

Administration Strategy 2023



West
Northamptonshire
Council



Cambridgeshire
County Council

Administered in partnership

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1. Introduction

- 1.1 This is the Administration Strategy of the Cambridgeshire Pension Fund (“the Fund”) managed by Cambridgeshire County Council (“the Administering Authority”).
- 1.2 The Administration Strategy is kept under review and revised to reflect changes to the Local Government Pension Scheme Regulations 2013 (“the Regulations”) and other legislation and guidance impacting the Fund.
- 1.3 This document sets out a framework for administering the Fund by outlining the policies and performances standards to be achieved to enable provision of a cost-effective and high-quality pension administration service.
- 1.4 This version of the Administration Strategy was reviewed and agreed by the Pension Fund Committee on [Enter Date of approval]. It will be reviewed periodically to ensure it remains up to date.
- 1.5 A separate Annual Business Plan and Medium-Term Strategy, including activities to support the delivery of administration in accordance with this Administration Strategy, is agreed annually and published on the Fund’s website.

2. Regulatory Framework

- 2.1 The LGPS is a statutory public service pension scheme established by an act of Parliament and the rules and regulations of the Scheme must also be approved by Parliament.
- 2.2 This strategy has been produced in accordance with Regulation 59 of the Local Government Pension Scheme Regulations 2013. The Regulations provide that administering authorities may prepare, maintain and publish a written statement setting out their policy concerning administration matters, and that the administering authority and its employing authorities must then have regard to that strategy when carrying out their functions.
- 2.3 The Regulations also require that the administering authority should consult with its employing authorities (and any other persons it considers appropriate) in preparing or reviewing its administration strategy.
- 2.4 In addition, regulation 70 allows an administering authority to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.
- 2.5 In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the Pensions Regulator (tPR). The Administering Authority and scheme employers are also required to comply with regulatory guidance and the Code of Practice issued by tPR.

- In carrying out their roles and responsibilities, in relation to the administration of the LGPS, both the Administering Authority and scheme employers should also comply with relevant overriding regulations including but not limited to: Pensions Act 2004, 2011 and 2021 and associated disclosure legislation
- Public Service Pensions Act 2013 and associated record keeping legislation
- Freedom of Information Act 2000
- Equality Act 2010
- Finance Act 2013
- Discretionary Compensation Regulations 2006
- The Data Protection Act 2018

2.6 This strategy therefore sets out the information as required by the regulations mentioned above.

2.7 Nothing in this strategy overrides the legal responsibilities of any parties, for example, the statutory requirement to notify the Pension Regulator in the event of a material breach of the law.

3. Aims and Key Objectives

3.1 This strategy has been developed to help the Administering Authority meet the following objectives:

- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and scheme employers.
- To ensure the relevant stakeholders responsible for managing, governing, and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

3.2 The aims of this strategy are to:

- set out the quality and performance standards expected of the Administering Authority and scheme employers;
- promote good working relationships and improve efficiency between the Administering Authority and scheme employers;
- ensure scheme employers are aware of and understand their roles and responsibilities under the Regulations;
- maintain accurate records and ensure data is protected and used for an authorised use only;
- ensure that the administration costs attributable to scheme employers are charged proportionately;

- increase the efficiency of administering the LGPS through the appropriate use of technology to bring value for money and improve member engagement;
- improve the scheme member experience by understanding and measuring each member's overall customer journey.

4. Key Risks

4.1 Key risks relating to this strategy and the achievement of its aims and objectives include:

- The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack;
- Incorrect/poor quality data held on the pension administration and payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders;
- Unable to deliver pension services due to inadequate recruitment/retention processes and inadequate skills and knowledge to undertake the role effectively;
- Unable to deliver pension services due to lack of resources through unexpected long term staff sickness and absence;
- Lack of adequate knowledge and skills due to loss of key personnel;
- Lack of understanding of scheme employer responsibilities which could result in statutory and non-statutory deadlines being missed.

5. Delivery of Administration

- 5.1 The Administering Authority has delegated responsibility for the management of the Fund to the Pension Fund Committee, with assistance from the Local Pensions Board (the Board). The Pension Fund Committee and the Board will monitor the implementation of this strategy.
- 5.2 The day-to-day administration of the Fund is carried out by West Northamptonshire Council ("the Administrator"), working in partnership with the Administering Authority. Unless specifically stated, no distinction is made between the Administrator and Administering Authority in the rest of this policy.
- 5.3 The Administering Authority is committed to providing a positive customer journey for all members of the Fund. To monitor the member experience, the Administering Authority has introduced new key performance indicators based on the entire customer journey and collects regular feedback from members who have had recent interaction with the Administering Authority.

Liaison and communication with scheme employers

- 5.4 The delivery of high-quality administration relies on the Administering Authority working in partnership with a number of different organisations and stakeholders to achieve the aims and objectives of this strategy and ensure that statutory requirements are met.
- 5.5 The Administering Authority relies on scheme employers to provide the appropriate information in a timely manner to maintain accurate records and pay accurate benefits. The Administering Authority acknowledges that this is a partnership arrangement and this strategy clarifies the responsibilities of both the Administering Authority and the Fund's employers within this partnership.

