

# The London Borough of Southwark Pension Fund

## **Administration Strategy**

**Issue Date:** 1 April 2021

**Review Date:** 1 April 2024

**Version 3.0**

for you, for now, for the future  
**lgps**

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## 1. INTRODUCTION AND BACKGROUND

- 1.1. This is the Pension Administration Strategy Statement for the London Borough of Southwark Pension Fund (the **Fund**) which has been developed following consultation with employers in the Fund. The aim of the strategy is to ensure both the Administering Authority and employers are fully aware of their responsibilities under the Fund, and to outline performance standards they are expected to meet to ensure the delivery of a high-quality and cost-effective pensions administration service. Detailed objectives of this strategy document are set out in Section 4.
- 1.2. The London Borough of Southwark (the **Administering Authority**) is responsible for the local administration of the Fund, which is part of the national Local Government Pension Scheme (the **LGPS**). The Fund comprises of over 100 employers with around 7,000 contributing (active) members, and approximately 25,000 members in total (including deferred and pensioner members). This includes academies and around 69 local authority schools that operationally are part of the London Borough of Southwark, but use their own payroll providers. **Unless specifically mentioned otherwise, all reference in this strategy to 'employers' apply to these local authority schools, and they are required to provide information as if they are separate employers.**
- 1.3. Delivery of a high quality and robust pensions administration service is not the responsibility of one person or organisation, but rather a combination of different parties working collaboratively together, who between them are responsible for delivering a pensions administration service that meets the diverse needs of the Fund membership.

## 2. IMPLEMENTATION

- 2.1. This Strategy Statement was approved in March 2021 by the Strategic Director of Finance and Governance, taking into account consideration of the views of the Pensions Advisory Panel and participating employers of the Fund. It is effective from 1 April 2021.

The Strategy applies to all existing employers in the Fund, and all new employers joining the Fund after the effective date above. The statement sets out the expected levels of performance of both the Administering Authority and all other employers within the Fund, and how performance levels will be monitored and the action that will be taken where persistent failures occur.

In preparing this Strategy we have consulted with relevant employers and other persons considered appropriate.

We will review the Strategy to ensure it remains up to date and meets the necessary regulatory requirements at least every three years.

The Strategy will be included within the Fund's Annual Report and Accounts and is available on our website at [www.southwarkpensions.co.uk/documents-library/policies](http://www.southwarkpensions.co.uk/documents-library/policies)

2.2. Any enquiries in relation to the day to day administration of the Fund should be sent to:

Barry Berkengoff, Pensions Manager  
London Borough of Southwark Pension Fund  
Finance and Governance  
Floor 2, Hub 1, Zone B  
Southwark Council  
PO Box 64529  
London, SE1P 5LX

Email - [Barry.Berkengoff@southwark.gov.uk](mailto:Barry.Berkengoff@southwark.gov.uk)  
Phone - 0207 525 4915

2.3. However, if you have an enquiry about the principles or content of this Strategy, please contact:

Caroline Watson, Senior Finance Manager  
London Borough of Southwark Pension Fund  
Finance and Governance  
Floor 2, Hub 1, Zone B  
Southwark Council  
PO Box 64529  
London, SE1P 5LX

Email - [Caroline.Watson@southwark.gov.uk](mailto:Caroline.Watson@southwark.gov.uk)  
Phone - 0207 525 4379

### **3. REGULATORY BASIS**

3.1. The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 (as amended) provide the conditions and regulatory guidance surrounding the production and implementation of an Administration Strategy.

3.2. In carrying out their roles and responsibilities in relation to the administration of the LGPS, the Administering Authority and employers will, as a minimum, comply with overriding legislation, including:

- LGPS Regulations;
- Pensions Act 2011 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Equality Act 2010;
- Data Protection Act 1998;
- Finance Act 2013;
- Relevant Health and Safety legislation; and
- GDPR

3.3. In particular, regulations 72, 73, 74, 75 and 80 of LGPS Regulations 2013 require the following:

3.3.1. Employer Responsibilities:

- To decide any rights or liabilities of any person under the LGPS (for example, what rate of contribution a person pays and whether or not a person is entitled to any benefit under the LGPS) as soon as is reasonably practicable
- To formally notify that person of the decision in relation to any rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to a benefit and why not), including information about the Internal Dispute Resolution Procedure (IDRP) which can be found here <https://southwarkpensions.co.uk/documents-library/member-forms>
- To inform the Administering Authority of all such decisions made
- To provide the Administering Authority with such information it requires so it can carry out its functions including as a minimum by the **end of May each year** the following information in relation to any person who has been an active member of the Fund in the previous year:
  - name and gender
  - date of birth and national insurance number
  - a unique reference number relating to each employment in which the employee has been an active member
  - in respect of each individual employment during that year:
    - the dates during which they were a member of the Fund
    - the normal pensionable pay received and employee contributions paid
    - the pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
    - the normal employer contributions paid
    - any additional employee or employer contributions paid
    - any Additional Voluntary Contributions paid by the employee or employer
- To appoint an adjudicator to consider complaints under stage 1 of the IDRP relating to employer decisions (or a lack of a decision)

