

# Local Government Pension Scheme Bulletin



## **Issue 10** **28<sup>th</sup> May 2021** **Prudential**

I wanted to make you aware of an issue with our Additional Voluntary Contribution (AVC) providers Prudential and their current service delivery standards, and the action the Fund is taking to address this.

The Prudential implemented a new pensions administration system in November 2020. The new system, compounded by Covid lockdowns, has created delays in processing members pension benefits and investing members contributions.

The delays are causing some members benefits at retirement to be paid late, members complaints are not being resolved in a timely fashion, and some members on-line Prudential accounts are not accurately reflecting the contributions they have paid.

The Prudential have recognised the issues and are actively working hard to resolve these. They wish to apologise to any scheme member that is being impacted by the current fall in their service standards.

The Prudential have assured Leicestershire Pension Fund Officers that all active scheme members AVCs paid will be invested correctly, and any late investments will be backdated to the date the contributions were received, so no member will be negatively financially impacted.

For members retiring, Prudential's delays in disinvesting the AVCs causes a knock-on impact to the Leicestershire Fund. Unfortunately,

without the value of the disinvested AVCs, the Leicestershire Pension Section cannot calculate a member's LGPS retirement benefits, thereby delaying retirement options and payments. Given the serious nature of this issue the Leicestershire Fund has reported the situation to The Pensions Regulator.

The Chair of the Leicestershire Local Pension Board and Senior Officers at Leicestershire are aware of the issues and continue to closely monitor the Prudential's service.

Leicestershire Pension Fund Officers continue to be actively engaged with the Prudential and have requested a clear improvement plan, to satisfactorily resolve this for our scheme members.

If you encounter any problems with Prudential in respect of AVC arrangements, for instance if your employees have requested changes to their AVC payment and you have not received notification of this, please inform us at [pensions@leics.gov.uk](mailto:pensions@leics.gov.uk) and we will try and help resolve these for you.

Regards,

Ian Howe  
Pensions Manager