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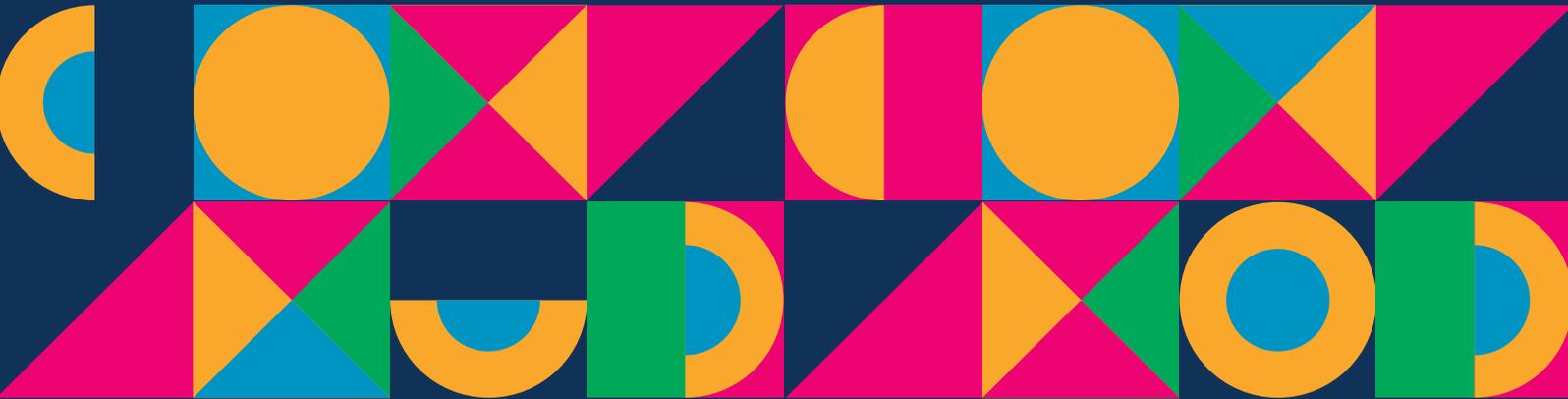
Case Study

Data Exchange Automation

For Both Employer and Pension Fund

Shropshire County Council complies with
regulations, saves time and costs using **Heywood
Pension Technologies'** Employer services solution
i-Connect

Organisation Profiles

Shropshire County Council

Shropshire County Council administers a Pension Fund for eligible employees of all Local Authorities within the County boundary, and also the employees of certain other scheduled and admitted bodies. This currently amounts to 16,300 actives across 129 employers.

Heywood Pension Technologies

Heywood Pension Technologies builds modern software solutions for pension schemes, pension administrators and employers to help transform how their members manage their lifelong financial journeys.

Key Figures

16,300
active members across 129 employers

1.3 million
items of data uploaded

230 weeks
of effort saved

100%
of Annual Benefit Statements (ABSs) issued before 31 August each year

Introduction

Shropshire County Council administers a Pension Fund for eligible employees of all Local Authorities within the County boundary, and also the employees of certain other scheduled and admitted bodies. This currently amounts to 16,300 actives across 129 employers.

Data Exchange Automation
The Challenge

Back in 2014, Shropshire Pension Fund faced a number of upcoming pensions legislation requirements:

CARE Pension Scheme

Record Keeping Regulations

The Pensions Regulator's (TPR's) Code of Practice

Increasing numbers of employers - due to the rise of academies growth of outsourcing

To ensure the Pension Fund could meet the challenge of these requirements, a strategic review of the data submission process was undertaken.

Data Exchange Automation
The Challenge

The conclusions of the review were that:

- Pension contribution data recorded did not always balance with employer payments received

- A regular reconciliation (that is, monthly) of pension contributions recorded on the members record against the contributions paid by the employer should take place

- The data provided by the employers often needed transforming to allow it to be uploaded successfully to the Altair™ pension administration system

- Significant and time-consuming backlogs occurred that impacted on meeting statutory deadlines due to out-of-date data and un-notified starters/leavers caused by annual data exchange

- Year-end work has a significant impact on office KPIs/customer satisfaction during this time, in particular, the administration lag, where data held on a member's record could be up to 15 months out of date

- An increased risk in the fund not being compliant with TPR's required standards was identified, increasing the risk of fines being imposed

- The statutory deadline for producing annual benefit statements is 31 August each year, and the 'Annual Allowance' statement by 6 October each year would become harder to meet

This all led to the conclusion that, to continue to capture the majority of data on an annual basis and to comply with the introduction of the CARE Pension Scheme (which meant pay as well as contributions had to be recorded against each member's record), there would need to be an increase in resource or in technology.

Shropshire Pension Fund decided to implement the conclusions of the review by capturing all the data required more frequently and eliminating the year-end process. They spoke to i-Connect in the Autumn of 2014.

The Solution: i-Connect

i-Connect is an automated data exchange portal that provides benefits to both pension funds and their employers:

Reduces both effort and costs in supporting the Pension Fund's administration team

Helps address Pension Reform obligations

Removes the annual end-of-year return

Provides a simple, secure and efficient process for transferring and submitting data to a pension administration system

Allows for future scheme changes

Meets TPR's Code of Practice on record-keeping

Identifies changes to the workforce automatically

Automates the creation of tasks and pension records

> *Without i-Connect we would have had to increase the team who captures transformed and uploaded data.*

It reduces the cost and risk associated with processing pension data by automating the submission of data to pension schemes. i-Connect improves the flow of data from payroll to pensions, minimising the need for manual intervention.

The Project

i-Connect was implemented in the Spring of 2015, for the largest two employers and their 11,000 employees, the unitary authorities. By the autumn of 2016, i-Connect was being used by all participating employers within the Pension Fund.

The majority of employers (100+ micro-/smaller employers with 2,500 employees) use the Online Return facility to load data manually each and every month, and the majority of data being uploaded via a feed from payroll for the larger employers.

i-Connect has enabled the Shropshire employers to exchange key data every month with the pension fund, enabling accurate record-keeping and much more effective administration of CARE scheme benefits.

The regular monthly flow of member and contribution data from employers to the pension fund has ensured that contributions are timely and accurate, and member data is fully compliant with TPR's record-keeping requirements.

In nearly three years, i-Connect has identified and uploaded to Altair over 1.3 million items of data, with an error rate of just 0.3%, covering:

- Additional contributions
- CARE pay
- Change of member details
- Scheme contributions
- Leavers
- Unpaid absences
- Opt-outs
- Member addresses
- Works addresses
- Opt-ins
- Salary
- Changes in part-time hours
- New starters

The Benefits

Shropshire Pension Fund received a number of benefits, including:

Significant reduction in backlogs

i-Connect has automated the creation and notification of starters and leavers, together with all the other data that is required to be recorded. Backlogs of work still crop up with the occasional surge in the number of leavers that need a deferred pension calculation, but the numbers are ore manageable, often the work can be cleared before next month's data upload.

Improved team workflow

The automation of the data exchange process between payroll and pensions has improved the flow of data from the employer to the Pension Fund. Data flows from the employer for the right member to the right record enabling Pension Officers to pick up work cases more quickly and start working on them immediately, rather than chasing the employer for data.

Significant cost savings

i-Connect has saved the employers and the Pension Fund over 230 weeks of effort. The Pension Fund has used these savings to resource the clearance of backlogs and meeting the deadlines for ABSs. This has led to Shropshire issuing 100% of ABSs before the 31 August cut-off date for two years in a row.