Meeting:	Pensions Committee
Date:	14/09/2026
Title:	Pension Administration
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Purpose:	For information only

1. Introduction

The purpose of this report is to provide the Pensions Committee with an update on current developments affecting the administration of the Local Government Pension Scheme (LGPS) and the activities being undertaken by the Gwynedd Pension Fund to respond to these developments, maintain service standards and enhance the delivery of pension administration.

2. Regulatory Update - Fit for the Future

The UK Government's **Fit for the Future** reforms, which came into force in **June 2026**, introduce a significant strengthening of LGPS governance arrangements, placing greater emphasis on accountability, professional standards and effective decision-making by administering authorities. The reforms require each LGPS fund to appoint a designated **Senior LGPS Officer** with overall responsibility for the effective management and administration of the pension fund, providing a clear point of accountability for governance, administration and regulatory compliance. In addition, Pension Committees are required to include an **independent person** to provide external challenge, support robust decision-making and strengthen governance oversight.

Administering authorities are also required to undertake a formal **governance review** to assess the effectiveness of existing governance structures, decision-making processes, committee arrangements, policies and resources against the new requirements. Alongside this, funds must prepare and maintain an **Administration Strategy Statement**, setting out how pension administration services will be delivered, monitored and improved, including performance standards, employer engagement arrangements and the respective responsibilities of the administering authority and scheme employers. These measures are intended to promote greater consistency, transparency and service quality across the LGPS.

The governance changes form part of a wider package of reforms designed to professionalise the LGPS and improve governance standards across the Scheme. The Government's objective is to ensure that administering authorities possess the skills, capacity and resources necessary to manage increasingly complex pension fund operations while maintaining effective oversight of investment, administration and regulatory responsibilities. Funds are therefore expected to review their governance arrangements, training programmes, terms of reference and officer structures to ensure alignment with the new framework.

Although the reforms came into force in June 2026, administering authorities are expected to implement the key governance requirements, including the appointment of a **Senior LGPS Officer**, the appointment of an **independent committee member**, and adoption of an **Administration Strategy Statement**, by **31 December 2026**. Officers are currently assessing the implications of the new requirements for the Fund and will report further to the Pension Board and Pension Committee on the actions required to ensure full compliance within the prescribed timescales.

3. Regulatory Update – LGPS Access and Fairness Reforms

The LGPS *Access and Fairness* reforms came into effect from **1 April 2026**, representing one of the most significant packages of benefit and regulatory changes introduced to the Scheme in recent years. The reforms are intended to improve equality, accessibility and fairness across the LGPS, with a number of measures aimed at addressing historic anomalies and ensuring more consistent treatment of members and beneficiaries.

The principal changes include:

- Equalisation of survivor pension benefits, ensuring benefits are calculated consistently regardless of the sex or sexual orientation of the member or their survivor. Some changes apply retrospectively.
- Removal of the age 75 restriction on death grants, extending eligibility and applying the change retrospectively to qualifying deaths from 1 April 2014.
- Changes to cohabiting partner survivor benefits, including the removal of certain nomination requirements that previously prevented benefits from being payable in some circumstances.
- Measures designed to address the Gender Pension Gap, including improved pension protections for periods of authorised unpaid absence and the introduction of mandatory gender pension gap reporting by LGPS funds.
- New reporting requirements relating to member opt-outs from the Scheme to improve understanding of participation levels and any barriers to membership.
- A number of technical amendments associated with the implementation of the McCloud remedy and other LGPS regulatory provisions.

Impact on Administration

Whilst the changes are expected to improve member outcomes and promote greater fairness across the Scheme, they also create additional administrative responsibilities for administering authorities. The Fund has been required to review procedures, assess historic cases where appropriate, update administration processes and member communications, and prepare for new reporting requirements.

Officers have been working to implement the regulatory changes since their introduction on 1 April 2026 and continue to monitor guidance issued by the Scheme Advisory Board, MHCLG and other stakeholders.