3.3.2. Administering Authority Responsibilities:

- To decide the amount of benefits that should be paid, including whether the person is entitled to have any previous service counted towards this for LGPS purposes, as soon as is reasonably practicable
- To formally notify that person of the decision in relation to the amount of their benefits in writing as soon as is reasonably practicable, and information about the IDRP
- To appoint an adjudicator to consider complaints under stage 1 of the IDRP relating to Administering Authority decisions (or a lack of a decision)
- To appoint a suitable decision maker to consider appeals under stage 2 of the IDRP (which covers both employer and Administering Authority decisions or lack of decisions)
- To provide on request, any information to an employer about a complaint under the IDRP that may be required by an employer

3.4. Regulation 59(1) enables an LGPS Administering Authority to prepare a written statement ("the pension administration strategy") to assist in delivering a high-quality pensions administration service to members of the Fund and other interested parties, by setting out local standards which often go beyond the minimum requirements set out in overriding legislation as outlined above, and which the Administering Authority and employers should comply with. The statement can contain such of the matters mentioned below as they consider appropriate:

- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the Administering Authority and employers are expected to achieve in carrying out their functions under the LGPS by:
  - (i) the setting of performance targets;
  - (ii) the making of agreements about levels of performance and associated matters; or
  - (iii) such other means as the Administering Authority consider appropriate
- Procedures which aim to secure that the Administering Authority and the employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the Administering Authority and the employers to each other of information relating to those functions.
- The circumstances in which the Administering Authority may consider giving written notice to an employer on account of that employer's unsatisfactory performance in carrying out its functions under the LGPS Regulations when measured against the desired levels of performance.
- The publication by the Administering Authority of an Annual Report dealing with:
  - (i) the extent to which the Administering Authority and the employers have achieved the desired levels of performance, and
  - (ii) such other matters arising from its pension administration strategy as it considers appropriate
- such other matters as appear to the Administering Authority to be suitable for inclusion in that strategy.

3.5. Regulation 59(2)(e) allows an Administering Authority to recover additional costs from an employer where, in its opinion, they are directly related to the poor performance of that employer. Where this situation arises the Administering Authority is required to give written notice to the employer, setting out the reasons for why additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

- 3.6. In addition, Regulation 59(6) also requires that, where a pension administration strategy is produced, a copy is issued to each of the Fund's employers as well as to the Secretary of State. It is a requirement that, in preparing or revising any pension administration strategy, the Administering Authority must consult the employers and such other persons as it considers appropriate.
- 3.7. Both the Administering Authority and employers must have regard to the current version of the pension administration strategy when carrying out their functions under the LGPS Regulations.
- 3.8. This statement, therefore, sets out the information required in accordance with Regulation 59 and forms the basis of the day to day relationship between the London Borough of Southwark as the Administering Authority and the employers of the Fund. It also sets out the circumstances where additional costs will be incurred as a result of poor performance of an employer, together with the steps that would be taken before any such costs arose.

#### **4. OUR ADMINISTRATION AIMS AND OBJECTIVES**

4.1. The purpose of this strategy statement is to set out the quality and performance standards expected of the London Borough of Southwark in its role of Administering Authority and employer, as well as all other employers within the Fund. It seeks to promote good working relationships, improve efficiency and enforce quality assurance amongst the employers and the Administering Authority. Our key objectives relating to administration are as follows:

- Provide a high quality, engaging, informative, timely, and customer focused administration service to the Fund's stakeholders.
- Administer the Fund in a cost effective and efficient manner utilising technology appropriately, with the focus on a 'digital first' approach.
- Be accountable and take responsibility for our actions.
- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS Regulations and in the delivery of the administration functions of the Fund.
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.
- Maintain accurate records and ensure data is protected and has authorised use only.
- Put in place standards for the Fund and its employers and ensure those standards are monitored and continuously developed and improved.

4.2 Our separate Communications Strategy has a number of specific objectives relating to how we communicate with our stakeholders.

#### **5. COMMUNICATION**

5.1 Good communication reminds, or alerts, employees to the benefits and value of the LGPS which aids recruitment, retention and motivation of the workforce, and negates misleading media information. Effective engagement and communication between an Administering Authority and its

employers reduces errors and complaints, improves efficiency and leads to good working relationships.

5.2 Where areas of improvement are identified from benchmarking or performance monitoring as indicated in the above section, the Pensions Manager (see below) will be responsible for working closely with those employers in improving their performance.

5.3 Where improvements are made they will be reported in the annual newsletter mentioned below. As part of the review process any new procedures or practices introduced will be kept under review to monitor achievement.

5.4 Employers or members of the Fund who do not have access to any of the communications mentioned below should contact the Pensions Manager.

