

Title of Report	Quarterly Administration and Projects Update
For Consideration By	Pensions Committee
Meeting Date	21 January 2026
Classification	Public
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Naeem Ahmed, Group Director, Finance & Corporate Resources

1. **Introduction**

1.1. This report is an update on pensions administration performance across the following key areas since the last meeting:

- Pension administration service
- LGPS regulatory update
- Pension Projects, including the administration migration

It provides the Committee with information on the position of the Fund's benefit administration between July and September 2025.

2. **Recommendations**

2.1. **The Pensions Committee is recommended to note the:**

- **Administration Performance Monitoring for the quarter ending September 2025**
- **LGPS Regulatory Updates**
- **Update on the administration migration project**
- **Update on other Pension Administration areas such as pension saving statements**

3. **Related Decisions**

3.1. Various previous policies and strategies agreed at Pensions Committees.

4. Pensions Administration and Communications Update

4.1 Policy reviews

As part of the transition planning the Fund is aware that various administration and communications policy will need to be reviewed and brought up to date with any new processes and procedures that may be onboarded as part of its move to the LPPA partnership. The first two of these - the Administering Authority Discretions Policy and the Death Grant Policy have been drafted and are currently with LPPA for comment and feedback and included for review as part of this committee meeting. It is anticipated that these will be submitted to March's committee for approval, along with the Pension Administration Strategy and the Communications Strategy.

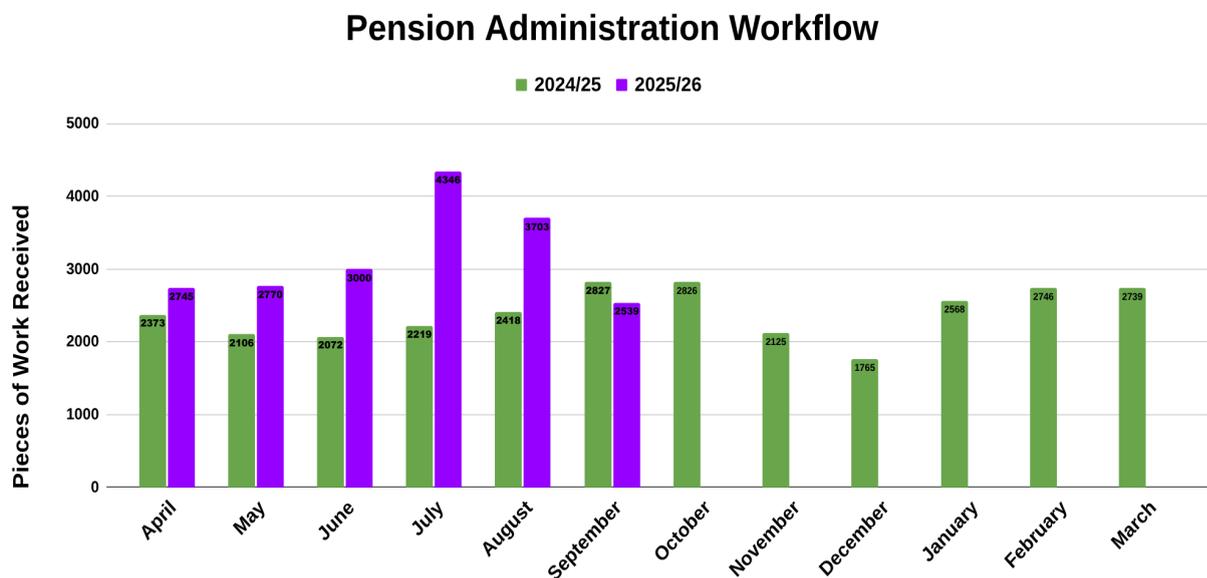
4.2 Hackney Pension Fund administration

4.2.1 Equiniti Monthly Monitoring

Under the Equiniti contract monthly reporting was required on the basis of a large number of service level agreement standards (SLAs). The graph below reflects this reporting, showing from the beginning of the financial year 1 April 2024.

4.2.2 Case levels

During the reporting quarter (the purple bars) EQ have seen a significant increase in work items received when compared to the same period in 24/25.



