



# **Buckinghamshire Pension Fund**

## **Pension Administration Strategy**

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## Introduction

With 5.8 million members, the Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in the UK. Buckinghamshire Pension Fund has approximately 250 employers with over 73,000 scheme members in total.

<http://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/employers/contribution-rates/>

The LGPS is one national scheme, administered locally, and is a valuable part of the pay and reward package for employees working in local government or for other employers participating in the Scheme. Success in promoting the Scheme amongst members and ensuring a high quality service delivery depends upon the relationship between the administering authority and scheme employers, and scheme employers and their employees. It should be noted that where a scheme employer uses a third party payroll provider, the scheme employer remains the responsible party under The LGPS Regulations.

Good quality administration and communication assists in the overall promotion of the Scheme and reminds employees of the value of the LGPS, which in turn aids recruitment, retention and motivation of employees. Providing employees with confidence in the administration of their benefits, in a scheme with ever increasing complexity, is a challenge facing both administering authorities and scheme employers.

The Local Government Pension Scheme Regulations 2013 enable an administering authority to prepare a written statement to assist the administering authority and scheme employers in working together to provide a high quality service to all parties. This document sets out the pension administration strategy of Buckinghamshire Council as the administering authority of the Buckinghamshire Pension Fund, after consultation with scheme employers and the Local Pension Board.

The aim of the strategy is to detail the procedures for liaison and communication, and to establish levels of performance for both the administering authority and scheme employers. It endeavours to promote good working relationships, provide transparency and improve efficiency and quality. It specifies how performance levels will be monitored and action that can be taken if targets are not met.

The strategy is effective from 1 April 2020. Any enquiries in relation to this strategy should be sent to:

Pensions Administration Manager  
Pensions & Investments Team  
Buckinghamshire Council  
Walton Street Offices  
Aylesbury  
HP20 1UD

## Regulatory Framework

Regulation 59 of The Local Government Pension Scheme Regulations 2013 enables an administering authority to prepare a written statement of the authority's policies in relation to the following:

- Procedures for liaison and communication with its scheme employers.
- The establishment of levels of performance which the administering authority and its scheme employers are expected to achieve in carrying out their scheme functions by:
  - the setting of performance targets
  - the making of agreements about levels of performance and associated matters, or
  - such other means as the administering authority considers appropriate
- Procedures which aim to secure that the administering authority and its scheme 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 its scheme employers to each other of information relating to those functions.
- The circumstances in which the administering authority may consider giving notice to any of its scheme employers under Regulation 70 (additional costs arising from scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance.
- The publication by the administering authority of annual reports dealing with:
  - the extent to which that authority and its scheme employers have achieved the levels of performance established, and
  - such other matters arising from its pension administration strategy as it considers appropriate; and
  - such other matters as appear to the administering authority after consulting its scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

Regulation 59(3) states that an administering authority must keep the strategy under review and make appropriate revisions following any material change in its policies in relation to any matters contained within the strategy.

When preparing, reviewing or revising the strategy, an administering authority must consult its scheme employers and any other persons it considers appropriate. This will be carried out via direct mailing, employer newsletters or via the Pension Board.

Under Regulation 59(6), where an administering authority publishes its pension administration strategy, or that strategy is revised, it must send a copy to each of its scheme employers and to the Secretary of State as soon as is reasonably practicable.

Full regard must be given to the strategy by both an administering authority and scheme employers when performing their functions under the LGPS Regulations.

Regulation 70 of The Local Government Pension Scheme Regulations 2013 applies where, in the opinion of an administering authority, it has incurred additional costs which should be recovered from a scheme employer, because of that scheme employer's level of performance in carrying out its functions under the LGPS Regulations. Should the situation arise, an administering authority may give written notice to the scheme employer stating the reasons why, in the administering authority's opinion, their performance is not satisfactory, the amount of additional costs to be recovered and the basis on which the specified amount has been calculated and the provisions of the strategy which are relevant to the decision to give notice.

Considering the regulatory framework, this strategy details the requirements in accordance with Regulations 59 and 70 of The Local Government Pension Scheme Regulations 2013 and lays the foundation of the day to day relationship between Buckinghamshire Council as the administering authority and the scheme employers of Buckinghamshire Pension Fund.

## **Responsibilities and Procedures**

### **1. Procedures for liaison and communication with scheme employers**

Delivery of a high quality administration service does not rest solely with the administering authority but is highly dependent on effective partnership working with scheme employers and other statutory and advisory bodies.

This strategy takes account of scheme employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the required standard can be met.

