



**Buckinghamshire County Council Pension Fund
Pension Administration Strategy**



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Introduction

With 3.5 million members, the Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in the UK. The Buckinghamshire County Council Pension Fund has in excess of 150 employers with over 50,000 scheme members in total.

http://www.buckscc.gov.uk/bcc/pensions/employers/contribution_rates.page?

The LGPS is a nationwide scheme and is a valuable part of the pay and reward package for employees working in local government or working for other employers participating in the scheme. Success in promoting the scheme amongst scheme members and ensuring a high quality service delivery depends upon the relationship between the administering authority and participating employers, and the participating employers and their employees.

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 participating employers.

The Local Government Pension Scheme (Administration) Regulations 2008, as amended, enables an administering authority to prepare a written statement to assist the administering authority and participating employers in working together to provide a high quality service to all parties. This document sets out the pension administration strategy of Buckinghamshire County Council as the administering authority of the Buckinghamshire County Council Pension Fund, after consultation with the Fund's Pension Fund Consultative Group.

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 participating 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 June 2010. Any enquiries in relation to this strategy should be sent to:

Principal Pensions Officer (Governance & Employer Liaison)
Buckinghamshire County Council
Pensions Section
County Hall
Aylesbury
HP20 1UD

Regulatory Framework

Regulation 65 of The Local Government Pension Scheme (Administration) Regulations 2008 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 participating employers.
- The establishment of levels of performance which the administering authority and its participating 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 ensure that the administering authority and its participating employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication of information relating to those functions by an administering authority and its participating employers.
- The circumstances in which an administering authority may consider giving notice to any of its participating employers on account of that employer's unsatisfactory performance in carrying out its scheme functions when measured against levels of performance prescribed in the Service Level Agreement (SLA).
- Such other matters as appear to an administering authority to be suitable for inclusion in the strategy.

Regulation 65(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 making revisions to the strategy an administering authority must consult participating employers and any other persons it considers appropriate.

Under Regulation 65(6) the strategy must be published and a copy issued to all relevant participating employers and the Secretary of State. In addition, an administering authority must notify these parties should the strategy be revised.

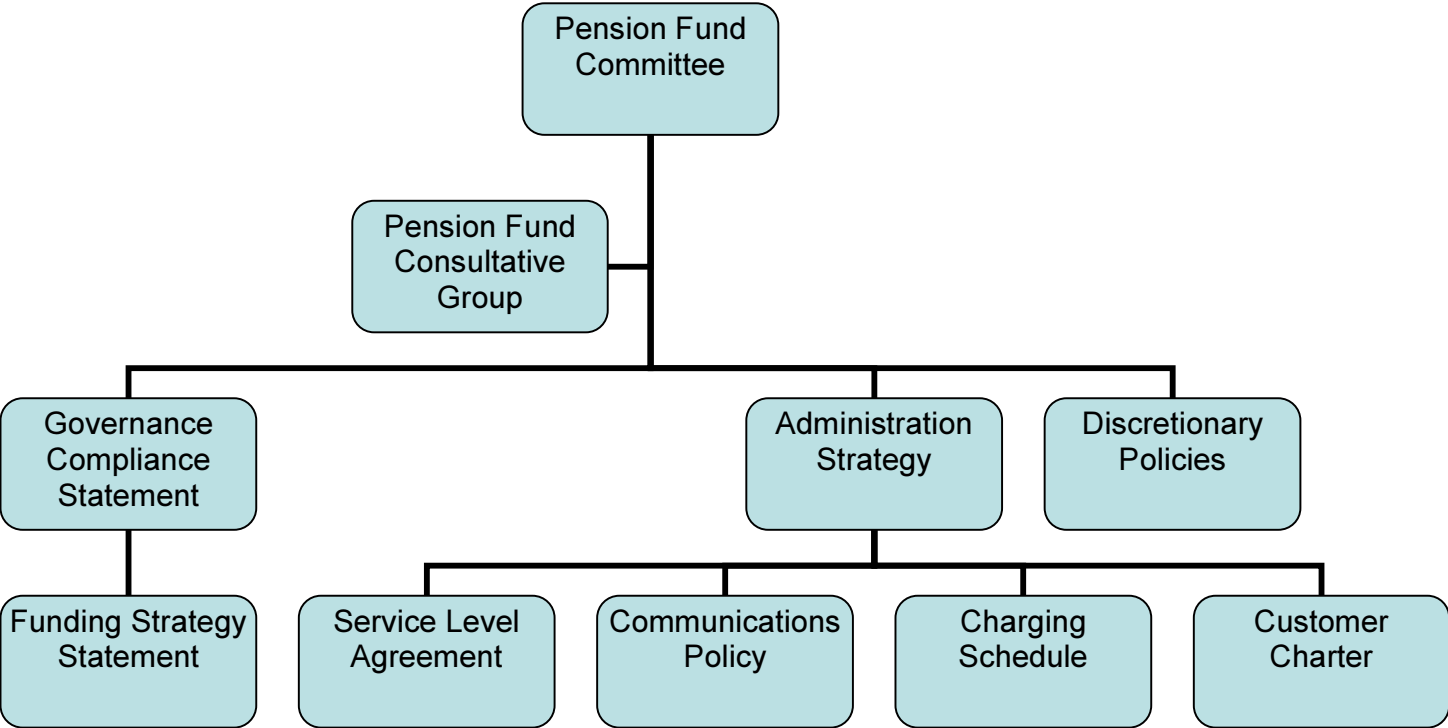
In preparing, reviewing or making revisions to the policy, an administering authority must consult its participating employers. This will be carried out via direct mailing, employer newsletters or the Pension Fund Consultative Group (PFCG).

