

PENSION ADMINISTRATION STRATEGY STATEMENT

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INTRODUCTION

This is the Pension Administration Strategy Statement ("PASS") of the Lancashire County Pension Fund ("the Fund"). This PASS applies to all employers in the Fund and to Local Pensions Partnership Administration ("LPPA") who administer the Local Government Pension Scheme ("LGPS" or "the Scheme") on behalf of the Fund. Scheme employers must have regard to this PASS when carrying out their role.

Roles and responsibilities

Lancashire County Council ("LCC") is the administering authority for the Fund as defined in The Local Government Pension Scheme Regulations 2013 ("the Regulations").

LCC delegates its functions in respect of the Scheme to its Pension Fund Committee ("the Committee") who further delegates the administration of the Scheme to LPPA through a Services Agreement.

The Local Pension Board assists the Committee with securing compliance with the Regulations and any relevant legislation and ensuring the effective and efficient governance and administration of the Scheme.

The Committee, in conjunction with the Local Pension Board ("The Board"), are responsible for the monitoring and review of this PASS.

PURPOSE

The Fund is committed to delivering a high-quality pension service to both Scheme members and Scheme employers. The PASS defines the roles and responsibilities of the Fund, its Scheme employers, and LPPA in administering the LGPS. It aims to promote strong working relationships and improve efficiency across all parties.

The successful and timely delivery of LGPS benefits relies on sound administrative processes and collaboration between the Fund, Scheme employers, and LPPA. The PASS sets out the expected quality and performance standards for each party, explains how performance will be monitored, and outlines the actions that may be taken in cases of persistent non-compliance.

Administration objectives

The primary purpose of the administration service is to provide a high-quality, cost-effective, and user-friendly service to members, ensuring benefits are processed accurately and on time in line with regulatory requirements. It also aims to help members understand their benefits while maintaining up-to-date, securely managed data.

The PASS will support the Fund's key objectives in relation to administration, ensuring that:

- The Fund, Scheme employers and LPPA understand their responsibilities under the Scheme and the processes in place to meet those responsibilities.
- Performance levels expected of the Fund, Scheme employers, and LPPA are established and communicated.
- The Fund, Scheme employers and LPPA are compliant with the Scheme rules and the Pension Regulator's general code of practice.
- Accurate records are maintained, and data and documents are submitted in a timely and

- secure manner.
- Effective procedures for liaison and communication with Scheme employers are in place.
- In-house and external training continues to be developed and rolled out.
- Service standards are maintained, improved and regularly monitored.

IMPLEMENTATION & REGULATORY BASIS

Implementation

The PASS is kept under review and revised to keep abreast of changes in the Regulations and Fund policies and procedures.

Changes to the PASS will be made following consultation with employers and the Local Pension Board. Following approval by the Pension Fund Committee a copy of the final PASS will be shared with employers along with the Secretary of State.

Regulatory basis

The LGPS is a statutory Scheme, established by an Act of Parliament. The following principal Regulations governing the Scheme are shown below:

- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] (as amended)
- The Local Government Pension Scheme (Transitional provisions, savings and amendment) Regulations 2014 [SI 2014/525] (as amended)

This legislation may be accessed at <http://www.lgpsregs.org/index.php/regs-legislation>

Regulation 59 of the Local Government Pension Scheme Regulations 2013 enables a Local Government Pension Scheme Fund to prepare a written statement ("the pension administration strategy") as one of the tools which can help in delivering a high-quality administration service to its members and other interested parties. This PASS is the Fund's version of the pension administration strategy as described in the Regulations.

In addition, regulation 70 of the Local Government Pension Scheme Regulations 2013 allows a fund to recover additional costs from a Scheme employer where, in its opinion, those costs are directly related to the level of performance of that Scheme employer. Where this situation arises, the fund is required to give written notice to the Scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

PERFORMANCE STANDARDS

The Local Government Pension Scheme prescribes that certain decisions be taken by either the Fund or the Scheme employer, in relation to the rights and entitlements of individual members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Fund has agreed levels of performance between itself, Scheme employers and LPPA which are set out in the PASS.

Quality standards

The Fund, its Scheme employers and LPPA will ensure that all functions and tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in employers' guidance on the [LPPA website](#) and the [Fund website](#).
- information required by LPPA and the Fund to be provided in the standard specified format/form.
- communications to be in a plain language/plain English.
- information provided must be checked for accuracy and authorised by an appropriate qualified officer.
- actions carried out, or information provided, must be within the timescales set out in PASS.

Timeliness

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Scheme.