## **5.5 Communication with Employers**

### **5.5.1 Employer key contact officers and meetings**

Each employer in the Fund must designate a named individual to act as their '**key contact officer**'; this individual will be the main contact with regard to any aspect of administering the Fund and the employer will ensure they keep the Administering Authority aware of the contact details for that person.

The Pensions Manager will contact the employer key contact officer to discuss any issues relating to the Fund and/or raise any issues around performance of the employer or services provided by the Administering Authority. Meetings will be arranged if necessary (particularly if specific issues around the performance of the employer arise). Contact details for the Pensions Manager are shown on page 4.

### **5.5.2. Employer Guidance**

Employer Guidance will be maintained on the Southwark Pension Fund website ([www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk)). It will outline all the key responsibilities and processes that must be carried out by each employer as well as specifying the format of all information to be provided. An e-mail will be issued to all employers when this guidance is updated, and all new employers will be provided with a link to this guidance when they join the Fund.

### **5.5.3. i-Connect**

i-Connect is the current software that all employers (including local authority schools) will be required to use to submit information to Pension Services (the pensions administration team). i-Connect provides for secure, efficient and timely data submission due to the automated validation it provides. Any employer not providing data using i-Connect may be charged additional administration costs due to the fact that other methods can result in additional



time spent validating data and hence significant delays in processing, which in turn impact on the quality and timeliness of information passed to Fund members or other stakeholders such as HR/Payroll.

The Data Systems Manager monitors all data received via i-Connect and monitors systems to draw in data from a large number of employers and populate individual member records. In addition, on request, training will be provided by the Data Systems Manager to ensure all employer key contact officers understand how to use the system.

#### **5.5.4. Employer Reports**

In addition to employer guidance, the Fund will prepare a bi-annual report for the Local Pension Board, then share with the appropriate Head of Service, bringing to their attention performance or quality issues where improvements are required and next steps to address them. Reports will also include information relating to any changes to LGPS Regulations and employer procedures or responsibilities associated with them. These will be issued by e-mail as and when required.

#### **5.5.5. E-mail Updates**

Other information and procedural requirements, such as the annual procedures for FRS102/IAS19, will be disseminated by e-mail.

#### **5.5.6. Training Sessions**

The Fund will provide training to employers as and when required, or on request from employers (for example, due to changes in employer personnel responsible for pension matters). All new employers in the Fund will also be provided with training. Employers will be expected to attend any such training, particularly where significant performance issues have been identified. Pensions training will be delivered by the Training Officer, and all modules of training will be listed on the website ([www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk)).

#### **5.5.7. Employer Forums**

The Fund may host an employer forum periodically to which all employers will be invited. The forum will include updates on recent developments within the LGPS or pensions generally, as well as reporting on the performance of the Fund.

#### **5.5.8. Employer specific events**

The Pensions Technical and Projects Team can attend any employer specific events including the annual schools conference to assist employers in understanding their roles and responsibilities around pensions best practice.

## **5.6. Information for Fund members:**

### **5.6.1. Website**

Pension Services is currently developing a new website for the London Borough of Southwark Pension Fund at [www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk) in partnership with Concert, a Buck company ([www.concertconsult.co.uk](http://www.concertconsult.co.uk)).

The website contains detailed member information about all aspects of their pension benefits. To ensure the website always feels fresh it has a Professional Pensions Twitter feed with continuously updating pension information and a news section.

Detailed metrics are obtained monthly of visitor numbers and their activity on the website that allows website content to be tailored to what membership and users want to see.

The employer section contains all the information that existing and new employers need and an interactive forms section for employers to report information on their members directly to the pensions team. The next phase of the website will be employer and pension fund staff training using advanced web training techniques to ensure information is disseminated in a clear and effective way.

### **5.6.2. Member Self Service**

Members can access information on their own benefits via our online self-service facility. Members can register or sign in via the homepage of the pensions website ([www.southwarkpensions.co.uk](http://www.southwarkpensions.co.uk)). The self-service facility gives members access to their own pension records, and this 'digital first' initiative results in fewer enquiries being dealt with by Pension Services, as members resolve many issues themselves.

### **5.6.3. Annual Benefit Statements**

These statements are sent annually to all active and deferred members of the Fund. These are emailed to members where Southwark Council holds an email address, otherwise they will be posted or sent to employers to distribute to their Fund members.

### **5.6.4. Newsletters**

The Fund also issues a periodic newsletter to members, bringing to their attention information such as changes to LGPS Regulations. These are usually issued to employers to distribute to their Fund members.

### **5.6.5. Individual member meetings**

One-to-one MS Team meetings are available with Pension Services on an appointment only basis, by emailing [lbspensions@southwark.gov.uk](mailto:lbspensions@southwark.gov.uk)

#### **5.6.6. Pension Presentations**

Presentations can be given to staff, managers, new employees etc. on pension related matters, including as part of induction and pre-retirement sessions.