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

Regulation 43 of the Administration Regulations permits an administering authority to recover additional costs from a participating employer, where in the administering authority's opinion; they are as a result of the participating employer's poor performance in carrying out its functions under the LGPS Regulations. Should the situation arise, an administering authority may give written notice to the participating employer stating the reasons why, in the administering authority's opinion their performance is poor, the amount of additional costs to be recovered and the basis on which the specified amount has been calculated.

Taking into the account the regulatory framework, this strategy details the requirements in accordance with Regulations 43 and 65 of The Local Government Pension Scheme (Administration) Regulations 2008 and lays the foundation of the day to day relationship between Buckinghamshire County Council as the administering authority and the participating employers of the Buckinghamshire County Council Pension Fund.

The following diagram demonstrates the relationship between the statutory requirements of the Buckinghamshire County Council Pension Fund and its associated policies:



Responsibilities and Procedures

1. Procedures for liaison and communication with participating employers

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

This strategy takes account of participating 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 the Buckinghamshire County Council Pension Fund and participating employers are contained within the Buckinghamshire County Council Pension Fund's Communication Policy.

http://www.buckscc.gov.uk/bcc/pensions/comms_policy.page?

1.1. Procedures for improving communication between the administering authority and participating 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 Principal Pensions Officer (Governance & Employer Liaison) will work closely with the participating employer to improve any weaknesses.

1.1.1. Newsletters

In addition to the quarterly employer newsletter, which notifies participating employers of scheme changes, fund performance and general scheme information, a performance newsletter will be issued twice yearly to coincide with the PFCG meetings highlighting areas where attention is needed.

1.1.2. Training

Buckinghamshire County Council as the administering authority will provide training and support to any participating employer where major issues are identified. At any time a participating employer may request an ad-hoc training session for which a charge may apply.

1.1.3. Website

The Buckinghamshire County Council Pension Fund website is reviewed and updated on a monthly basis. The website has relevant information for participating 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 *tbc*

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 participating employer. In order to fulfil these requirements and also comply with disclosure legislation, Buckinghamshire County Council as the administering authority has agreed levels of performance between itself and participating employers prescribed under a SLA, attached as Appendix A to this strategy.

1.2.2. TUPE Transfers

Any existing participating employer planning a contract likely to involve a TUPE transfer of staff should contact their Employer Liaison Officer at the earliest opportunity. The Employer Liaison Officer will provide a guide detailing all of the options available to the participating employer, the process to be followed if Admitted Body status is required and the relevant charges that may apply including Actuary fees and Bond requirements.

1.2.3. Overriding legislation

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

- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Age Discrimination Act 1998;
- Data Protection Act 1998;
- Disability Discrimination Act 1995;
- Finance Act 2004; 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 forms/spreadsheets where relevant as provided in 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 participating 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 participating employers. In addition to these minimum standards the Buckinghamshire County Council Pension Fund has 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 participating employers is accurate. Data should be provided using the forms and 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 participating 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 participating employers. The administering authority will work with its participating 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

The Buckinghamshire County Council Pension Fund will be subject to an annual audit of its processes and internal controls, with the County Council's Regulatory and Audit Committee applying scrutiny to the Fund. Both the administering authority and participating 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 participating employer quarterly against specific tasks outlined in the Service Level Agreement. The administering authority will also monitor its own performance in accordance with the SLA and report outcomes to the Pension Fund Consultative Group. The Chartered Institute of Public Finance and Accountancy (CIPFA) Benchmarking will also be used to monitor performance.

2.3. Employer liaison meetings

Meetings with a member of the Employer Liaison Team and each participating employer will take place at least once during the triennial valuation period to review performance against targets and the quality of data exchange. More frequent meetings will be arranged for larger employers or where deemed necessary by either party.