- 5.6 To facilitate this partnership the Administering Authority will provide:
- a named contact (and deputy) at the Administering Authority for all scheme employer communications and queries;
 - clear instructions and interfaces to allow seamless transfer of information by scheme employers;
 - information within the performance standards outlined in this strategy.
- 5.7 In return, the scheme employers within the Fund are expected to: Provide named contacts at the scheme employer for all Administering Authority communications and queries. This must include one person who has overall responsibility for ensuring the scheme employer carries out its roles and responsibilities;
- Provide monthly information to the Administering Authority using the i-Connect portal, as outlined in instructions provided;
 - Provide information within the performance standards and timelines outlined in this strategy;
 - Ensure all information provided is correct by having an appropriate quality review process.
- 5.8 Full details of the procedures for liaison and communication between the administering authority and the Fund's stakeholders are included within the Fund's communication strategy.

6. Digital Administration

- 6.1 The Administering Authority is "digital by default". This means that wherever appropriate, it will make use of technology to improve quality and reduce the cost of administering the Fund, making its processes more effective and efficient.

Members

- 6.2 We offer active, deferred and pensioner members access to an online pension account to help them manage their pension. The online pension account allows members to:
- Check the value of their pension benefits;
 - Obtain an estimate of their projected pension benefits;
 - Update their contact details;
 - Update details of their beneficiaries;
 - Send us documents and messages;
 - Receive communications from the Administering Authority;
 - Start the retirement process;
 - Check pensioner payslips and P60s.
- 6.3 Unless specifically instructed by a member that they wish to opt out of electronic communications, the Administering Authority will communicate with members electronically, either by uploading letters and information to the members online pension account or by email. The Administering Authority will also occasionally use text messages to inform members that a message is waiting for them online.

Scheme employers

- 6.4 The Administering Authority collects membership data from scheme employers monthly to ensure that member records are accurate and up-to-date. All scheme employers are required to upload a monthly interface through “i-Connect”, a module of the Fund’s pension administration software.
- 6.5 i-Connect allows scheme employers to automate many parts of the process for transferring member data from their payroll system to the Administering Authority monthly. i-Connect:
- reduces manual intervention when collecting and reporting member data;
 - allows ongoing data validation and more timely resolution of data queries;
 - reduces the amount of work needed at year end and spreads this more evenly across the scheme year;
 - assists with the maintenance of accurate and up to date member records;
 - ensures data is submitted in line with statutory requirements and reduces the risk of breaching statutory time limits for processing data and communicating with members.
- 6.6 Maintaining accurate and up to date member records facilitates the accurate and timely calculation of member benefits and provides a better member experience. Scheme employers are required to submit member data, via i-Connect within 7 working days after the end of the relevant calendar month.
- 6.7 The Administering Authority has invested time and resources into making available the i-Connect facility and designing processes around monthly data collection, maximising the efficiency and cost effectiveness of administering the Scheme. Failure to use i-Connect by a scheme employer creates additional steps in the administration process and therefore increases the cost of administration. To avoid cross-subsidy by other scheme employers, the Administering Authority will seek to recover these additional costs from any scheme employer who fails to submit monthly membership data via i-Connect or submits membership data via other means, unless agreed for a specific purpose.
- 6.8 To ensure the timely submission of data, if the monthly submission is not received by the Administering Authority by the 7th working day of the month, the i-Connect escalation process detailed in appendix D will be used.

7. Administering Authority Responsibilities

- 7.1 The primary role of the Administering Authority is to:
- administer the LGPS in respect of all scheme members, beneficiaries and their representatives in accordance with this strategy;
 - ensure all statutory responsibilities and requirements are met;
 - maintain and review the Fund’s policies, strategies, reports and all other matters relating to the governance of the scheme;
 - communicate and engage with scheme employers on LGPS matters;
 - maintain and develop effective digital administration platforms and processes for the benefit of members and scheme employers. The Administering Authority is expected to carry

out its roles and responsibilities within the requirements of this strategy. A detailed list of functions and activities expected of the Administering Authority and the performance standards for each are set out in appendix C. This is not an exhaustive list of functions the Administering Authority may be expected to undertake but an illustration of the most common and key activities affecting outcomes for members.