The LGPS itself sets out a number of requirements for the Fund and Scheme employers to provide information to each other, members and prospective members, dependents, other pension arrangements or other regulatory bodies. The following sections on responsibilities set out the locally agreed timescales for these requirements.

PENSION FUND RESPONSIBILITIES

This section outlines the key responsibilities of the Fund and LPPA and the performance standards Scheme employers and members should expect. It is focused on the key activities which Scheme employers and members are involved in and should not be viewed as a complete list of all activities.

Fund officers' responsibilities – Fund administration

The below functions relate to the whole Fund, rather than individual members' benefits. Fund officers deliver the following functions/activities.

| Function/Task | Performance Target |
|---|--|
| Provision and maintenance of Lancashire County Pension Fund website. | Lancashire County Pension Fund Website PCR Portal |
| Provision and maintenance of Pensions Contribution Remittance 'PCR' Portal. | |
| Host the Employer Strategic Briefing meeting for employer representatives. | Annually in hybrid format. |
| Publish and keep under review the Fund's PASS. | Review every 3 years or sooner if required. Publish within 30 working days of approval by the Committee. |
| Publish, and keep under review the Fund's Governance Policy and Compliance Statement. | Reviewed annually as part of the Fund's Annual Report and Accounts, with any revisions published within 30 days of being agreed by the Committee. |
| Publish and keep under review the Fund's Funding Strategy Statement. | To be reviewed at each triennial valuation, following consultation with Scheme employers and the Fund's actuary. Revised statement to be published at the same time as the final valuation report is issued. |

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| Publish the Fund's Annual Report and Accounts and any report from the auditor. | On or before 1st December following the year end or following the issue of the auditor's opinion. |
| Publish and keep under review the Fund's Communication Strategy Statement. | Reviewed every 3 years, or sooner if a change in circumstances. The statement will be published within 30 working days of any material change to the policy. |
| Publish and keep under review the Fund's Investment Strategy Statement. | The statement will be reviewed tri-annually unless policy or regulatory issues need to be addressed sooner, any subsequent revisions to be published within 30 working days of the policy being agreed by the Committee. |
| Publish and keep under review all discretionary areas where a policy decision is required by the administering authority. | All discretionary areas will be reviewed where policy or regulatory issues need to be addressed, any subsequent revisions to be published within 30 working days of the policy being agreed by the Committee. |
| Admit eligible new employers to the Fund. | Within 3 months of notification from the new employer and on receipt of all required information from all parties. |
| Undertake a risk assessment for all new admitted bodies in the Fund. | To be completed before the admitted body can be admitted to the Fund. |
| Publish and keep up to date all forms required for completion by prospective Scheme employers or existing Scheme employers. | 30 working days from any revision. |
| Notify new Scheme employers of their employer responsibilities, including contribution rate and requirements. | Within 2 weeks of completion of the admission agreement or admission to the Scheme. |
| Carry out interim valuation exercises on cessation of admission agreements or a Scheme employer ceasing participation in the Fund. | Upon each cessation or occasion where a Scheme employer ceases participation of the Fund. |
| Issue formal valuation results (including individual employer details). | No later than 31 March following the valuation date. |
| Notify a Scheme employer of issues relating to the Scheme employer's non-compliance. | Within 30 working days of non-compliance becoming apparent. |
| Notify a Scheme employer of decisions to recover additional costs associated with the Scheme employer's non-compliance (including any interest that may be due). | Within 30 working days of a Scheme employer's failure to improve compliance, as agreed. |
| Appoint stage 2 "appointed person" for the purposes of the Internal Dispute Resolution Procedure. | Within 30 working days following the resignation of the current "appointed person". |
| Process all Internal Dispute Resolution Procedure stage 2 appeals. | Within 2 months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required, subject to the statutory requirements of the dispute procedure. |

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| Approve a Scheme employer's choice of Independent Registered Medical Practitioner (IRMP). | Within 5 working days of receipt of the Declaration form completed by the Scheme employer. |
|---|--|

LPPA responsibilities – Fund administration

The below functions relate to the whole Fund, rather than individual members' benefits. The following functions/activities are delivered by LPPA.