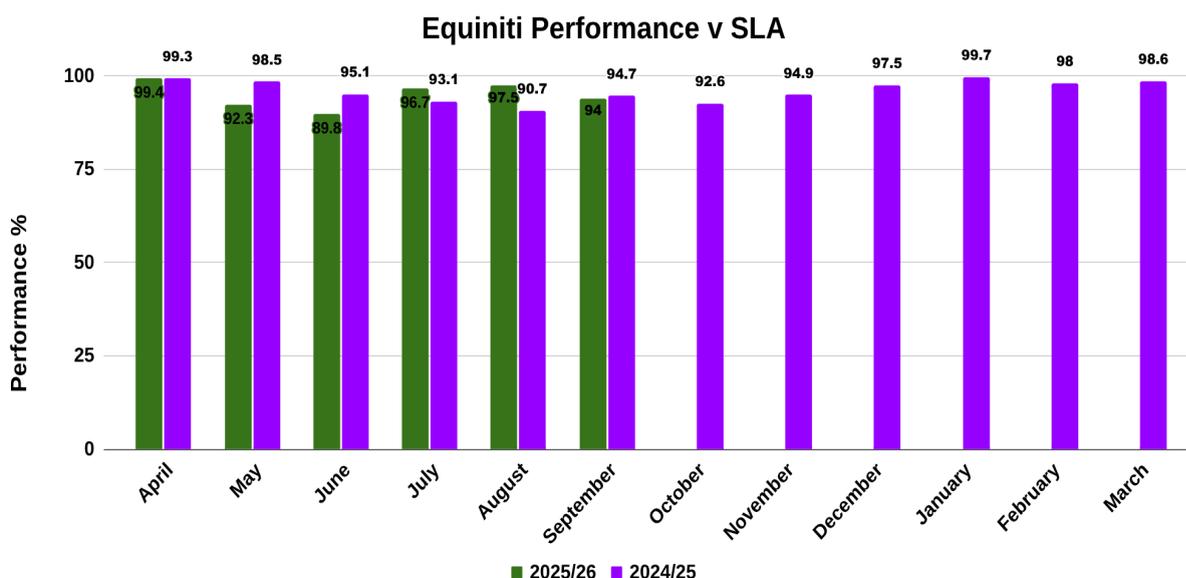
4.2.3 SLA monitoring

The contract with Equiniti includes a large number of service level agreement standards (SLAs). The SLAs include target timescales for processes such as:

- providing new members with information about the scheme

- notifying retiring members of the amount of retirement benefits and paying them their tax free cash lump sum
- informing members who leave the scheme before retirement of their deferred benefit entitlement.

The following graph shows Equiniti’s performance in these areas since April 2025 (the purple bar) and shows the comparable position last year (the green bar). The graph shows the overall SLA performance against all service level agreement standards in place.



An averaged SLA of 96.1% was achieved for the reporting period, compared to 92.8% for the same period last year. The SLA did improve after the drop in Q1 due to operational staff moving to new jobs before the end of the contract.

The Fund worked with EQ to try and ensure that the loss in personnel had as minimal impact as possible on members. EQ put in place a priority triage process where all financial work items (such as putting pensions into payment) and deaths are given priority status.

4.2.4 Hackney Pension Internal Team Update

The Hackney Pension Fund has 4 members of staff who make up the in-house administration team. The team supports the Council’s HR team with redundancy requests. During the reporting quarter (September 2025), 235 redundancy estimates were completed. This large volume reflects the increase in restructuring and redundancy exercises that the Council and its schools are undertaking due to financial pressures.

General work volumes of the Hackney In-House Administration team for the quarter ending September 2025 is reported in the table below. Tasks reported on include email enquiries, telephone calls from scheme members and member facing meetings.

	Email enquiries	Telephone calls	Member 121s
Q1 25/26	1,074	519	60
Q2 25/26	1,275	385	55

4.3 **Communications**

Since the last update the following communications have been issued:

4.3.1 **Administration Migration**

As part of the administration migration postal communications were issued to active, deferred and pensioner members prior to the go live date and post go live. In addition, a separate letter was sent to all pensioners at the end of November to dovetail with their pay day to help remind pensioners that they can access their payslips electronically each month via the online pension portal. Also the communication was emailed to council staff via the weekly internal council staff headlines. A copy was also added to the Fund's website.

