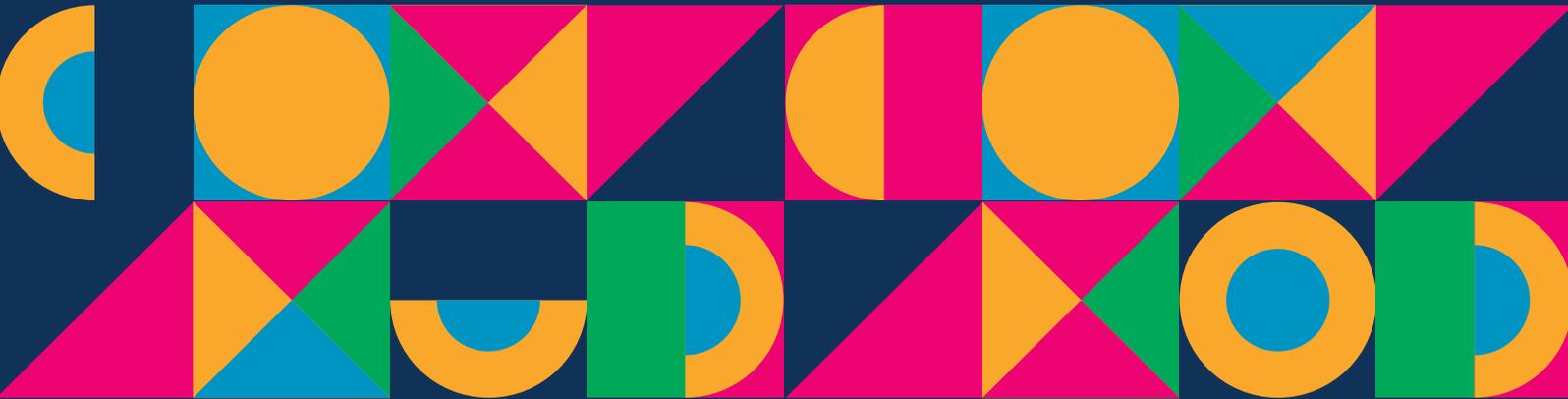


Case Study

Data Exchange Automation

For Both **Employer** and **Pension Fund**



Using i-Connect to reduce costs and improve data quality for **Lewisham Borough Council**



Organisation Profiles



Lewisham Borough Council

The London Borough of Lewisham PensionFund (the Fund) is part of the national Local Government Pension Scheme (LGPS). Lewisham Borough Council administers the Fund for its own employees, as well as for other employees admitted to the Fund under an admission agreement.

The Fund is administered by an in-house team serving over 22,000 members, comprising 6,800 active members, 8,300 deferred members and 6,900 pensioners and dependants.



Heywood Pension Technologies

Heywood Pension Technologies builds modern software solutions for pension schemes, pension administrators and employers to help transform how their members manage their lifelong financial journeys.



The Challenge

Following a review of the data exchange process between the various employers' payrolls and Altair, supplied by Heywood Pension Technologies, the Fund embarked on a drive to improve operational processes and efficiently manage the collation and transfer of data between the employers and the Fund.

With the obligations of Pension Reform also on the horizon, the Fund required a technology solution that would address both the problems of today and the challenges of tomorrow.



Data Exchange Automation

Business Objectives

These were:



Reduce both effort and costs in supporting the Pension Fund's administration team



Reduce the administration burden on employers and the Fund's pension administration team.



Reduce costs through the use of new technology.



Improve data quality and meet record-keeping obligations.



Reduce the costs of dealing with Pension Reform changes.



Move from an inefficient end-of-year return to an efficient monthly update.



Key Challenges

One of the greatest operational challenges was how to manage the collation and transfer of data efficiently:

- There was a reliance on paper communication, which by its nature is inefficient.
- Information would not be received on time, or sometimes not at all.
- It was necessary for employers to identify the changes in the payroll system and notify the Fund.
- Information received from employers would often be inaccurate and incomplete.
- Previous methods of data exchange were insecure and there was a risk of compromising personal data.
- A backlog of part-time hours changes had accumulated, which had delayed the annual return.



Data Exchange Automation

The i-Connect Solution

To meet the Pension Reform obligations of the employers and the business objectives of the Fund, i-Connect provided the ideal solution.

Purpose-built for the public sector, i-Connect is a data exchange solution that enables the uploading of bulk payroll data to the Fund's administration system, Altair.

i-Connect:



Automatically identifies changes in the workforce



Provides a straight-through process for submitting data



Assists in addressing automatic enrolment



Generates reminders to ensure employer obligations are met



Generates the record-keeping required by regulations



The Project

i-Connect validates the payroll data and manages the events generated by the payroll extract file through to Altair. i-Connect gave the Fund and its employers the functionality to meet the requirements for Pension Reform, as well as providing reporting tools for both administrative and compliance purposes.

i-Connect has reduced the cost and risk associated with processing pension data by automating the submission of data to the Fund. It also improves the flow of data from HR and payroll systems to the Fund, minimising manual intervention in the process.

Data quality is also vital. Implementing i-Connect ensured the data flow from employer to scheme administrator is intelligently managed, providing substantial improvement in quality and timelines.

i-Connect integrates fully with Altair to create seamless business processing that:

- Improves governance regarding contribution reconciliation
- Secures transfer of data to the Fund
- Removes the need for the annual end of-year return
- Supports the CARE scheme and TPR's record-keeping obligations



Data Exchange Automation

Benefits Delivered

Award-winning i-Connect was the ideal solution for the Lewisham Pension Fund. The backlog of over 6,500 part-time hours' changes have been processed and the data load backlog has been eliminated.

In 2013/2014 the overall caseload in the pension administration team increased by 25%, with a 125% increase in the number of new starters joining the Fund as a consequence of automatic enrolment. The administration team was able to manage this significant increase in workload.

Over 90% of employers' data is now submitted securely and reliably through i-Connect, and the business objective of improved data quality for automated processing has been met. There were no employer submissions received during 2014/15 that were classified as low-quality, and the administrative burden placed on the pensions team has been relieved.

In addition:

- Around 300,000 events were successfully processed.
- The number of errors reduced from 1,055 (4%), in month one, to just 24(0.08%) in month twelve.

“

i-Connect has improved the data exchange process, which will enable us to issue the annual benefit statements much earlier next year.

”

Tim O'Connor,
Pensions Manager



Case Summary

i-Connect improves the flow of data from payroll to pensions, minimising manual intervention in the process and:

- Reduces the amount of data that requires manual intervention
- Mitigates the data security risk by providing a secure method of exchange
- Significantly reduces work requirements for future legislative changes
- Uses just one interface rather than many
- Provides operational and process efficiency
- Transfers data securely and reliably

