



**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

**ELT Lead:**

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**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 £1,529.98 being written off during 2023/24.

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

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

## **SUMMARY**

It is good practice to ensure the Council 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 2023/24 the overpayments written off in line with the policy totalled £1,529.98, which falls within the expected maximum of £5,000.

From 2024, it is recommended the policy be reviewed every three years in line with other administration policies.

## **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
- the policy be implemented for a three year period and next reviewed in 2027 in line with other administration policies

## **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 policy allows the Pension Fund to automatically write off an overpayment of pension of less than £250 net, where there is no ongoing dependant pension to be paid.

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3. A value of less than £250.00 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 important to ensure we are acting with compassion and in support of the bereaved families and we take into account the reputation of the Council if seeking to recover relatively small sums.
5. Where there is an ongoing dependant benefit due this will 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 £250.00 net or more following the death of a pensioner or dependant member which is then chased and escalated in line with the Councils debt collection procedure.
7. The total debt automatically written off during 2023/24 in line with the policy was £1,529.98 covering 19 different cases, which is an average of £80.53 per case, and falls below the expected maximum of £5,000 per annum.
8. It is proposed that the policy moves from an annual review to a three yearly review in line with other pensions administration policies. The table below shows the summary of overpayments covered by the report since its introduction in 2019.

Year	Total written off	Number of cases	Average write off per case
2019/20	£3,361.62	48	£70.03
2020/21	£3,792.30	53	£71.55
2021/22	£4,321.89	48	£90.04
2022/23	£1,943.04	22	£88.32
2023/24	£1,529.98	19	£80.53

### **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 approving the recommendations of this Report.

#### **Human Resources implications and risks:**

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There appear to be no HR implications or risks arising directly that impact on the Councils 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 Council 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 Council 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.