INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)

This report outlines the IDRP process and gives details of the number of Stage 1 and Stage 2 cases and their outcomes that have been received during the period July 2012 to June 2013.

Recommendation:

It is recommended that:

(i) the Panel note the report;

(ii) future IDRP reports be presented to the Pensions Administration Working Group.

Financial Implications:

There are no direct financial implications arising from this monitoring report.

Legal Implications:

The Administering Authority needs to apply the Regulations. Similarly complaints need to be fairly dealt with on an individual basis. Complaints should assist in reviewing the application of the regulations, discretions and policies.

Risk Management:

The Administering Authority needs to ensure that benefits are paid correctly. The periodic review of complaints provides an indication of issues about which scheme members are concerned and where systems and procedures can be improved.

Failure to deal adequately with complaints can affect the Fund’s reputation.

ACCESS TO INFORMATION: NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers:

This report is drawn from a summary of individual cases considered under Stage 1 and Stage 2 procedures. Individual case details are confidential.

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1. **INTRODUCTION**

1.1 The internal dispute resolution procedure (IDRP) is a statutory part of the Scheme and applies to both employers and the administering authority.

1.2 The main features of the arrangements are:

   - Responsibility for determinations under Stage 1 of the procedure (arrangements for the determination of disputes) is to be vested in a “specified person”. Peter Morris has historically considered appeals on administering authority decisions, or the complainant’s employer re employer decisions. On 1 September 2012, David Boyle was appointed as the Fund’s Appointed Person to determine Stage 1 administering authority appeals.

   - Responsibility for determinations under Stage 2 of the procedure rests with the Administering Authority’s Appointed Person (David Postlethwaite or Susan Cox). At this stage consideration is given to appeals against both employer and administering authority Stage 1 decisions. Susan Cox decided to retire in July and a new Appointed Referee will replace her in due course.

   - The member has a final right of appeal to the Pension Ombudsman.

1.3 The purpose of this report is to inform the Panel of the number of cases that have been considered under Stage 1 and Stage 2 of the IDRP during the period July 2012 to June 2013 and the outcome of those cases. The Stage 1 cases relate to disputes with the administering authority only.

2. **STAGE 1 CASES**

2.1 The number of appeals last year reduced significantly from 27 in 2011/12 to only 7 in 2012/13. The analysis of outcomes is summarised in the chart below.

![INTERNAL DISPUTE RESOLUTION PROCEDURE Stage 1 Cases from 1 July 2012 - 30 June 2013](chart.png)
2.2 Of the 7 cases received, 6 were rejected, 0 were upheld and 1 case was resolved. Of the 6 cases that were rejected 3 of those appealed against the Stage 1 decision via Stage 2 of the procedure.

2.3 The main causes of concern for scheme members related to:

- death grant disputes;
- requests for ill health retirement benefits;
- requests for the refund of contributions; and
- refusal of inward transfer requests.

3. **STAGE 2 CASES**

3.1 The number of Stage 2 appeals was stable, with 26 appeals in the year and 27 in the previous year. The chart below summarises the decisions of the referee.

![Bar Chart](chart.png)

3.2 Of the 26 cases received, 15 were rejected, 1 case was upheld, 1 is ongoing and 9 were referred back to the employer as the Stage 1 process had not been undertaken satisfactorily.

3.3 The main cause of appeals were disputes with employers in respect of employees seeking ill health retirement.

3.4 There were three appeals to the Pensions Ombudsman arising in the last 12 months, one was rejected by the Ombudsman and the other two are still ongoing.

4. **SUMMARY AND CONCLUSIONS**

4.1 The outcomes of the IDRP procedures suggest that the regulations (in respect of the complainants) are being appropriately applied.

4.2 As a consequence of reviewing complaints, there have been a small number of changes to systems and procedures.
4.3 The appeal process sometimes highlights the need to improve processes at the employer and/or administering authority and thus there is merit in more detailed consideration of the results for the year being considered by the Pensions Administration Working Group.

5. RECOMMENDATIONS

5.1 It is recommended that the Panel note the report.

5.2 Future IDRP reports to be presented to the Pensions Administration Working Group.