

Northamptonshire Pension Fund

Data Improvement Policy

October 2018

Contents

Section	Page number
Introduction	3
Key policy objectives	3
Purpose of the policy	4
Effective date and reviews	4
Scope	4
Legislative framework	4
The Pensions Regulator	5
Other data	6
Data protection	6
Responsibilities of key parties	6
Third party data services	7
Data Improvement Plan	9

1. Introduction

- 1.1 This document is the Data Improvement Policy for Northamptonshire Pension Fund, which is managed by Northamptonshire County Council (the Administering Authority).
- 1.2 The Northamptonshire Pension Fund collects and processes large amounts digital and paper based personal data and is heavily reliant on the timely receipt of accurate data from scheme employers in order to administer the Local Government Pension Scheme (LGPS).
- 1.3 The primary purpose of the Northamptonshire Pension Fund is to pay the correct pension benefits to its members when they become due. It is therefore essential that the Fund achieves and maintains the highest possible data quality standards.
- 1.4 The Public Service Pension Act 2013 came into effect on 1 April 2014 following the Independent Public Services Pensions Commission review conducted by Lord Hutton. The Act gave increased powers to the Pensions Regulator to ensure that public service pension schemes had appropriate measures in place to ensure high standards of governance and administration. The Pensions Regulator articulated these standards through the code of practice 14 – governance and administration of public service pension schemes. The code of practice addresses the need for high standards of accurate data and states that schemes must regularly review the data held and put in place a data improvement plan to address any issues.

2. Key policy objectives

- 2.1 The key objectives of this policy are to ensure that:
 - The Fund ensures compliance with the guidance of the Pensions Regulator and establishes a robust, reviewable, measurable and transparent framework necessary for the processing of accurate, complete and up-to-date records.
 - 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 timeframes.
 - 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.
 - The continued development of appropriate technology to improve data quality standards and the streamlining of operational processing in respect of both employers and the Fund.
 - 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.
 - All data collection processes are clearly documented and are regularly reviewed to ensure the validity of data and to ensure they are aligned to updated legislative requirements.
 - There is commitment to monitor the delivery of specified activities in accordance with the relevant regulations and the Pensions Regulator’s Code of Practice.
 - An audit programme (referred to as the Data Audit) is in place to assess compliance with this policy, to test internal controls associated with data collection processes and to ensure training requirements are identified and actioned.

- The Fund will engage with scheme employers to facilitate a drive towards electronic submission of member data and documentation using Employer Self Service, i-Connect and the LGSS Pensions website.

3. Purpose of the policy

- 3.1 This policy applies to all records held by the Northamptonshire Pension Fund, its system suppliers, professional service providers and consultants acting on behalf of the Fund during the course of carrying out the administration function.
- 3.2 Records are defined as all those documents which facilitate the activities carried out by the Fund and those retained for set periods 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).

4. Effective date and reviews

- 4.1 This policy was approved by the Pension Committee on 12 October 2018 and was effective from 13 October 2018.
- 4.2 This policy will be reviewed annually, and if necessary, more frequently to ensure it remains accurate and relevant.

5. Scope

- 5.1 The policy applies to:
- All scheme members including potential beneficiaries of members for whom the Fund holds personal data.;
 - Administrators of the scheme; and
 - The Pension Committee and Local Pension Board.

6. Legislative framework

- 6.1 Northamptonshire Pension Fund and its employers have a legal and statutory obligation to comply with a number of regulations, standards and formal guidance relating to data quality. These include but are not limited to:
- Local Government Pension Scheme Regulations 2013
 - 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
 - The General Data Protection Regulations
 - The Pensions Regulator's Code of Practice (number 14): governance and administration of public service pension schemes

7. The Pensions Regulator

7.1 Code of practice

7.1.1 The Pensions Regulator's code of practice (number 14): governance and administration of public service pension schemes, provides practical guidance on scheme record keeping. Codes of practice are not statements of law and there is no penalty for failing to comply with them, nor is there a requirement for all the provisions of the code of practice to be followed in every circumstance. Any alternative approach to that appearing in the code of practice will nevertheless need to meet the underlying legal requirements. The legal requirements relating to scheme record keeping are set out in the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014.

