

# Pensions Audit Sub-Committee

2.30 p.m., Monday, 22 September 2014

## Irrecoverable overpayment of pensions

<b>Item number</b>	5.8
<b>Report number</b>	
<b>Executive/routine</b>	
<b>Wards</b>	All

### Executive summary

---

This report advises Pensions Audit-Sub Committee of pension overpayments, during the period 1 September 2013 to 31 August 2014, which have been deemed irrecoverable by the Director of Corporate Governance, in accordance with the Council's "Scheme of Delegation to Officers".

### Links

---

#### Coalition pledges

#### Council outcomes

CO26 –The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.

#### Single Outcome Agreement

## Irrecoverable overpayment of pensions

### Recommendations

---

- 1.1 Pensions Audit Sub-Committee is requested to:
- note that the total value of pension overpayments written off between 1 September 2013 and 31 August 2014 is £2,287.64, and;
  - highlight any points they would like to raise at the Pensions Committee on 23 September 2014.

### Background

---

- 2.1 Delegated authority has been granted to the Director of Corporate Governance, in certain circumstances, to write-off pension overpayments up to £3,000. Any overpayments above this limit require approval of the Pensions Committee.
- 2.2 At its meeting on 20 September 2013, Pensions Audit Sub-Committee noted that the total value of pension overpayments written off between 1 April 2013 and 31 August 2013 was £5,491.50.

### Main report

---

- 3.1 Pension regulations determine the calculation and payment of pension benefits to scheme members. During the course of administration overpayments of pension may occur upon the death of a pensioner, where pensioners return to work when receiving a pension (this only affects people who retired on the grounds of efficiency and received compensatory added years when they retired) or where a mistake occurs.
- 3.2 Attempts are made to recover overpayments over £250 however, on occasions, it is not in the best interest to seek recovery of an overpaid pension. Depending on the circumstances of the particular case, in line with delegated functions certain officers in the Investment & Pensions division may write off the whole or part of an overpayment up to £3,000. The most likely circumstances would be if recovery would cause undue hardship to the member's family, if there are insufficient funds to repay the overpayment or it is uneconomical to pursue.
- 3.3 Any overpayments over £3,000 are referred to the Pensions Committee. Pensions Committee will be asked to write off one overpayment at their meeting on 23 September 2014.

3.3 The value of pension overpayment write offs between 1 September 2013 and 31 August 2014 is shown below. The total value is £2,287.64.

	<b>Date of Death</b>	<b>Amount Written Off</b>	<b>Reason for write off</b>
Member A	25/02/2013	£250.40	Every effort was made to recover the overpayment.
Member B	30/12/2012	£122.56	The total overpayment amounted to £794.33 of which £671.77 has been recovered. The outstanding amount was written off because there are no further funds in the Estate.
Member C	05/12/2012	£858.65	No funds in the Estate.
Member D	23/05/2012	£1,056.03	No funds in the Estate.

3.4 Any overpayment of pension is charged to the respective fund, namely the Lothian Pension Fund, the Lothian Buses Pension Fund or the Scottish Homes Pension Fund.

## Measures of success

---

4.1 Not applicable.

## Financial impact

---

5.1 As the expenditure has already been reflected in the relevant financial statements of the Lothian Pension Funds, there is no additional financial impact arising from the overpayment of pensions.

## Risk, policy, compliance and governance impact

---

6.1 There are no adverse risk, policy, compliance or governance impacts arising from this report.

## Equalities impact

---

7.1 There are no adverse equalities impacts arising from this report.

## Sustainability impact

---

8.1 There are no adverse sustainability impacts arising from this report.

## Consultation and engagement

---

9.1 The Consultative Panel for the Lothian Pension Funds, comprising employer and member representatives, is integral to the governance of the Funds.

## Background reading / external references

---

None.

### **Alastair Maclean**

Director of Corporate Governance

John Burns, Pensions & Accounting Manager

E-mail: [john.burns@edinburgh.gov.uk](mailto:john.burns@edinburgh.gov.uk) | Tel: 0131 469 3711

## Links

---

### **Coalition pledges**

**Council outcomes** CO26 –The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives.

**Single Outcome Agreement**

**Appendices**