A significant area of work currently underway is the identification of historic cases that may be affected by the retrospective elements of the changes, particularly those relating to survivor benefits and death grants. This exercise is expected to be challenging, as some potential beneficiaries may themselves have subsequently died, changed address, or otherwise become difficult to trace since the original member's death. The Fund will therefore need to undertake a careful review of historic records and, where necessary, tracing exercises to identify and contact individuals who may be entitled to benefits under the revised regulations.

As the Access and Fairness changes were classified as a **material change** to the LGPS regulations, administering authorities were required to communicate the changes to active, deferred and pensioner members within three months of the regulations coming into force. To comply with this requirement, the Fund issued a communication to all members towards the end of June 2026. In support of the Fund's digital strategy and to reduce printing and postage costs where possible, the majority of these communications were issued through the **My Pension Online** portal, with paper correspondence being used where members were not registered for online access.

Whilst no significant implementation issues have been identified to date, some additional administrative workload is expected over the coming months as the retrospective cases are reviewed and the practical implications of the reforms continue to emerge. Further updates will be provided to the Board as this work progresses

4. Staffing Update

I am pleased to report that two new members of staff have recently been appointed through Cyngor Gwynedd's apprenticeship and trainee schemes.

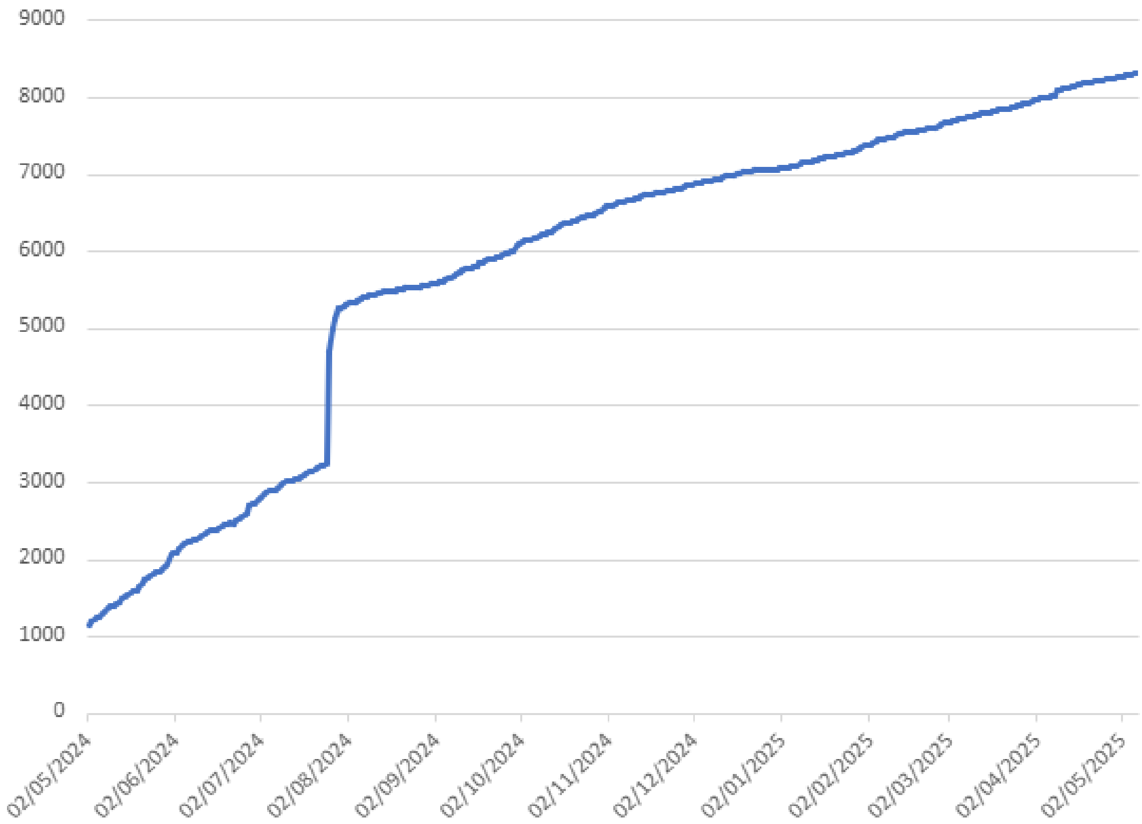
An Apprentice and a Trainee Pension Officer joined the Pension Administration Team on **20 July 2026**. These appointments demonstrate the Fund's ongoing commitment to developing local talent and investing in the future sustainability of the pensions service.