#### **5.6.7. E-mail and Helpline**

The pension fund is building a First Contact Resource Centre to be the initial point of contact for all pension enquiries.

Using the latest CRM software to be able to create detailed metrics for management information, the resource centre will deal with all phone calls and emails that come into Pension Services from members of the Fund, employers, and other stakeholders.

Pension Services can be contacted as follows:

- E-mail - [lbspensions@southwark.gov.uk](mailto:lbspensions@southwark.gov.uk)
- Telephone helpline - 0207 525 4924

## **6. DELIVERY OF ADMINISTRATION**

- 6.1. The London Borough of Southwark has delegated responsibility for the management of the Fund to the Strategic Director of Finance and Governance, taking into consideration advice from the Pensions Advisory Panel, who will monitor the implementation of this Strategy.
- 6.2. Operationally, the administration of the Fund is undertaken 'in-house' within the London Borough of Southwark. These responsibilities span two Council teams as illustrated on the following page.
- 6.3. Most LGPS Administering Authorities provide their administration service from internal teams, although some have outsourced (or partially outsourced) their administration, and some utilise shared service administration arrangements across more than one Fund. At this point in time, the London Borough of Southwark believes in-house administration is the most appropriate method for ensuring the future objectives of the Fund are met.

**Strategic Director of Finance and Governance**

- Overall responsibility for pension fund
- Taking advice from Pensions Advisory Panel

**Pension Services**

**Professional Financial Services**

**Administration Team**

**Projects and Technical Team**

**Data Systems Team**

**Investment and Accounting Team**

- Day to day administration of all pension matters, including starters and leavers processes
- Liaison with all pension fund members

- Managing pensions projects and all technical matters
- Training, communication and engagement with pension fund members and stakeholders

- Collecting data from all employers
- Maintaining data accuracy and monitoring quality
- Managing pensions/IT systems

- Valuation, funding and investment matters
- Managing all contribution income
- Accounting disclosures

## **7. PERFORMANCE STANDARDS AND RESPONSIBILITIES**

### **7.1. Quality**

#### **7.1.1. Local Standards**

The legislative and regulatory standards are set out in Section 3. On top of these, the Administering Authority and employers will ensure that all functions and tasks are carried out to agreed local quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the employer guide
- information to be provided in the required format and/or on the appropriate forms contained within the employer guide
- information to be legible and accurate
- communications to be in a plain language style
- information provided or actions carried out to be checked for accuracy by an appropriately trained member of staff
- information provided or actions carried out to be authorised by an agreed signatory, and
- actions carried out, or information provided, within the timescales set out in this strategy document.

#### **7.1.2. Secure data transfer**

The Administering Authority and employers will follow the London Borough of Southwark's data security guidelines when sending any personal data. This means that if data is sent by email it should be sent using a secure system such as Egress and if that is not possible, data should be sent encrypted using WinZip or equivalent, with the password supplied separately.

One of the key methods of data transfer relating to the Fund's administration is the receipt of information from employers in relation to Fund members. In order to meet the requirements set out in this document in a secure and efficient way (for both employers and the Administering Authority) the London Borough of Southwark provides a secure data transmission system described in 7.1.3. Employers not submitting data in this manner may risk compromising data security. Employers must ensure that any contract with an outsourced payroll provider includes provision for submitting data electronically via this system.

#### **7.1.3. i-Connect**

Southwark's current method of receiving employee data is via i-Connect, provided by Aquila Heywoods (<https://app.i-connectdata.co.uk>).

i-Connect allows employers to submit monthly pensions data returns securely, either via the upload of a spreadsheet or data entry into a web form. i-Connect is the only way Southwark accepts monthly return data. Employers must adhere to the technical specifications of i-Connect if submitting data using a spreadsheet upload.

Southwark on-boards any new employers to i-Connect when they join the Fund, except if the employer uses an outsourced payroll provider already on-boarded and submitting data on behalf of other employers, in which case the employer is added to that payroll provider's account.

Deadlines and timescales for submission of data are outlined in section 7.2.

#### **7.1.4. Oversight of Compliance and Quality**

Ensuring compliance is the responsibility of the Administering Authority and employers in the Fund. However there are ways in which they will be subject to elements of scrutiny or oversight:

**Audit** - The Fund will be subject to a regular annual audit of its processes and internal controls. The Administering Authority and the employers will be expected to fully comply with any reasonable requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by the London Borough of Southwark and where appropriate duly implemented (following discussions with employers where necessary).

**Local Pension Board, the national Scheme Advisory Board and the Pensions Regulator** - The Public Service Pensions Act 2013 introduced greater oversight through these entities. As a result, the Local Pension Board of the London Borough of Southwark Pension Fund was established from 1 April 2015.

In addition, the Pensions Regulator's remit was extended to include the public sector, and a national Scheme Advisory Board was created. The Administering Authority and the employers are expected to fully comply with any guidance produced by the Scheme Advisory Board and the Pensions Regulator. Any recommendations made by any of these entities will be considered by the Administering Authority, and where appropriate duly implemented (following discussions with employers where necessary).