| Function/Task | Performance Target |
|--|--|
| Provision and maintenance of website. | LPPA Website |
| Provision and maintenance of UPM employer portal and PensionPoint member portal. | UPM employer portal PensionPoint |
| Provision of channels of communication for Scheme employers and members. | LPPA Contact Centre – 0300 323 0260 Employer Contact Form Member Contact Form |
| Provision of training and support for Scheme employers provided by LPPA's Engagement Team. | Provision of training sessions via teams, bookable on LPPA's website, including Employer Responsibilities and Monthly returns specification. Provision of training materials and guidance on LPPA's website and LPPA's YouTube Channel . Ad hoc support to individual Scheme employers as and when needed. |
| Provision of newsletters for members and Scheme employers | Member newsletters Pension Pulse |
| Provision of training for members provided by LPPA's Engagement Team | Member training |
| Publish and keep up to date Scheme guidance. | 30 working days from any revision. |
| Notify Scheme employers and members of changes to the Scheme rules. | Within 30 working days of the change(s) coming into effect. |
| Publish and keep up to date all forms required for completion by members, prospective members or Scheme employers. | 30 working days from any revision. |
| Make payment of pensions on due date. | Last working day of month payment relates to. |
| Apply pension increases annually to deferred, pensioner and dependant records. | End of April in relevant year. |
| Apply CARE revaluation to active CARE benefits. | |

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| Issue and publish annual benefit statements as at 31 March to active and deferred members. | Publish to PensionPoint by the following 31 August. Send hardcopies for members opted out of electronic communications. |
| Produce online P60s for pensioners and dependants. | Publish to PensionPoint by the following 31 May. Send hardcopies for members opted out of electronic communications. |
| Produce and issue pension savings statements each year to members who have exceeded their standard annual allowance. | By 6 October following the end of the tax year, (provided receipt of all relevant information from the employer). |
| Handle all complaints and decide to either uphold or not uphold the members complaint. | Acknowledge complaints within 5 working days. Provide full response within 30 working days or if an extension to this timeframe is required, provide an update. |
| Process all Internal Dispute Resolution Procedure stage 1 appeals. | Acknowledge all stage 1 appeals within 5 working days. Contact the relevant stage 1 adjudicator within 5 working days. Where LPPA is stage 1 adjudicator (non-employer decision related appeals) provide full response within 2 months or if an extension to this timeframe is required, provide an update. |
| Notify a Scheme employer of issues relating to the Scheme employer's non-compliance. | Within 30 working days of non-compliance becoming apparent. |

LPPA responsibilities – scheme administration

This details the functions which relate to member benefits from the Scheme. These functions are the responsibility of LPPA.

Performance is measured once all information is made available to LPPA to enable them to complete the process.

Relevant processes are assigned a target timescale for completion, and the performance is measured as the percentage of processes that have been completed within that timescale.

| Function/Task | SLA Target (Working days) | Performance Target |
|---|---------------------------|--------------------|
| New Starters - Create member records and provide new members with a welcome letter confirming their entry to the LGPS, along with key Scheme details and transfer in request form. | 10 | 95% |
| Transfers in – Provide transfer in quotation. On receipt of positive election from member and all necessary documentation, request payment and finalise transfer. | 10 | 95% |
| Transfers Out - Provide transfer out quotation. On receipt of a positive election from member and all necessary documentation, calculate and pay transfer out value. | 10 | 95% |
| Aggregation - Aggregate member records on receipt of positive election from member or if the aggregation scenario requires an election to retain separate benefits, aggregate records if no election received within time limit as stipulated in the Regulations. | 10 | 95% |
| Divorce quotation- Provide information on request in respect of Pension Sharing on Divorce within legislative timescales. (A charge to the member will be levied in line with pension sharing on divorce legislation). | 10 | 100% |
| Divorce actual - Implement Pension Sharing Orders within legislative timescales. | 10 | 100% |
| Deferred Benefits - Provide a statement of deferred benefit entitlement to leavers. | 15 | 95% |
| Estimates - Provide requested estimates of benefits. | 10 | 95% |

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| Refunds - Calculate and pay refunds. | 5 | 95% |
| Retirements – active and deferred – Provide retirement quotation and paperwork, including AVC's if applicable. Pay pension benefits in accordance with member's election, including a retirement lump sum and any arrears if applicable. Recalculate benefits if revised pay information provided. | 5 | 95% |
| Death benefits – Assess entitlement to dependant benefits and death grant and contact next of kin/executor. Calculate and pay any dependants benefits, final balance of pension and death grant. Arrange for recovery of any overpaid pension. | 5 | 95% |
| Children's pensions review - Undertake annual reviews to establish continuing entitlements to pension for all eligible children. Review to be undertaken at least 30 working days before eligible child's 18 th birthday and at least 30 working days before the end of the academic year for any child in full-time education or vocational training. | 5 | 100% |
| General correspondence - Respond to general queries/correspondence. | 10 | 95% |
| Payroll changes – Bank changes, voluntary deductions, payment of arrears pension reinstatements to be processed in time for payroll running. Payroll suspensions to be actioned as soon as LPPA made aware, in time for payroll running. | - | 100% |
| Contact Centre – answer calls within 4 minutes. | - | 95% |

SCHEME EMPLOYER RESPONSIBILITIES

This section outlines the responsibilities of all Scheme employers in the Fund, and the performance standards Scheme employers are expected to meet to enable the Fund to deliver an efficient, quality and value for money service.