The additional resource will support succession planning, strengthen the resilience of the team and assist with maintaining high levels of service delivery as workloads continue to increase.

5. My Pension Online

Take-up of the Fund's **My Pension Online** portal continues to grow steadily, with an increasing number of members choosing to access their pension information online.

Currently approximately 8,200 members have signed up to the new portal:



The portal currently allows members to:

- View pension benefit information.
- Access annual benefit statements in paper and video format.
- Update personal details.
- Nominate beneficiaries.
- Submit retirement estimates and calculations.
- Access Fund documents and communications electronically.

The Fund is now exploring opportunities to further expand the portal's functionality. This includes the introduction of **digital forms**, reducing the need for members to complete and return paper documentation.

In addition, we are investigating the use of further **interactive AI-generated member videos**. These personalised videos could use an avatar to guide individual members through specific pension topics based on their circumstances, such as:

- Additional Voluntary Contributions (AVCs).
- Understanding retirement options.
- Retirement planning.

These developments have the potential to improve member engagement, provide information in a more accessible format and reduce administrative processing associated with paper-based communications.

6. Additional Voluntary Contributions (AVCs)

Following a comprehensive review of the Fund's Additional Voluntary Contributions (AVC) arrangements by Hymans Robertson, Legal & General was appointed as the Fund's new AVC provider from 1 September 2026. The review identified a number of challenges relating to the Fund's previous arrangements with Clerical Medical, particularly in relation to administrative and operational processes experienced over the past two years.

The new arrangement with Legal & General will provide a number of benefits to members, including:

- A wider range of investment choices.
- Lower member charges and fees.
- Improved online functionality through a dedicated member portal.

The Legal & General member portal will allow members to:

- View their AVC fund value.
- Monitor investment performance.
- Change contribution levels.
- Switch investment funds online.

Currently, many of these activities require intervention from Pension Fund staff, and members do not have direct online access to their AVC information. It is expected that the appointment of Legal & General as the Fund's new AVC provider will provide a better experience for members, along with greater administrative efficiency and improved service in the long term.

Work will proceed during the Autumn term to move member AVC funds over to Legal & General.

7. New Payroll System

Work continues on the implementation of a new payroll system (iTrent) for Cyngor Gwynedd.

The project is being led by a dedicated Project Manager and representatives from the Pension Fund continue to participate in relevant design and development sessions.

Based on demonstrations and workshops completed to date, the new system is expected to deliver a number of significant improvements, including:

- Reduced manual data input.
- Automated processing of key payroll activities.
- Fewer manual checks and reconciliations.
- Improved accuracy and efficiency.

- Reduced operational risk.

Current plans are for system testing to commence during Autumn 2026, with implementation anticipated in early 2027.

8. McCloud Remedy

Progress on the McCloud project continues to be positive.

The majority of the work required to implement the remedy has now been completed, with current efforts focused on resolving the remaining transfer cases affected by the regulations.

These cases represent the final significant element of the project. Once completed, any remaining McCloud-related activities will form part of the Fund's normal business-as-usual administration processes.

The team remains on track to complete the remaining project work in line with agreed timescales.

