

Tell Us Once and Public Service Pension Schemes

Business Case to include the LGPS in the extension of TUO service

Summary

The following paper sets out details of the current project to consider extending the Tell Us Once (TUO) service to include public service pension schemes¹ (PSPS). It considers a number of issues relevant to the LGPS to aid a decision as to whether this option should be taken forward for the scheme.

This paper was considered by Technical Group at their meeting of the 12 December 2014 and they were asked whether the Local Government Pensions Committee (LGPC) Secretariat should seek to take the TUO proposal forward.

The Group agreed that the Secretariat should take the proposal forward because it appears good value for money. It was also suggested that funding the cost of TUO for the LGPS should be met through an automatic increase in the subscription to the LGPC (this is yet to be decided).

This paper is now being shared with LGPS Pension Fund Administering Authorities for information. The LGPC Secretariat will keep Funds informed on the progress of the TUO project as well as the LGPS National Database which will be required to enable any extension of TUO to include the LGPS.

Background

1. For over a year the Department of Work and Pensions (DWP) team responsible for TUO as well as a number of interested PSPS have been holding meetings about the potential to extend the TUO service to include PSPS. The Local Government Association (LGA), through the LGPC Secretariat has been attending these meetings on behalf of the LGPS.
2. The idea behind the extension of TUO to include PSPS is that the service currently offered to citizens would be a richer one. TUO are already asked by citizens why aren't such schemes included in the notification process.
3. In addition the quicker notification of deaths via TUO to schemes would mean a reduction in overpayment of pensions and therefore both a financial and administrative saving for schemes who take part.

What is TUO?

4. TUO is a facility which collects information from registrars in real time following the death of a citizen. There are already a number of government departments who receive information as part of the TUO initiative². The TUO

¹ The schemes currently in dialogue with DWP about the extension of Tell us Once (in addition to the LGPS) are, the NHS Pension Scheme (E&W), My Civil Service Pensions, Veterans UK, Scottish Public Pensions Agency (including NHS, Teachers, Police and Fire in Scotland).

² There are 28 different areas where TUO operates across 7 government departments (for example State Pensions, DVLA, Passport Office etc.).

service is being currently used by 91% local authorities across the UK which covers 88% of the population³.

5. In practice a member of the public when registering a death can also notify a number of government departments in person (via the registrar) or via the online or telephony service offered by TUO.

TUO Trial - NHSPS

6. In order to test the feasibility around the extension of the TUO service to include PSPS it was agreed that a trial would assist in providing quantitative data to aid decision making.

7. It was agreed that the most appropriate method of gaining real evidence to demonstrate the benefits of TUO would be to undertake a live clerical data sharing trial within a single pension scheme from the group.

8. The NHS Pension Scheme (NHSPS) undertook a trial on behalf of those PSPS involved in the group and whilst they differ in terms of administration and processing of information from other schemes it was agreed that identifying whether notification of deaths took place over fewer days and therefore whether overpayments were reduced would provide useful information when deciding whether to take up this TUO option.

9. The headline information from the NHSPS trial includes:

- The average time between the death and the scheme being notified reduced from 15 to 8 days
- The number of overpayments on the accounts where TUO provided death data were significantly lower than those relying on personal contact from a relative or executor
- Both citizens and registrars using the service valued the addition of the NHSPS seeing it as an improvement in the TUO service.

How would TUO capture notification of deaths for PSPS?

10. Information is captured by the Registrar, or via the telephony or online TUO system.

11. That information would include:

- Information about the deceased - Name, NI Number, Date of Birth, Date of Death and NI Number.
- Information about the Spouse/Next of Kin or Person Dealing with the Estate - Name, Address, Telephone Number and Relationship with the deceased.

³ UK - 91% local authorities (372) are live on TUO. In England there are 353 local authorities of which 325 (92%) are live. 28 English authorities are not currently live including, Adur, Arun, Barnsley, Barrow-in-Furness, Brighton and Hove, Chichester District, Crawley, Croydon, East Sussex, Eastbourne, Hammersmith and Fulham, Harrow, Hastings, Hillingdon, Horsham District, Hounslow, Lewes, Liverpool, Manchester, Medway, Mid Sussex, Portsmouth, Rother, Salford, Sheffield, Wealden, West Sussex and Worthing. In Scotland there are 32 local Authorities of which 25 (78%) are live. 7 Scottish authorities are not currently live including, Dundee, East Lothian (go live date February 2015), Glasgow City, (go live date March 2015), Highlands, North Lanarkshire (go live date February 2015), Orkney Islands and Renfrewshire. All Welsh authorities take part in TUO.