2.4. Pension Fund Consultative Group

Regular reports on performance and other associated matters will be discussed at the Pension Fund Consultative Group (PFCG) at its twice yearly meetings.

2.5. Pension Fund Committee

The PFCG and the Pensions & Investments Team are ultimately accountable to the Pension Fund Committee (PFC). Any participating employer may be asked to attend a committee meeting for a particular purpose. The PFC's Terms of Reference can be found at:

http://www.buckscc.gov.uk/assets/content/bcc/docs/policy_plans_performance/constitution/constitution_3h_pension_fund_committee.pdf

2.6. Valuation

The Buckinghamshire County Council Pension Fund is subject to a triennial full valuation of its assets in accordance with the LGPS Regulatory Framework. Interim mini-valuations may also be undertaken at the discretion of the Pension Fund Committee. Both the administering authority and participating 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 participating employers in a timely manner and be accompanied by a year end timetable which should be complied with. Outline details are within the SLA. Annual Benefit Statements will be sent to all participating employers by 31 March the following year for circulating to Scheme members. Further details on Annual Benefit Statements are outlined in the Communications Policy.

2.8. Treasury Management

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

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

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

Any additional costs incurred by the administering authority as a direct result of poor performance will be recovered from the participating employer or third party service provider. 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 Service Level Agreement;
- 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 an participating employers 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 B.

Procedures to address poor performance

The Principal Pensions Officer (Governance & Employer Liaison) will work with a participating employer at the earliest opportunity should they be 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 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 Principal Pensions Officer (Governance & Employer Liaison). These steps will only be implemented once all opportunity to address performance issues are exhausted. The steps to be taken in these circumstances are:

- The participating employer will be written to setting out the areas of poor performance
- A meeting will be arranged with the participating employer to discuss the poor performance and to formulate a plan on how to address those areas
- Where a participating 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 poor 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 poor performance; and
- Make the claim against the participating employer, giving reasons for doing so, in accordance with the Regulations.

Administering Authority poor performance will be reported to the Pension Fund Committee via the Pension Fund Consultative Group if applicable. Performance is monitored against the SLA and Customer Charter ([Customer Charter](#))

Review Process

The administration strategy will be reviewed every 3 years unless circumstances dictate more regular review is required. The current version of the administration strategy will be available on our website www.buckscc.gov.uk/pensions under Policies and hard copies will be made available on request.

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01296 383755
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Appendix A

SLA to be inserted when agreed

Appendix B

Charging Schedule		
1	Failure to notify BCC of new starters by the 15 th of the month following the month payroll action was taken	£50
2	Failure to notify BCC of a change in hours or a change in member's address by the 15 th of the month following the date where payroll action was taken	£50
3	Failure to notify BCC of unpaid leave, maternity leave or strike breaks by the 15 th of the month following the month in which payroll action was taken	£50
4	Failure to notify BCC of any member leaving by the 15 th of the month following the month in which the member left	£50
5	Failure to notify BCC of any retirement within 3 weeks of the member's retirement date	£50
6	Where as a result of the Employer's/Payroll Providers failure to notify BCC of a retirement interest becomes payable on any lump sum or death grant paid, BCC will recharge the total amount of interest to the Employer/Payroll Provider	Interest calculated in accordance with Regulation 44 of the LGPS (Administration) Regulations 2008
7	Failure to notify BCC of the death in service of a member within 10 working days of notification	£50
8	Failure to pay over monthly contributions to BCC by the 19 th of the month following deduction of the contributions	Interest calculated on a daily basis equal to the Bank of England Base rate plus 1%
9	Failure to provide BCC with the annual year end return by 30 April	£50 per working day from 1 May to date return is received
10	Failure to respond to requests for Year-end information to resolve queries within the prescribed time	£50
10	Estimate requests in excess of two required in a rolling year	£10 per plus VAT per additional request

12	Other non-standard work	Charge dependant on time taken and Officer undertaking the work
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Notes to the Charging Schedule

- 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, maternity leave or strike 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 Early form, detailed in the Leavers section of the SLA.
- 5 Notifications of retirements must include all of the information required on the 'Notification of Employee Leaving where Pension Benefits will be Paid' form, detailed in the Retirements section of the SLA.
- 6 Regulation 44 of the LGPS (Administration) Regulations 2008 states 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 pension 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 where Pension Benefits will be paid' form, detailed in the Death in Service section of the SLA.
- 8 Requirements regarding payment of monthly contributions are set out in the Monthly Contributions section of the SLA.
- 9 Requirements regarding submission of the annual return are set out in the Year-end Return 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 participating employer's failure to meet the required standards.