All information must be provided in the format and frequency prescribed by the Fund within the prescribed timescales. Information and guidance is provided on [LPPA's website](#) and the [Fund's website](#).

Fund administration

This details the functions which relate to the whole Fund, rather than individual members' benefits.

| Function/Task | Performance Target |
|---|---|
| Confirm a nominated representative to receive information from the Fund and to take responsibility for disseminating it within the organisation. | Prior to an employer joining fund or within 10 days of a change to nominated representative. |
| Confirm a nominated representative to act as Site Administrator on the UPM portal for the online submission of forms and monthly data and creation and/or amendment of users. To delete a user, please contact LPPA using the Employer Contact form. | Within a maximum of 15 days of admission to the Fund or change of existing representative. |
| Confirm a nominated representative to act as Administrator on the PCR portal for the online submission of pension contribution remittances, submission of new user requests and notification of changes to the employer or payroll provider. | Within a maximum of 15 days of admission to the Fund or change of existing representative. |
| Maintain employer contacts within LPPA's Civica Universal Pensions Management (UPM) System, including creation, review and deletion of contacts as appropriate. | Within 10 working days of any changes to contacts |
| Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the Scheme (including providing a copy of the policy decision(s) to the Fund). | Within 30 working days of policy being agreed by the employer. For new employers, policy to be in place from 3 months of admission to the scheme, or 3 months from sealing of the admission agreement, whichever is later. |

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| Attend training relating to the administration of the Fund as and when required to ensure appropriate understanding of the LGPS and your responsibilities as an employer. | Within 30 working days of admission, or as needed for an established Scheme employer. |
| Input remittances into the PCR portal. | By the 6th of month after deduction. |
| Pay over employer and employee contributions to the Fund | Cleared funds to be received by 19th calendar day of month after deduction. Contribution payments must be made by direct debit. Where exceptional circumstances are identified then payment can be made by BACS with an associated £50 plus vat charge per monthly submission. |
| Implement changes to employer contribution rates as instructed by the Fund. | At date specified on the actuarial advice received by the Fund. |
| <p>Submit monthly data return via the UPM employer portal.</p> <p>Data return must be in the format available on LPPA's website.</p> <p>Including but not limited to:</p> <p>New joiners to the Scheme Contractual changes to member's employment Movement between main scheme and 50/50 scheme Changes in member's circumstances and personal details (changes in address must be reported by member's via PensionPoint)</p> | Submitted by the 6 th of the month following the relevant month |
| Respond to queries from the Fund and LPPA, across email and within LPPA's UPM portal. | Within 5 working days from receipt of enquiry. |
| Notify the Fund if contracting out services which will involve a TUPE transfer of staff to another organisation. | Within 10 days of a decision to tender so that information can be provided to assist in the decision, prior to the release of the tender. |

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| <p>Work with the Fund to arrange for an admission agreement and surety arrangements to be put in place when contracting out a service and assist in ensuring it is complied with.</p> | <p>Agreement to be in place by the time the service is contracted out.</p> |
| <p>Notify the Fund if the employer ceases to admit new members to the Scheme or is considering terminating membership of the Fund.</p> | <p>As soon as the decision is made, so that the Fund can instruct the actuary to carry out calculations if applicable.</p> |
| <p>Provide new/prospective scheme members with relevant Scheme information (or refer them to the Fund website).</p> | <p>Within 10 working days of commencement of employment or change in contractual conditions.</p> |
| <p>Make additional fund payments/pensions strain amounts in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent.</p> | <p>Within 30 days of receipt of invoice from the Fund.</p> |
| <p>Make payment of administration and/or actuarial costs in respect of admission to/termination from the scheme.</p> | <p>Within 30 days of receipt of invoice from the Pension Fund</p> |
| <p>Make payment of additional costs to the Fund associated with the non-compliance of the Scheme employer.</p> | <p>Within 30 working days of receipt of invoice from the Fund.</p> |

Scheme administration

This section details the functions which relate to member benefits from the Scheme.