4.3.2 **Website**

The Fund's website is currently under review given the change in administration function. The Fund team are working with Gallagher, the current website hosts, to update and ensure the website offers Fund information while clearing signposting members and employers to the relevant sections of the LPPA website. Currently "under construction" notices have been added to the website as an interim measure and the key contact details and links to the LPPA member portal have been updated.

The website still needs to provide up to date Fund policies. Therefore the Voting Policy and the draft report and accounts for 24/25 have been added.

4.3.3 **Pre Retirement Seminars and Employer Support**

The Pensions Team arranges 'Pre-retirement workshops' with a company called Affinity Connect, aimed at members who are thinking of retiring within the next 2 to 5 years. These workshops are held remotely with Affinity providing the facilitator, learning material and bookings free of charge. These are currently being held on a bimonthly basis and feedback received has been positive.

4.3.4 **Employer Support - School visits**

The Pensions Team have attended pension surgeries/presentations at several schools and children's centres, with these sessions being well received by staff. The team were able to explain the basis of the LGPS scheme and ask any member specific queries that members had, especially around the recent Annual Benefit statements received.

4.4 **Internal Disputes Resolution Procedure (IDRP)**

This is the procedure used by the Fund for dealing with appeals from members both active and deferred. The majority of the appeals are in regard to either disputes around scheme membership or the non-release of ill health benefits. The process is in two stages:-

- Stage 1 IDRP's for the reporting period are reviewed and determinations made by the Pensions Manager, or where the Pensions Manager has previously been involved in the case by the Assistant Director, Pension Fund Investments & Administration.
- Stage 2 IDRP's are determined by the Group Director, Finance & Resources taking external specialist technical advice from the Fund's benefits consultants.

Stage 1 – One application was received during this reporting period in relation to a retirement date dispute and service level received from the former employer, the Council, and the Fund. The complaint was not upheld in regards to the retirement date dispute although an apology was given as the member felt the level of service received was not up to their expectations.

Stage 2 – No applications were received during this reporting period.

4.5 **Pension Saving Statements 2025**

The Finance Act 2006 sets out that individuals can only save up to £60,000 each year in their pension funds (a lower amount applies for some of the very highest earners). For a defined benefit scheme such as the LGPS, this is calculated as the overall growth in their benefits over the year. The Pension Fund is required to send a Pensions Savings Statement to notify any member whose benefits within the Hackney Pension Fund have exceeded £60,000. These statements must be issued by 6th October in respect of the previous financial year.

Equiniti reviewed all active members for possible breach and it was established that only 5 members required a Pension Saving Statement this year; these were all issued within the legal deadline.

4.6 **Valuation Data**

The whole Fund membership data extract, as at 31 March 2025, was due to be submitted to Hymans by the end of June. As previously advised the valuation submission was significantly delayed and EQ submitted the final extract to Hymans on 5th September 2025.

There were a number of data queries which the internal team assisted Hyman's with resolving; the vast majority of these have now been answered allowing Hyman's to finalise the Employer rate setting.

As such, an Employer valuation forum is being held on 4th February where Hymans will discuss the valuation and opportunities will be given to all

employers to speak on a one to one basis with the actuaries regarding their new contribution rates.

4.7 Administration Service Migration

4.7.1 Post go live service

As previously reported to the Committee in November the administration function transferred to LPPA on 24 October 2025, with the first pensioner payroll via LPPA being successfully paid on 25 November 2025.

The operational reporting will start to be reflected in the Q3 quarterly report. However to provide the Committee with a level of comfort on how LPPA's business as usual services are performing for the Fund, some service level November 2025 highlights are included below:

- Overall operational casework performance for this month was 100% against overall Service Level Agreements (SLAs) of 95%.
- Contact Centre average call wait time for Hackney members was 2 minutes 22 seconds, below the targeted average wait time of 4 minutes.
- As at 30th November 3,224 members (11.5% of total members) were registered for PensionPoint, the online pension portal.