What question would TUO ask to obtain the above information about the deceased?

12. There would be one additional question to add to the current questions used by TUO to obtain the information above. This one question would have to cover all the public service pension schemes who take up the opportunity to be part of the extension of TUO.

13. That question has yet to be agreed, the current suggested wording is:

Was the deceased in receipt of or paying into a pension with any of the following public sector pension schemes? (Or a widow(er) receiving a pension from them?)

- *NHS England and Wales*
- *My Civil Service Pension*
- *Veterans UK*
- *Local Government Pension Scheme*
- *Scottish Public Pensions (including)*
 - *Teachers*
 - *NHS*
 - *Police*
 - *Fire*

14. It is noted that the above question would need to be amended to ensure all survivors beneficiaries were included (not just widows and widowers).

How would TUO then share this information with the LGPS?

15. In the majority of cases most PSPS are centrally administered. In those cases identifying the scheme the deceased was receiving a pension from is sufficient to direct the information to the right end point.

16. Obviously the structure of the LGPS with 100 funds in England, Wales and Scotland means that identifying the scheme alone is not sufficient information to direct the notification of the deceased to the right place.

17. As TUO can only provide for one additional question for the extension of the service to PSPS it would not be possible to include details of which Fund administered that deceased citizen's pension.

18. That then provides an additional hurdle which the LGPS would need to deal with in order to forward the TUO information the correct LGPS Fund.

LGPS Database

19. In order for the LGPS to participate in TUO a method is needed to match the TUO notification to the correct LGPS fund. Over recent months the LGPS Secretariat has been developing a central database of LGPS members to assist in a number of areas of administration of the scheme, known as the "NI database". This NI database is suggested as a potential source for such a data match.

20. There are two other reasons why such a database of LGPS members would be seen as beneficial to the administration of the scheme including:
- where there is an ongoing final salary link for members who retain separate benefits, details on a centrally held database could be used to notify the respective pension fund where there is a match on an NI number in more than one pension fund
 - where a deceased member was a member of more than one pension fund, information on a centrally held database could be used to notify each pension fund of that fact to avoid double death grants being incorrectly paid.

21. Please see [appendix 1](#) (below) for more information about the LGPS NI Database.

TUO Data

22. Once a match between an NI Number on the LGPS NI database and an NI Number on the TUO system occurs the relevant LGPS Fund would be notified that data relating to a notification of a death of one of their pensioners is waiting for them.

23. TUO data could be received either via a file or via a single notification to the LGPS Fund (yet to be determined).

24. Discussions around how the notification would take place are still ongoing but an option being discussed includes:

- Using a message/file delivery via a web service
- At the Fund an administrator would log onto a secure website to pick up the data held on TUO for that Fund
- An email notification prompt can be used by TUO to advise administrators that there is information awaiting action. The administrator can log on every morning/day to check and download a file
- This service would require each end point to have a security certificate (i.e. agreement with each of the 100 LGPS Funds).

25. Data would remain visible/ accessible on the TUO system for 35 days after the date notification of death received.

26. The informant will receive a letter from TUO advising them that action will be taken by the PSPS within X number of days and if they do not hear from the scheme/fund within X days to then contact the LGPS Fund directly.

What other work is DWP/TUO undertaking as part of this project?

27. DWP/TUO Team is currently working with the General Registrar Office (GRO) to ensure they fully are on board with the potential extension of TUO to PSPS. Registrars gave positive feedback during the NHSPS trial stating that the inclusion of PSPS was a positive step for TUO.

28. DWP/TUO Team has started conversations with DWP Security/ Data sharing teams and the PAN Government accreditor so that they are aware of this project.

What costs would be incurred to provide TUO to PSPS?

29. Indicative figures have been prepared by DWP TUO as follows:

One off development costs of:

- Between £123,000 and £170,000 - shared across all PSPS see paragraphs 35 and 36 below for information on split,
- An additional £10,000 to £15,000 which is specific to LGPS development cost (as a result of LGPS specific database requirements),
- Plus release cost of between £35,000 (if TUO extension is part of another scheduled release) and £70,000 (if PSPS go alone on their own separate release) - shared across all PSPS.