## **7.2. Timeliness and accuracy**

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Fund. The LGPS itself sets out a number of requirements for the Administering Authority or employers to provide information to each other, to Fund members and to prospective members, dependants, other pension arrangements or other regulatory bodies. Locally

agreed performance standards have been agreed which cover all aspects of the administration of the Fund where appropriate going beyond the overriding legislative requirements.

For the avoidance of doubt “accuracy” in this Strategy is defined as when we have received a completed form or transfer of information with **no data gaps** in mandatory areas and with no missing information which is either contradictory or which we need to query.

The target service standards below relate to a date of event being either the date the member started or left the Fund, or when relevant details changed such as commencing a period of long term absence. However, where information is required in order to carry out that responsibility, the target service standard is from the date of receipt of all relevant information (i.e. paperwork and / or data).

These locally agreed performance standards for the Fund are set out in the following tables. This table isn't an exhaustive list of the Administering Authority's and employers' responsibilities. Employers' responsibilities are provided in more detail in the Employers' Guide. Target standards shown in ***bold italics*** will be monitored and reported on.

Processes marked with \* are expected to be dealt with using i-Connect in whole or in part, and should therefore be processed as part of the monthly i-Connect upload.

<b>New Appointments</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
To ensure that pensions information is included as part of any induction process	Before start date
To provide each new employee with basic pension fund information	Within one month of start date
<b>Administering Authority's Responsibility</b>	
To provide employers (on request) appropriate tools for inductions	Within 10 working days of request

<b>New Fund Members</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Provide new members with starter forms and pension fund guide	Within 10 working days of start date
Ensure the correct employee contribution rate is applied	Immediately on joining in line with employer's policy, and each April thereafter (as a minimum)
Send a Notification of Joining the LGPS to a fund member	Within 10 working days of start date
*Provide new starter information to the Administering Authority for each new employee joining the LGPS	*Within 1 month of start date
Forward completed starter forms completed by fund members to the Administering Authority	Within 3 working days of receipt
<b>Administering Authority's Responsibility</b>	

To accurately record and update member records on the pension administration system	Within 10 working days of receipt of clean data
To apply for any transfer value details from a previous pension fund or scheme	Within 10 working days of receipt of request
To send a Notification of Joining the LGPS to a pension fund member	Within 10 working days of receipt of clean data from employer

<b>Changes in circumstances</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Arrange for reassessment of employee contribution rate in line with employer's policy	If applicable, as per employer's policy
Notify the Administering Authority of any eligible employees who opt out of the Fund within three months of appointment.	Within 10 working days of receipt of opt-out form
Send a Notification of Change (or equivalent) if legally required to a fund member	Within 15 working days of change
*Notify the Administering Authority of all other relevant changes in the circumstances of employees	*Within 1 month of change
Refund any employee contributions deducted in error, or where the member opts out in writing within 3 months with no previous LGPS membership.	Month following the month of election
Notify the Fund of any periods of unpaid leave	Within 1 month of the member returning to work
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	Within 15 working days of receipt of clean data
To send a Notification of Change (or equivalent) if legally required	Within 15 working days of receipt of clean data

<b>Retirement Estimates (including ill-health and flexible retirement)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund when a member is due to retire, including as accurate assessment of final pay as possible and reason for retirement (and authorisation where appropriate)	As early as possible and no later than 15 working days before date of retirement
<b>Administering Authority's Responsibility</b>	
<b><i>Providing quotations on request for retirements</i></b>	<b><i>Within 10 working days of request</i></b>
Providing provisional statement of retirement benefits for both active and deferred members	3 months before normal retirement date for deferred members. Within 10 working days from date notified of an active member leaving

<b>Actual Retirements (including ill-health and flexible retirement)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>



Notify the Fund when a member leaves employment, including an accurate assessment of final pay	Within 5 working days of leaving
Agree business case with HR / Head of Service for flexible retirement	1 month before change to member terms and conditions
Send a Notification of Entitlement to Benefit if legally required to a fund member (including determining tier of ill-health retirement if applicable)	No later than 5 working days before date of retirement
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	Within 5 working days of receipt of clean data
<b><i>Notification of amount of retirement benefits and payment of tax free cash sum</i></b>	<b><i>Within 5 working days of receipt of fully completed claim forms from member</i></b>
Notification of amount of recalculated retirement benefits and payment of any balance tax free cash sum following updated information	Within 7 working days of receipt of updated information

