

Pensions Audit Sub-Committee

2.00 p.m., Tuesday, 29 September 2015

Overpayment of pension

Item number	5.9
Report number	
Executive/routine	
Wards	All

Executive summary

This report highlights that Pensions Committee will be asked not to pursue recovery of an overpayment of pension, which arose on the death of a pensioner, amounting to £16,254.88.

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Coalition pledges

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Single Outcome Agreement

Overpayment of pension

Recommendations

- 1.1 That Committee invites the Pension Board to raise any relevant matters or concerns which the Committee should consider.
- 1.2 Note the report and 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.

Main report

- 3.1 In August 2012, the Fund was alerted by Fife Constabulary that it appeared that a pension paid by Lothian Pension Fund into the account of Member A may be fraudulent as Member A died on 7 November 2010. The monies were being paid into an overseas account and were being accessed and used by Member A's niece.
- 3.2 An overpayment of pension arose over the period 8 November 2010 to 15 June 2012 amounting to £16,254.88.
- 3.3 Following an investigation by the Department of Work and Pensions (DWP), Fraud and Error Service, Member A's niece was taken to court and on 20 May 2015 was sentenced to eight months in prison for the offence.
- 3.4 DWP, Fraud and Error Service have not identified any assets that the Fund can pursue. In light of this, it is not considered appropriate to pursue matters further and at their meeting on 30 September Pensions Committee will be asked to not pursue recovery.

Measures of success

- 4.1 Not applicable.

Financial impact

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

Risk, policy, compliance and governance impact

- 6.1 There are no adverse risk, policy, compliance or governance impacts arising directly from this report.
- 6.2 The most common cause of overpayment of pensions is unreported pensioner deaths and re-marriage. Participation in the “Tell Us Once” project should reduce the risk of further occurrence. Utilisation of the “CallValidate” product to verify bank account details should also serve to mitigate risk.

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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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