take the update is not straightforward. A combination of options is being explored at this time.

Activities completed during this period

Employer engagement:

- The Authority has been in touch with all employers to ensure contact details are correct and up to date. We now send monthly reminder and chasers to employers ahead of the MDC monthly deadline.
- We have issued quarterly newsletters featuring guidance together with ad hoc training materials on aspects of the monthly data submission process.
- The Authority has collected instructions from all employers on how they want us to process 2008 Scheme Final Salary Pay for ABS purposes.

- Targeted engagement and training for certain employers or their payroll providers to help them address issues with MDCs.

Member activities:

- Engagement with focus groups to gather feedback on content and format of statements.
- Chasing and collating feedback from employers/focus group members.
- Template Statement prepared for the Local Pension Board meeting on 22 April.

IT activities:

- The ABS 2021 Dashboard is in place, providing day-by-day, visual, and numerical insight relating to statement completion. A new app has been developed to publish statements to the *mypension* portal.
- An interactive spreadsheet has been developed to enhance MDC process monitoring.
- Tools have been developed to help address data quality issues at origin and before UPM validation processing.

Process activities:

- The new active statements and processes have been created and ready to be tested.
- The Full-Time rate has been updated on UPM for any employers that are currently showing they have completed 'Month 12'. ABS 'Ready' indicator set.
- SYPA has the ABS 2021 'Ready' indicator set. Ready to run once the statement has been finalised and tested.
- Processing CARE reports and bulk updates.

Activities scheduled for next period

- Identify employers with outstanding MDC submissions for the ABS period.
- Issue targeted comms by month end and initiate engagement actions to run as required through April end and into May (training, meetings, reminder of penalties for non-compliance).
- Test systems and ABS processes.
- Review lessons learned from 2020 ABS exercise.
- Review, update, and finalise ABS format.
- Finalise ABS timetable in conjunction with UPM system update decision.
- SYPA test run and ABS production.
- Initiate processing of data and issue ABS.

Issues and risks

- In terms of the MDC process, we are currently seeking to address issues identified with Capita and Mellors.
- Completion of Month 12 MDC process for Rotherham MBC and other employers yet to complete.
- UPM May system update – This requires careful consideration to determine any possible impact on the ABS exercise if the update is taken versus disbenefits to BAU if the update is not taken.