30. Therefore the total cost for all PSPS would be between:

- £158,000 and £240,000 (one-off development and implementation costs)
- And for the LGPS an additional amount of £10,000 to £15,000 to meet with the requirements for the LGPS NI database.

How would those costs be split across all PSPS?

31. At present discussions around the extension of TUO to PSPS include:

- LGPS
- NHS England and Wales
- My Civil Service Pension
- Veterans UK
- Scottish Public Pensions Agency (including)
 - Teachers
 - NHS
 - Police
 - Fire

32. Readers will note the omission of some PSPS from the list above. The LGPS Secretariat understands that the DWP/TUO team are in talks with a number of these schemes to seek to identify if they would be interested in joining the extension of TUO.

33. The indicative costs for the development and delivery of this new function within TUO (to include PSPS) would need to be met by all the schemes involved in ongoing discussions.

34. Discussions have led to an agreed position being that the cost per scheme is determined by the size of the scheme (based on pensioner number for that scheme, given that this would be the majority group impacting upon TUO).

35. For the LGPS with 100 Funds the split for costs would be 45% of the overall development and delivery costs of extending TUO to PSPS.

36. Based on current indicative costs noted above that would mean a cost for the LGPS as follows:

- 45% of £153,000 to £185,000 i.e. total cost (development and release) = £68,850 to £83,250

Plus

- An additional £10,000 to £15,000 which is specific to LGPS development cost (as a result of database)

Equals

- Total cost for the whole of the LGPS of between £78,850 and £98,250

37. There would also be a small ongoing fee for maintaining TUO, it's anticipated that this would be a minimal figure once shared across all PSPS participating in TUO.

How could this cost be split across all LGPS Funds?

38. If all 100 LGPS Funds take part and the cost was split across each fund equally the potential cost would be between £788.50 and £982.50 per fund.

39. A more fair method to distribute cost could be using the LGPC subscription method where very small, small, medium and large funds pay an appropriate amount depending on their size.

Indicative Timescales

40. DWP have asked each PSPS to provide a commitment that they are willing to move forward with the extension of TUO to PSPS.

41. For the LGPS that will mean that a decision will need to be taken.

Questions which are asked include:

- Does the scheme wish to pursue the option of having TUO extended?
- If so are all Funds interested in taking part in the extension of TUO?

42. Taking part in a scheduled release from TUO would keep costs on the lower side of above estimated figures. The earliest potential date for taking part in a scheduled release would be March 2015.

43. In addition the development of the LGPS NI database would also impact on the date the LGPS could join an extension of TUO to PSPS.

Things to consider when deciding to include the LGPS in the extension of TUO

44. Technical Group when considering the information in this paper were asked to be mindful of potential financial, administrative and reputational impacts.

45. Financial and Administrative:

- The potential for savings for LGPS Funds on **overpayment of pensions** to deceased pensioners should be considered. How long would it take a Fund to recoup the potential cost noted above at paragraph 38 given the number of overpayments that a Fund would have in a year.
- Many LGPS Funds run exercises (often at a cost) to identify where overpayments to pensioners are taking place. The extension of the TUO facility would not remove the National Fraud Initiative requirements which each Fund must still meet however there is potential savings that could be made on additional search facilities carried out by LGPS Funds.
- Administratively LGPS Fund's using TUO would potentially see less time spent on recouping overpayments and the associated resources taken to undertake this type of work.

46. Reputational:

- Over the past 18 months when discussing the potential extension of TUO to the LGPS many administrators have mentioned that already they have had situations arise where the next of kin of a deceased pensioner has assumed because they have used the TUO facility that it already included the LGPS, leading to overpayment of the deceased's pension.
- If the LGPS decided not to take part in the extension of TUO to PSPS the potential for more situations arising where the next of kin/informant thinks that the LGPS has been notified of the death of that pensioner could occur. This could have the effect of increasing the number of overpayments which LGPS Funds currently experience.

47. LGPS NI Database:

It is also important to note that any potential extension of the TUO facility to include the LGPS would require that the LGPS NI Database has already been signed up to by LGPS Funds, without the NI database the ability to target the correct information to the correct LGPS Fund would not be possible. It is therefore important to factor in any decision required on the LGPS NI database too when considering the extension of TUO to the LGPS. The estimated additional cost of the LGPS NI database is expected to be circa £20,000 set up fees (which would be shared across all Funds taking part in the database) as well as a £5,000 annual fee (again shared across those Funds who take part).

What next?