Procedures for liaison and communication between Buckinghamshire Pension Fund and scheme employers are contained within Buckinghamshire Pension Fund's Communication Policy.

<http://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/policies/>

#### **1.1. Procedures for improving communication between the administering authority and scheme employers**

Effective communication between all parties concerned reduces errors, improves efficiency and nurtures better working relationships. Where performance monitoring shows there is cause for concern, the scheme employer's dedicated Employer Liaison Officer will work closely with them to improve any underperformance.

##### **1.1.1. Training**

Buckinghamshire Council as the administering authority will provide annual training sessions for all scheme employers and additional training and support to scheme employers where concerns are identified. All scheme employers may request an ad-hoc training session.

##### **1.1.2. Website**

Buckinghamshire Pension Fund's website is reviewed and updated on a regular basis. The website has relevant information for scheme employers regarding scheme changes and all relevant policies agreed by the administering authority are published on the site. All employer newsletters are also available. The website address is:

[www.buckscc.gov.uk/pensions](http://www.buckscc.gov.uk/pensions)

## **1.2. Establishing levels of performance**

### **1.2.1 Performance Standards**

In relation to the entitlement of scheme members, the LGPS stipulates that certain decisions are to be made by either the administering authority or scheme employer. In order to fulfil these requirements and also comply with disclosure legislation, Buckinghamshire Council as the administering authority has agreed levels of performance between itself and scheme employers prescribed under a Service Level Agreement (SLA).

### **1.2.2. TUPE Transfers**

Any existing scheme employer planning a contract likely to involve a TUPE transfer of staff should contact the TUPE Liaison Officer at the earliest opportunity. The employer will be provided with a guide, detailing all of the options available to them, the process to be followed if Admitted Body status is required and the relevant charges that will apply including actuary and legal fees and bond requirements.

### **1.2.3. Overriding legislation**

In discharging their roles and responsibilities under the LGPS Regulations, the administering authority and scheme employers are required to comply with overriding legislation such as:

- Superannuation Act 1972;
- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Finance Act 2004;
- Equality Act 2010;
- Public Service Pensions Act 2013;
- Data Protection Act 2018; and
- Health and Safety legislation.

The above are minimum requirements and in addition to these there are also local standards and best practice outlined below.

### **1.2.4. Internal Standards**

These are standards detailed in the SLA and include:

- Compliance with all requirements in the SLA;
- Provision of information or notifications in the required format using i-Connect and/or using forms/spreadsheets as provided with the SLA;
- All information or notifications to be legible and accurate;
- Communications to be in plain language;
- Information provided to be checked for accuracy by another member of staff;
- A nominated pensions contact within each scheme employer; and

- Information provided or decisions made within the timescales contained within the SLA.

#### **1.2.5. Timeliness**

Overriding legislation dictates minimum standards required in relation to certain actions, decisions and information to be provided by an administering authority and scheme employers. In addition to these minimum standards, Buckinghamshire Pension Fund has deadlines for the provision of data and local performance measures to be met and which are used for monitoring purposes. These measures are contained within the SLA.

#### **1.2.6. Data quality**

In order to meet the targets set out in the SLA, it is imperative that the data provided by scheme employers is accurate. Data should be provided using i-Connect or the forms/spreadsheets provided with the SLA. This will ensure member records are correct and will enable the administering authority to submit accurate data as part of the triennial valuation. The administering authority will apply data quality control and review processes.

#### **1.2.7. Employer Liaison Officers**

Each scheme employer will be allocated a specific Employer Liaison Officer as their main point of contact regarding any aspect of administering the LGPS.

## **2. Procedures for ensuring compliance with statutory requirements and levels of performance**

Ensuring compliance is the responsibility of the administering authority and scheme employers. The administering authority will work with its scheme employers to adhere to all the appropriate legislation and provide support to ensure quality and timeliness of provision of data is continually improved. Various methods will be used to ensure compliance and service improvement such as:

### **2.1. Audit**

Buckinghamshire Pension Fund will be subject to an annual audit of its processes and internal controls, with the Council's Regulatory and Audit Committee applying scrutiny to the Fund. Both the administering authority and scheme employers will be expected to comply with requests for information from internal and external auditors in a timely manner. Any subsequent recommendations will be implemented into the appropriate document.

### **2.2 Performance monitoring**

The administering authority will report on each scheme employer periodically against specific tasks outlined in the SLA. The administering authority will monitor its own performance in accordance with the SLA, provide an internal benchmark comparison year on year and report outcomes to the Pension Board.

### **2.3. Employer liaison meetings**

Meetings with scheme employers and their Employer Liaison Officer will take place at the request of either the administering authority or the scheme employer to review performance against targets and the quality of data exchange. Frequent meetings will be arranged for larger employers or where deemed necessary by either party.

