

## Payoff Time

### **A new system helps Labourers' Pension Fund adapt to changes, quickly generate new reports and analyze volumes of data**

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*by Vawn Himmelsbach*

A maturing pension plan and increasing workload meant the Labourers' Pension Fund of Central and Eastern Ontario needed to improve communications with its 37,000 members.

The LPF – which has more than \$1 billion in assets – provides benefits for employees in the construction industry, 12,000 of which are retired and receive a pension.

“Part of the problem was we weren't able to make changes as quickly as we wanted to and the programming was too structured and not efficient enough,” says Dave D'Agostini, plan administrator for the LPF.

“What we were looking for was to develop a secure, scaleable and automated pension administration system that was going to carry us into the future. What we didn't want to have to do was reinvest in the short run.”

**The LPF hired Procace Consulting, a solution provider based in Woodbridge, Ont., to upgrade its existing system and develop a Web site using portal technology. Because of the nature of the site, security was a top priority.**

**Procace Consulting implemented an Oracle 9i Database and 9i Application Server to create a pension administration system that would record, manage and analyze data online. The project, which kicked off in January 2003, was launched in July, though there's still additional functionality – such as Web technology – to be added.**

“We have a maturing pension plan which means that we're processing a lot more applications than we previously did, we're taking in much higher levels of contributions so in terms of workload everything is growing,” says D'Agostini, “but we're able to maintain our current levels of staffing, possibly with a slight decrease six months to a year from now.”

One of the key benefits to members is the ability to view pension contributions online in a secure environment. “It's hopefully going to allow members to view their pension contributions as often as they like so they can stay on top of it,” he says, “and eventually we're going to add an online pension calculator.”

The LPF expects the technology will help administrators adapt to changes in pension plan regulations, as well as quickly generate reports and analyze data. IT staff will be better able to maintain the system and modify processes to account for changes in pension legislation – what used to be a painstaking task.

“The streamlining of the plan operation is going to allow us to respond to pension applications probably within a much shorter timeframe,” says D'Agostini.

“[Members] will still be able to call in, but we suspect that once they get used to getting their information online, it may reduce the quantity of calls that come in.”

There were some challenges along the way, though. “We needed to retain all of the historical rules which was a bit of a challenge,” he says.

This meant getting all of the LPF's legacy business rules into place and developing a rules engine. “But once we did that a lot of other things fell into place,” he adds.

For now, the LPF is using the technology for its pension administration system, but it's looking at possibly creating some investment modules down the road.

**“The pension industry and benefit industry all have similar challenges where they need to move high-powered applications for the administrators – so super users if you will, which is what Dave has – and Web access as more people get online,” says Eric Farquharson, vice-president of sales with Procace Consulting.**

“We have quite a number of other clients who use the application server as well for similar reasons.”

The other advantage of this technology, he says, is they don't need multiple skill sets for the database and the application server; it's all the same technology. Most customers, including the LPF, don't want to maintain multiple skill sets, he says.

“It's a driving force, I believe, for a number of customers.”