7.2 The following is a summary of the main Administering Authority responsibilities:

- Ensure that the standards and levels of service set out in this strategy are met and relevant regulations are complied with;
- Provide a helpline for member and scheme employer enquiries, available during normal office hours, providing a single point of access for information relating to the LGPS;
- Create, maintain, update and process member records according to the information provided by scheme employers and members;
- Check and reconcile membership data provided by scheme employers as far as possible;
- Collect and reconcile employer and employee pension contributions;
- Calculate and pay retirement benefits, deferred benefits and death in service benefits in accordance with LGPS Regulations, members' options and statutory limits;
- Provide estimate of retirement benefits on request by a scheme member or scheme employer;
- Ensure statutory disclosure requirements are met within the required timescales including information to new joiners and those leaving the Scheme;
- Draft and publish an Administering Authority Discretion Policy
- Inform scheme members and scheme employers of any changes to the rules and regulations of the LGPS;
- Ensure the Fund website is up to date with the latest information, including procedural guides, scheme guides and all other documents and forms;
- Provide training to help scheme employers understand and carry out their responsibilities effectively;
- Manage the performance of both the Administering Authority and scheme employer against the requirements of this strategy;
- Carry out and issue formal valuation results including for new and ceasing scheme employers as well as at the formal triennial valuation;
- Assess the final funding position for exiting scheme employers and collect any deficit payments required or carry out an exit credit determination;
- Develop, maintain, and publish Fund policies and strategies.

8. Scheme employer Responsibilities

8.1 The primary responsibilities of scheme employers are to:

- Communicate details of the LGPS to eligible staff;
- Apply the scheme regulations;
- Provide required information to the Administering Authority.

8.2 Scheme employers are expected to carry out their roles and responsibilities within the requirements of this strategy. A detailed list of the key functions and activities expected of scheme employers and the performance standards for each are set out in appendix B. This is not an

exhaustive list of functions a scheme employer may be expected to undertake but an illustration of the most common and key activities affecting outcomes for members.

8.3 The following is a summary of the main employer functions:

- Ensure that the standards and levels of service set out in this strategy are met and relevant regulations are complied with;
- Collection, payment and reporting of employee and employer pension contributions including any additional pension contributions or additional voluntary contributions (“AVCs”);
- Submission of monthly member data using i-Connect, including information about new starters, job changes and leavers;
- Provide leaver information where additional details are requested by the Administering Authority;
- Respond to enquiries in respect of retirements, estimates and any other queries related to administering member benefits;
- Draft and publish an employer discretion policy and supply evidence of pension-related employer decisions when exercising a discretion;
- Pay any pension strain costs to the Administering Authority;
- Share Administering Authority communications with appropriate staff within the scheme employer;
- Provide new employees with information about the LGPS;
- Inform the Administering Authority of any planned transfers of LGPS eligible employees to another scheme employer at the earliest opportunity and work with the Administering Authority and any relevant third party to put an admission agreement in place before the transfer date;
- Inform the Administering Authority of changes to payroll provider and/or employee payroll references;
- Notify the Administering Authority of all applications received under the Fund’s internal disputes resolution procedure (IDRP).

Data queries

8.4 Scheme employers are required to respond to any queries related to their monthly data submission in a timely manner to ensure the smooth processing and accuracy of member data. Data queries from each monthly return will need to be resolved before the following return can be submitted.

8.5 The Administering Authority applies appropriate tolerances when reconciling membership data. Any data that falls outside of these tolerances will result in a query being raised with the scheme employer. Queries will fall into one of two categories:

- **Warning:** A warning will be raised when the data fails a tolerance check but could still be correct and benefits can be calculated using the data provided. The scheme employer will be expected to correct the data or confirm that it is correct.
- **Error:** An error will be raised when the query prevents benefits from calculated, e.g. the data is missing or very clearly wrong. The scheme employer will be expected to correct the data as soon as possible.

- 8.6 The escalation processes detailed in appendix D will be used to ensure the timely resolution of any data queries. Different escalation processes will be used depending on whether an individual or bulk query has been raised:
- 8.7 Where an unanswered query creates a delay in providing information to a scheme member, the member will be informed that we are waiting for information and encouraged to speak to their employer directly to help resolve the delay.

9. Performance Standards

- 9.1 The Administering Authority will ensure that all functions/activities are carried out to the agreed quality standards and within the timelines set out within this strategy or as advised by the Administering Authority from time to time. To ensure compliance with both the regulatory requirements and the Fund's objectives, the Administering Authority has set out the key performance indicators expected from both scheme employers and the Administering Authority in appendix A, B and C of this strategy.
- 9.2 These performance targets have been reviewed and agreed by the Pension Fund Committee and Local Pension Board with a view to ensuring good customer journeys. In developing the performance standards the Administering Authority has considered: statutory requirements;
- advice on best practice from the Scheme Advisory Board (SAB);
 - advice from the Fund's Benefits and Governance advisor;
 - performance standards of other Local Government Pension Scheme Funds.
- 9.3 The performance standards are what the Administering Authority considers to be appropriate, fair and achievable with the aim of providing the best customer experience to the Fund's members and may go beyond the minimum statutory requirements.
- 9.4 Various methods will be used to assist in monitoring and ensuring compliance with this administration strategy
- 9.5 Methods may include:
- Internal/external audit review processes and internal controls;
 - Measuring both Administering Authority and employer performance against the performance requirements set out in this strategy;
 - Performance against the key performance indicators will be reported to and monitored by the Pension Fund Committee and Local Pension Board;
 - Benchmarking performance against other administering authorities;
 - Reporting persistent poor performance by scheme employers to the Pension Fund Committee and, where the breach is deemed to be material, the Pensions Regulator in line with the Fund's policy on reporting breaches of the law to the Pensions Regulator;
 - Recovery of any additional costs incurred due to poor performance by a scheme employer including both direct and indirect costs.