<b>Ill-Health Retirements (additional responsibilities)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Appoint a qualified Independent Registered Medical Practitioner in order to consider all ill-health retirement applications, and agree this appointment with the Fund.	Within one month of becoming an employer within the Fund
To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	Review all tier 3 cases two months prior to the member reaching 18 months since their last day of service
Notify the Fund of the results of any review of Tier 3 ill-health cases with appropriate information to allow the Fund to recalculate benefits if necessary	Within 5 working days of receiving results of review
Send a Notification of Entitlement to Benefit (or change in benefit) to a fund member following the review of his/her Tier 3 ill-health benefits	Within 5 working days of receiving results of review
<b>Administering Authority's Responsibility</b>	
To notify employers prior to scheduled discontinuation of benefit payments, and before updating the member records to "pensioner with deferred benefits".	3 months prior to scheduled discontinuation date

<b>Members leaving before retirement</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund of the member's date of (and reason for) cessation of membership, and all other relevant information	Within 10 working days of leave date
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	Within 10 working days of receipt of clean data
To inform members who leave the Fund (and are not eligible for immediate benefits) of their options and their deferred benefit or refund entitlement as applicable	Within 20 working days of receipt of clean data
Provide a refund of contributions where requested	Within 10 working days of receipt of request
Provide a statement of current value of deferred benefits on request	Within 10 working days of receipt of request

<b>Death Benefits</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund, HR / Schools HR / Payroll provider of the death in service of a member, and provide details of Next of Kin (NoK) where available	Within 2 working days of notification
<b>Administering Authority's Responsibility</b>	
Write to NoK or other contact requesting information following the death of a pension fund member	Within 1 working day of notification
<b><i>Notify NoK of any over or under payment of pension made</i></b>	<b><i>Within 5 working days of confirmation received from payroll</i></b>
<b><i>Calculate and notify dependant(s) of amount of death benefits</i></b>	<b><i>Within 5 working days of receipt of all relevant information</i></b>
<b><i>Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed</i></b>	<b><i>Within 5 working days of receipt of all relevant information</i></b>

<b>Transfers</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund if the employer intends to outsource services that will involve TUPE transfers of staff, and work with the Fund to ensure an admission agreement is put in place and complied with or a bulk transfer arranged	Initial notification within 2 working days of becoming aware of potential outsourcing
<b>Administering Authority's Responsibility</b>	
<b><i>Obtain transfer details for transfer in, and calculate and provide quotation to member</i></b>	<b><i>Within 10 working days of receipt of information</i></b>
Request transfer value upon acceptance of transfer in	Within 5 working days of receipt of acceptance
Notify scheme member of benefits purchased by transfer in on receipt of payment	Within 10 working days of confirmation of payment receipt.
<b><i>Provide details of transfer value for transfer out, on request</i></b>	<b><i>Within 10 working days of receipt of request</i></b>
Provide payment of transfer value to appropriate recipient	Within 10 working days of receipt of accurately completed discharge forms and financial advice form (if applicable)

<b>Additional Benefits (APCs and AVCs)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In month following election
<b>Administering Authority's Responsibility</b>	
To provide generic information on APCs / AVCs on request to members and employers.	Within 10 working days of request

<b>Various Financial Obligations</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Electronically pay the Fund all employee contributions deducted from payroll and all employer contributions	Immediately when deducted when paid but by the 19 <sup>th</sup> day of the following month
Pay all rechargeable items to the Fund, including additional fund payments in relation to early payment of benefits	Within 20 working days from receiving invoice
Pay all additional costs to the Fund associated with the unsatisfactory performance of the employer	Within 20 working days from receiving invoice
<b>Administering Authority's Responsibility</b>	
Communication of valuation results for individual fund employers	Within 10 working days of receipt of results from the Fund's actuary (and in any event no later than 31 March following the valuation date)
To allocate received contributions to each employer's cost centre	Within 1 working day of receipt of accurate data via i-Connect supporting contribution payments received
Issue invoice in relation to additional fund payments in relation to early payment of benefits	Within 10 working days of retirement date (or information being received if later)
Inform employers of any new contribution bandings	5 working days after information is released from the LGA
Notify member of calculation and new value of pension following annual pensions increase	No later than 2 working days before payment of revised pension

<b>Monthly and Annual Returns, Valuation, Annual Benefit Statements and Pensions Savings Statements</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Provide the Fund with monthly pension data via its secure data system noted in 7.1.3.	Within 10 days of monthly payroll closure or by the 7 <sup>th</sup> day of the following month, whichever is earlier
Provide the Fund with year-end information to 31 March each year, and any other information that may be required for the production of Annual Benefit Statements	By 30 April annually
<b>Administering Authority's Responsibility</b>	
Process employer year end contribution returns	Within 1 month of receipt
<b><i>Produce Annual Benefit Statements for all active and deferred members</i></b>	<b><i>In line with LGPS Regulation timescales, by August each year for active members</i></b>
Provide information to the Actuary (or GAD as appropriate) for both the triennial valuation and for accounting purposes	As agreed between the Fund and the Actuary
Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising	Within 5 working days of receipt of report
Produce Pensions Savings Statements for all members of the Fund who have breached the Annual Allowance, and provide details of 'Scheme Pays'	In line with statutory and HMRC timeframes