7.1.2 The code of practice states 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

7.2 Public service governance and administration survey

7.2.1 Each year since 2015 the Pensions Regulator has conducted an annual survey of public service pension schemes to assess how schemes are meeting the requirements within the code of practice and the standards to which the schemes are being run. The survey results have provided the Pensions Regulator understanding on the barriers to data improvement and highlighted record keeping and data quality as high risk areas when compared with the other requirements within the code of practice.

7.2.2 The Fund participates in the survey every year and reports to the Pension Committee and Local Pension Board a comparison of the Fund's position in relation to the findings.

7.3 Mandatory annual return

7.3.1 On an annual basis the Pensions Regulator will issue an annual return which if not completed and returned is regarded as a breach of the law under the Pensions Act 2004.

7.3.2 From 2018 onwards the annual return will require a score as to the quality of the scheme's data. The Pensions Regulator has identified 2 categories of data that all pension schemes must provide a score for. These categories are common data and scheme-specific data broadly defined as follows:

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.

7.3.3 The Pensions Regulator has issued a quick guide on measuring scheme data which states that one piece of missing data, such as a current address on a deferred member's record should be reported to them as a failed record.

8. Other data

- 8.1 The Northamptonshire Pension Fund will also ensure that data not considered to be common or scheme specific, but has a processing need such as data required for the payment of pensions (e.g. tax codes, bank details) and data belonging to potential beneficiaries is also maintained to high standards of quality, accuracy and security.

9. Data Protection

- 9.1 The Fund needs to collect and process different types of information about individuals in the scheme and their potential beneficiaries in order to operate. The General Data Protection Regulations (GDPR) details the requirements, safeguards and member's rights which must be applied to personal data to ensure the rights and freedoms of living individuals are not compromised.
- 9.2 Northamptonshire County Council (the administering authority) is the data controller as defined by the GDPR and must observe the principles relating to the processing of personal data. Registration at the Information Commissioner's Office (ICO) can be found under registration number Z7589390.
- 9.3 Article 5 of the GDPR sets out the principles relating to the processing of personal data and states that personal data shall be accurate and where necessary, kept up to date. Every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed are erased or rectified without delay.
- 9.4 Where a scheme member, their representative or a potential beneficiary has identified an inaccuracy or omission in their data that is held by the Fund, they have a right to rectification. As such a request for rectification can be made either verbally or in writing to the Data Protection Officer who has one month to respond.
- 9.5 Where personal data is shared with a third party in relation to the necessary functions to administer the scheme, due diligence will have taken place to ensure that the data will be processed in accordance with the GDPR and will be recorded in the Fund's privacy notice.
- 9.6 The Fund's privacy notice can be found on the LGSS Pensions website:
<http://pensions.northamptonshire.gov.uk/>

10. Responsibilities of key parties

- 10.1 A detailed overview of Fund and employer responsibilities, performance standards and escalation policy with regards to the provision of membership data can be found within the Pensions Administration Strategy.
- 10.2 There are additional general responsibilities relating to the Data Improvement Policy as follows:

10.2.1 Fund officers

- Individual teams are responsible to continually review and ensure that data collection is fit-for-purpose and processes are in place to monitor accuracy and timeliness. All processes will have documentation in place to facilitate staff training, understanding and compliance at both a Fund and employer level.
- All staff must undertake e-learning modules on protecting personal data and information governance.
- Team managers are responsible for ensuring that staff have the appropriate level of system access to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors and unauthorised activity.