48. This paper was issued to Technical Group for consideration at their meeting on the 12 December 2014

49. Technical Group are asked to consider whether given the information above the LGPS should continue to engage with DWP/TUO team (via the

LGA/LGPC Secretariat) and to obtain an agreement that the LGPS would be willing to take part in the extension of TUO to PSPS.

50. The Group agreed that the Secretariat should take the proposal forward because it appears good value for money. It was also suggested that funding the cost of TUO for the LGPS should be met through an automatic increase in the subscription to the LGPC (this is yet to be decided).

51. DWP/TUO team have asked for a commitment in writing from each scheme in January 2015 to allow them to continue in the development work needed to progress this project.

Mary Lambe
Pensions Adviser - LGA/LGPC Secretariat
V5 January 2015

APPENDIX 1

National Insurance Database - The requirement

Death grants and Public Service Pensions History (PSPH)

The introduction of two new elements to the LGPS in 2014/2015 namely:

- The restriction of death grants to only the best of all available as a result of HM Treasury policy
- The need to determine PSPH in order to correctly apply the final salary link under Schedule 7 of the Public Service Pensions Act 2013

Has brought about the need for LGPS administering authorities to proactively investigate the pensions history of members in particular if they have previous LGPS membership in another fund that has not been transferred or aggregated.

The dangers of not performing such an investigation are significant in terms of both financial loss and customer experience. For example:

- The double payment of a death grant would lead to a choice of either 'write off' or recovery proceedings in an already stressful situation. Many such cases would no doubt result in only partial if any recovery plus Internal Dispute Resolution Procedure (IDRP) and Ombudsman referrals.
- Incorrect application of final pay calculations could, for members with significant pre 2014 membership, result in serious under or overpayment of pension. Sorting these situations out once they come to light will be expensive, time consuming and would again increase IDRP and Ombudsman referrals.

In order to avoid these dangers the Technical Group agreed that the LGA pension's team should look into the development of a national LGPS database designed to provide a limited but sufficient indicator of membership across the scheme as a whole.

Find my LGPS pension?

At the same time a number of LGPS fund authorities were being approached by providers of systems designed to assist members in tracking down pensions they may have but are unaware of ('lost' pensions). These providers were quoting not insignificant fees for such systems.

The question was therefore asked - could the NI database described above also provide a service to members enabling them to track down deferred benefits in any LGPS fund?

Tell Us Once (TUO)

Finally conversations were being held with TUO, however there was a problem with the participation of the LGPS as unlike the majority of other public service pension schemes there is no central contact point for a notification of death to be sent to. Furthermore the chance of the person notifying the death being aware of the correct LGPS fund was small unless they had access to the necessary documentation.

For the LGPS to participate in TUO a method was therefore needed to match the notification to the correct LGPS fund and the NI database was suggested as a potential source for such a data match.

National Insurance Database - The proposed system

Based on the above requirements namely the ability for LGPS fund administrators and members to search for membership across the entire scheme in order to:

- Avoid paying multiple death grants
- Correctly assess PSPH (within the LGPS)
- Find 'lost' deferred benefits
- Enable TUO to match a death with the correct fund

The following system has been specified:

Phase 1: Fund administrator upload and search

This phase provides an online facility for fund administrators to register their details with the system and be provided with a secure sign on. Once securely signed in the fund administrator should be able to:

- Manually upload a csv data file (for their own fund only) containing the NI Number, status and status year of all of their active, deferred, pensioner and deceased members - note no other member details (i.e. name, DOB, address etc.) would be included in the file or maintained by the system. The system checks the file at the header level when uploaded to the site and at each line when processed to ensure a valid fund identifier. NI Number, Status and Year are written to the database.
- Repeat the upload on a regular basis (to be determined by the fund) with the last update date shown on the list of participating funds.
- Search the database using the first eight characters of a validly formatted NI Number returning the details of any and all LGPS funds which have an entry matching that NI Number.
- Maintain their own contact details and secure sign in information.

This phase is now complete and undergoing testing.

Phase 2: Fund member search

This phase will enable any member to access an online search facility which will return the name and email address of any and all LGPS funds at which the entered NI Number has membership. The search will not return the type of membership or the year.

This phase is now complete and undergoing testing.

Phase 3: Link to TUO

This phase would provide TUO with a partial copy of the database (NI Number and fund indicator) in order for TUO to search for a death where the notification contains an indicator of an LGPS public service pension and an NI Number. If there was a match TUO could then contact the correct fund or funds.

This phase is still under discussion.

