

CAPITA



Mortality Screening

The complete screening solution
for Trustees



Mortality screening

At the heart of a trustee's fiduciary duties lies the obligation to ensure the correct level of benefits are paid to the correct recipient

This not only protects the best interests of the membership as a whole, but also helps to ensure the sponsor's liabilities are properly understood and managed.

This responsibility is, of course, equally true for all sections of the scheme: active members, deferred members and pensioners.

However, in our Pension Scheme Insight report in 2015, over 1 in 7 scheme respondents admitted they had no formal process in place to determine whether their members had passed away.

Without this knowledge, trustees may well be continuing pension payments long past the point when they should have ceased, which has a knock on effect of reducing scheme funds and inaccurate calculation of the sponsor's liabilities.

Perhaps it is unsurprising therefore, that the Cabinet Office (formally the Audit Commission) estimated that some £200m in unnecessary pensions payments are issued to approximately 180,000 deceased people every year.

The failure to inform the trustees of a deferred member or pensioner's death may be due to any number of circumstances such as: members dying without close family, not having their affairs in order or a general lack of understanding about pensions.

Working in partnership to improve data quality

The Pensions Regulator expects trustees to take a more diligent approach to updating pensioner records and to build stronger internal controls in order to, not only fulfil their fiduciary duties, but to also support the effort to combat the rising instances of identity theft and Impersonation of Deceased (IOD) fraud.

Mortality screening pensioner payroll is a highly effective process available to trustees, which resolves the issue of overpaying deceased members, whilst ensuring that the correct beneficiaries are in receipt of their benefits. The method removes the reliance on a pensioner's family or executors informing trustees of the member's passing.

It also protects trustees against fraudsters, helps to avoid having to reclaim funds paid incorrectly to dependants and prevents inappropriate or insensitive communications being issued to a deceased member.

Our mortality screening services

We offer a range of comprehensive mortality screening services in which we administer the process on behalf of the trustee. Our thorough approach ensures that the records being accessed are accurate, as our solution incorporates weekly updates from our preferred data sources.

If trustees have not previously carried out mortality screening exercises or are concerned that their processes to date may have been inadequate, then the first step is for us to carry out a bulk exercise on their behalf to bring records up to date and identify any existing incorrect payments.

Thereafter, a regular screening exercise will be undertaken to ensure that records and payments stay accurate. In our Pensions Scheme Insight report 2015, the majority of screening exercises are undertaken by trustees on a monthly basis, however alternative time periods such as quarterly and annually can also be used if preferred.



Our methodology

We screen the details of an individual against government death data such as the Disclosure of Death Registration Information (DDRI) and General Register Office (GRO) databases, which hold death records from 1984 to the present day.

By applying several data cleansing techniques such as intelligent matching whereby name variations would be considered e.g. William, Billy etc, we can filter the data in order to identify whether the member has been registered as dead.

We grade each potential match based on using the following criteria

Grading	Minimum quality & quantity if evidence
Highly Certain	Where we have matched first name, surname, date of birth and address
Fairly Certain	Where the Surname and Forename have been deemed common but the match is within a 20 mile radius of the Register Office/matched address.
Less Certain	Where the Surname & Forename have been deemed uncommon but the match is not within a 20 mile radius of the Register Office/matched address.
Uncertain	Where the Surname and Forename have been deemed common and the match is not within a 20 mile radius of the Register Office/matched address.

Our grading allocation allows our clients to review the management information and take the appropriate course of action.

If we are the administrator for the scheme, we integrate the service to stop pensioner payments and initiate the next phase of the process, which includes acquiring the death certificate from the GRO on behalf of the client.



The five steps to mortality screening



Capita – the ideal partner for mortality screening

Our methodical screening process allows trustees to access accurate mortality records in order to achieve the following beneficial outcomes

Increased fund levels

overpayments to deceased members are stopped and funding levels can be achieved as planned.

De-risking opportunities

by knowing the member's status i.e. dead or alive, de-risking costs are reduced and journey plans realigned more accurately.

Fiduciary duties

trustees can meet the data and record keeping standards set by the Pensions Regulator.

Fraud prevention

protect the scheme from fraudulent activity e.g. IOD fraud.

Empathetic approach

Avoid insensitive communications being issued to the family of a deceased scheme member.

Manage risk

support the sponsor's need for accurate and effective liability management.

Next steps

If you would like any further information on our mortality screening service, then please contact your Capita consultant or visit www.capita.co.uk/employeebenefits



Employee benefits

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