10. Working with our Scheme Employers – Improving Administration

- 10.1 Using the means mentioned above, the Administering Authority will monitor progress against this strategy. Performance against the key performance indicators is reported to the Fund's Pension Committee and Local Pension Board alongside any remedial action taken where the expected standards are not being met. In addition, key performance indicators will be reported in the Fund's Annual Report and Accounts.
- 10.2 Officers, Committee and Board members and anyone else responsible for the administration of the Fund also has a duty to report any material breaches of the law to the Pensions Regulator. The Administering Authority will keep a log of any action or failure to act by a scheme employer that results in a breach of the law. Breaches will be reported to the Pensions Committee and Local Pension Board at each meeting of that body and any breaches deemed to be material will be reported to the Pensions Regulator in line with the policy on reporting breaches of the law.
- 10.3 The Administering Authority will aim to work with scheme employers to avoid any such situations from occurring and to resolve any issues informally through its employer liaison function using the escalation processes described in appendix D.
- 10.4 The Administering Authority will keep a record of matters that are escalated through the employer liaison function. This will be used to identify patterns and trends indicating potential systemic issues. Where patterns or trends are identified, the information will be used to update the Administering Authority's training materials and/or trigger direct intervention with a particular scheme employer or group of scheme employers.
- 10.5 To help scheme employers maintain good levels of performance and or resolve any issues, the Administering Authority's employer liaison function will offer the following services:
- The opportunity for review meetings between a representative of the Administering Authority and the scheme employer to monitor and review performance against targets, the quality of information exchange and to ensure compliance with statutory obligations;
 - Seminars, training sessions, videos and other training materials on the most persistent issues affecting scheme members and scheme employers;
 - An annual employer forum;
 - A scheme employer helpline and dedicated inbox will be available from 9am until 5pm during normal working days to answer employer queries.
- 10.6 Poor performance by a scheme employer not only results in a negative member experience, it can also directly and/or indirectly increase the cost of administering the Fund. Regulation 70 of the Regulations provides that an Administering Authority may recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that Employing Authority.
- 10.7 If problems persist following the interventions mentioned above, the Administering Authority will seek to recover any additional costs caused by the poor performance of a scheme employer from that employer.

- 10.8 Where the Administering Authority wishes to recover any such additional costs a written notice will be given stating:
- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost;
 - The amount of the additional cost incurred;
 - The basis on how the additional cost was calculated; and
 - The provisions of the pension administration strategy relevant to the decision to give notice.
 - In instances where the performance of the scheme employer results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body, these costs will be recoverable immediately.
- 10.9 More detail on the circumstances where costs may be recovered, including a sample schedule of charges, can be found in appendix E.

11. Approval, Consultation and Review Process

- 11.1 This strategy is reviewed by the Local Pension Board and subject to approval by the Pension Fund Committee before publication. It was last approved on **[Enter date]**.
- 11.2 The strategy will also be subject to a 30-day consultation with scheme employers before final publication

12. Further Information

- 12.1 If you would like more information about the Fund please contact us at the address below:

Pensions Service
West Northamptonshire Council
The Guildhall
St Giles Street
Northampton
NN1 1DE

pensions@northamptonshire.gov.uk

<http://pensions.northamptonshire.gov.uk/>

Appendix A – Member Experience Performance Standards

- A1 The following are key indicators measuring the member experience. The target against each indicator is what the Administering Authority believes represents a reasonable expectation of member experience. Achieving these targets requires actions from both the scheme employer and Administering Authority. The performance targets for each activity have been split to show the requirements of each party.
- A2 Achieving these targets may also be dependent on various factors outside of either the scheme employer's or Administering Authority's control. In such instances, performance against the targets will be measured from the earliest point that either party has all information needed to complete the activity.

Function / Task	Legal requirement	Scheme employer target (working days)	Administering Authority target (working days)	Total Target
Provide basic scheme information to new joiners.	2 months from date of joining	Scheme employer to provide information about new joiners (using i-Connect) within 7 days after the end of the relevant calendar month	Issue basic scheme information within 15 days after receiving new starter notification	2 calendar months after the date of joining.
Provide Transfer-in quote	2 months from date of request	No information required from the scheme employer, but completion is dependent on receiving information from previous Pension provider.	Issue quotation within 10 working days of receipt of all appropriate information.	2 months from date of request

Provide quotation of cash equivalent transfer value upon request	3 months from date of request	No information required from the scheme employer but may be required to answer any data queries that arise.	Issue quotation within 10 working days of receipt of all information.	3 months from date of request. Only one quote provided per years
Inform members who leave the scheme before retirement age, with no immediate entitlement to benefits, of their rights and options	2 months from date of leaving	Scheme employer to provide information about non-retiring members who leave the scheme (using i-Connect) within 7 days after the end of the relevant calendar month	Issue information about rights and options within 15 days of receiving notification of a member leaving the scheme	2 months after date of leaving.
Inform members who leave the scheme at or after retirement age and at or after their normal pension age, of the benefits due. ¹	Within 1 month of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.	Issue award within 10 days after date of being notified by the Scheme employer	Within 1 month of leaving date.
Inform members who leave the scheme, at or after retirement age but before their normal pension age, of the benefits due. ²	Within 2 months of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.		Within 2 months of leaving date.

