

Barnet Deferred Benefit Statement Testing Schedule

Purpose of tests

The enhanced testing, which is detailed in this testing schedule, was performed by Capita’s technical team, is to ensure:

- a) any additional manual activity to support the production of the annual benefits statements has been carried out correctly; and
- b) the data upon which the calculation routines rely on is of sufficient quality as to produce accurate output on the annual benefit statements.

Enhanced testing encompassed three core areas:

1. **Calculation routine tests** – were performed on the calculation routines employed in the production of the annual benefit statement data to ensure that the routines produced the expected outcomes
2. **Tolerance tests** – were applied to the input data to ensure that the data used in the calculation routines was reasonable
3. **Exception tests** – were employed to ensure that data output used in the population of the annual benefit statements was reasonable and produced the expected outcomes. The annual benefit statement is made up of 4 sections and the data output to each of these sections was tested

1. Calculation routine tests

Routine tested	Test run	Comments
Pensions Increase	For members with date of leaving before 24/04/2018 full pensions increase has been added to the initial pension and lump sum, where applicable	A range of leaving dates were selected between the earliest leaving date on file and 23/03/2018 and for all cases tested pensions increase was correctly applied
Pensions Increase	For members with date of leaving between 24/04/2018 and 23/03/2019 partial pensions increase and a partial Treasury Order has been added to the initial pension with a partial pensions increase to the lump sum,	A number of leaving dates were selected and for all cases tested pensions increase was correctly applied

	where applicable	
Pensions Increase	For members with date of leaving after 23/03/2019 a full Treasury order has been added to the initial pension	A number of leaving dates were selected and for all cases tested pensions increase was correctly applied
Survivor's pension	Correct % of member's pension used in the calculation of survivor's pension for deferred and deferred pensioner members with the exception of female members who left before 01/04/1988	Sample testing of members who left: <ul style="list-style-type: none"> • Before 01/04/2008 • Between 01/04/2008 and 31/03/2014 • After 31/03/2014 For all cases sampled after formula correction, the survivor's pension was correctly calculated
Survivor's pension	No survivor's pension output for female members who left before 01/04/1988 or members who have entitlement to a pension credit	Agreed following targeted testing of these groups
% LTA used	Figures populated are equal to 20 times pension plus lump sum divided by £1,055,000 times 100	Agreed
Death grant	Correct multiplier used to determine death grant	Sample testing of members who left: <ul style="list-style-type: none"> • Before 01/04/2008 • After 31/03/2008 For all cases sampled the correct multiplier was used

2. Tolerance tests run

Input data tested	Test run	Comments
Total pension	Low pensions relate to members with low service and/or low pensionable pay	Agreed
Total pension	High pensions relate to members with long service and/or high pensionable pay	Agreed

3. Exception tests run

Section 1

Personal Details

Field on Statement	Test Done	Comments
Name	All rows populated with members' title	Findings <ul style="list-style-type: none"> 100% populated Actions taken <ul style="list-style-type: none"> N/A
Name	All rows populated with members' initials	Findings <ul style="list-style-type: none"> 100% populated Actions taken <ul style="list-style-type: none"> N/A
Name	All rows populated with members' surname	Findings <ul style="list-style-type: none"> 100% populated Actions taken <ul style="list-style-type: none"> N/A
Date of Birth	All rows populated with correctly formatted date of birth	Findings <ul style="list-style-type: none"> Agreed Actions taken <ul style="list-style-type: none"> N/A
Date of Birth	All dates prior to date joined scheme and age not less than 16 at date of joining	Findings <ul style="list-style-type: none"> 1 record PEMP ID 41987236 incorrect as NPA 31/03/2019 Actions taken <ul style="list-style-type: none"> Date corrected
Date of Birth	All dates of birth produce an age that is less than 75	Findings <ul style="list-style-type: none"> Agreed Actions taken <ul style="list-style-type: none"> N/A

