



Havering
LONDON BOROUGH

PENSIONS COMMITTEE

Subject Heading:

Review of the policy for the overpayment of pensions following the death of a pensioner or dependant member

SLT Lead:

Dave McNamara
Statutory Section 151 and Chief Finance Officer

Report Author and contact details:

Caroline Guyon
01708 432185
Caroline.guyon@havering.gov.uk

Policy context:

Local Government Pension Scheme Regulations 2013

Financial summary:

In applying the policy to automatically write off pension overpayments of less than £250 following the death of a pensioner or dependant member, where there is no ongoing dependant pension payable, has resulted in overpayments of £4,321.89 being written off during 2021/22.

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[x]
[x]
[x]
[x]

SUMMARY

It is good practice to ensure the Authority has a policy in place regarding the treatment of overpaid pensions following the death of a pensioner or dependant member.

A policy was introduced in March 2019 enabling overpayments of pension of less than £250 net following the death of a pensioner or dependant member, where there is no ongoing dependant pension payable, to be automatically written off.

This ensures that any overpayments are treated in a fair and equitable manner and will prevent the administration team seeking individual write off approvals. It was agreed that the policy would be reviewed annually.

During 2021/22 the overpayments written off in line with the policy totalled £4,321.89, which falls within the expected average of £5,000 in any financial year.

RECOMMENDATIONS

It is recommended that the Committee agree to the continuation of the Policy for the overpayment of pension following the death of a pensioner or dependant member for a further year.

REPORT DETAIL

1. Notification of the death of a pensioner or dependant member does not always happen immediately. When notified in time the payroll team will stop or recall the last monthly pension payment to prevent a potential overpayment of pension benefits.
2. If this is unsuccessful, the current policy allows the Pension Fund ("the Fund") to automatically write off an overpayment of pension of less than £250 net, where there is no ongoing dependant pension to be paid.
3. A value of less than £250 net in the instance of the death of a pensioner or dependant member has been deemed by Officers as uneconomical to pursue when taking into account the cost of the administration involved in additional correspondence and raising and chasing an invoice. The cost of this work has been estimated as £76.91 per case.
4. It is also important to take into account the reputation of the Authority in seeking to recover relatively small amounts from bereaved relatives.

5. Where there is an ongoing dependant benefit due this can be used to recover any overpaid pension, regardless of the value of that overpayment.
6. An invoice will be raised by the Fund to recover an overpayment which is £250 net or more following the death of a pensioner or dependant member which is then chased and escalated in line with the Authority's debt collection procedure.
7. The total debt automatically written off during 2021/22 in line with the policy was £4321.89 covering 48 different cases, which is an average of £90.04 per case, and falls below the expected average of £5,000 per annum.

IMPLICATIONS AND RISKS

Financial implications and risks:

It is not economical to pursue recovery of any overpayment below £250 net – cases are few and the amount of write –off in any year is typically less than £5,000.

Legal implications and risks:

There are no apparent legal implications or risks within the content of this Report.

Human Resources implications and risks:

There appear to be no HR implications or risks arising directly that impact on the Authority's workforce.

Equalities implications and risks:

There are no direct equality implications regarding this matter.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Authority is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Authority is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. We will ensure that disabled people with sensory impairments are able to access the strategy.