¹ This task relates to members who leave employment, with an immediate entitlement to benefits, after their retirement age (currently 55) and on or after their normal pension age (usually their state pension age).

² This task relates to members who leave employment after the earliest date they can retire (currently 55) but before their normal pension age (usually their state pension age)

Calculate and notify dependant(s) of value of death benefits	As soon as possible but no more than 2 months after date of becoming aware of death.	Notify the Administering Authority of the death of an LGPS eligible employee within 5 days of being notified of the death.	Notify any dependant(s) of the value of death benefits within 15 days of receipt of all information.	Within 2 months after date of death.
Provide responses to member enquiries	N/A	Respond to any request for information from the administering authority to help respond to the enquiry within 5 days. (See appendix D for details of the escalation process to be used if a response is not received by the deadline)	Respond to member enquiry within 5 days of receiving all information needed to respond to the enquiry.	10 working days from the date enquiry is received.

Function / Task	Legal requirement	Scheme employer target (working days)	Administering Authority target (working days)	Total Target
Provide basic scheme information to new joiners.	2 months from date of joining	Scheme employer to provide information about new joiners (using i-Connect) within 7 days after the end of the relevant calendar month	Issue basic scheme information within 15 days after receiving new starter notification	2 calendar months after the date of joining.
Provide Transfer-in quote	2 months from date of request	No information required from the scheme employer, but completion is dependent on receiving information from previous Pension provider.	Issue quotation within 10 working days of receipt of all appropriate information.	2 months from date of request
Provide quotation of cash equivalent transfer value upon request	3 months from date of request	No information required from the scheme employer but may be required to answer any data queries that arise.	Issue quotation within 10 working days of receipt of all information.	3 months from date of request. Only one quote provided per years
Inform members who leave the scheme before retirement age, with no immediate entitlement to benefits, of their rights and options	2 months from date of leaving	Scheme employer to provide information about non-retiring members who leave the scheme (using i-Connect) within 7 days after the end of the relevant calendar month	Issue information about rights and options within 15 days of receiving notification of a member leaving the scheme	2 months after date of leaving.
Inform members who leave the scheme at or after retirement age and at or after their normal pension age, of the benefits due. ³	Within 1 month of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.	Issue award within 10 days after date of being notified by the Scheme employer	Within 1 month of leaving date.

³ This task relates to members who leave employment, with an immediate entitlement to benefits, after their retirement age (currently 55) and on or after their normal pension age (usually their state pension age).

Inform members who leave the scheme, at or after retirement age but before their normal pension age, of the benefits due. ⁴	Within 2 months of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.		Within 2 months of leaving date.
Calculate and notify dependant(s) of value of death benefits	As soon as possible but no more than 2 months after date of becoming aware of death.	Notify the Administering Authority of the death of an LGPS eligible employee within 5 days of being notified of the death.	Notify any dependant(s) of the value of death benefits within 15 days of receipt of all information.	Within 2 months after date of death.
Provide responses to member enquiries	N/A	Respond to any request for information from the administering authority to help respond to the enquiry within 5 days. (See appendix D for details of the escalation process to be used if a response is not received by the deadline)	Respond to member enquiry within 5 days of receiving all information needed to respond to the enquiry.	10 working days from the date enquiry is received.

⁴ This task relates to members who leave employment after the earliest date they can retire (currently 55) but before their normal pension age (usually their state pension age)

Appendix B – Performance Standards Relating to the Scheme employer only

Function	Task	Indicator
Nominate appropriate scheme employer representative	Confirm nominated representatives.	Representative confirmed within 30 working days of scheme employer joining fund or change to nominated representative.
Publish employer discretions policy	Must have published Employer Discretions, accessible by all employees and copy provided to the administering authority.	Discretions published and provided to administering authority within 90 days of joining the Fund.
Review discretions policy	Discretions must be reviewed and amended as necessary.	Any amendments to discretion must be confirmed in writing within 30 days from change.
Payment of employee and employer pension contributions.	Arrange for the correct deduction of employee and employer contributions and pay over in a timely manner.	Contribution payment and remittance are received by the Administering Authority by the 19 th of the month following collection.
Payment of additional voluntary contributions.	Correctly apply instructions received from an Additional Voluntary Contribution (AVC) provider relating to an employees election to pay AVCs and/or vary the amount of contributions paid into or cease an existing AVC arrangement.	Within 1 calendar month of receipt of notification from the AVC provider.
Payment of AVC contributions.	Pay over to the specified AVC provider contributions deducted from a member's pay.	Within 5 working days of deduction from pay.
Provide new members with scheme information.	Provide new employee members with scheme information.	Within 25 working days of the employee joining the LGPS.
Determine appropriate employee contribution rates.	Determine appropriate rate of employee contributions for members of the LGPS.	New starters: Before first salary payment. Existing members: On 1 April each year and as specified in your employer discretions policy.
Submission of monthly membership data.	Submit monthly member data using the Administering Authority's prescribed process (i-Connect), including information about new starters, job changes and leavers.	i-Connect submission to be received by the Administering Authority within 7 working days after the end of the relevant calendar month. (See appendix D for details of the escalation process to be used for i-connect submissions)