Member reference number	All rows populated with 8 digit reference number	Findings <ul style="list-style-type: none"> Agreed
Date joined scheme in employment	All rows populated with correctly formatted date joined scheme	Actions taken <ul style="list-style-type: none"> N/A
Date joined scheme in employment	All dates of joining prior to dates of leaving	Findings <ul style="list-style-type: none"> 6 records not populated 41988819, 41989821, 41991539, 42767261,43085399 & 41992096
Date left scheme	All rows populated with correctly formatted date of leaving	Actions taken <ul style="list-style-type: none"> All D/X records which are pension credit members. Date to be populated with same date as leaving
Final Salary Membership from date	All dates pre 01/04/2014	Findings <ul style="list-style-type: none"> All correct except the 6 pension credit members detailed above with no date of joining
Final Salary Membership date to	All dates pre 01/04/2014	Actions taken <ul style="list-style-type: none"> N/A
Final Salary Membership from date	All dates pre 01/04/2014	Findings <ul style="list-style-type: none"> Agreed
Final Salary Membership date to	All dates pre 01/04/2014	Actions taken <ul style="list-style-type: none"> N/A
Final Salary Membership from date	All dates pre 01/04/2014	Findings <ul style="list-style-type: none"> All correctly pre 01/04/2014 NB data does not differentiate between 80ths and 60ths but both are final salary service
Final Salary Membership date to	All dates pre 01/04/2014	Actions taken <ul style="list-style-type: none"> No differentiation required as only one line output on ABS so no action to take
Final Salary Membership from date	All dates pre 01/04/2014	Findings <ul style="list-style-type: none"> All correctly pre 01/04/2014 NB data does not differentiate between 80ths and 60ths but both are final salary service
Final Salary Membership date to	All dates pre 01/04/2014	Actions taken <ul style="list-style-type: none"> No differentiation required as only one line output on ABS so no action to take

CARE scheme date from	All populated dates post 31/03/2014	Findings
		<ul style="list-style-type: none"> Agreed
CARE scheme date from	All blanks have date of leaving prior to 01/04/2014	Actions taken
		<ul style="list-style-type: none"> N/A
CARE scheme date from	All blanks have date of leaving prior to 01/04/2014	Findings
		<ul style="list-style-type: none"> Agreed
CARE scheme date to	All dates later than CARE scheme date from	Actions taken
		<ul style="list-style-type: none"> N/A
CARE scheme date to	All dates later than CARE scheme date from	Findings
		<ul style="list-style-type: none"> Agreed
Normal Pension Age	All pre 1 April 1998 leavers populated with 25 year rule date	Actions taken
		<ul style="list-style-type: none"> N/A
Normal Pension Age	All pre 1 April 1998 leavers populated with 25 year rule date	Findings
		<ul style="list-style-type: none"> Agreed
Normal Pension Age	All pre 1 April 1998 joiners who left prior to 1 October 2006 populated with 25 year rule date	Actions taken
		<ul style="list-style-type: none"> N/A
Normal Pension Age	All pre 1 April 1998 joiners who left prior to 1 October 2006 populated with 25 year rule date	Findings
		<ul style="list-style-type: none"> Agreed
Normal Pension Age	All pre 1 April 2014 leavers not covered in rows above populated with age 65	Actions taken
		<ul style="list-style-type: none"> N/A
Normal Pension Age	All pre 1 April 2014 leavers not covered in rows above populated with age 65	Findings
		<ul style="list-style-type: none"> 1 record to amend 42646761
Normal Pension Age	All pre 1 April 2014 leavers not covered in rows above populated with age 65	Actions taken
		<ul style="list-style-type: none"> Date amended
Normal Pension Age	All post 1 April 2014 leavers populated with age at SPA	Findings
		<ul style="list-style-type: none"> Agreed
Normal Pension Age	All post 1 April 2014 leavers populated with age at SPA	Actions taken
		<ul style="list-style-type: none"> N/A

Section 2

Deferred benefits at 8 April 2019

Final Salary benefits

Field on Statement	Test Done	Comments
Annual Pension	Figures populated for all members with date joined scheme before 01/04/2014	<p>Findings</p> <ul style="list-style-type: none"> • Members that failed test 41991681, 41998128, 41998511, 42940743, 43441742 <p>Actions taken</p> <ul style="list-style-type: none"> • 41991681 service under 41981406 added as non-pensionable service to ensure a deferred benefit is held. Member was in pensionable employment for less than two years in this employment but in aggregate more than two years so entitled to a deferred but no final salary pension accrued in this post – pensionable service correctly held so no action taken. • 41998128 service under 41997158 added as non-pensionable service to ensure a deferred benefit is held. Member was in pensionable employment for less than two years in this employment but in aggregate more than two years so entitled to a deferred but no final salary pension accrued in this post – pensionable service correctly held so no action taken • 41998511 deferred benefit did not include CARE pay from 01/04/2015 to DOL nor did it include the final salary benefit because the member was hourly paid with no pensionable pay prior to 01/04/2014 or from 01/04/2015 – pension record correct so no action taken • 42940743 employer confirmed that member received no pay for February and March 2014 so no final salary benefits accrued – pension record correct so no action taken • 43441742 first contribution paid was in respect of service from

