

North Yorkshire County Council**Pension Board****18 July 2019****Annual Review of Dispute Cases Report****1. Purpose of the Report**

To provide Pension Board members with details of the cases received via the Internal Disputes Resolution Process and those cases referred to the Pensions Ombudsman in the scheme year to 31 March 2019.

2. Internal Disputes Resolution cases

There were 12 Internal Disputes Resolution cases received in the period 1 April 2018 to 31 March 2019. Of these 5 relate to ill health early retirement appeals against the relevant employers. A summary of each case and the outcomes is provided in **Appendix 1**.

3. Pensions Ombudsman cases

There were 3 cases received from the Pensions Ombudsman in the period 1 April 2018 to 31 March 2019. A summary of each case and the outcomes is provided in **Appendix 2**.

4. Recommendation

- 4.1. That Pension Board members review the contents of the report and appendices and provide feedback.

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10 July 2019
Background Papers - Nil

Appendix 1

Date Received	Summary of complaint	Current Position/ Outcome	Synopsis	Response
18/05/2018	Complaint about our continued attempt to recover overpaid pension of £4,161.41. Member died and daughter spent money.	Stage 1: Decision rec'd: 23/07/2018 Upheld NYPF position - confirmed within our rights to continue to pursue recovery of overpayment	NYPF have continued to try and recover the overpaid pension with no success as we believe, based on the evidence provided, the daughter knowingly withdrew and spent the money after her father's death.	Protecting the interests of the remaining members in the Scheme.
11/07/2018	Member wants NYPF to undo the automatic aggregation of their benefits from Greater Manchester Pension Fund.	Stage 1: Decision rec'd: 11/09/2018 Upheld NYPF position Stage 2: Response issued 14/09/2018 Upheld NYPF position	Automatic aggregation was introduced when the scheme changed in April 2014 to combine member's benefits into one pension account. Member's are given 12 months to advise they don't want it to happen and we had not received a response within the timescale so we actioned the automatic aggregation. The member has suffered a pay drop so the aggregation has had a detrimental effect on the accrued benefits.	Legislation requirement.
22/08/2018	NYPF quoted trivial commutation benefits but member wasn't entitled to them as has GMP, is under GMP age and has WYPF benefits.	Stage 1: Decision received: 31/10/2018 Upheld NYPF position	We offered a benefit to the member in error which they were not entitled to.	Administrative error - now able to check NI Database for other LGPS membership.
04/09/2018	Dispute with Scarborough Sixth Form College. Member disputing award of Tier 3 ill health.	Stage 1: Decision received 7/11/2018 Referred back to employer to continue with appointment of an Independent Registered Medical Practitioner who has not previously been involved to give a further opinion 26/02/2019 Er confirmed granted Tier 2	IHER appeal.	IHER appeal.
07/09/2018	NYPF quoted an option relating to AVCs the member was not entitled to due to his membership status.	Stage 1: Decision received 6/11/2018 WYPF upheld the complaint. Instructed to send a letter to the member with the correct options Agreed to offer £500 based on loss of annuity income of £13pa for 20 years plus £150 for distress and inconvenience.	We offered a benefit to the member they was not entitled to regarding their AVCs. This came to light at payment stage.	Administrative error - will be managed when new retirement options letter is live.
12/09/2018	Member unhappy that only option is a refund of contributions, wants a pension or recompense for loss of investment return on increase in FTSE.	Stage 1: Decision received: 19/11/2018 Upheld NYPF position. Instructed to send letter with refund amount incl. interest for late payment Benefits calculated and letter issued 23/11/2018 Mbr confirmed will accept conts plus interest 07/01/2019	We issued frozen refund chaser letters but we do not quote interest for late payment on them so the figure quoted was just the contributions that had been paid. Member wanted compensation for increase in the FTSE for the intervening period.	System limitation, we are unable to include interest on quotations, it can only be calculated and included at payment stage. This is not seen as an issue as we followed standard procedure. Member was satisfied when interest was included.

