

# How Greater Manchester Pension Fund became the One Fund

It's been 18 months since the Greater Manchester Pension Fund was chosen to provide benefits to all existing and former public sector probation staff.

**Helen Morrissey** looks at how the process has gone

## £16bn

Value of GMPF

## 35 funds

Merged into one

## 1 June 2014

Deadline for transfer of active and deferred probation members

## Jan 2015

Deadline for transfer of probation pensioner members

## 93 years

Period GMPF has been a final salary scheme

## 300,000

Original GMPF members

## 42,000

Probation members

## 400+

GMPF employers

**I**t has been 18 months since it was announced that the £16bn Greater Manchester Pension Fund (GMPF) would become the One Fund. This involves taking responsibility for providing benefits to all existing and former public sector probation staff and community rehabilitation companies (CRC) from 1 June 2014.

This was the result of a structural reform of probation replacing the 35 Probation Trusts in England and Wales with a National Probation Service (for serious offenders) plus 21 CRCs to deliver services locally.

This meant more than 40,000 probation members of the Local Government Pension Scheme (LGPS) spread across 35 LGPS funds, would be merged into one LGPS fund. This was a challenge that GMPF's assistant executive director – pensions administration, Ged Dale was confident the scheme could take on.

"As the largest LGPS fund in the country and with a good track record over the last 25 years, we thought we had a lot to offer and so applied to become the One Fund," he said.

### The challenge

As well as meeting this deadline, GMPF was also faced with the LGPS-wide deadline of moving from final salary to career average.

To facilitate the transfer, GMPF migrated from AXISE to their software provider heywood's new platform – altair. The transfer was completed in three months and ensured that GMPF could provide the best service to existing members, their employers and the transferring probation staff.

"This was another major job, but one that was required," said Dale. "We went live on altair in February, career averaging arrived in April and then we become the One Fund in June!"

"The main challenge, though, was having to do so much within such a very compressed time, as once we were named as the One Fund we had to prepare for taking on 42,000 members from 34 other funds, with the original transfer date being 1 April. Simultaneously we were preparing for the move to career averaging on the same date, which after 93 years of final salary was revolution, not evolution."

Aquilaheywood head of marketing Jim Aitken agreed it was a big task to meet such challenging deadlines but said forward planning and experience were key to getting the project off the ground.

"It was a huge challenge to get this project completed on time but the GMPF has been a heywood client for 30 years," he said. "We also provide software for more than 80 local government funds so we have a lot of experience of migrating them to the new altair site. We had already been discussing the migration to the new product so it made sense to do it all in one go."

He continued: "GMPF approached us before they won the contract and we put together a plan to ensure that if they were successful it would be fully resourced externally as well as internally. When GMPF won the contract we sat down together to build on the process we had already sketched out. What are the risks and what are the issues?"

Of the 35 funds with probation members, the majority were already administered on heywood platforms, with some on other providers' platforms. The membership included active, deferred members and pensioners. Close collaboration with the other 34 funds was going to be vital if the process was to go as planned.

"We collaborated very well – there was a great deal of understanding, co-operation and support from our colleagues regarding the amount of work we had to get through within a very tight timescale," said Dale.

"This is continuing through to this year, with some secondary transfers to be concluded by the summer. Throughout the exercise we kept our colleagues abreast of developments via bulletins. At the point of transfer we also liaised regarding work in progress to ensure no casework got lost, e.g. where someone had died but the death grant had not yet been awarded. Heywood handled the migration of electronic data and images.

"Furthermore, recognising that the membership transfers were the largest since local government re-organisation in 1974, we also engaged some technical support to assist with the extraordinary workloads."

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Ged Dale, GMPF



Salford Quays, Manchester

### The project

The probation integration project kicked off in November 2013, so time was tight to meet the 1 June 2014 deadline. Experienced teams were assembled and robust project plans drawn up. Risk analysis and contingency planning was also put in place.

It was also important to ensure scheme members were kept fully up to date with what was going on, according to Dale.

"This was a joint exercise with the Ministry of Justice, with us liaising with employers and funds to ensure members were kept informed of progress," he said. "Bulletins and letters were sent to actives and pensioners respectively before these members came to us, and after the transfers we wrote individually to every active, deferred and pensioner."

"We also found that pensions were paid at various dates in the month as there is no payday date prescribed in the scheme's regulations. Most were at or near the beginning or end of the month, which suited our advance payroll that pays at the beginning of the month and our arrears payroll that pays at the end of the month. But some funds pay their pensions around the middle of the month, so to minimise disruption for pensioners we set up a mid-month payroll."

The first phase, being the transfer of active and deferred probation members, was completed by the deadline of 1 June 2014 with no major set-backs encountered. The second phase – transferring probation pensioner members

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– concluded on time in January 2015. GMPF is now able to administer the original 300,000 GMPF members plus the 42,000 probation staff on one modern system.

"The new system is integral to what we do, with us using it for holding membership records and calculating and paying benefits, and also for document imaging, workflow and printing," said Dale. "All our large employers also have links to it to allow them, among other things, to calculate retirement estimates."

However, while the project has gone well so far, Dale lists the sizeable list of things that still need to be achieved.

"Conclude the first tranche of probation-related



transfers, undertake our data cleansing checks and then get on with the (thankfully much smaller in number) secondary transfers," he said. "Increasing e-comms is a priority, recognising them to be faster, cheaper and greener than snail mail. More data cleansing generally including a GMP reconciliation. Improving electronic communications with our 400+ (and growing) employers. A commutation of trivial pensions exercise. Our first annual postings of career averaging and final salary year-end data. Producing more pension saving statements arising from the annual allowance reducing to £40,000. And on and on it goes. And, of course, maintaining the day-to-day service to our 336,000 members!"