		1 April 2014 so no final salary benefits accrued – pension record correct so no action taken
Annual Pension	Value of pension agrees with deferred benefits screen	Findings <ul style="list-style-type: none"> Correct value at 08/04/2019 held in Column AT (mapping document incorrectly references Column AM)
		Actions taken <ul style="list-style-type: none"> Mapping instruction revised
Annual Pension	This needs to be the value of the final salary benefits at 08/04/2019 prior to any pension sharing or scheme pays debits	Findings <ul style="list-style-type: none"> Agreed
		Actions taken <ul style="list-style-type: none"> N/A
Additional Pension Bought	Figures populated less than Annual Pension	Findings <ul style="list-style-type: none"> No figures populated at all – investigation required
		Actions taken <ul style="list-style-type: none"> Report was not merged, now populated
		Final review <ul style="list-style-type: none"> Agreed
Pension Sharing Debit	Figures less than Annual Pension	Findings <ul style="list-style-type: none"> No figures populated at all – investigation required
		Actions taken <ul style="list-style-type: none"> 41965753 is only known deferred member with a pension debit. Pension and lump sum are net of debit so whilst debit is not explicitly shown it is correctly reflected in benefits quoted. Refer to notes below for further commentary – no action taken
Scheme pays debit	Figures less than Annual Pension	Findings <ul style="list-style-type: none"> No figures populated at all – investigation required
		Actions taken <ul style="list-style-type: none"> 41989809 and 43025041 are the only known deferred members with a Scheme Pays debit. The deferred pension is recorded net of the debit so whilst the debit is not explicitly shown it is correctly reflected in the benefits quoted – no

		action taken
Total Final Salary pension Benefits	Figures populated for all members with date joined scheme between 01/04/2008 and 31/03/2014	<p>Findings</p> <ul style="list-style-type: none"> Members that failed test 41991681, 41998128, 41998511, 42940743, 43441742 <p>Actions taken</p> <ul style="list-style-type: none"> 41991681 service under 41981406 added as non-pensionable service to ensure a deferred benefit is held. Member was in pensionable employment for less than two years in this employment but in aggregate more than two years so entitled to a deferred but no final salary pension accrued in this post – pensionable service correctly held so no action taken. 41998128 service under 41997158 added as non-pensionable service to ensure a deferred benefit is held. Member was in pensionable employment for less than two years in this employment but in aggregate more than two years so entitled to a deferred but no final salary pension accrued in this post – pensionable service correctly held so no action taken 41998511 deferred benefit did not include CARE pay from 01/04/2015 to DOL nor did it include the final salary benefit because the member was hourly paid with no pensionable pay prior to 01/04/2014 or from 01/04/2015 – pension record correct so no action taken 42940743 employer confirmed that member received no pay for February and March 2014 so no final salary benefits accrued – pension record correct so no action taken 43441742 first contribution paid was in respect of service from 1 April 2014 so no final salary benefits accrued – pension record correct so no action taken
Automatic lump sum	Figures populated for all members with date joined scheme before 01/04/2008	<p>Findings</p> <ul style="list-style-type: none"> Members that failed test 41967366, 41989083, 41992864, 41999227 & 41999531

		<p>Actions taken</p> <ul style="list-style-type: none"> • 41967366 initial lump sum of £26,001.88, which shows on deferred benefit statement (26/07/2010), added to Hartlink deferred benefit record • 41989083 initial lump sum of £907.84, which shows on deferred benefit statement (31/08/2010), added to Hartlink deferred record • 41992864 we believe that this member was incorrectly set up as a deferred member. Refund paid on 04/08/1995 by cheque no. 522777 refer debit note numbered 92829– we do not believe this member is entitled to a deferred benefit. Report to client outlining reasons and actions recommended can be found in main body of the report. • 41999227 initial lump sum of £208.13, which shows on deferred benefit statement (02/07/2010), added to Hartlink deferred record • 41999531 service under 41991001 added as non-pensionable service to ensure a deferred benefit is held. Member was in pensionable employment for less than two years in this employment but in aggregate more than two years so entitled to a deferred but no final salary pension accrued in this post – pensionable service correctly held so no action taken.
Automatic lump sum	No figures populated for all members with no membership before 01/04/2008	<p>Findings</p> <ul style="list-style-type: none"> • Several members with post 08 only membership but they were Councillors so are correct to have automatic lump sums or members that have done Interfunds that brought across membership before 01/04/2008. <p>Actions taken</p> <ul style="list-style-type: none"> • N/A

