

Member existence and address verification – Track and Trace

Who should read this? Any defined benefit pension scheme that wants to improve the accuracy of its liability valuation or payment of benefits. Any pension scheme wishing to improve its record keeping practice and/or maintain contact with its membership

Missing members and un-notified deaths can create significant problems

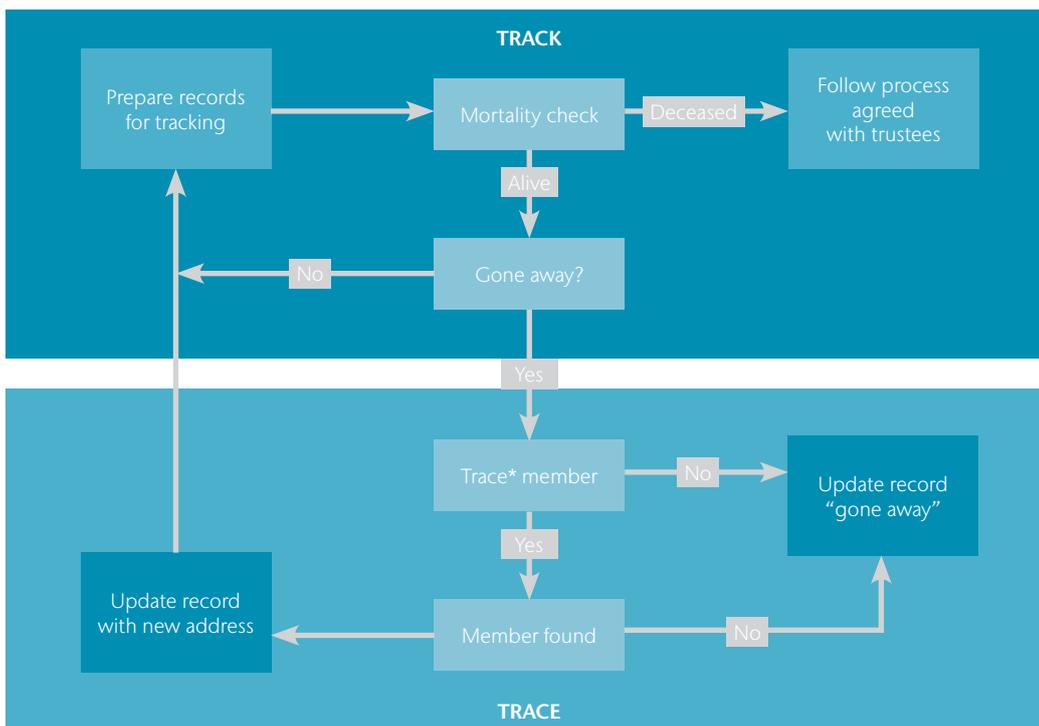
When you consider that 1 in 10 people move address each year it is understandable that, like most pension schemes, you may have lost contact with some of your deferred members. This can create significant problems for schemes, such as incorrect benefit payments and inaccurate liability valuations and potential data protection breaches.

Additionally, where trustees are not notified of the death of a pensioner the pension will continue to be paid, in some cases adding up to a significant overpayment that can be difficult to recover. If the death of a deferred member is not known, typically the deceased's family will also be unaware that benefits could be payable.

Aon has partnered with LexisNexis Risk Solutions, one of the UK's leading tracing companies, to provide a cost-effective means of mortality checking, validating the address information you hold, locating members you have lost contact with and just as importantly, ensuring you do not lose contact with them again once they have been located.

Our solution – introducing Track and Trace

Our simple, cost effective solution is illustrated below:



*Trace service is on a no find/no fee basis

Track: Our automated, non-invasive process checks monthly that each member is alive and living at the address we hold, removing the need to attempt to contact the member to confirm these details.

Trace: Should the Track process results identify that a member has moved and we have not been notified, we can Trace the member on a “no find, no fee” basis. This includes a robust verification process to ensure the correct details are loaded back to the member record.

Track and Trace: This is the most comprehensive and cost-effective means to maintain contact with your deferred and pensioner members.

Reasons to use Track and Trace

- **Monthly mortality screening of your pensioner population** ensuring you only pay pensions to the correct recipients.
- **Monthly mortality screening of your deferred population** so you are not valuing liabilities which no longer exist and you can ensure contingent benefits are promptly paid.
- **Monthly address verification for pensioners and deferred members** providing confidence that scheme communications are reaching scheme members and enabling the scheme actuary to use demographic information in mortality assumptions and reducing the risk of data protection breaches.
- **Good governance / compliance with the Regulator’s recommended practice.** Current address details feature highly on the Regulator’s record keeping guidance and are the highest failure point in any data quality audit.
- **Prevention of fraudulent activity.** Aon may not be able to accept liability if any subsequent fraudulent claim is made as a result of using old address details and monies are paid to an incorrect person.
- **Required for liability reduction exercises.** Any liability reduction exercise involving deferred members will require contact with the members.
- **Tracing a member now saves time and money later.** When a member retires you will need to contact them; the longer you are out of contact with them the more difficult and costly this becomes.
- **A value for money, “no find, no fee” solution.** Traditional methods often have financial implications for the scheme, irrespective of the result. For the Trace part of this process you will pay nothing unless the member is traced and their new address verified.

Working with Aon

At Aon we are well placed to help locate and maintain contact with your deferred and pensioner members:

A dedicated UK team of specialists working closely with your administration team

Working in partnership with leading tracing specialist, LexisNexis Risk Solutions

The capacity to deliver exercises without impacting on the day to day administration

Your member records are easily accessible to us, simplifying updates and leading to faster query resolution

Automated, cost effective processes and controls

Well established and globally proven technology

Peace of mind from working with one of the UK’s largest, most experienced administration providers

Access to the latest de-risking ideas and advice through our market leading consulting capabilities

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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Find out more

For more information on our services or to arrange your Track & Trace exercise get in touch with your usual Aon contact