Casework	No. of cases completed	Current Period	Target
Overall performance vs SLAs	561	100%	95%
Retirements from active performance vs SLA	18	100%	95%
Retirements from deferred performance vs SLA	28	100%	95%
Bereavements performance vs SLA	69	100%	95%

The majority of the project workstreams have now transitioned over to business as usual monitoring meetings, with the exception of Employer Onboarding and the Data Workstream (see below).

4.7.2 Employer onboarding

Most Employers in the Fund have now engaged positively with the monthly return process, working with LPPA and submitting the required data. However, there are currently 10 employers who have not submitted returns via the online portal. These cases are being actively monitored, and follow up action is underway. The Employers have been contacted and reminded of their responsibilities, the importance of submitting accurate and timely data,

and the potential impact of delays on members' benefits and Fund administration.

The Fund team will continue to work with LPPA in escalating matters with these employers. Ongoing engagement will focus on supporting employers to resolve any issues that may be preventing submission.

The Council's October submission is still being worked on the administration system by LPPA as a number of data matching issues need to be fixed before the November return can then be submitted. It is anticipated that the November return should not be such a lengthy data process as a lot of the updates which are being done at the moment will positively impact future submissions.

4.7.3 Data update

As previously reported the available pension data was imported from Compendia (Equiniti's pensions administration platform), to UPM (LPPA's pension administration platform). During data migration for the service onboarding, it was identified that Compendia did not store all the information that UPM requires to process pension member benefits on an ongoing basis. Additionally, the data migration was made more complex by the amount of work which was being processed by Equiniti 'off system' (i.e. changes not stored in the main Compendia database, but on offline documentation).

As a result, a data issues 'flag' has been added on UPM to c17,000 Hackney member records (active and deferred status) to signify that the record cannot be processed until the data has been rectified. For UPM functionality to work and be fully utilised, all data must be present and correct within the database. Missing or incorrect data will result in calculations, bulk processes, automation and self-service tools all failing and/or exception handling.

This does not fit with LPPA's standard operating model and therefore currently requires additional resources to service the work until all data issues are resolved. The project work to tackle these data gaps/issues is currently being scoped and agreed upon by LPPA and the Fund and is expected to improve the Hackney member experience, reduce regulatory risks and support the Fund's longer term data strategy.

The current high-level milestone plan is set out below:

Data Improvement Phases	Description	Estimated Timeline (2025-2026)
Phase 1 24 Oct 2025 - 15 Jan 2026	Bulk Data Import	24/10 – 10/01
	Intellica Set Up	24/10 - 20/11
	Intellica Data Analysis (for Data Rebuild)	21/11 - 24/12
	Data Rebuild (CARE, etc.)	28/11 - 15/01
	Casework Automation (Active & Deferred)	19/12 - 15/01
	Phase 2 Planning	29/12 - 15/01

Data Improvement Phases	Description	Estimated Timeline (2025-2026)
Phase 2 15 Jan - 31 March 2026	Bulk Data Import (for complex Active & Deferred)	16/01 - 02/03
	Data Rebuild (CARE, etc.) for complex Active & Deferred	16/01 - 02/03
	Casework Automation (complex Active & Deferred)	16/01 - 02/03
	Intellica Driven Priority Fixes (for Data Rebuild)	16/01 - 27/03
	Annual Pension Increase (for Data Rebuild)	05/01 - 31/03
	Phase 3 Planning	11/03 - 31/03

4.8 Other administration and communications related developments and news

4.8.1 Budget 2025

On 26 November 2025, Rachel Reeves, Chancellor of the Exchequer, delivered the Budget 2025.

Points of interest for the LGPS include:

- Salary sacrifice changes: From 6 April 2029, the Government will limit the value of pension contributions made through salary sacrifice that can receive employee and employer national insurance contributions relief to £2,000 per year. The change will be implemented through primary and secondary legislation, which will be introduced in due course. Guidance on this proposal has been published by the Government.
- Stamp duty land tax (SDLT) relief: The Government will amend Stamp Duty Land Tax rules to provide for a time-limited SDLT exemption for transfers of real estate assets from LGPS member funds into qualifying pools. The aim is to facilitate compliance with the Government's pooling requirements. This will be legislated for in the Finance Bill 2026-27. We understand the relief will be available for 5 years from the date of Implementation.
- Inheritance tax: The Budget document reaffirms the Government's intention to proceed with previously announced proposals to include certain unused pension funds and death benefits within the estate for inheritance tax (IHT) purposes for deaths after 5 April 2027. On the same day as the Budget, the Government also published a policy paper on the proposals. This sets out that the Government will introduce a mechanism for personal representatives (PRs) to direct pension scheme administrators to withhold 50 per cent of taxable benefits for up to 15 months from the date of death, where the PRs expect IHT to be due.

