

The Importance of Clean Data

Employer Training Day

- Natalie Edelsten
- 29 November 2018

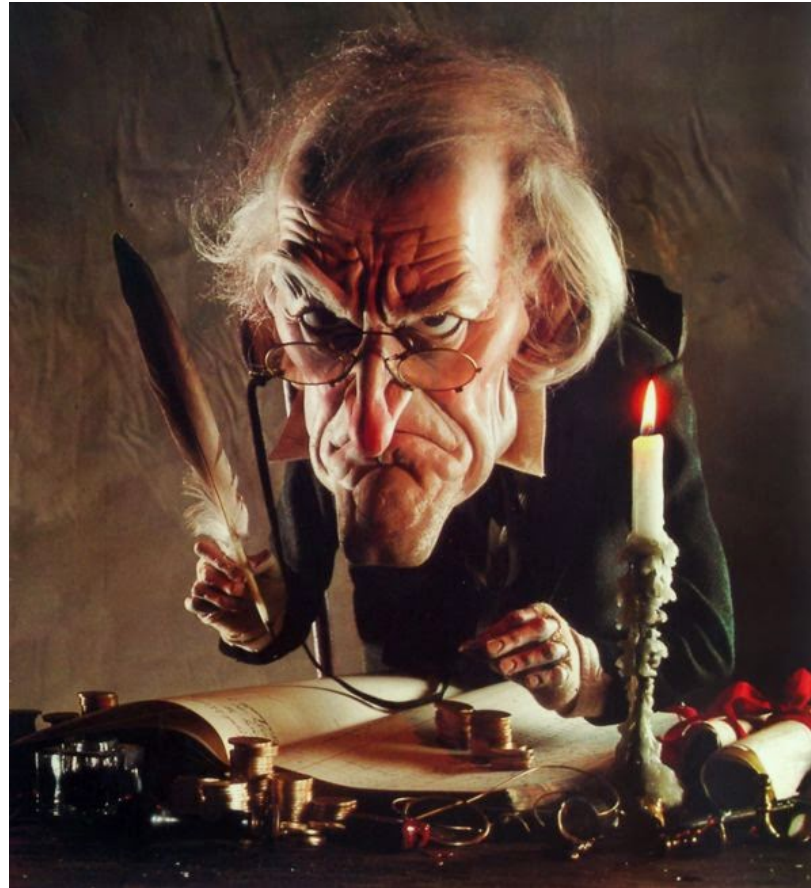


What are we going to cover?

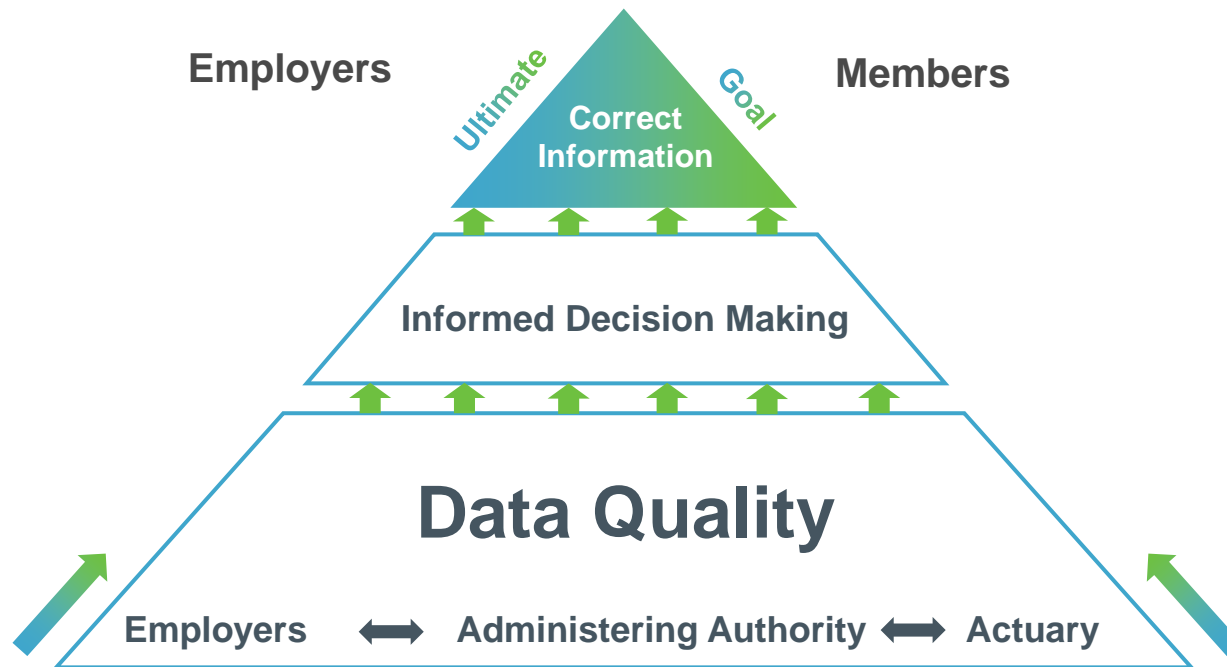
- Importance of data
- What happens when it goes wrong?
- Current LGPS data requirements
- The 2019 valuation and what you can do?