### **2.4. Pension Board**

The purpose of the Board is to assist the administering authority in its role as manager of the Scheme. This covers all aspects of Governance and administration of the LGPS, including funding and investments. Regular reports on administration performance and other associated matters will be discussed at Pension Board meetings.

The Board's Terms of Reference can be found at:

<https://www.buckscc.gov.uk/media/4508426/pfb-terms-of-reference.pdf>

### **2.5. Pension Fund Committee**

The Pension Fund Committee (PFC) is responsible for setting overall investment strategy, including asset allocation and the Investment Strategy Statement. They appoint Advisors

and monitor Fund performance. They are responsible for monitoring scheme governance and policy approval. The PFC's Terms of Reference can be found in the Council's Constitution at: <https://www.buckscc.gov.uk/media/4510769/council-constitution.pdf>

## **2.6. Valuation**

Buckinghamshire Pension Fund is subject to a triennial full valuation of its assets in accordance with the LGPS Regulatory Framework. The Fund actuary sets employer contribution rates based on the data submitted. Interim mini-valuations may also be undertaken at the discretion of the Pension Fund Committee. Both the administering authority and scheme employers will be expected to comply with requests for information from the actuary in a timely manner.

## **2.7. Year End and Annual Benefit Statements.**

Annual year end processes will be circulated to all scheme employers in a timely manner. Outline details are within the SLA. Annual Benefit Statements will be made available to members online, by 31 August each year, unless they have elected for a hard copy. Further details on Annual Benefit Statements are outlined in the Communications Policy.

## **2.8. Treasury Management**

A service level agreement exists between Buckinghamshire Council's Treasury Management Service and the Pensions & Investments Team which is approved by the Pension Fund Committee.

## **Circumstances where the administering authority may levy costs associated with a scheme employer's poor performance**

Routine and cyclical activity is not directly charged to a scheme employer.

Any additional costs incurred by the administering authority as a direct result of poor performance will be recovered from the scheme employer. The circumstances where additional costs will be recovered include:

- Constant failure to provide relevant information to the administering authority, scheme member or other relevant party in accordance with the SLA;
- Failure to pass relevant information to the scheme member or potential members due to poor quality or within the prescribed timescale;
- Failure to deduct and pay over correct employee and employer contributions to the Buckinghamshire Pension Fund within the prescribed timescales; and
- Payment of fines being levied on the administering authority due to a scheme employer's under-performance by the Pensions Regulator, Pensions Ombudsman or any other regulatory body.

**The administering authority may also charge for other services. Details of all the charges that apply are detailed at Appendix A.**

## **Procedures to address unsatisfactory performance**

The relevant Employer Liaison Officer will work with a scheme employer at the earliest opportunity if they are failing to meet the requirements of the performance levels required under the SLA and ultimately this strategy. They will identify any underlying issues and assist with any necessary training and development required to address the performance.

Steps to recover additional administration costs will only be taken where persistent failure occurs after intervention and support has been offered and undertaken by the relevant Employer Liaison Officer. These steps will only be implemented once all opportunities to address performance issues are exhausted. The steps to be taken in these circumstances are:

- The scheme employer will be written to setting out the areas of unsatisfactory performance;
- A meeting will be arranged with the scheme employer to discuss the unsatisfactory performance and to formulate a plan on how to address those areas;
- Where a scheme employer does not agree to a meeting or does not show improvement in line with action agreed during the meeting, a formal notice will be issued. This will detail the areas of unsatisfactory performance identified, the steps taken to resolve those areas and that the additional costs will be recovered;
- The costs to be recovered will be clearly set out taking into account the time taken by the administering authority to resolve the specific area of unsatisfactory performance; and
- Make the claim against the scheme employer, giving reasons for doing so, in accordance with the Regulations.

Administering Authority unsatisfactory performance will be reported to the Pension Board and Pension Fund Committee if applicable. Performance is monitored against the SLA.

## **Review Process**

The administration strategy will be reviewed every 3 years unless circumstances dictate more regular reviews are required. The current version of the administration strategy will be available on our website at the link below. Hard copies will be made available on request.