Other pension-related announcements include:

- confirmation of next year's increase to the basic and new State Pension

- a commitment to maintain the triple lock for the duration of the current Parliament
- amendments to the rights of overseas residents to top up their State Pension by paying class 2 voluntary national insurance contributions
- measures to ease the administrative burden for pensioners whose sole income is the basic or new State Pension without increments, so they will not need to pay small amounts of tax via simple assessment from 2027–28, even if the State Pension exceeds the personal allowance.

4.8.2 LGPS Statistics for 2024/25 published

On 22 October 2025, the Ministry for Housing, Communities and Local Government (MHCLG) published the [LGPS statistics for England and Wales 2024 to 2025](#).

Highlights in the report include:

- total expenditure of £19.1 billion, an increase of 11.7 per cent on 2023/24
- total income of £21.7 billion, an increase of 5.2 per cent on 2023/24
- employer contributions of £10.1 billion, a decrease of 3.9 per cent on 2023/24
- employee contributions of £3.2 billion, an increase of 5.8 per cent on 2023/24
- the market value of LGPS funds on 31 March 2025 was £402.3 billion, a 2.7 per cent increase compared to 31 March 2024
- 110,678 retirements in 2024/25, an increase of 11.2 per cent on the number of retirements in 2023/24.

The reduction in employer contributions is a result of some employers making advance payments during the first year of the three-year contributions period which started in April 2023

4.8.3 LGPS England & Wales Scheme Advisory Board (SAB)

Fit for the Future - technical consultation

The [Board's response](#) to the Fit for the Future [technical consultation](#) has been published. The consultation seeks to understand whether the draft statutory instruments (linked below) will effectively deliver the policy proposals set out in the Government's response to the [Fit for the Future consultation](#):

- LGPS (Pooling, Management and Investment of Funds) Regulations 2026
- LGPS (Amendment) Regulations 2026.

Response to 'Access and Protections' consultation

The [Board's response](#) to the [Scheme improvements \(access and protections\) consultation](#) has been published.

For this consultation, the Board endorsed much of the response from the LGPC. In particular, the Board would like to endorse the technical accuracy of their analysis of the impact of the proposals and how they might best be delivered. The main difference between the Board's response and the LGPC's is on the introduction of the normal minimum pension age and the need for protections for existing scheme members. That difference derives largely from the different composition of the Board, and the advocacy of the member representatives on it.

LGPS statistics for 2025/26

MHCLG was reviewing the statutory return (SF3) data following the changes proposed under Fit for the Future. The review aimed to ensure the return continued to provide ministers with information on the areas they are most interested in.

MHCLG officials have confirmed that there will be no significant changes to the data collected in the statutory return (SF3) for the 2025/26 scheme year.

5. Comments of the Group Director Finance & Corporate Resources

- 5.1. The Pensions Committee has delegated responsibility for management of the Pension Fund. Whilst there are no direct financial impacts from the information contained in this report, quarterly monitoring of key aspects of the Pension Fund helps to provide assurance to the Committee of the overall financial performance of the Fund and enables the Committee to make informed decisions about the management of the Fund.
- 5.2. Monitoring of key administration, communication and project targets ensures that the Fund monies are being used appropriately including ensuring that the Fund is achieving value for money.

6. Comments of the Director of Legal, Democratic and Electoral Services

- 6.1. The Council's Constitution gives the Pensions Committee responsibility for various specified functions relating to management of the Council's Pension Fund, as reflected in the Committee's Terms of Reference. The Committee has delegated responsibility:
 - To act as quasi Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pension legislation.

- To act as Scheme Manager for the Pension Fund.
- To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium term plan to deliver the objectives.

6.2. Given these responsibilities, it is appropriate for the Committee to consider a regular quarterly update covering scheme administration, communication and pension projects.

Appendices

None

Background documents

None

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