

Pensions Audit Sub Committee

2.00 p.m., Tuesday, 29 September 2015

Irrecoverable overpayment of pensions – decisions made under delegated authority

Item number	5.8
Report number	
Executive/routine	
Wards	All

Executive summary

This report advises Pensions Audit Sub Committee of pension overpayments, during the period 1 September 2014 to 31 August 2015, which have been deemed irrecoverable by the Chief Operating Officer, Deputy Chief Executive, in accordance with the Council's "Scheme of Delegation to Officers".

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Coalition pledges

Council outcomes

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Single Outcome Agreement

Irrecoverable overpayment of pensions - decisions made under delegated authority

Recommendations

Committee is requested to:

- 1.1 Invite the Pension Board to raise any relevant matters or concerns which the Committee should consider.
- 1.2 Note that the total value of pension overpayments written off between 1 September 2014 and 31 August 2015 is £4,173.15, and;
- 1.3 Highlight any points it would like to raise at the Pensions Committee on 30 September 2015.

Background

- 2.1 Delegated authority has been granted to the Chief Operating Officer, Deputy Chief Executive, 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 22 September 2014, Pensions Audit Sub-Committee noted that the total value of pension overpayments written off between 1 September 2013 and 31 August 2014 was £2,287.64.

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. Occasionally, however, it does not serve 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.

3.4 The value of pension overpayment write offs between 1 September 2014 and 31 August 2015 is shown below. The total value is £4,173.15.

	Date of Death	Amount	Reason for write-off	Date of write-off
Member A	06/03/2013	£257.99	The death was identified through GRO screening. Despite several attempts to recover the overpayment we were unable to collect the overpayment.	02/12/2014
Member B	24/09/2013	£254.24	Despite several attempts to recover the overpayment (including debt recovery) we were unable to collect the overpayment. The overpayment was written off by the Finance & Resources Committee (pension matter erroneously included in Council General Fund debt write-off report).	13/11/2014
Member C	04/04/2013	£433.86	Unable to trace any next of kin. Member died abroad	19/01/2015
Member D	14/02/2013	£402.98	Estate wound up in 2013.	17/03/2015

	Date of Death	Amount	Reason for write-off	Date of write-off
Member E	28/10/2011	£2,632.70	The death was identified through GRO screening. Despite several attempts to recover the overpayment (including debt recovery) we were unable to collect the overpayment.	21/04/2015
Member F	07/12/2008	£191.38	Original overpayment of £1431.38. Over 6 years £1,240 has been recovered from the member's daughter. Due to time already taken to recover overpayment, balance written off.	8/7/2015

3.5 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 Pension Board, comprising employer and member representatives, is integral to the governance of the Funds.

Background reading/external references

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Chief Operating Officer

Deputy Chief Executive

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Links

Coalition pledges

Council outcomes CO26 - The Council engages with stakeholders and works in partnerships to improve services and deliver agreed

Single Outcome Agreement

Appendices