

Suffolk Pension Fund

2022 Valuation: Data report



Adrian Loughlin FFA

21 March 2023

Use the menu bar above to navigate to each section.

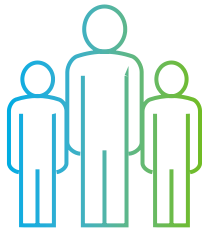
Contents

In this report:

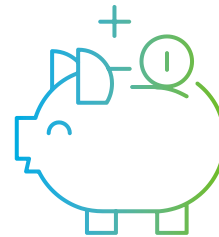
	Page
Introduction	6
Membership data validation process	8
Data summary	11
Membership data validation	13
Comments and next steps	19
Assumptions and limitations	9
Appendices	10

Introduction

During the 2022 valuation you have supplied us with various items of data to facilitate the preparation of results. During the valuation we have reviewed the data items to ensure they are fit for purpose. In this report we set out a summary of the data that we have used for the valuation along with any updates and assumptions made to it during the validation process. This provides an audit trail and may be helpful for future valuation exercises or feeding into any data improvement plans.



Individual membership data as at 31 March 2022 was generated by the Fund in line with the Universal Data Extract (UDE) format and submitted to Hymans Robertson via the Data Portal on 4 July 2022.



Details of the employee contributions and pensions paid over the years 2019/20, 2020/21 and 2021/22 were separately submitted via the Data Portal to allow us to reconcile the membership data with the financial data.



A copy of each of the three years financial reports for the Fund were obtained from the Fund's website and provided by the Fund to aid with some global checks on the data.

Data validation process

The process followed through the valuation stage was:

- 1 Inspection by the Fund officers of the 'critical errors', 'range validations', and 'comparison validations' flagged up by Hymans Robertson's Data Portal.
- 2 Discussions between the Fund and Hymans Robertson to understand and resolve the critical errors.
- 3 Additional critical errors were cleared by Fund officers following agreement from the Fund and the administrators.
- 4 Hymans Robertson review of the membership data submitted by the Fund and comparison of the membership split and pensions paid as reported in the 2021/22 annual report and accounts.
- 5 Consistency checks of membership and cashflow data at individual employer level by Hymans Robertson.
- 6 Hymans Robertson raised any additional queries with the Fund from the review. Data set agreed and signed off by Hymans Robertson to proceed with preparation of results.

Data Summary

A summary of the membership data at 31 March 2022 at whole fund level is given below, with a comparison to the 2019 valuation data.

	Membership numbers		Total salaries/pensions (£000)		Total CARE pot (£000)		Average age (unweighted)	
	2022	2019	2022	2019	2022	2019	2022	2019
Actives	22,133	19,766	401,016	328,970	40,344	25,155	45.7	45.7
Deferreds	32,185	29,703	39,685	33,257	-	-	46.9	46.0
Pensioners	18,489	16,080	89,664	82,224	-	-	71.6	71.2

Individual member record validation

The Data Portal carries out data validations on certain items in each individual member record. These are automatically fed back during the data upload process. A summary of the Data Portal job is set out in [Appendix 1](#). The validations are broken down into three types:

Critical errors

Where data items are missing, at the wrong date, inconsistent with other fields, etc. such that we cannot carry out an actual valuation.

Some critical errors can be automatically bypassed using an estimated value generated automatically by our 'SmartPOP' system. These are flagged separately.

Range errors

Where data items are outside an expected range. Some data entries that fail these validations may be correct

Comparison errors

Where data items are not as per expectations based on the data submitted for the 2019 valuation. Some data items that fail these validations may be correct.

The parameters used in the validation are in [Appendix 2](#)..

Clearing critical errors

We helped the Fund understand the reasons behind their critical errors. As part of these discussions we agreed an approach to update affected records using suitable assumptions and approximations which was then carried out by Fund officers.

Please see the validation results spreadsheets in the Data Portal for details of the individual membership queries identified. A list of the parameters used in the Data Portal.

Further details about each validation applied to the membership data is set out in the Data Portal User Manual which can be accessed within the Data Portal or provided upon request.

Additional amendments to submitted membership data

Additional review

We compared the membership data supplied against the data used for the 2019 formal valuation and the published annual reports for the Fund at whole fund level for the purpose of checking high level summary statistics and [membership](#) movements. These checks gave no concern for missing membership in the data provided.

We also compared the payroll and pensions amounts in the data to those in the annual reports and carried out some global checks on the maximum values in the data.

Finally, we carried out a review of the membership and cashflow data at employer level.

Amendments to data

Where employer codes were not provided in a consistent manner with how this is stored on Hymans systems, these were updated in the membership data on the Data Portal.

Pensions for pensioner members and dependants was confirmed not to have the April 2022 pension increase order of 3.1% applied. This was applied to the data by Hymans.

Overall comments on the data quality & suggestions for next steps

Overall, after the data validation stage, the membership data submitted by the Fund for the 2022 valuation is of good quality and fit the purpose of a funding valuation. There are evident significant improvements in the data quality versus the 2019 valuation which resulted in a much streamlined data validation process.

