

**Data Improvement Plan**

**April 2025**

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# **Introduction**

This document outlines the North Yorkshire Pension Fund’s (NYPF) (“the Fund”) data improvement plan.

The purpose of the Fund is to pay the correct pension benefits to its members when they become due.It is therefore important that the Fund achieves and maintains the highest possible data quality standards, to comply with its core functions and to ensure the cost-effective use of resources. High quality data is also the basis for all fund valuations and effective decision making.

Keeping and maintaining high quality data is becoming increasingly difficult due to the ever changing employer base, the increasing number of payroll providers, the large number of members and the complexity inherent in the scheme’s design. However, the Fund is committed to meeting these challenges by using the approaches outlined in this plan.

# **Legislative Framework**

The Fund and its employers have a legal obligation and statutory duty to comply with various 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;
* Pensions Acts;
* The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013;
* Data Protection Act 2018;
* Freedom of Information Act 2000;
* Pensions Regulator’s General Code of Practice

This document considers the requirements of these different pieces of legislation in determining the Fund’s approach and its priorities.

# **Plan objectives**

The key objectives of this plan are:

* To ensure accurate records are maintained to calculate pension entitlements and employer liabilities; ensuring all information and data is communicated securely and accurately, within prescribed timescales.
* To ensure that the Fund is compliant with legislation including the Pensions Regulator’s (tPR) guidance. Ensuring that a robust, reviewable and transparent framework necessary for the collection and maintenance of accurate, complete and up-to-date records is in place.
* All actions agreed are proportionate to the risk posed, are cost effective and efficient. As part of this, appropriate technology will be used wherever possible to improve data quality standards and the streamlining of operational processing.
* To focus on making sure the Fund data is correct at source by using preventative approaches wherever possible
* To ensure clarity of roles and responsibilities between the Fund and employers, ensuring all parties are committed to improving data quality and promoting accurate record keeping.
* To ensure that all data collection processes are clearly documented and regularly reviewed to check the validity of data. Managers will periodically check that procedures are being followed correctly while an audit programme will be in place to check controls, the collection and processing of data.

# **Obtaining good quality data**

An essential part of any data improvement plan is to ensure that good quality data is received and accurate processing takes place. The Fund’s data requirements are detailed in the Administration Strategy document and also on the employer section of the Fund’s website. Outlined below are the approaches that the Fund will use.

## Accurate and timely data submissions

The Fund relies on accurate, complete and timely data from participating employers and any third-parties that they use e.g. payroll providers. Data submissions are provided monthly via the online employer portal as well as e-forms via the Fund’s website. This ensures that data is received regularly throughout the year and is monitored in real time. We also receive data from other sources such as, but not limited to, other pension schemes and NYPF members.

The Fund monitors that the performance levels and timescales set out in the Administration Strategy are being met. Where these are not being met, further action will be taken in line with the protocols stated and the Fund’s Charging Policy will be used where other approaches have failed. Employers’ performance measured against the standards set out in the Administration Strategy, will also be reported to the Pension Fund Committee.

## Employer training, engagement and support

To maintain complete and accurate records there needs to be a continual dialogue with participating employers regarding the provision of data, particularly as employer contacts change. The Pensions Employer Relationship Team provides support and training to employers as required. Employers are responsible for providing accurate data and responding to queries in line with the timescales set out in the Fund’s Administration Strategy.

The Fund regularly reviews and updates the information available to its employers, either on the website or via email.

## Effective internal controls and processes

All processes must be underpinned by suitable documentation, staff training and skills transfer to ensure ownership, understanding and compliance at both Fund and employer level. As the Fund processes data, it will ensure that the new data created is also accurate. It does this by making sure that:

* clear and up to date procedures are in place and are being followed
* the pension administration system is up to date
* any ‘known errors’ are communicated to staff
* processes are adjusted where necessary
* relevant managers undertake regular reviews of the work being processed
* recommended improvements are identified and made where necessary

## Processing Data

The Fund aims to always have appropriate resources in place, to ensure work is prioritised appropriately and any potential backlog is quickly identified and a plan put in place to reduce it.