CARE pension benefits

Field on Statement	Test Done	Comments
Annual Pension	Figures populated for all members with date of leaving scheme after 31/03/2014	<p>Findings Members that failed test 41965206, 41983721, 41988486, 41989700, 41989920, 41989962, 41990386, 41990480, 41990621, 41990705, 41997518, 41997603, 41998119, 42767261</p> <p>Actions taken</p> <ul style="list-style-type: none"> • 41965206, 41988486, 41989700, 41989920, 41989962, 41990621, 41990705, 41997518, 41998119 are all councillors so no CARE should be recorded – no action taken • 41990386 left employment 31/03/2016 following unpaid leave which commenced 01/04/2014 so no CARE pension built up – no action taken • 41990480 CARE line added to Hartlink, CARE correctly included in deferred benefit statement • 42767261 is a pension credit member set up 20/05/2014 (debit member left pensionable service 1995) so no CARE pension entitlement – no action taken • 41997603 – member did not pay any pension contributions in April 2014 so no CARE pay should be recorded – no action taken • 41983721 record is correct. Employee went on adoption leave and it had impact on her earnings. Through that financial year she had a lot of deductions and offsets. There were pension refunds, Core (payroll) have used them as an offset to pension from post number 41998324 – no action taken
Annual Pension	No Figures populated for all members with date of leaving scheme prior to 01/04/2014	<p>Findings</p> <ul style="list-style-type: none"> • Agreed <p>Actions taken</p> <ul style="list-style-type: none"> • N/A

Annual Pension	Value of pension agrees with deferred benefits screen	<p>Findings</p> <ul style="list-style-type: none"> • Correct value at 08/04/2019 held in Column BH (mapping document incorrectly references Column AZ) <p>Actions taken</p> <ul style="list-style-type: none"> • Mapping instruction corrected
Additional pension bought	Figures populated less than Annual Pension	<p>Findings</p> <ul style="list-style-type: none"> • No figures populated at all – investigation required <p>Actions taken</p> <ul style="list-style-type: none"> • Report was not merged, now populated
Pension Sharing Debit	Figures less than Annual Pension	<p>Findings</p> <ul style="list-style-type: none"> • No figures populated at all – investigation required <p>Actions taken</p> <ul style="list-style-type: none"> • There are no deferred members with service after 31/03/2014 who are subject to a pension debit so there should be no entries found. Refer to notes below for further commentary – no action taken
Scheme pays debit	Figures less than Annual Pension	<p>Findings</p> <ul style="list-style-type: none"> • No figures populated at all – investigation required <p>Actions taken</p> <ul style="list-style-type: none"> • 41989809 and 43025041 are the only known deferred members with a Scheme Pays debit. The deferred pension is recorded net of the debit so whilst the debit is not explicitly shown it is correctly reflected in the benefits quoted – no action taken
Total CARE pension	Figures populated for all members with date of leaving scheme after 31/03/2014	<p>Findings</p> <ul style="list-style-type: none"> • Members that failed test 41965206, 41983721, 41988486, 41989700, 41989920, 41989962, 41990386, 41990480, 41990621, 41990705, 41997518, 41997603, 41998119, 42767261 <p>Actions taken</p> <ul style="list-style-type: none"> • 41965206, 41988486, 41989700, 41989920, 41989962,

		<p>41990621, 41990705, 41997518, 41998119 are all councillors so no CARE should be recorded – no action taken</p> <ul style="list-style-type: none"> • 41990386 left employment 31/03/2016 following unpaid leave which commenced 01/04/2014 so no CARE pension built up – no action taken • 41990480 CARE line added to Hartlink, CARE correctly included in deferred benefit statement • 42767261 is a pension credit member set up 20/05/2014 (debit member left pensionable service 1995) so no CARE pension entitlement – no action taken • 41997603 – member did not pay any pension contributions in April 2014 so no CARE pay should be recorded – no action taken • 41983721 record is correct. Employee went on adoption leave and it had impact on her earnings. Through that financial year she had a lot of deductions and offsets. There were pension refunds, Core (payroll) have used them as an offset to pension from post number 41998324 – no action taken
Total CARE pension	No figures populated for any member with date of leaving scheme prior to 01/04/2014	<p>Findings</p> <ul style="list-style-type: none"> • Agreed <p>Actions taken</p> <ul style="list-style-type: none"> • N/A

Section 3

Total Pension Payable from your NPA

Field on Statement	Test Done	Comments
Total Pension	Figure greater than £0.00 for all members	<p>Findings</p> <ul style="list-style-type: none"> • Agreed <p>Actions taken</p>