This report can be used by the Fund to help continue to ensure its data is as complete and accurate as possible. Possible next steps to achieve this could be:

- Analysing the Data Portal validation results to ascertain if there are any employers with a significant number of validation errors. In these cases, it may suggest that the employer does not have a suitable level of knowledge and/or expertise in terms of understanding what data needs to be submitted to the Fund. The Fund can then carry-out a targeted communication to help improve the standard of the employer's data submission. This analysis can be done by using the filter function in the data portal validation results spreadsheet (please contact us if further guidance is needed).
- Consider carrying out a focused exercise to process all leaver forms.
- Carry out an annual data cleansing exercise using the Data Portal and reconciling membership data with accounts data.
- Liaising with the Fund's administration software provider to resolve any of the critical errors that are being caused by the UDE programme. If no resolution is possible, understanding the workarounds required to clear these errors to allow the Fund to focus on 'genuine' validation errors.
- Put in place a formal data improvement plan. This plan should consider not only the data correction work required to improve the membership data at the time of review but also understanding the root problems affecting data quality. Plans should then be put in place to resolve root-cause problems.
- To aid both short and long-term improvement, put in place employer training sessions that will raise the knowledge levels of scheme employers. This will aid employers as they fulfil their statutory responsibilities.

Professional notes, assumptions and limitations

Professional notes

This report is addressed to Suffolk County Council as Administrating Authority of the Suffolk Pension Fund (the Fund). This report and all data processes used throughout the 2022 formal valuation are compliant (where material and to a proportionate degree) with Technical Actuarial Standards 100 and 300 issued by the Financial Reporting Council.

This report may not be passed on to any third party, except as required by law or regulatory obligation, without the prior written consent of Hymans Robertson LLP. If it is passed on to a third party then it should be provided in full.

Assumptions and limitations

We have calculated retirement ages for active and deferred members with no critical retirement date supplied in the data based on date of birth, qualifying service and date joined fund.

Please note we have used GMP information as supplied in the data.

Our data validations take the form of range and comparison checks. However, erroneous data can still pass the validations as we cannot compare against the underlying raw data in the administration system (we do not have access to this data). We therefore rely on the Fund to inspect the data to ensure it is clean and accurate before submission. Our valuation calculations are carried out assuming that the data extracted from the administration system is as specified in the Universal Data Extract. Again, we are unable to verify that this is the case as we do not have access to the underlying raw data stored in the administration system, therefore the responsibility lies with the Fund and their data administration software provider to ensure this is the case.

If the data is misreported or contains errors this may lead to a material misstatement of liabilities and contribution rates at either or both Fund and employer level.

Our data validations are set to ensure that the data supplied is fit for purpose for a formal funding valuation only. We have not sought to check or comment on whether the data supplied is compliant with the Pension Regulator's Code of Practice or is fit for any other purpose.



Appendix

APPENDIX 1

Data Portal summary

The following tables provide a summary of the data portal inputs and the validation parameters used.

Job details

Job details	Value
Job ID	17367
Job type	Fund valuation (triennial)
Client	Suffolk Pension Fund
Created at	28 June 2022 15:23:47
Valuation date	31 March 2022
Valuation data date	31 March 2019

Upload info

Upload info	Value
File name	Suffolk Pension Fund Valuation 2022-07-04 15-53-54_RESULTS 9 - for upload.xlsx
Uploaded at	04 July 2022 21:48:32
Validation version	3.6.22

APPENDIX 2

Data Portal validation parameters

Name	Value
Active/deferred age (years)	16 (inclusive) to 75 (inclusive)
Pensioner age (years)	55 (inclusive) to 100 (inclusive)
Child age (years)	0 (inclusive) to 21 (inclusive)
FTE salary (£)	10,000 (inclusive) to 100,000 (inclusive)
Actual salary (£)	1,000 (inclusive) to 100,000 (inclusive)
Pension/deferred pension (£)	40 (inclusive) to 50,000 (inclusive)
Additional pension (£)	0 (inclusive) to 10,000 (inclusive)
CARE Pot Range (£)	0 (inclusive) to 15,000 (inclusive)
GMP Range (£)	0 (inclusive) to 20,000 (inclusive)
Part-time hours (%)	5% (inclusive) to 100% (inclusive)
Current member contribution rate (%)	3 (inclusive) to 13 (inclusive)
Entitlement service v DJF tolerance (years)	1.00
80 th calculation service tolerance (years)	0.10
60 th calculation service tolerance (years)	0.10
CARE entitlement service tolerance (years)	0.50

APPENDIX 2

Data Portal validation parameters

Name	Value
Estimated Actual (2014 definition) Salary (£ pa)	£12,000
Estimated FTE (2008) Salary (£ pa)	£18,000
Salary increase tolerance (%)	40%
Salary decrease tolerance (%)	40%
Pension/Deferred pension tolerance (%)	10%
Spouse pension as a % of member pension	35%
Valid ages at critical retirement date (years)	55 (inclusive) to 65 (inclusive)
Valid ages at taper protection date (years)	55 (inclusive) to 65 (inclusive)
CARE Pot tolerance (%)	30%
Transfer in (£)	£30,000
Partner Pension tolerance (%)	30% (inclusive) to 55% (inclusive)
Last valuation Full Time Equivalent Pay (LGPS 2008 definition) tolerance	100.00
Total revalued deferred pension £pa tolerance	0.50
Pension amount £pa at valuation date (dependant) tolerance	0.50
Pension amount £pa at valuation date (pensioner) tolerance	0.50

APPENDIX 3

Amendments to data following review

Query	Resolution
Active CARE Pots revaluation date?	Confirmed that they have the 3.1% increase included for April 2022
Deferred pension amounts revaluation date?	Confirmed that they do have the 3.1% increase included for April 2022
Pensioner pension amounts revaluation date?	Confirmed that they do not have the 3.1% increase included for April 2022 – Hymans added into pensions
Employer code formatting	Codes were identified in the format of '000XXX'. Hymans updated to match our records/systems.