Phase 4: Automation of file upload

This phase will enable funds to the upload file in a secure online directory. The file would then be run overnight and the results reported back to the fund the next morning.

Extension beyond LGPS

Extending the system to other public service schemes would simply require those schemes:

- Registering for the system
- Uploading files and
- Maintaining their details

In exactly the same way as an LGPS fund does: This would enable the administrators and members of those schemes to:

- Search for PSPH across all participating public service pension schemes
- Search for lost deferred benefits across all participating public service pension schemes

Furthermore it would enable TUO to more accurately identify the correct scheme for death notifications.

SCREENSHOTS

Administrator site

National Insurance datab... x

127.0.0.1/nidb/funds.php

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LGPS National Insurance Database

For you, for now, for the future
lgps 2014

Fund sign in and file upload Search database Participating funds SIGN OUT

Fund sign in and file upload

Welcome to the **fund sign in and file upload** page of the LGPS NI Database system. If your fund has already registered to use the system please use the options below to manage your fund information or to upload files. **If you would like to register** to use the system please contact pensions@local.gov.uk. Before using the facilities on this page or the search page you must sign in using your unique fund number and password, please **remember to sign out** when you have finished. The participating funds page may be accessed without signing in.

Sign in

Fund number

Password

SIGN IN

reset password

Manage my fund information

Fund number	1234
Fund password	1234
Fund name	<input type="text" value="fund 1234"/>
Email 1	<input type="text" value="email1@1234"/>
Email 2	<input type="text" value="email2@1234"/>
Telephone	<input type="text" value="01789466466"/>

UPDATE

Manage my fund records

Total records	14	Active	5
Dormant	2	Pension	4
Deceased	2	Beneficiary	1
Last complete run	35		
Date and time	03/10/14 : 09:38:51am		
File name	1234new.csv		

To view all file process runs for this fund click VIEW RUNS. To commence a new file process run (upload file, process file and update records) click the NEXT button

VIEW RUNS

NEXT

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The data used by this service is provided by individual LGPS funds on the basis it is used for this purpose only. No other personal details such as name or date of birth are held by this service. The service cannot be held responsible for the incorrect nature of any the data held. If you have any questions about the search results please contact the fund or funds shown directly.

Local Government Association

National Insurance datab... x

127.0.0.1/nidb/sfunds.php

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LGPS National Insurance Database

For you, for now, for the future
lgps 2014

Fund sign in and file upload Search database Participating funds SIGN OUT

Search the database

Looking for a member in another fund? This page enables you to search across all the participating LGPS funds using a National Insurance number. No further information is required and all matches against all participating funds will be shown below. **Just enter the NI number in the search box and hit go.**

Search for an NI Number

Enter your National Insurance Number Go Clear search

NiNo	Local Government Fund	Status Type	Year	Email	Tel
AA123456A	fund 1234	Active member	1990	email1@1234	01789466466
AA123456A	The North Eastern Joint Authority Pension Fund	Active member	2014	email1@testfund2.gov.uk	123451239
AA123456B	fund 1234	Dormant member	1995	email1@1234	01789466466
AA123456B	The North Eastern Joint Authority Pension Fund	Dormant member	1997	email1@testfund2.gov.uk	123451239
AA123456C	fund 1234	Pension member	2013	email1@1234	01789466466

Matches found

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Local Government Association

Find my LGPS pension

127.0.0.1/nidb/findmypen.php

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for you, for now, for the future
lgps
 2014

The Local Government Pension Scheme 2014

RETURN TO LGPS 2014

Find my Local Government Pension

Think you might have a Local Government Pension somewhere? **Find my Local Government Pension** enables you to search across all the participating LGPS funds using your National Insurance number. You don't need any more information than your NI number and the service is absolutely free. **Just enter your NI number in the search box below and hit go.**



Select to see the participating LGPS funds for contact details

Search for my Local Government Pension

Enter your National Insurance Number

Ni Number	Local Government Fund	Fund email	Fund tel
AA123456A	fund 1234	email1@1234	01789466466
AA123456A	The North Eastern Joint Authority Pension Fund	email1@testfund2.gov.uk	123451239
AA123456B	fund 1234	email1@1234	01789466466
AA123456B	The North Eastern Joint Authority Pension Fund	email1@testfund2.gov.uk	123451239
AA123456C	fund 1234	email1@1234	01789466466

✓ Matches found

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Jeff Houston
LGA - Head of Pensions
October 2014