		<ul style="list-style-type: none"> • N/A
Total Pension	Agrees with total of Final Salary + CARE benefits (Columns AT & BH)	Findings <ul style="list-style-type: none"> • Agreed Actions taken N/A
Total Lump Sum	Agrees with automatic lump sum figure in column AX	Findings <ul style="list-style-type: none"> • Agreed Actions taken <ul style="list-style-type: none"> • N/A

Section 4

Benefits payable in the event of death

Field on Statement	Test Done	Comments
Death Grant	All figures greater than £0.00	Findings <ul style="list-style-type: none"> • Agreed Actions taken <ul style="list-style-type: none"> • N/A
Death Grant	All pre 01/04/2008 leavers death grant = 3 times pension	Findings <ul style="list-style-type: none"> • Agreed Actions taken <ul style="list-style-type: none"> • N/A
Death Grant	All post 31/03/2008 leavers death grant = 5 times pension	Findings <ul style="list-style-type: none"> • Agreed Actions taken <ul style="list-style-type: none"> • N/A
Survivors pension	All figures greater than £0.00 unless member is female and left before 01/04/1988	Findings <ul style="list-style-type: none"> • Agreed Actions taken

		<ul style="list-style-type: none"> N/A
Survivors pension	Figures agreed from random selection testing	<p>Findings</p> <ul style="list-style-type: none"> Formula to ascertain correct figures is incorrect as for the CARE element it is looking at column AZ which is the CARE figure at date of leaving it needs to be looking at column BH for the values at 08/04/2019 <p>Actions taken</p> <ul style="list-style-type: none"> Formula corrected <p>Final review</p> <ul style="list-style-type: none"> Agreed
Survivors pension	No figures populated for Pension Credit members	<p>Findings</p> <ul style="list-style-type: none"> 6 Pension credit members records identified as having figures that need changing to £0.00 41988819, 41989821, 41991539, 42767261, 43085399 & 41992096 <p>Actions taken</p> <ul style="list-style-type: none"> JR to be raised to correct Hartlink record and deferred benefit extract corrected
Survivors pension	No figures populated for female members who left prior to 01/04/1988	<p>Findings</p> <ul style="list-style-type: none"> 4 members records identified as having figures that need changing to £0.00 41970449, 41970454, 41970459 41970468 <p>Actions taken</p> <ul style="list-style-type: none"> JR to be raised to correct Hartlink record and deferred benefit extract corrected

Notes

1. Pension debit and credit members additional steps taken.

During testing a lower than expected number of pension credit members and pension debit members were found. In consequence, an audit was run to determine whether the numbers found were reasonable. Specific casetypes are used to record cash equivalent transfer values (CETV) requested as part of

a divorce action and any subsequent pension sharing order (PSO) that is received. A report was run through Hartlink to identify the requests made on these casetypes. The results revealed that since 1 March 2014 seven individuals had made an enquiry in respect of a divorce CETV/PSO. Four of the seven cases identified had progressed to a PSO and all debit members are pensioners except for one member who is still an active member. Given the low number for divorce CETV requests received, a report was run on the casetype used to record CETVs to other pension arrangements and a visual check of the documents stored in these records was carried out by the technical team. Out of the 333 requests identified, 134 requests were for divorce CETVs of which 1 progressed to a pension sharing order (this case was one of the cases already known about). Based on these numbers and experience we are not unduly concerned by the lack of pension debit/credit members in the legacy data. Additionally, the legacy data that was transferred over was net of the debit so if there are other deferred members with pension debits that we are unaware of they will be quoted after deduction of the pension debit so member and survivor benefits will be correctly quoted.

2. In addition to these findings there were 930 cases where a deferred pension has not been calculated. These will be a mixture of the:

- a. legacy cases where we are awaiting information from the employer to process the deferred benefit calculation
- b. new cases which are newly notified and where a deferred benefit statement will be produced before 31 August 2019
- c. previously un-notified cases where a Pen 13 (leaver form) will be required from the employer

Action – The members under a. and c. will have their benefit entitlements confirmed to them when their deferred status has been processed. Members who had left service before 01/04/2019 and who are entitled to an annual deferred benefit statement are to be contacted and advised of the reason for the delay in the issue of their annual statement and when this will be resolved or when they will be provided with a further update as to the ongoing reason for the delay in providing their statement.

3. Members identified as being over their normal pension age (NPA) are required to get a letter advising that their pension should be in payment.

Action – All members over NPA will be written to.