

# **Suffolk Pension Fund Administration Strategy November 2018**



# Introduction

This administration strategy is made under regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 and was developed following consultation with employers in the Suffolk Pension fund.

The aim of this administration strategy is to set out the quality and performance standards expected of scheme employers in the fund as well as Suffolk County Council in its role of administering authority. It seeks to promote good working relationships, improve efficiency and enforce quality amongst these parties.

This administration strategy statement was revised in November 2018. It will continue to be reviewed at least every 3 years in line with the triennial valuation or at such time there is a change in legislation or policies that affect this document.

If you have any queries on this Strategy, please contact:

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# Employer Responsibilities

The details below set out the requirements of each employer in the fund. It is expected for there to be 90% or higher compliance with these responsibilities. Where issues are identified by the Employer or Administering Authority, both parties must work together to resolve them at the first available opportunity.

Firstly, the scheme employer must nominate a person who will act as the Administering Authorities primary contact. This should be completed within one month of becoming an employer in the fund and future changes must be notified to the fund immediately.

In addition, each scheme employer must have a person nominated to oversee Stage 1 complaints for the Pensions Dispute Resolution Process. Employers should always ensure the Administering Authority has up to date details for this person.

Each employer must also ensure they have appointed an independent Medical Practitioner qualified in Occupational health medicine, to advise on all ill health retirement application. This appointment needs to be agreed with the Administering authority.

The largest requirement from each employer is to ensure that the year-end return is sent to the Administering Authority by 21st April, or the next working day where this falls on a non-working day. This return will be in the requested format of the Administering Authority and contain accurate information in the relevant fields for each employment.

All other Employer requirements are detailed in the below table.

<b>Employer Function</b>	<b>Employer SLA</b>
Employer Discretion Policies, employers are required to formulate, publish and keep under review a policy statement in relation to a number of discretions in the LGPS. Suffolk Pension fund must hold an up to date copy of this. Any revisions to the policies must be published and a copy provided to the Suffolk Pension Fund	Copy of revised policies need to be with Suffolk Pension fund within one month of a change
All employee and employer contributions will be deducted at the correct rate, including contributions due on leave of absence with reduced or nil pay and paid to the Suffolk Pension fund. This does not include additional voluntary contributions.	Remit and provide details of all contributions by 5 <sup>th</sup> working day of month after deduction
Arrange for the deduction and payment of Additional voluntary contributions (AVC) to the AVC provider	By 19 <sup>th</sup> of month following deduction
Cease deduction of employee contributions where a scheme member opts to leave the scheme	Month following election or future specified date from member
Refund any contributions when employees opt out of the pension scheme before 3 months	Month following receipt of opt out

Employers must issue all new employees eligible to join the LGPS a copy of the members guide to the pension scheme	At the time of appointment either issuing the booklet, pdf or directing to the guide on the Suffolk Pension fund website
Notify Suffolk Pension fund of all new members in the scheme.	Within 6 weeks of starting to ensure automatic enrolment obligations are met.
Notify Suffolk Pension fund with details of all material changes in employee circumstances, including marital or civil partnership status, or hour changes through agreed form/electronic interface	Within one month of change happening
Admitted body employers must review the level of bond or indemnity required to protect the other employers in the Suffolk Pension Fund	Annually, or as agreed individually with the fund
Pay additional fund payments in relation to early payments of ill health, flexible retirement, redundancy or business efficiency retirement	Within one month of invoice date or as notified on individual case
Respond to enquiries from the administering authority	Within 10 days of receipt of enquiry
Respond to any end of year queries	6 <sup>th</sup> July at latest as per HMRC requirement in relation to annual allowance
Provide written advance notification of early leavers from the scheme (employer is required to have 3 months' notice from members as per requirements of LGPS 2013 Regulations (32))	One month prior to effective date
Provide written advance notification of flexible retirements	One month before the effective date*
Notification of general retirements	One month before date of retirement
Provide all information linked to death in service of members	Within 5 days of having all information
For all leavers reason for leaving and confirmation of final pay information must be provided in correct format	By end of month member left

\* Notification must be received by one month after date of change as per LGPS 2013 regulations (32) and the Disclosure regulations 2013.

For employers who will be joining the Suffolk Pension fund under admitted body status please refer to the new employer information that will be provided to you separately.

# Administering Authority Responsibilities

The below details the various responsibilities and agreed Service Level Agreements in relation to Suffolk County Council in relation to its role of the Administering Authority for the Suffolk Pension Fund. Please note Scheme employers are more than welcome to visit the office of the administering authority at any time, with prior notice, to discuss any aspects of these or the Employer Responsibilities.

