

# Pension Fund Committee

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**Title:** Pension Administration Strategy

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**Local members affected:**

*For press enquiries concerning this report, please contact the media office on 01296 382444*

## Summary

An outcome of the Pensions Improvement Review is to update the Pension Administration Strategy in advance of its triennial revision due in 2020.

Regulation 59 of The Local Government Pension Scheme Regulations 2013 enables an administering authority to prepare a written statement of the authority's policies (its pension administration strategy) in relation to:

- procedures for liaison and communication with 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 setting performance targets and agreeing levels of performance;
- 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 regarding information relating to those functions;
- the circumstances in which the administering authority may consider giving written 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 established;
- 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, 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.

## **Recommendation**

**Members are asked to APPROVE the revised Pension Administration Strategy**

## **Resource implications**

The pension administration strategy is a vital document to assist both the administering authority and scheme employers with the requirements of administering the Scheme. A Service Level Agreement is issued to employers outlining all of the requirements expected of them and of the administering authority. The Pension Regulator encourages participation with scheme employers to ensure they understand the key events and information they have to provide. If an employer fails to provide the required information, additional administration costs may be recovered from the employer and the reporting of a breach to The Pension Regulator can be considered. The Strategy provides a defined procedure to address any issues, ensuring employers have every opportunity to resolve underperformance before additional administration costs are incurred.

## **Legal implications**

N/A

## **Other implications/issues**

The revised Strategy highlights that if a scheme employer uses a third party payroll provider to fulfil its scheme functions, they remain the responsible party under the Strategy. The charging schedule has been updated to reflect that any additional administration cost assessed, will be dependent on the amount of time spent on addressing the issue by the Pensions & Investments Team and is no longer a flat charge. References to legislation and the Pension Fund Committee's responsibilities have also been updated.

## **Feedback from consultation, Local Area Forums and Local Member views (if relevant)**

The revised Strategy has been issued to all scheme employers for comments and has also been presented to the Buckinghamshire Pension Board.

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## **Background Papers**

Appendix A – Pension Administration Strategy

<http://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php#r59>

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