Date Received	Summary of complaint	Current Position/ Outcome	Synopsis	Response
24/10/2018	Member wants AVCs as lump sum but can't as they are result of a pension sharing order. Claims we did not inform Pru they couldn't have tax free cash from her policy.	<p>Stage 1: Decision received:15/01/2019 WYPF upheld the complaint. Member can have some cash from AVCs as per freedom of choice. Instructed us to write with details of FULL list of benefits available.</p> <p>Stage 2: 15/1/2019 Appealing only being able to take 25% tax free Responded 11/02/2019 - advising decision upheld 22/02/2019 Further letter rec'd requesting compensation. Asked teh AVC provider (Prudential) to consider as mainly their fault.</p>	<p>Benefits were generated as part of a pension sharing order and the Prudential had issued standard benefit statements which state members 'may' be able to take up to 100% of their AVCs as tax free cash. This was not the case as the fund in this case had to be treated as a stand alone money purchase arrangement and not an AVC arrangement attached to the LGPS benefits.</p>	<p>This situation is unique within the NYPF (there are no other members with this type of benefit) resulting in the lack of full understanding of the member's position at retirement. The position has now been noted for future reference but any such pension sharing requests will be denied in future.</p>
26/10/2018	Member disputing why ill health retirement has been refused on both deferred memberships.	<p>Stage 1: Decision received 15/01/2019 WYPF upheld employer decision Stage 2: Date received 02/05/2019, responded 20/05/2019 - advising decision upheld</p>	IHER appeal.	IHER appeal.
06/11/2018	Member disputing why ill health retirement has been refused on active membership.	<p>Stage 1: Decision received 02/01/2019 WYPF rejected appeal as it's against the Independent Registered Medical Practioner not the Employer.</p>	IHER appeal.	IHER appeal.
03/12/2018	Member disputing why ill health retirement has been refused on deferred membership.	<p>Stage 1: Decision received 19/02/2019 WYPF have referred it back to the school for further medical evidence</p>	IHER appeal.	IHER appeal.
10/12/2018	Dispute against NYPF for allowing transfer out to PRPL in 2014 and member has subsequently lost all money. Hugh James solicitors dealing.	<p>Stage 1: Decision received 18/02/2019 WYPF upheld NYPF position 20/02/2019: Stage 2 received, responded 27/02/2019 - advising decision upheld</p>	Benefits were transferred out at the member's request despite several attempts to dissuade them.	Correct procedure was followed at the time, however legislative requirements for transfers have been tightened since then in light of the volume of pension scams that have occurred. We continue to adhere to the current legislative requirements.
14/03/2019	Member disputing why Tier 2 ill health has been awarded instead of Tier 1	<p>Stage 1: Date received 14/03/2019</p>	IHER appeal.	IHER appeal.

Appendix 2

Date Received	Summary of complaint	Current Position/ Outcome	Synopsis	Response
30/10/2018	Automatic aggregation processed at the 12 month point as member had not advised us they didn't want to proceed. The member is worse off as their pay has dropped.	Ombudsman determined the aggregation stands. Awarded £500 compensation for distress and inconvenience.	Automatic aggregation was introduced when the scheme changed in April 2014 to combine member's benefits into one pension account. Member's are given 12 months to advise they don't want it to happen and we had not received a response within the timescale so we actioned the automatic aggregation. The member has suffered a pay drop so the aggregation has had a detrimental effect on the accrued benefits.	All aggregation letters have been rewritten to improve and simplify information provided. Process amended to include a final check point with the member where pay has dropped.
04/02/2019	Incorrect cash equivalent transfer value quoted multiple times and only at payment stage was error found and rectified. CETV paid was £20,351 less than quoted.	Ombudsman determined the member was only entitled to payment of the correct recalculated transfer value. Awarded £500 compensation for distress and inconvenience.	The member was over the age where part of the benefits could have come into payment and as a result different factors should have been used to calculate the transfer value. The system did not work correctly at that time so this required manual intervention. This was not identified until payment stage and it resulted in a reduction to the value quoted previously.	Staff made aware of the additional work required in these cases. System has since been amended to work correctly.
14/06/2018	Mbr complaining about not being granted retrospective ill health early retirement.	Ombudsman upheld complaint against NYCC as the employer, they shouldn't have allowed the member to apply for ill health early retirement as benefits were already in payment. Awarded £1,000 for serious distress and inconvenience.	Member claimed the reason they had left employment was ill health but they were not given the opportunity to apply for ill health early retirement at the time so had to take normal early retirement. Benefits were reduced for early payment. They were applying for ill health early retirement to be granted retrospectively.	Process changed to liaise more closely with the employers in these cases to prevent them progressing.