<b>General</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Confirm a nominated representative to receive information from the Fund, and to take responsibility for disseminating it within the organisation	By effective date of admission to the Fund or within 5 working days of previous representative leaving
Formulate and publish policies regarding all discretions that the employer may exercise, and provide a copy to the Fund	Within 2 months of joining the Fund and also provided to Administering Authority every 3 years
Respond to admin enquiries from the Fund	Within 10 working days of receipt
Respond to data enquiries from the Fund	Within 5 working days of receipt
Distribute any information provided by the Fund to members / potential members	Within 5 working days of receipt
Put in place a Stage 1 Internal Dispute Resolution Procedures	Within 2 months of joining the Fund and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
<b>Administering Authority's Responsibility</b>	
Arrange for the setting up of an admission agreement where required	Within 3 months of all information being provided. Admission agreements set up for scheduled bodies will be sealed within 5 working days by the Section 151 officer or their nominated delegates
Publish and keep up to date Fund Members' Guide and Employers' Procedural Guide	Updates made within 10 working days of any legislation changes but preferably before effective date
Publish and keep up to date all forms that members, prospective members and employers are required to complete	Updates made within 10 working days of any legislation changes but preferably before effective date
Publish the Fund's Annual Report	By 1 December following the year end to which it relates
Publish the Fund's Annual Accounts	By 31 July following the year end to which they relate
Publish the Investment Strategy Statement	Publish within 30 working days of policy being reviewed by pensions advisory panel
Publish the Funding Strategy Statement	Reviewed at each triennial valuation, following consultation with scheme employers and the Fund's actuary. Revised statement to be published at same time as valuation report is issued.
<b><i>Provision of other responses to general enquiries from fund members and employers</i></b>	<b><i>Within 10 working days of receipt</i></b>
Put in place a Stage 1 Internal Dispute Resolution Procedure and publish on website	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Put in place a Stage 2 (appeal) Internal Dispute	Before the effective date of any change to

Resolution Procedure and publish on website	the existing procedure (e.g. an appointed person leaving)
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<b>Pension Payments</b>	
<b>Administering Authority's Responsibility</b>	<b>Target Service Standard</b>
Issue pension payments to designated bank accounts	To arrive on payment due date for BACS payments, cheques to be posted a minimum of two working days before payment due date
Issue payslips for those members who have 'opted in' to receive a hardcopy payslip	Posted so as to arrive on or around the payment due date
Investigate returned payments and action appropriately	Within 10 working days of payment being returned
<b><i>Respond to pensioner queries</i></b>	<b><i>Within 10 working days of receipt</i></b>
<b><i>Implement any changes to pension in payment</i></b>	<b><i>By next payroll period</i></b>
<b><i>Process annual pension increase payment award</i></b>	<b><i>Annually and no later than each May</i></b>

#### **For the avoidance of doubt:**

- Date of receipt of anything by the Administering Authority is deemed to be the same day where receipt is before 5pm, and is deemed to be the following day if receipt is after 5pm.
- "Final" pension figures will only be provided on receipt of clean data. If gaps exist in member records the employer and their payroll provider are responsible for providing any missing data.

## **8. IMPROVING EMPLOYER PERFORMANCE (WHERE NECESSARY)**

- 8.1. The Pensions Manager and senior management team will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.
- 8.2. In this context, "employer", covers HR, Schools HR, School Business Managers, Head Teachers and Heads of Service.
- 8.3. Where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and / or unwillingness is shown by the employer to resolve the identified issue, the following sets out the steps that will be taken in dealing with the situation:

<b>Escalation Process for Employer Performance Issues</b>	
<b>Stage</b>	<b>Administering Authority Actions</b>
1	<p>The Pensions Manager will write to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.</p> <p>The Pensions Manager or a nominated representative will meet with the employer to discuss the area(s) of poor performance and how they can be addressed. The employer will produce a clear action plan following the meeting and provide this to the Administering Authority for agreement.</p>
2	<p>Where no improvement has been demonstrated by the employer, or where there has been a failure to follow the agreed action plan, the Pensions Manager will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified and the action required to improve the performance, with appropriate deadlines.</p> <p>The Pensions Manager will give notice that additional costs may now be reclaimed if performance is not improved, as detailed in sections 8.4 and 8.5.</p>
3	<p>The Pensions Manager will clearly set out the calculations of for any loss or additional costs resulting to the Fund / Administering authority, taking account of time and resources in resolving the specific area of poor performance.</p> <p>The Fund will make a claim against the employer for the value calculated, setting out the reasons for doing so in accordance with the regulations.</p> <p>The Fund will consider whether a material breach has occurred which requires them to report the employer to The Pensions Regulator or the Stakeholder Team at the Pensions Ombudsman.</p>

#### **8.4. Circumstances where the Administering Authority may levy costs associated with the employer's poor performance**

We will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. We will also work with them to ensure that overall quality and timeliness is continually improved.