<https://www.buckscc.gov.uk/services/council-and-democracy/local-government-pension-scheme/policies/>

Buckinghamshire Council  
Pensions & Investments Team  
Walton Street Offices  
Aylesbury  
HP20 1UD  
01296 383755  
[employers@buckinghamshire.gov.uk](mailto:employers@buckinghamshire.gov.uk)  
[www.buckscc.gov.uk/pensions](http://www.buckscc.gov.uk/pensions)

<b>Charging Schedule</b>		
1	Failure to notify Buckinghamshire Council of new starters by the 19 <sup>th</sup> of the month following the month payroll action was taken	£50 per occurrence
2	Failure to notify Buckinghamshire Council of a change in hours or a change in member's address by the 19 <sup>th</sup> of the month following the date where payroll action was taken	£50 per occurrence
3	Failure to notify Buckinghamshire Council of unpaid leave, parental leave or trade dispute breaks by the 19 <sup>th</sup> of the month following the month in which payroll action was taken	£50 per occurrence
4	Failure to notify Buckinghamshire Council of any member leaving by the 19 <sup>th</sup> of the month following the month in which the member left	£50 per occurrence
5	Failure to notify Buckinghamshire Council of any retirement within 3 weeks before the member's retirement date	£50 per occurrence
6	Where as a result of the Employer's/Payroll Provider's failure to notify Buckinghamshire Council of a retirement, interest becomes payable on any lump sum or death grant paid, Buckinghamshire Council will recharge the total amount of interest to the Scheme employer	Interest calculated in accordance with Regulation 81 of The LGPS Regulations 2013

7	Failure to notify Buckinghamshire Council of the death in service of a member within 10 working days of notification	£50 per occurrence
8	Failure to notify Buckinghamshire Council of the monthly contributions deducted by the 19 <sup>th</sup> of the month via the monthly notification spreadsheet (non i-Connect scheme employers)	£50 per occurrence
9	Failure to pay over monthly contributions to Buckinghamshire Council by the 19 <sup>th</sup> of the month following deduction of the contributions	Interest calculated in accordance with Regulation 71 of The LGPS Regulations 2013
10	Failure to pay an additional administration cost	Interest calculated in accordance with Regulation 71 of The LGPS Regulations 2013
11	Failure to provide Buckinghamshire Council with the annual year end return by 30 April	£50 per working day from 1 May to date return is received
12	Failure to respond to requests for Year-end information to resolve queries within the prescribed time	£50 per occurrence
13	Further notification of leaver/retirement/death resulting in a recalculation of benefits	£50 per occurrence
14	Estimate requests in excess of two required in a rolling year	£11.50 per estimate plus VAT per additional request
15	Other non-standard work	Charge dependent on the amount of time taken and Pensions & Investments Team member undertaking the work

## Notes to the Charging Schedule

**Please note the detail below applies to all scheme employers whether they submit a monthly notification spreadsheet or use i-Connect.**

- 1 Notifications of new starters must include all of the information detailed in the New Entrants to the Scheme section of the SLA.
- 2 Notifications of changes in hours and address must include all of the information detailed in the Changes section of the SLA.
- 3 Notification of any unpaid leave, parental leave or trade dispute breaks must include all of the information detailed in the Unpaid Leave section of the SLA.
- 4 Notifications of leavers must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Leavers section of the SLA. Where an overtime payment is still to be made and the employer is not able to submit the form before the 19<sup>th</sup> of the month following the month in which the member left, they should submit the form as soon as possible after the final payment and not wait until the following month's submission.
- 5 Notifications of retirements must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Retirements section of the SLA. Where an overtime payment is still to be made and the employer is not able to submit the form before the 19<sup>th</sup> of the month following the month in which the member left, they should submit the form as soon as possible after the final payment and not wait until the following month's submission.
- 6 Regulation 81 of The LGPS Regulations 2013 state that interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests. If late payment of a lump sum or death grant occurs as a result of a failure by the scheme member to provide information to the Pensions & Investments Team, the pension fund will be liable for the payment of any interest due.
- 7 Notification of a death in service must include all of the information required on the 'Notification of Employee Leaving' form, detailed in the Death in Service section of the SLA.
- 8 Notification of the contributions deducted should be sent (non i-Connect users only) on a monthly basis in order for the contributions to be reconciled and allocated correctly.

- 9 Requirements regarding payment of monthly contributions are set out in the Monthly Contributions section of the SLA. Regulation 71 of The LGPS Regulations 2013 states that for overdue payments, interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.
- 10 Regulation 71 of The LGPS Regulations 2013 states that for overdue payments, interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.
- 11 Requirements regarding submission of the annual return are set out in the Year-End Return section of the SLA.
- 12 Requirements regarding Year-End queries are set out in the Year-End section of the SLA.
- 13 Accurate information should be provided first time around in accordance with the Leavers and Retirements section of the SLA.

**Late notifications will only be reported where the standards set out in the SLA have not been met as a result of the scheme employer's failure to meet the required standards.**