The Fund’s performance targets are set out in the Administration Strategy while Disclosure Regulations and guidance issued by other bodies provides further requirements and guidelines. The Pension Fund Committee monitors performance against the targets and officers will take corrective action where these are not being met.

## Fund Administration Strategy

The Fund reviews its Administration Strategy annually to make sure it is up to date and fit for purpose. It contains a detailed overview of Fund and employer responsibilities, performance standards and the escalation policy. The Fund also actively monitors employers as well as its own performance against the Strategy and takes appropriate action if issues arise.

# **Maintaining good quality data**

Whilst the Fund always strives to obtain good quality data and process it accurately, inevitably there will be times where the Fund becomes aware of incorrect data which will need to be corrected. The Fund uses the following approaches:

## Data Reconciliations

|  |  |
| --- | --- |
| **Activity** | **Actions** |
| Monthly data quality checks | Suite of data reports run monthly against pensions database.  Inconsistencies identified and data corrected as appropriate:  Employer contacted if necessary  Correct data received  Record updated  Report updated to show record corrected  Patterns of data errors identified and corrective action taken:  Employer contacted if necessary  Training and support provided to employer |
| Annual reconciliation between the pensioner payroll and administration records. | Reports run to extract and compare pension values between payroll and administration records.  Identify and investigate differences.  Correct either the payroll or administration record, whichever is incorrect.  Apply pension increases, then recheck records.  Identify and pay any underpayments. |
| Annual Benefit Statements | Generate annual benefit statements on every active and deferred record.  Manual check of test population undertaken.  Exceptions are also checked.  Year to year comparison of pre 2014 service.  Any data inconsistencies identified are corrected and annual benefit statement reproduced. |
| Individual member processing | Data checked for reasonableness before processing undertaken.  Queries raised with employers as required.  Data corrected when answers received |
| Academy conversions and new employer admissions | Membership data checked and reconciled pre and post transfer.  Differences queried with relevant party.  Data corrected when answers received. |
| Major project work  e.g. McCloud remedy, Pensions Dashboard, etc | Data checked for members affected by the specific project.  Queries raised with relevant parties.  Data corrected when answers received. |
| Pre triennial valuation data cleanse | Valuation data extracted and provided to the Fund’s Actuary.  Actuary runs data through their validation software and provides an error report.  Error report worked through in priority order, high impact to low impact cases.  Queries raised with employers as required.  Data corrected when answers received. |

## Using Third Party Data Services

The Fund uses third party data services to improve the quality of its data and also support the administration function. The Fund uses these where it does not have access to the necessary information or it is able to benefit from the specialist services provided.

### National Insurance Database and ‘Tell Us Once’ Service

The secure National Insurance Database was developed for Local Government Pension Scheme (LGPS) administering authorities to share data to prevent the duplicate payment of death grants and to check eligibility to a refund of employee pension contributions. Officers will check the LGPS National Insurance Database for the existence of membership at other LGPS Funds when processing member benefits.

The LGPS National Insurance Database also enables the integration of the Fund’s membership into the government’s ‘Tell Us Once’ service, as administered by the Department for Work & Pensions (DWP). The ‘Tell Us Once’ service allows a person registering a death to request that the DWP pass on the deceased’s information to other government departments and council services. The Fund checks the Tell Us Once portal on a daily basis for notifications of member deaths.

### Address Tracing Services

The Fund uses a third party member tracing service to obtain the most recent address of any members where contact has been lost. The loss of contact will normally occur when a member doesn’t notify the Fund of a change of address. Where mail is returned for a pensioner, address tracing is essential in re-establishing contact so payment of their benefits isn’t disrupted.

An annual member tracing exercise is undertaken across the deferred members of the Fund to establish their current address. Tracing emails and letters are sent to obtain updated details where necessary.

### Mortality Screening Services

The Fund uses a third party to complete monthly screening of pensioner and dependant records against a mortality database to establish potentially deceased members, minimising the likelihood of over paid pensions.

Biennial screening of deferred members is also undertaken. Any members identified as potentially deceased are followed up via the general register office and next of kin where appropriate.

