**Teachers’ Pension Scheme Pension Board**

**Executive Summary 2016-17**

The Teachers’ Pension Scheme Pension Board was set up in 2015 to provide additional assurance to members, employers, the Secretary of State for Education and taxpayers that the Teachers’ Pension Scheme (TPS) is being administered efficiently, effectively and in accordance with the scheme rules.

During its second year, the Board has made a significant and effective change to its operation by establishing four sub-committees, which provide assurance to the Board. This enables the Board time to focus and challenge in key areas, with the overall aim of supporting the vision that the scheme will be the best run, most cost effective, modernised and respected public sector pension administration in the UK.

1. **Service Delivery and Maintenance of Data** – scrutinising the arrangements for improving and managing the scheme administration, such as:

* Monthly Data Collection from employers – the Board scrutinises data to ensure TP achieve their aim that data for all active members’ data is submitted on a monthly basis from April 2018.
* Deferred members - supporting innovative projects such as the one seeking to streamline the tasks employers need to undertake.
* IT System outage - challenging TP around how it dealt with the issues which affected members’ ability to communicate with them. The Board sought assurance that TP business continuity planning has improved following the problem, and that robust contingencies are in place and seek to avoid a similar incident occurring in the future.
* The annual [CEM Benchmarking](http://www.cembenchmarking.com/services/pensionadministrationbenchmarking.aspx) survey – reviewing the data that shows the scheme to be a high-service low-cost scheme when compared to a number of public sector pension schemes. The Board challenged TP and the Department to continue to develop benchmarking arrangements to ensure opportunities for improvement are highlighted.
* Collaborative working – the Board encouraged collaboration with other public sector schemes to share best practice and agree ways of working together.

1. **Information to Members and Communications** – scrutinising the engagement plan to ensure effective communication with, and key messages are provided to, members and employers:

* My Pension Online - the Board supports this as the best way to achieve rapid two-way exchange of information between TP and members. However, the Board has noted the difficulties for members, notably with the passwords reset protocols and is challenging TP and the Department to resolve this as a high priority.
* Vulnerable customers – the Board has challenged TP to take their needs into account, such as issuing hard copies of P60s to members over 80 years of age.
* Ill-health benefits literature - the Board prompted work between OHAssist Ltd and TP to improve the forms and guidance available to applicants.
* Engagement Strategy – the Board supports the move to increase the use of digital channels of communication, to allow more complete, yet tailored, interactions. For example, the Board has encouraged TP to review communications to part-time and supply staff, and revise them where appropriate to reflect their different needs.
* Telephony – pressing TP to make improvements to address recent problems encountered by members and employers trying to contact them by telephone. The Board has supported the creation of a comprehensive action plan to improve telephony in terms of both the system and its resources.

1. **Managing Risk and Internal Controls** – focusing on the scheme financial administration and the framework for control and accountability:

* The annual [TPS Accounts](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629861/TPS_Annual_Report_and_Accounts_2016-17_web2.PDF) - were successfully laid in Parliament, ahead of schedule and, for the second consecutive year, were unqualified having received no significant queries from scrutiny bodies. The Board recognised this as a great achievement and congratulated all those involved.
* Working with the Regulator - to ensure compliance with its Code; the Regulator’s [annual report](http://www.thepensionsregulator.gov.uk/docs/public-service-research-summary-2017.pdf) confirms that the TPS is performing well.
* Improving processes and control mechanisms - where it was identified that certain members had not been paid appropriate increases to their lump sums, ensuring improvements were applied to prevent this happening again.

1. **Commercial –** Established in Autumn 2017 to focus on the specification of the service under the new contract from 2021, ensuring it will offer value for money.

**Summary:**

The Board has had an effective second year of operation, consolidating its role to focus on specific elements of the administration whilst challenging and pressing TP and the Department, on matters where it considers improvement should be made. The Board considers the TPS offers its members an excellent range of benefits and flexibilities; but will continue to focus its efforts to ensure that the administrative service to members and employers continues to improve.