Process leavers NOT entitled to immediate payment of benefits	Determine reason for an employee leaving the scheme, calculate final pay (for those with membership before 1 April 2014) and issue entitlement award to the member for leavers NOT entitled to immediate payment of pension.	Entitlement award: To be issued to the member within 2 calendar months after date of leaving. Final Pay calculation: To be calculated and included in i-Connect submission within 7 working days after the end of the relevant calendar month.
Process leavers with an immediate entitlement to payment of benefits.	Determine reason for an employee leaving the scheme. Calculate final pay (for those with membership before 1 April 2014), Issue entitlement award and retirement pack to the member Submit leaver notification form to the Administering Authority.	Final pay calculation: To be calculated and included on leaver notification form. Issue of entitlement award and retirement pack to the member: Within 1 month of leaving date if at or over normal pension age or within 2 months if under normal pension age. Submit leaver notification form to the Administering Authority: No later than 10 working days before the date of leaving.
Respond to enquiries from the Administering Authority	Respond to enquiries in respect of retirements, estimate, pay information and any other queries related to administering member benefits	Query resolved within 5 working days (See appendix D for information on the escalation process to be used for member related queries.)
Change of payroll provider	Inform the Administering Authority of changes to payroll provider or any change to payroll system that will result in a change of payroll references for large groups of staff.	Notification to be issued to the Administering Authority at least 2 calendar months before the change.

Appendix C – Performance Standards Relating to the Administering Authority only

Function	Task	Indicator
LIAISON AND COMMUNICATION		
Nominate employer liaison officers	Confirm nominated employer liaison officers	10 working days of scheme employer joining fund or change to nominated officer
Publish Administration strategy	Publish and keep under review the administration strategy.	Administration strategy to be reviewed on a triennial basis and published within 1 calendar month of changes being approved by the Pension Fund Committee
Maintain Pension Fund website	Keep the employer website up to date, including procedural guides, scheme guide and all other documents and forms	20 working days from date of change/amendment
Develop and review Fund policies	Formulate and publish policies in relation to all areas where the Administering Authority may exercise a discretion within the scheme	Policies to be developed as required and reviewed on a triennial basis and published within 1 calendar month of policy being agreed by the Pensions Committee
Provide training for Scheme employers upon request	Organise training sessions for scheme employers upon request, subject to fair use of training resource	Training dates to be agreed within 1 calendar month of request from the scheme employer
Communicate changes to scheme rules	Notify scheme employers and scheme members of changes to the scheme rules	Within one calendar month of the effective date of the change.
Liaise with scheme employers over poor performance	Notify the scheme employer of any issues relating to its poor performance (including arranging meeting if required)	Within 20 working days of performance issue becoming apparent. (See appendix D for information on the escalation process to be used when managing employer performance.)
Notify scheme employers when additional costs will be recovered	Notify the scheme employer of any costs recoverable under this Strategy associated with their poor performance (including any interest that may be due)	Within 20 working days of the event or according. (See appendix D for information on the escalation process to be used when managing employer performance.)

Function	Task	Indicator
Issue annual benefit statements to active members	<p>Issue annual benefit statements to active members as at 31 March each year</p> <p>Statements will be published to member's online pension account, unless they have provided a written instruction to opt out of electronic communications.</p>	<p>Statements to be published on the members online pension account by the following 31 August</p> <p>(pending timely receipt of satisfactory membership data from the scheme employer).</p>
Issue annual benefit statements to deferred members	<p>Issue annual benefit statements to deferred benefit members as at 31 March each year.</p> <p>Statements will be published to member's online pension account, unless they have provided a written instruction to opt out of electronic communications.</p>	By the following 30 June.
FUND ADMINISTRATION		
Triennial Valuation	Issue formal valuation results (including individual scheme employer details)	no later than 31 March following the valuation date)
Cessation Valuations	Carry out a cessation valuation exercise on cessation of admission agreements or scheme employer ceasing participation in the Pension Fund.	Initiated within 40 days with Fund Actuary plus results issued to scheme employer within 2 months of clean data
Exit Credit Determination	Where the cessation valuation identifies a funding surplus, carry out an exit credit determination and if appropriate pay an exit credit to the exiting employer.	6 calendar months from receiving the results of the cessation calculation.
Publish Governance Policy Statement	Publish, and keep under review, the Administering Authority's governance policy statement	Within 30 working days of policy being agreed by the Pensions Committee