### National Fraud Initiative (NFI)

Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Veritau carries this out on behalf of the Fund who receives a report of ‘matches’ to investigate, to take remedial actions and update membership records accordingly.

## Member self-checking

The Fund encourages members to review the data included in communications and on their online pension records. Where discrepancies are found members are encouraged to contact either their employer or the Fund to have the data verified or corrected.

# **Improving current data quality**

The Fund has identified a number of areas of new or continued focus for data improvement and maintenance. These are outlined in Appendices 1 & 2.

As new areas of focus are identified, and existing areas dealt with, new activities will be added and actioned by the Fund’s Development and Processes Team.

The Fund also periodically runs a suite of data cleansing reports to identify data inconsistencies within the administration database. All data errors are reviewed and corrected to ensure continual data improvement.

# **Measuring success**

The Fund’s key measures of success are:

* **Performance Targets:** As referred to above and as outlined in the Administration Strategy which is reviewed updated annually.
* **Percentage of Annual Benefit Statements sent on time:** The statutory requirement is 100% to be issued by 31 August each year. However, the Fund will not issue any statements where the data is known to be incorrect.
* **tPR’s common and conditional (scheme specific) data targets:** tPR sets targets of 100% for both common and conditional (scheme specific) data. tPR acknowledges that complete, accurate scheme records are a vital part of the administration function. tPR defines two types of data held in scheme records. Both types of data are equally important but are defined separately for the purposes of measurement by tPR.
* **Common data:** A list of 9 basic data items which are used to identify scheme members and should be held by all schemes. This includes name, address, National Insurance number, date of birth and other similar data. The data must be present and accurate for all members being assessed.
* **Conditional data:** Data which is essential to calculate benefit entitlements for the LGPS such as, member contributions, pensionable pay & service history. It also encompasses data relating to events that occur during an individual’s membership, for example transfers, purchase of additional pension and pension sharing orders.

# **Plan review and monitoring**

The Fund reviews this plan annually, to reflect changes in regulations and fund working practices. Scrutiny and oversight will be provided as and when is required by the Local Pension Board, the Pension Fund Committee, tPR and internal and external auditors.

# **Related Documents**

The following related documents can be found on the Fund’s website:

* [Administration Strategy](https://nypf.org.uk/member-info/about-the-pension-fund/pension-fund-policies-strategies/)

<https://nypf.org.uk/member-info/about-the-pension-fund/pension-fund-policies-strategies/>

* [Employer Charging Policy](https://nypf.org.uk/employers-only/governance-of-the-fund/)

<https://nypf.org.uk/employers-only/governance-of-the-fund/>

# **Appendix 1: Data Improvement– resolving data issues**

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| **Area** | **Data area** | **Potential impact** | **Mitigation** | **Review frequency** |
| Addresses | Member addresses, particularly deferred members and those reaching retirement age. | Unable to contact members or dependants to advise benefits are due.  Incorrect addresses count as failures against tPR’s common data score. | When mail is returned, steps are taken to trace the person and obtain a current address.  Methods used include Orbis trace, third party tracing company and the DWP. | Ongoing, as and when required.  Biennial tracing of deferred members. |
| Employer | Consistent membership data between employers and the Fund. | Unable to ensure accurate payment of benefits within statutory timescales.  Potential additional administration and legal costs to correct historical errors. | The actions outlined above. | Ongoing. |
| GMPs | To ensure that GMP data and residual pension splits are accurate. | Incorrect GMP liability values will lead to incorrect benefits being paid. | Check HMRC GMP checker website for correct values.  GMP reconciliation and rectification project completed. | Ongoing as cases arise. |
| Consistency errors | Technical data inconsistencies within member records on the pension administration database. | Incorrect data configuration leads to benefit calculation failure & reduces the effectiveness of the administration of the Fund. | Training staff to ensure that data is uploaded to the database in a way that is consistent with the supplier’s guidance. | Ongoing. |
| Backlog processing | There are currently no backlogs. | Backlogs result in processing delays, potential member complaints, reputational damage and inefficient processing. | Monitor workload position regularly.  Reassign resource as required.  Anticipate and plan for periods of high demand. | Ongoing. |
| Unresolved data errors and inconsistencies | Data issues that cannot be resolved either because:   1. it is historical and the data has not been retained. 2. the employer has failed to fully answer the query. 3. the member is unable to provide the information. | Unable to provide accurate information.  Unable to pay accurate pension benefits.  Impacts tPR’s data score.  Reputational damage. | Cases will be reviewed on an individual basis. Management team will decide appropriate course of action providing the best outcome for the member within the LGPS regulations. This could include the following:   1. use information already available on the database. 2. proceed without it if possible. 3. request legal advice from Fund’s lawyers if necessary. | Ongoing as cases arise. |