9. Member Satisfaction

To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

89 Members took part in this survey.

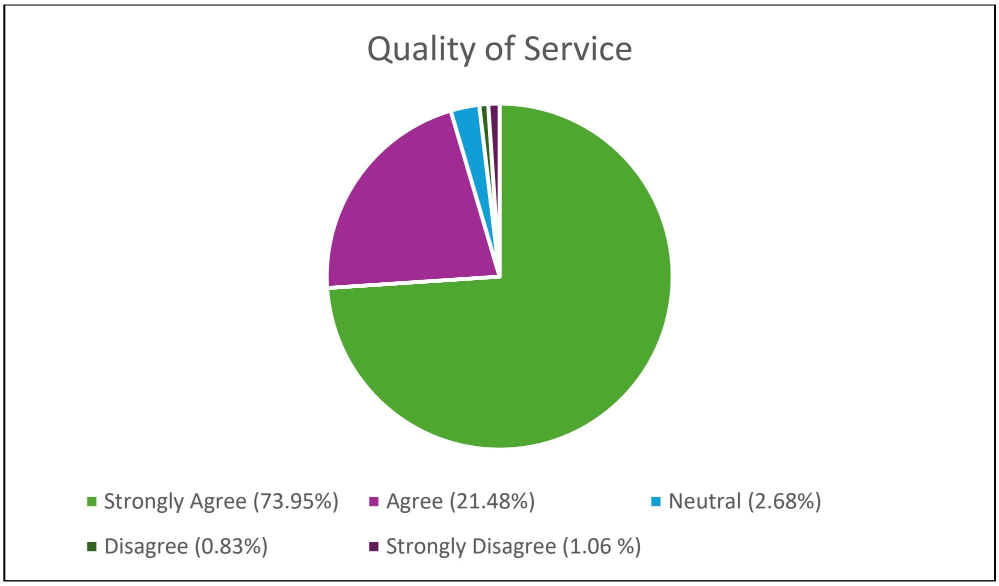
Comments received frequently highlight:

- The helpfulness and professionalism of staff.
- The quality of communications provided.
- Timely responses to enquiries.
- Support provided throughout retirement and benefit processes.

Here is a summary of the 2025/26 results:

Quality of Service

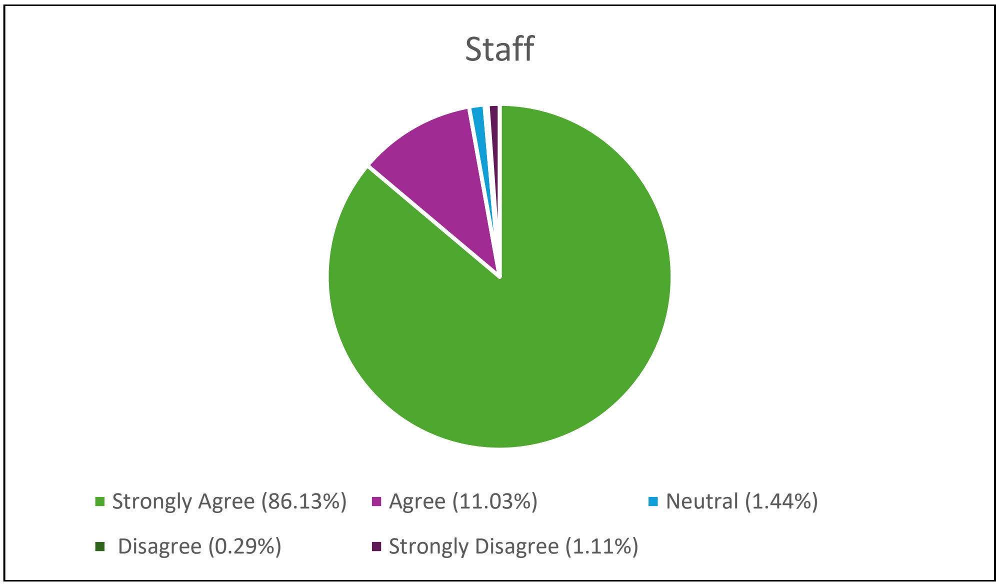
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **95%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2024/25 was **96%.**

Staff

The chart below shows the percentage of users who are satisfied with four aspects of staff performance based on: i) Courtesy; ii) Punctuality; iii) Assistance given; iv) Level of knowledge.



As can be seen, a high percentage once again **(97%)** of the users strongly agree or agree that the quality of the service provided is of a high standard in relation to the staff. The percentage for 2024/25 was **95%.**

The Fund will continue to monitor member feedback closely and use survey results to identify opportunities for further service improvements.