

# Pensions Committee

2.30 p.m., Wednesday, 25 March 2015

## Overpayment of Pension

Item number	5.12
Report number	
Executive/routine	
Wards	All

### Executive summary

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This report seeks agreement by Pensions Committee not to pursue recovery of an overpayment of pension, which arose on the death of a pensioner, amounting to £6,033.45.

### Links

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Coalition pledges

Council outcomes

[CO26](#)

Single Outcome Agreement

## Overpayment of Pension

### Recommendations

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- 1.1 That Committee agrees not to pursue recovery of an overpayment of pension amounting to £6,033.45.

### Background

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- 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.

### Main report

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- 3.1 On the death of a pensioner, a survivor's pension may be payable immediately after death, subject to the scheme rules in force at the date of retirement. On 30 December 2014, Lothian Pension Fund was notified of the death of a survivor. The scheme rules applicable to this case are The Local Government Superannuation (Scotland) Regulations 1987 which specify that a survivor's pension is not payable during any subsequent marriage or any period of cohabitation outside marriage.
- 3.2 In this case, the survivor's step-son advised Lothian Pension Fund of the re-marriage when he called to inform us of the death. An overpayment of pension has therefore occurred for the period 9 November 1994 to 28 December 2014, these being the dates of re-marriage and death respectively. Because the statutory retention period for pensioner payroll records is 6 years and there is therefore limited data available from the Council's payroll system, we are only able to calculate the overpayment of pension from 1 March 2007. The overpayment from 1 March 2007 to 28 December 2014 amounted to £6,033.45.
- 3.3 A review of the file record has confirmed that the survivor member had not been informed about this specific regulatory constraint regarding any subsequent marriage. In light of this, it is not considered appropriate to pursue matters further.

### Measures of success

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- 4.1 Not applicable.

## Financial impact

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- 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

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- 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. To reduce the risk of further occurrence, letters issued to dependents on the death of a member now include a paragraph regarding changes of circumstances. Penfriend, the Fund's newsletter for pensioners regularly includes a reminder that deaths or changes of circumstances must be reported immediately.

## Equalities impact

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

## Sustainability impact

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

## Consultation and engagement

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- 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

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None.

### **Alastair Maclean**

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## Links

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**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**