

# Kent Pension Fund

## Data Quality Policy

### 1. Introduction

- 1.1 This document defines the data improvement plan for the Kent Pension Fund ('the Fund') which is administered by Kent County Council ('the Administering Authority').
- 1.2 The Fund collects and holds large amounts of digital and paper-based data and is heavily reliant on the timely receipt of quality (accurate, complete and up to date) data from scheme employers, in order to effectively administer the Local Government Pension Scheme (LGPS).
- 1.3 Details of the information scheme employers are required to provide, and the consequences of them failing to do so are detailed in the Fund's Administration Strategy.
- 1.4 Fundamentally, the purpose of the LGPS is to pay the right benefits to the right member at the right time. It is therefore imperative that the highest possible data quality standards are maintained, to comply with this core function and to ensure the cost-effective use of resources.
- 1.5 The LGPS continues to face ongoing legislative change with oversight of administration and governance falling under the remit of the Pension Regulator (tPR), with a heightened responsibility on scheme managers and local pension boards to ensure data is readily available and fit for purpose at all times.
- 1.6 The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) 2014.
- 1.7 TPR's guidance requires that schemes should:
  - Continually review their data and carry out a data review exercise at least annually.
  - Where a review of the scheme's data identifies poor or missing data, a data improvement plan should be put in place to address these issues.

## 2. The Pension Regulator Annual Scheme Return

2.1 Annually tPR issues a scheme return which should be completed and returned. From 2018 each Pension Fund is required to include in the return a Data Quality Score which has two types of data:

- **Common data** – used to identify scheme members and includes name, address, National Insurance number and date of birth.
- **Scheme Specific data** – essential to calculate benefit entitlement such as pensionable pay and service history. It also encompasses data relating to events that occur during an individual's membership, for example transfers etc.

2.2 tPR has issued a quick guide on measuring scheme data which states that one piece of missing data, such as current address on a deferred member's record should be reported to them as a failed record (as per Appendix 2)

## 3. Legislative Framework

3.1 The 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 (implementing General Data Protection Regulation)
- Freedom of Information Act 2000
- Pension Regulator's Code of Practice No.14

## 4. Key Objectives

4.1 The key objectives of this plan are to:

- Ensure active, deferred, pensioner and beneficiary records are maintained as accurately as possible to ensure benefits are paid correctly on time, members receive a high standard of service, and the Fund is able to meet its legal obligations.
- Ensure Investment and Administration costs are reliable/correct.

- Ensure data supplied to the Fund's actuary for the valuation is as accurate as possible so the correct liabilities can be calculated.
- Ensure the Fund complies with tPR's Code of Practice

## **5. Outcomes**

5.1 Anticipated outcomes of an improvement in the data held by the Fund are:

- Improvement of tPR data scores for Common and Scheme Specific data.
- Increase in the number of Annual Benefit Illustrations (ABI's) issued by 31 August each year/members are aware of the value of their benefits.
- Reduction in the number of Internal Dispute Resolutions (IDRP's) received for incorrect calculation of benefits or delays in paying benefits.
- Reduction in the number of queries from the Fund's actuary at valuation time.
- Reduction in the number of queries received when ABI's are sent out.
- Reduction in administration costs due to increased efficiency.
- Reduction in the likelihood of the Government Actuary Department (GAD) rejecting data for the scheme valuation.
- Improvement in accuracy for IAS19 valuations.
- Reduction in delays for calculating and paying retirement benefits, death benefits, transfers out.
- Reduction in the queries between the Fund and scheme employers.
- Reduction in the breaches recorded on the Breaches Log (e.g., due to ABI's being issued late).
- Improved reporting, planning, programming management and operation of activities relating to Kent Pension Fund.
- Improved governance and reduced risk of GDPR data breaches.

## **6. Ongoing Data Cleansing via monthly returns (iConnect)**

6.1 Employers are responsible for the upload of their iConnect monthly returns. The iConnect platform allows employers to securely upload the details of their scheme members. Data not provided through iConnect is provided by employers via spreadsheets and forms, which is then uploaded to the database of the Fund.

6.2 If there are any errors or suppressions on the monthly return, the employer must advise us of this and send a copy of the file upload within 2 working days.

- 6.3 All employers are aware that there may be changes to the data required on their monthly return at any time. It is the employer's responsibility to set up users, amend users and delete users.

## **7. LGPS National Insurance Database**

- 7.1 Administered by South Yorkshire Pension Fund Authority on behalf of the Local Government Association (LGA), the secure National Insurance Database (NIDB) was developed for LGPS administering authorities to share data to prevent duplicate payment of death grants. This follows changes to Scheme Regulations in 2014 where payment of a death grant in respect of a member with entitlement across multiple membership categories is restricted to an aggregate payment value in relation to any active or pensioner/deferred membership.
- 7.2 When processing the death of a scheme member, officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds. Officers will also use the NIDB to attempt to trace members for whom we have lost contact with and may hold benefits in another LGPS Fund.

## **8. Tell Us Once Service**

- 8.1 The secure LGPS National Insurance Database also facilitates the integration of the Fund's membership profile into the Department of Work and Pensions (DWP) 'Tell Us Once' service (TUO). The service allows a person registering a death to request that the DWP pass on the deceased's information to other government services and council services.
- 8.2 If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

## **9. National Fraud Initiative**

- 9.1 The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The Fund submits data to NFI every two years to identify deceased members and members who are no longer entitled to receive a pension.

## **10. Mortality screening and tracing service**

10.1 The Fund engage with a Tracing Bureau for both monthly mortality screening and ad-hoc for members where no current address is held. For deferred members, where a current address for a lost contact cannot be found by the Tracing Bureau, a check is carried out 3 months before payment of pension is due. For pensioner members who are identified as deceased the Fund will suspend pensions.

## **11. Annual Benefit Illustration (ABI) checks**

11.1 Before producing an ABI each year certain checks are applied to active records to ensure accurate data is used in the production of the ABI.

11.2 If these checks identify further information is required from an employer, the ABI production for this case will be blocked and a query will be referred back to the employer. Upon receipt of the appropriate information the record will be updated, and the ABI will be released for production.

## **12. Deferred pensions increase**

12.1 As part of the annual deferred pensions increase process certain data errors are identified and pensions increase is blocked until they are resolved.

## **13. Data errors**

13.1 When tackling data errors, the following considerations will be used when making the decision on the priority of errors to be resolved:

- Priority identified on the error report (see Appendix 2)
- Data improvement plans objectives (as set out above)

**Presented to the Pension Fund Committee for Approval – 22 June 2023**

### **Appendices:**

Appendix 1 - Data Quality scores and errors.

Appendix 2 - Work plan to deal with the data errors identified.

## Appendix 1 – Kent Pension Fund results

	Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022
tPR Score – Common	94.4%	96.3%	95.9%	95.6%	95%
tPR Score – Scheme Specific	64.6%	90.1%	91%	92.4%	93.8%

## Appendix 2 - Data Correction Plan (as at October 2022).

Category	Data Category	Failures	Priority (based on categories as determined by administration system provider)
Common	NI Number (missing, temporary, incorrect format)	1,756	Low
Common	Date Joined Fund	6	Low
Common	Status	235	High
Common	Status and invalid data view	3,066	High
Common	Address	11,351	Medium
Common	Status and valid data view	236	Very High
Scheme Specific	Member Benefits	7,947	High, Very High
Scheme Specific	Member Detail	47,792	Low, High, Very High
Scheme Specific	CARE Data	13,174	High
Scheme Specific	HMRC	1,653	Low, Medium, High
Scheme Specific	Contracting Out	31,846	Medium, High