Function	Task	Indicator
Publish Funding Strategy Statement	Publish and keep under review the Pension Fund's funding strategy statement.	To be reviewed at each triennial valuation, following consultation with scheme employers and the Fund's Actuary. Revised statement to be issued with the final valuation report.
Publish Annual Report	Publish the Pension Fund annual report and any report from the auditor.	By 31 August following the year end
Provide scheme employer accounting reports	Provide an accounting valuation report to scheme employers, on request, for their chosen accounting date	Within one calendar month following the accounting date providing scheme employer has agreed to costs and returned required data by 1 st of the month in which the accounting date falls
SCHEME ADMINISTRATION		
Provide transfer-in quote	Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information
Confirm transfer-in payment	Confirm transfer-in payment and service credited to scheme member	Letter issued within 10 working days of receipt of transfer payment by Pension Fund (or receipt of all information needed to complete calculations if later)
Notify scheme employer of scheme members' elections to pay or cease additional pension contributions	Notify the scheme employer of scheme member's election to pay or cease paying additional pension contributions and other contracts, including all required information to enable deductions to commence or finish.	Email sent within 5 working days of receipt of election from scheme member

Function	Task	Indicator
Employer estimate requests	Provide requested estimates of benefits to scheme employers including any additional funding strain costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	Estimate in agreed format provided within 10 working days from receipt of all information
Member estimate request	Provide a maximum of one estimate of benefits to employees within 12 months of retirement per year on request. (Members can obtain their own estimate using their online pension account if more than 12 months from planned retirement date.)	Estimate in agreed format provided within 15 working days from receipt of all information
Cash Equivalent Transfer Value	Provide a maximum of one cash equivalent transfer value (CETV) to employees per year on request	Provided within 10 working days from receipt of all information
Provide quotation for pension sharing order for divorce cases	Provide a divorce quotation to employees on request	Provided within 10 working days from receipt of all information
Issue Deferred benefit entitlement award	Notify leavers of deferred benefit entitlements.	Issue award within 20 working days of receiving all necessary information.
Issue retirement benefits award	Notify employees retiring from active membership of benefits award.	Issue award within 10 working days after payable date or date of receiving all necessary information if later.
Payment of pension benefits	Commence payment of ongoing pension (not including the first pension payment).	Eligible payments made on the publicised payment date.
Acknowledge death of an active/deferred/pensioner member	Acknowledge death of active/deferred/pensioner member.	Letter issued within 5 working days following notification of death
Respond to member and employer enquiries	Provide responses to enquiries from scheme members, scheme employers, personal representatives, dependents and other authorised persons	Full response within 10 working days from receipt of all information needed to respond to enquiry.

Function	Task	Indicator
Respond to member and employer enquiries	Where a full response will not be available within the published service standards send an acknowledgement and provide the expected timescale.	Acknowledgement within 5 working days from receipt of initial enquiry
Appoint an adjudicator for stage 2 of the internal disputes resolution procedure	Appoint “appointed person” for the purposes of considering stage 2 applications under the pension internal disputes resolution process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current appointed person”
Process applications for stage 2 if the internal disputes resolution procedure	Process all stage 2 pension dispute applications	Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.

Appendix D – Escalation Processes

D1 Escalation process for provision of i-Connect

Stage	Actions	Response expected from scheme employer
1	The scheme employer/payroll provider is informed of non-compliance and the case is logged for future reference. The person who normally submits the monthly return will be contacted within 1 working day of the deadline being missed.	5 working days
2	Non-compliance will be escalated to the line manager of the person who normally submits the monthly return.	3 working days
3	Non-compliance will be escalated to the employer contact with overall responsibility for pension matters. The scheme employer will be informed that if the monthly return is not received by the end of the calendar month, charges will be raised to cover the cost of the additional work involved with late data processing.	End of calendar month
4	Non-compliance will be escalated to the most senior contact at the scheme employer to inform them of the failure to provide data and the charge due for non-compliance.	5 working days

D2 Escalation process for individual queries

Stage	Actions	Response expected from scheme employer
1	Query to be raised with day-to-day contact at the scheme employer or payroll provider.	5 working days
2	Query to be escalated to the line manager of the day-to-day contact and scheme employer informed that: Warning: If a response is not received the benefit calculation will be made using the data provided and charges will be applied if a later recalculation is required. Error: A response must be received and the matter will be further escalated if the query is not resolved.	3 working days
3	Warning: Benefit calculation to be made using the data provided. Error: Query to be escalated to the employer contact with overall responsibility for pension related matters. Scheme employer warned that if the query is not resolved, assumptions will be made based on the correct data already held by the administering authority to ensure payment can be	3 working days

	made within expected timescales but the query will still be pursued. Any assumptions will be made in a way that favours the member.	
4	Error: The query will continue to be raised with the scheme employer and charges will be applied on a monthly basis until the query is resolved. Charges will be used to cover the cost of chasing the query and the recalculation of benefits, once resolved.	Immediately