<b>Work Function</b>	<b>SLA</b>
Issue latest Employer Guide to Employers in Fund	Within one month of Employer admission or changes being made
Issue latest Scheme Guide for Scheme Employees to Employers	Within one month of Employer admission or changes being made
Formulate and publish policies in respect of where the administering authority has discretion in the scheme	Within one month of the policy being agreed by Pensions Committee
Host Employers Meeting	Annually
Notify Employers and Scheme Members of changes to Scheme rules	Within three months of changes taking place
Issue Annual Benefit Statements to Active Members	By 31 <sup>st</sup> August each year
Issue Annual Benefit Statements to Deferred Members	By 31 <sup>st</sup> August each year
Issue formal valuation results which include individual employer details	Within one month of receipt of results from the fund actuary, but in any event no later than 31 <sup>st</sup> March following the valuation date
Set up new admitted bodies including admission agreements and notification to Secretary of State	Within three months of agreement to be an admitted body in fund
Publish and keep under review the Pension Funds Funding Strategy statement	To be reviewed at each triennial valuation, following consultation with the scheme employers and the funds actuary. Revised Statement issued with the final valuation report
Publish the Pension Fund annual report	By 30 <sup>th</sup> November following the year end
Provide responses, or if not possible updates, to scheme members/representatives or scheme employers	10 working days from the receipt of the enquiry
Process New starter information	With one month of receipt from Scheme employer
Process Change in Details received	Within one month of receipt from Scheme Employer
Issue Annual Allowance Statements	By 6 <sup>th</sup> October following end of year
All estimate requests	Within 10 working days of receipt of all information*
Provide details of estimated transfers out	Within one month of receipt of all necessary information
Payment of transfers out	Processed within 10 working days of receipt of all the necessary information

Provide Transfer-in quote to scheme member	Within 10 working days of receipt of the estimates transfer value
Confirm Transfer-in payment and membership change to scheme member	Within 10 working days of receipt of payment and transfer of value
Arrange for the transfer of additional voluntary contributions (AVC) into in-house arrangement	Within 10 working days of receipt of all information
Notify Scheme employer of members election to pay additional pension contributions and/or additional voluntary contributions	Within 10 working days of receipt of election form and all required information
Notify retiring employees of options enclosing the appropriate forms	Within 5 working days of receipt of all the necessary information
Payment of Retirement Lump sum and pension	Processed within 10 working days of receipt of all necessary information**. Pension to be paid in the next available pay run and thereafter paid on the last banking day of each month
Death notifications – issue letter requesting certificates	Within 5 working days following notification of death and all required information
Notification of survivor benefits	Within 10 working days of receipt of all necessary information
Pay balance of deceased pensions and any death grant due	Processed within 10 working days of receipt of all necessary information
Changes to Pensioner Bank details	Will be made by Payroll cut-off date
Appoint Stage 2 appointed person for the purposes of the pension dispute process and notify scheme employers of the appointment	Within one month following the resignation of the current appointed person
Process all stage 2 pension dispute applications	Within two months of receipt of the application, or longer if further information or clarification is required (ensuring member is updated).

\*Please note for bulk estimate requests a longer timescale may be required and will be agreed on an ad hoc basis with the employer

\*\* Or within 20 days if the retirement notification is received sufficiently in advance so there is no detriment to the member

# Legislation

This Administration Strategy has been made under regulation 59 of the LGPS 2013 regulations. Other related legislation includes:

- The LGPS Regulations 1997
- The LGPS (Benefits, Membership & Contributions) Regulations 2007
- The LGPS (Administration) Regulations 2008
- The LGPS (Transitional Provisions, Savings & Amendments) Regulations 2014
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
- The Local Government Pension Scheme (Amendment) Regulations 2018
- The Pensions Act 1995
- The Pensions Act 2004
- The Pensions Act 2008
- The Data Protection Act 1998
- The Finance Act 2004
- The Occupational Pension Schemes (Preservation of Benefits) Regulations 1991
- The Occupational Pension Scheme (Scheme Administration) Regulations 1996
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013
- The Automatic Enrolment (Miscellaneous Amendment) Regulations 2013
- The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014
- General Data Protection Regulation (GDPR) 2018

## **Unsatisfactory performance**

When an employer materially fails to operate in accordance with the standards contained in this Administration Strategy, and these lead to extra costs being incurred by the Administering Authority, the authority may issue a written notice to the employer requiring that these extra costs are met by the employer in accordance with regulation 70 of the LGPS 2013 regulations. Please note the Administering Authority will attempt to work with all employers closely to try and avoid this scenario.

Please note that in the event of the Administering Authority being fined by the Pensions Regulator this fine will be passed onto the relevant employer where the employers' action, or inaction, has caused the fine.

The administering authority will be required to report its performance to the Pensions Board. Any significant breaches of administration will be reported to the Pensions Regulator. Any fine received by the administering authority as a result of its performance will result in the fine being paid by the Administering Authority.