# **Appendix 2: Process and control strengthening – preventative approaches to data quality issues**

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| --- | --- | --- | --- | --- |
| **Area** | **Data area** | **Potential impact** | **Mitigation** | **Review frequency** |
| Year end | Year-end processes and controls:  a). Correct allocation of CARE pay & FTE pay data to member accounts (where members have multiple accounts) through i-Connect submissions or manual/interfaced year end return templates.  b). All CARE, FTE pay and other supporting data is correct and received in a set time frame for all records.  c). Authorisation process for employers and any differences in contribution and membership data are fully reconciled. | Failure of Fund to fulfil its statutory requirement to ensure accurate payment of benefits within prescribed timescales.  Impact on annual allowance calculations for members.  Failure to provide accurate Annual Benefit and Pension Savings Statements.  Failure to receive the correct contribution payments into the Fund.  Failure to provide accurate data for the triennial valuation exercise. | a) Most Fund employers now submitting electronic monthly data to the Fund via i-Connect submissions. Continued liaison with employers who have yet to start using this functionality to move them over to this and continue to use annual return template with specified requirements. Admin Charging Policy amendment to encourage move to i-Connect submissions. All new Fund employers are automatically set up on i-Connect for data submission.  b) Continued development of “sanity” checks on FTE and CARE pay data submitted, CARE pay versus the contributions received for that member/post  c) Fund pay and contribution tolerance levels are set at individual employer level in i-Connect and flag warning prior to submission.  d) Provide and identify any specific employer training that may be required.  e) Descriptive feedback to employers where anomalies are highlighted from month 12 data checks  f) Robust authorisation controls i-Connect data submissions and year end submission sign off by key employer contacts noted on authorised signatories list.  g) Regular analysis of FTE Pay figures and CARE Data.  h) Monthly i-Connect contribution reconciliation report sent to Fund Finance Team to reconcile with payments being received into bank account and monthly contributions return workbook they receive.  i) Pre valuation exercises to review quality of Fund data prior to actual valuation of the fund so any highlighted issues can be rectified ahead of this.  J) Automatic reminders issued by i-Connect to advise an upcoming submission is due or to notify of late submissions to ensure on time returns.  K) i-Connect tracks members it expects a return for, if a submission is not made for a post this will appear on an omitted members list presented to the employer which requires resolution/explanation. | Annually |
| Pensioner payroll | Annual reconciliation between the pensioner payroll and administration records. | Failure to reconcile pension values will lead to incorrect payment of benefits | Financial reconciliation of the pensioner payroll before and after each pension increase exercise. | Annually. |
| Consistency errors | Data entered on the administration database needs to be entered consistently and checked as part of member processing. | Non-verification of data from third parties such as other LGPS funds may have a financial or data quality impact.  Entering data inaccurately can lead to incorrect payment of benefits. | Ensure that all data is verified prior to updating each member’s record.  Processing is peer reviewed before communications are issued and benefits are paid.  Ensure consistency check routines are run regularly. | Ongoing. |

# **Appendix 3 – Decision Log for correcting incorrect data items**

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| **Data items and issue** | **Reason unable to correct** | **Decision maker** | **Outcome** | **Reason** |
| Service histories during McCloud remedy period missing or inaccurate. | Historical data no longer held by employers. | Phillippa Cockerill  Head of Pensions Administration | Hours calculated from CARE/FTE x 37 for each year or part year in remedy period. | Unable to get data from employers. Pragmatic and most accurate method of arriving at hours worked position. |
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