D3 Escalation process for bulk queries

Stage	Action	Response expected from scheme employer
1	Bulk queries to be sent to the day-to-day contact at the scheme employer or payroll provider.	Appropriate deadline to be agreed depending on the urgency, volume and complexity of the queries being raised.
2	If agreed deadline is not fully met and a new deadline has not been agreed, the outstanding queries will be escalated to the director or equivalent responsible for HR/Payroll matters within the scheme employer unless specifically instructed otherwise.	Urgent cases: 5 working days Non-urgent cases: 10 working days
3	Outstanding queries to be escalated to the contact at the scheme employer with overall responsibility for pension matters. The scheme employer will be warned that if the issue is not resolved charges will be applied to recover additional costs.	Urgent cases: 3 working days Non-urgent cases: 5 working days
4	Outstanding queries to be escalated to the most senior contact at the scheme employer and the additional costs incurred will be recovered from the scheme employer.	Urgent cases – 2 working days Non urgent cases – 3 working days

Appendix E - Circumstances where costs might be recovered

E1 The circumstances where such additional costs will be recovered from the scheme employer are:

- Failure to provide information to the Administering Authority within the requirements of this strategy due to either missing required deadlines or providing poor quality information;
- Failure to pass relevant information to the scheme member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in this strategy;
- Instances where the poor performance of a scheme employer requires work carried out by the Administering Authority to be reversed and/or amended;
- Failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales;
- Instances where the performance of the scheme employer results in fines being levied against the Administering Authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body;
- Failure to provide monthly membership data using i-Connect within the timescales set out in this strategy;
- Instances where an act or failure to act by a scheme employer results in an unauthorised payment under the Finance Act 2004 which results in the Administering Authority being subject to a tax liability;
- Instances where an act or failure of a scheme employer results in a benefit being incorrectly awarded and the subsequent overpayment is not able to be recovered from the scheme member;
- Instances where an admission agreement is required/requested in relation to a transfer of staff but due to delays created by the scheme employer or the admission body, the agreement is not in place the transfer date;
- Any other scenario where additional costs are incurred directly or indirectly as the result of poor performance by a scheme employer.

E2 In the case of poor performance by a third-party HR/Payroll provider, on behalf of a scheme employer, the Administering Authority will first engage with the provider in the same manner as described above.

E3 If any issues persist beyond initial attempts to resolve the matter, the scheme employer will be informed according to the escalation process set out above. If issues still persist, the scheme employer will be responsible for any additional costs incurred by the Administering Authority.

E4 The value of any charges raised to recover additional costs incurred by the poor performance on a scheme employer will reflect the number of staff hours required dealing with the impacts of the employer's actions or inaction plus any additional fees incurred by third party providers that otherwise would not have been incurred.

- E5 Any further costs incurred as a result of non-payment of invoiced additional costs will also be passed on to the relevant scheme employer.
- E6 The charges below are an example of situations where charges will be raised and does not cover all possible scenarios. The charges shown in the table are also illustrative and the actual charges may be higher (or lower) depending on the scenario.

Employer Scheme Function/Administration process	Description	Illustrative
Monthly contribution payment	Late payment of employee, employer contributions including any additional pension contributions (APC/ARC/Added years) to the Administering Authority by the 19th of the month following deduction.	£100 if no interest charge Additional £120 if interest needs to be calculated Interest payable at prevailing rate if payment more than 30 days late.
Provision of monthly contribution payment schedule	Schedule of payments not submitted to the Administering Authority by the 19 th of the month following deduction.	£100 per late submission
Provision of monthly membership data	Failure to submit i-connect return within 10 working days of the end of the relevant calendar month.	£400 per data file and a further £200 for each month the data is outstanding. Any fines for breaches of statutory duties as a result of failure to provide data monthly will also be passed on to the scheme employer
Leavers (non-retirement)	Failure to provide a leaver notification, including leaving date and reason for leaving via i-Connect (including internal job moves) Poor data provided including inaccurate pay	£70 per notification A further £45 for each month the notification is outstanding £150 per record that needs to be recalculated.

Employer Scheme Function/Administration process	Description	Illustrative
	details resulting in a recalculation of deferred benefits or refund.	£100 for each record incorrectly reported as a leaver.
Incorrect reporting of starters and leavers ⁵	Scheme employer incorrectly provides starter and leaver notifications resulting in a new pension record being created and the existing record changed to non-active and potential amalgamation of records that needs to be reversed.	£200 for each member incorrectly reported as leaving one employment and starting another. This higher rate reflects the number of processes impact by such a notification and the work involved to reverse any action taken on the notification
Retirement	Scheme employer has not notified the administering authority that a member is due to retire within 10 working days before date of leaving. Non-provision of retirement form, poor data detailed on the form – particularly inaccurate pay details.	£180 per notification A further £80 for each month the notification remains outstanding These higher rates reflect the fact the retiree will be chasing the administering authority for their pension
Data queries	Scheme employer has not responded to data queries and the escalation process has been exhausted.	£100 per omission A further £60 per month of non-response or unsatisfactory replies

⁵ Starter and leaver notifications should only be received where there is a genuine change of employment, e.g. a member has changed job role within a scheme employer or left that employer entirely. Starter and leaver notifications should not be sent for a change to a member's current employment or payroll reference, or where a member is seconded to another role.