The Regulations provide that an Administering Authority may recover from an employer any additional costs associated with the administration of the Fund incurred as a result of the unsatisfactory level of performance of that employer. Where an Administering Authority wishes to recover any such additional costs they must give written notice stating:-

- The reasons in their opinion that the employer's level of performance contributed to the additional cost;
- The amount the administering authority has determined the employer should pay;
- The basis on which this amount was calculated; and



- The provisions of the pension administration strategy relevant to the decision to give notice.

Any additional costs incurred by the Fund in the administration of the LGPS as a direct result of such unsatisfactory performance will be recovered from the employer or third party service provider, depending on the party which is responsible. The circumstances where we will recover such additional costs from the employer include:

- persistent failure to provide relevant information to the Administering Authority, fund member or other interested party in accordance with specified performance targets (as a result of either quality of information, format of information or timeliness of delivery)
- failure to pass relevant information to the Fund member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets
- failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales
- instances where the performance of the employer results in fines being levied against the Administering Authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body.
- Payment of contributions by cheque rather than electronic transfer

In addition, interest will be charged on late contributions in line with the LGPS Regulations.

#### **8.5. Calculation of costs incurred**

For a persistent failure to resolve an isolated case satisfactorily we will recharge costs from the point in time at which a formal letter is written to the employer until the case is resolved, at a daily rate of £500 per day to resolve the matter, exclusive of VAT.

For persistent and ongoing failure to meet targets, following intervention to assist the employer concerned, we will recharge the additional costs due to the employer's unsatisfactory performance at the daily rate of £500 per day, exclusive of VAT, from the point in time that the formal letter was sent, until performance improves.

For payment of contributions by cheque the Fund will charge £20 plus VAT per cheque processed.

Where the performance of the employer results in fines or additional costs being levied against the Fund we will recharge the full costs it has incurred to the relevant employer.

## 9. PERFORMANCE MEASURES AND IMPROVEMENT PLANS

We will monitor performance as administering authority in carrying out our responsibilities in relation to the Fund, and will regularly monitor performance by benchmarking against other Administering Authorities, using benchmarking clubs and other comparators available.

How well the Fund performs will be reported in the Fund's Annual Report based on the statistics available at that time. We will monitor success against our administration objectives in the following ways:

Objectives	Measurement
Provide a high quality, seamless, informative, timely and customer focused administration service to the Fund's stakeholders.	Key target service standards (highlighted in table above) achieved in 90% of cases*.  Annual satisfaction surveys with employers and scheme members achieving 80% of scores in positive responses in these areas.
Administer the Fund in a cost effective and efficient manner utilising technology appropriately.	Cost per member is not in upper quartile when benchmarked against other London Boroughs.
Be accountable and take responsibility for our actions.	Annual satisfaction surveys with employers and scheme members achieving 80% of scores in positive responses in these areas.
Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS Regulations and in the delivery of the administration functions of the Fund.	Annual data checks (including ongoing reconciliations) resulting in few issues that are resolved within 2 months.  Key target service standards (highlighted in table above) achieved in 90% of cases*.  Annual satisfaction surveys with employers and scheme members achieving 80% of scores in positive responses in these areas.
Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.	Mainly positive results in audit and other means of oversight/scrutiny.  Key target service standards (highlighted in table above) achieved in 90% of cases*.  Annual satisfaction surveys with employers and scheme members achieving 80% of scores in positive responses in these areas.
Maintain accurate records and ensure data is protected and has authorised use only.	Annual data checks (including ongoing reconciliations) resulting in few issues that are

Objectives	Measurement
	<p>all resolved within 2 months.</p> <p>No breaches of data security protocols.</p> <p>Mainly positive results in audit and other means of oversight/scrutiny.</p>
Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary.	As outlined against the objectives above.

\*We also expect employers to meet targets in 90% of cases.

An overview of our performance against these objectives and in particular our target standards for turnaround times will be reported within the Fund's Annual Report and Accounts.

Where performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the Administering Authority will formulate an improvement plan which will be incorporated into the Fund's annual Business Plan. This will be reported to the Fund's Pensions Advisory Panel together with an ongoing update on achievement against the improvement plan.

## 10. KEY RISKS

The key risks to the delivery of this Strategy are outlined below. The Strategic Director of Finance and Governance will work with the Pensions Advisory Panel in monitoring these and other key risks and consider how to respond to them.

- Changes in government / legislative requirements meaning responsibilities are changed / removed / added
- The administration system provider not providing a robust system or not making changes to the system in a timely manner
- Key staff at the Administering Authority leaving and not being replaced with staff with similar experience, and without appropriate transitional handover
- Pension Services staff not having suitable resource and / or knowledge to undertake their responsibilities
- Employers not having suitable resource and/or knowledge to understand their responsibilities
- Government or other pressure to outsource or merge pension teams
- Individual schools not accepting or being aware of their responsibilities in relation to the Fund
- Lack of engagement by the Pensions Advisory Panel and / or Local Pension Board on administration matters