



Continued innovation

✔ **Talya Misiri speaks to West Yorkshire Pension Fund business development manager Yunus Gajra about how the scheme has innovated over the past few years**

Can you outline the make up and structure of the scheme?

West Yorkshire Pension Fund (WYPF) is part of the Local Government Pension Scheme (LGPS). WYPF administers the LGPS for over 285,000 members representing 422 active employers.

City of Bradford Metropolitan District Council is the administering authority for WYPF. Bradford Council's administering authority responsibilities are met by WYPF's in-house pensions administration and investment teams.

The WYPF is one of few funds that have introduced monthly contribution returns (rather than annual year end returns), what are the advantages of this method and how has it been received?

WYPF was the first LGPS fund to introduce a comprehensive monthly data return for pension administration and contribution management. Prior to this we received annual returns of member records and contributions but monthly payment contributions and remittance advice, which we had to reconcile at the end of each year. The advantages to moving to monthly returns were: a reduced the bottleneck of large volume of year-end work and less delays in dealing with simple transactional errors, members records are much more accurate, removing inefficient, open ended, complex annual processes, introducing a simple, complete, accurate system where the remittance advice

validated the amount of contributions paid each month.

It has enabled us to issue Annual Benefit Statements almost immediately after the March return and meet The Pensions Regulator's deadline of 31 August.

The project was well received by the majority of employers although some did express concern that this would cause them extra work. Some of the smaller employers were concerned that they would not have the resources to configure their payroll systems to extract all the information we required. For those employers we provided technical support either directly to them or to their payroll providers.

Can you explain the WYPF's activity regarding partnership working? What does the fund offer and how is this beneficial?

One of the key areas WYPF have developed partnership working is for the internal disputes resolution procedures. WYPF has developed knowledge and expertise in the internal disputes procedure and has been chosen by over 150 employing organisations (who are not in the WYPF) to provide this expertise at stage 1 of the procedures. This enables WYPF to pass on their expert knowledge of the LGPS and give an independent review of complaints. This enables employing organisations to understand their role better and review their processes and decisions to ensure transparent, consistent and fair decision making takes place.

Pensions administration has, in recent years, been faced with the

challenge of declining resources, loss of skills and unfilled vacancies. At the same time, the implementation of a new, more complex scheme, coupled with wider regulatory and governance changes in the form of initiatives such as freedom and choice, the end of contracting out and the Public Service Pensions Act have combined to present LGPS administering authorities with considerable challenges. As part of the national LGPS framework for third-part pensions administration services, WYPF can provide resources to support public service pensions administrators and administration work areas, including but not limited to: GMP reconciliation, trivial commutation programmes, TUPE transfer programmes restructuring programmes, data cleansing and employer support, pension administration project management and multi-channel scheme communications.

Also, short-term pension administration support including: pensions payroll services, member pensions taxation support and pensions accounting and financial administration.

The WYPF has a shared service partnership with Lincolnshire Pension Fund, providing pensions administration to the LGPS and firefighters' pension schemes. What are the benefits of sharing services in this way? Are there any losses?

WYPF has also entered into a shared service partnership with Lincolnshire Pension Fund to provide a full pensions administration service for both the LGPS and firefighters' pension schemes. This includes pensioner payroll, all member

and scheme level events, reporting to statutory bodies, provision of data to external bodies such as the actuaries and LCC Resources Directorate for the production of the scheme accounts. This has a number of advantages and benefits for both WYPF and LPF, including increased membership leading to economies of scale and lowering admin costs for both WYPF and LPF, providing the scheme an extensive knowledge of the LGPS, fire and police pension schemes, duplication of costs for a pensions administration system is avoided as would duplication across other areas (i.e. newsletters, booklets, procedures, training etc), experienced WYPF technical team, which leads to an accurate and consistent interpretation and application of legislation to ensure correct payment of benefits.

Further to this, WYPF has specialised teams i.e. technical, communications, service delivery, contact centre, finance, IT, quality assurance that specialise in their own areas, where knowledge is shared across both funds.

WYPF has also been chosen by a number of fire authorities to administer the Firefighters Pension Scheme on their behalf. This has largely been due to them struggling to meet the complexities of the Fire Pension Scheme rules introduced over recent years. WYPF have a skilled and knowledgeable fire team that provide the expertise and specialist skills needed to ensure that all the regulatory requirements are met.

The WYPF has also invested in a transactional website for employers. Of the key functions on the site, you have enabled members to view, update and amend data, how is this information protected? Have you experienced any potential threats?

WYPF's transactional websites are secure using SSL certificates, which establish an encrypted connection between a user's browser or computer and WYPF's servers. This connection protects information from being intercepted by

non-authorized parties. We also conduct penetration testing using authorised third-party organisations to try and hack into our systems. We have not experienced any potential threats.

Can you give an overview of the scheme's member communications strategy? What makes the WYPF different?

WYPF's communications policy has been prepared to meet our objectives about how we communicate with our key stakeholders.

Our key objectives are: to communicate the scheme regulations and procedures in a clear and easy to understand style, to use plain English for all our communications with stakeholders and to use technologies to provide up to date and timely information.

The fund is a corporate member of the Plain English Campaign and a number of booklets have received the campaign's 'Crystal Mark' for clarity. Each year members get the following communication items: an Annual Benefit Statement (actives and deferred), 'For Your Benefit' newsletters – tailored editions for active deferred or pensioners, a short Annual Report, and an Annual Meeting Report.

In partnership with Affinity Connect, WYPF launched a retirement workshop to support and guide members who are considering what retirement might mean to them. It has proved very successful with positive feedback from members. The workshop raises awareness of the key issues to consider and the decisions that members need to make regarding their retirement plans.

To ensure we're meeting the expectation of our customers, WYPF carry out a survey of a sample of members both online and via a paper version. Feedback is monitored and any corrective and preventive action is taken where negative comments or complaints are received. Quarterly reports are submitted to senior managers to review

and is also shared with staff.

WYPF has introduced the use of Facebook and Twitter as an additional channel to communicate with our scheme members.

WYPF's Contact Centre provides a communication channel between the fund and our members and other customers. All our front line staff have attended customer care and telephone courses and we received some excellent feedback from members.

WYPF receives over 100,000 telephone calls per year to its small, dedicated contact centre. Last year we upgraded our telephone handling technology so we could add additional members of staff to this group to increase our capacity to handle calls at busy periods.

What area of innovation is the scheme most proud of?

The introduction of monthly contribution returns has made a huge difference to efficiencies and improved service, reduced cost and both improved compliance and satisfaction for members, employers and payroll.

Detailed knowledge of our pensions administration systems and software has also enabled us to develop streamlined procedures and processes to carry out areas of work that other pension administrators have stockpiled such as automated aggregation of employments.

Any other comments regarding the scheme's future plans?

WYPF continue to find innovative solutions to deliver a high-quality service to both our employers and members. We are also looking for opportunities to work collaboratively with other local authority pension funds to deliver high quality services and to further reduce costs.

Written by Talya Misiri