10.2.2 Scheme employers

- The Fund is reliant upon the accuracy, completeness and timeliness of data submitted by its scheme employers and any third party agencies that may utilise e.g. outsourced payroll providers.
- To maintain complete and accurate records a continual dialogue with scheme employers is required. Fund officers will work with scheme employers throughout the year to support the provision of data to the required standard.
- The scheme employer is required to provide information when requested both on an ad hoc basis and in connection with structured cyclical activities such as year-end returns and pension savings statements.
- The Fund's Administration Strategy details the financial penalties that can be levied against scheme employers who provide inaccurate or untimely information.

10.2.3 Administering Authority

- Northamptonshire County Council as the administering authority provide the IT infrastructure for the Fund and supporting procedures and guidance for staff on information governance issues including data protection.
- The Governance and Regulations Manager and the Employer Services and Systems Manager provide the link between the Fund and the administering authority for information governance, cyber security and data protection.

11. Third party data services

11.1 The Fund will make use of third party data services to improve data quality and to support the administrative functions. Such services are provided by external organisations as either collaborative ventures, with no or minimal cost or a procured commercially, normally on a joint procurement basis with Cambridgeshire Pension Fund using an established procurement framework.

11.2 Data Audit

11.2.1 The Fund has entered into a strategic partnership with ITM Limited to produce a suite of data validation tests that will identify errors, omissions and inconsistencies in the data held to be detailed in an annual Data Audit report. The Data Audit report will also examine the processes used when receiving data from scheme employers and how it is transferred on to

members' records to identify issues with internal controls and associated risks. The Data Audit will be conducted annually and the results will be included within the Data Improvement Plan.

11.2.2 The Data Audit report will also provide an independent assessment of the common and scheme-specific data scores that are to be included in the statutory Pensions Regulator's annual return.

11.3 LGPS National Insurance Database

11.3.1 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 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. 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.

11.4 'Tell Us Once' Service

11.4.1 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. 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.

11.5 Member Address Tracing and Mortality Screening

11.5.1 The Fund is in the process of procuring a provider of member tracing and mortality screening services on a joint basis with Cambridgeshire Pension Fund from the National LGPS Frameworks. These services will involve periodic checks on membership data against central registers to ensure the most up to date address is held for scheme members and to notify of any scheme members that may have died but which have not been notified to the Fund either by the scheme member's representatives or via TUO.

11.6 Overseas continued existence checks

11.6.1 Every two years the Fund uses the Western Union Global Existence Transaction Service as a method to establish the continued existence of scheme members residing overseas who are in receipt of a pension. The process involves scheme members being asked to present themselves to their nearest designated Western Union agent to collect an equivalent of £10 in local currency. The member must present both a unique Western Union collection code (supplied by the Fund) and government issued photographic identification to verify their identity. This process demonstrates to the Fund that the scheme member is still alive and entitled to the pension that is being paid to them. This process also identifies scheme members that have changed address and not notified the Fund.

11.6.2 The Western Union Global Existence Transaction Service cannot be operated in all countries. Where members live in such countries the Fund will send a proof of continued existence form to be witnessed by a suitably qualified professional upon production of government issued identification.

11.6.3 Where scheme members fail to participate in the existence processes and following several attempts to remind them to do so their pension will be suspended until such times as contact is established with the member and proof of continuing existence is verified.

11.7 National Fraud Initiative (NFI)

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

12. Data Improvement Plan

12.1 To achieve compliance with the LGPS regulations, the Pensions Regulator's code of practice and to effectively administer the scheme, the Fund has put in place a Data Improvement Plan that identifies large scale data quality activities to be undertaken in the short term.

12.2 The Fund's Governance and Regulations Manager, supported by the Data Improvement Officer and the team of Pensions Officers are responsible for updating and ensuring the completion of the activities identified on the Data Improvement Plan.

12.3 The Data Improvement Plan will be kept under constant review with new activities added as they arise.

12.4 Progress against the Data Improvement Plan will be reported to the Pension Committee and Local Pension Board at each meeting.