The Importance of Clean Data

Clean data...bah! Humbug!



The importance of clean data



Don't let data haunt you!

Employer:

- Prudent assumptions
- Increased liabilities
- Increased contribution rates
- Late valuation results
- Reputational damage

Member:

- Incorrect pension
- Recovery
- Affects future planning





What happens when it goes wrong?

The Ghost of Data Past

- Missing data
- Typos
- Out of date
- Inaccurate data
 - Pay
 - Dates of birth
 - Start dates/service



Impact of incorrect data

Pensionable Pay:

Example (Active Member)

Sex	DOB	Start Date	FTE Salary £	Liability £	Annual CARE £
M	01/01/1954	01/01/1998	10,500	50,667	214
M	01/01/1954	01/01/1998	15,000	76,000	306

+50%!

Please note – all figures and calculations contained herein are based on a number of assumptions and are therefore for illustrative purposes only.

Impact of incorrect data

Date of Birth:

Example (Pensioner)

Sex	DOB	Pension £	Liability £
F	01/01/19 ²³	2,000	15,600
F	01/01/19 ³²	2,000	23,500

+51%!

Please note – all figures and calculations contained herein are based on a number of assumptions and are therefore for illustrative purposes only.

Impact of incorrect data Membership:

Example (Active Member)

Sex	DOB	Start date	Liability £
M	01/01/1954	01/01/1998	33,800
M	01/01/1954	01/01/1989	76,000

**+125%
!**

Please note – all figures and calculations contained herein are based on a number of assumptions and are therefore for illustrative purposes only.

Current Data Requirements

The Ghost of Data Present

- More data than ever before
 - Old schemes
 - New scheme
 - Auto-enrolment (more members)
- Data changing constantly



Benefits Recap

Old Schemes (pre-2014)

- One definition of pay
- Benefit based on:
 - final salary
 - Total service

New Scheme (post-2014)

- Benefit based on salary each year
- Members can be in main scheme or 50-50
- Members can have benefits in old and new schemes:
 - 2 definitions of pay required

Main events to supply data

Joins
scheme

Leaves
scheme

Change
address

Change
salary

Transfers
employment

Change
status

Change
name

The 2019 valuation and what you can do?

The Ghost of Data Yet to Come

- Formal valuation on 31 March 2019
- Returns submitted by 30 June 2019
- How can you help?
 - Timeliness
 - Communication
- Your responsibility (even if 3rd party payroll provider)





The scrutiny on the Fund and employers is greater than ever



Public Service Pensions (Record Keeping) Regulations



HM TREASURY

The Pensions Regulator

Governance and administration of public service pension schemes



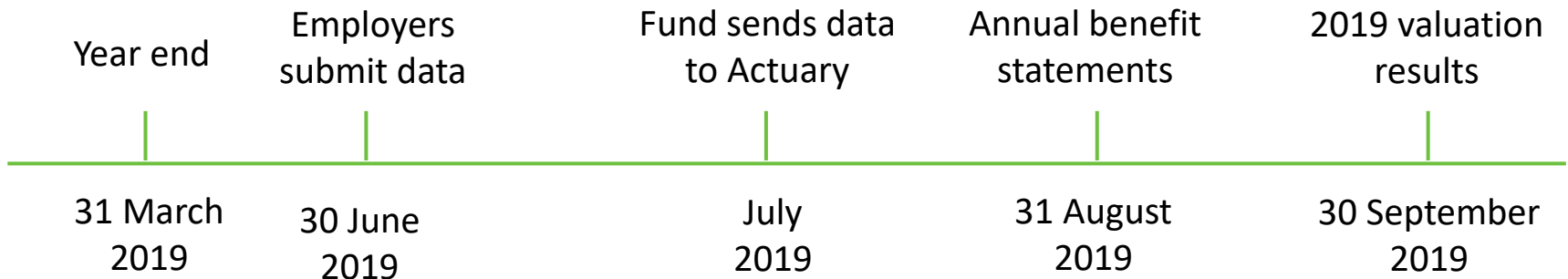
Local Pension Board



Scheme Advisory Board



Looking ahead to 2019



2019 valuation calculations cannot start until data for all employers submitted to Fund!



The End...

Thank you