| Function/Task | Performance Target |
|---|---|
| Use UPM portal and PCR portal for all relevant scheme administration tasks. | Within 15 days of employer being set up, trained and with access to use the relevant systems. |
| Arrange for the correct deduction of employee contributions from a member's pensionable pay. | Immediately on joining the Scheme, opting in or change in circumstances. |
| Ensure correct employee contribution rate is applied. | Immediately upon commencing Scheme membership and in line with the employer's policy and as a minimum in each April payroll thereafter. |
| Arrange for reassessment of employee contribution rate in line with employer's policy and notify the member of the change in rate. | Review as per policy and notification within 10 working days of change in rate. |
| Move a member from the main section into the 50/50 section. | From the next pay period following receipt of the member's election form. |
| Move a member from the 50/50 section into the main section. | In line with an employer's re-enrolment date for Auto enrolment purposes or from the next pay period following receipt of the member's election form. |
| Ensure correct deduction of pension contributions during any period of child related leave, trade dispute or other forms of leave or absence from duty. | Immediately, following receipt of election from member to make the necessary pension contributions. |
| Commence deduction of additional pension contributions or amend such deductions, as appropriate. | Month following election to pay contributions or notification received from the Fund. |
| Cease deduction of additional pension contributions. | Immediately following receipt of election from member. |
| Arrange for the deduction of AVCs and payment over of contributions to AVC provider(s). | Commence deduction of AVCs in month following the month of election. Pay over contributions to the AVC provider(s) by the 19 th of the month following the month of election. |
| Refund any employee contributions deducted in error. | Month following the month that the deduction error is detected. |
| Cease deduction of employee contributions where a scheme member opts to leave the Scheme. | Month following month of election, or such later date specified by the member. |

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| Refund employee contributions via payroll where the member has opted out within 3 months. | Month following month of election to opt out. |
| Provide LPPA with details of any breaks in membership (e.g. trade disputes, maternity, paternity) and any APC contracts taken out to cover the break in service. | <p>Within the monthly data return for the month in which the change occurred.</p> <p>Any forms not facilitated under the portal should be submitted within 10 working days of effective date of action (e.g. "return from absence" notification).</p> |
| Notify LPPA when a member leaves employment. | <p>Within the monthly data return for the month in which the member leaves employment.</p> <p>For members with service prior to 1 April 2014, a leaver form should also be submitted through the UPM portal at least 30 working days before the leaving date.</p> <p>In the event of late notification, within 5 working days of notice.</p> |
| Notify LPPA when a member is due to retire and provide a leaver form via the UPM portal. | <p>Submitted via the UPM portal as early as possible, but at least 30 working days before retirement date.</p> <p>In the event of late notification, within 5 working days of notice.</p> <p>You can submit a leaver form with estimated final pay figures and provide updated figures to LPPA when available to avoid delays in processing the members pension.</p> |
| Notify LPPA of the death of a member and provide a leaver form via the UPM portal. | <p>Notified via LPPA's Helpdesk or Contact Form as soon as practicable, but within 5 working days of the employer becoming aware of the death.</p> <p>Leaver form to be submitted as soon as practicable for active members.</p> |
| Appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine, to consider all ill health retirement applications and agree appointment with the Fund. | Within one month of commencing participation in the scheme or date of resignation of existing medical adviser. |
| <p>Review payment of Tier 3 benefits to members after they have been in payment for 18 months.</p> <p>Notify LPPA of outcome of review.</p> | <p>Review 18 months after date of retirement.</p> <p>Notify immediately following decision.</p> |

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| Appoint stage 1 “appointed person” for the purposes of the pension dispute process and notify LPPA of the person responsible for responding to stage 1 disputes. | Within a maximum of 30 working days of appointment or following the resignation of the current “appointed person”. |
| Process all stage 1 pension dispute applications relating to employer decisions. | Within 2 months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required, subject to the statutory requirements of the dispute procedure. |
| Comply with the provisions of the Pensions Act 2008 regarding auto-enrolment of certain employees and advise the Fund of your auto-enrolment staging date. | From the employers staging date. |

MONITORING PERFORMANCE AND COMPLIANCE

Ensuring compliance with the Regulations and the PASS is the responsibility of the Fund, it's Scheme employers and LPPA. This section describes the ways in which performance and compliance will be monitored.

Audit

The Fund is subject to an annual external audit of its financial accounts. In addition, the Fund is subject to internal audits of its processes and internal controls. The Fund, it's Scheme employers and LPPA are expected to comply with requests for information from internal and external audit in a timely manner.

Performance monitoring

The Fund monitors performance against agreed Service Levels. Administration performance and the performance of Scheme employers against the standards set out in this document are incorporated into appropriate reporting schedules.

Updates on performance for both LPPA and Scheme employers are shared with the Board and the Committee on a quarterly basis to ensure effective oversight and scrutiny.

The Fund engages with most Scheme employers about their individual performance to encourage best practice and ongoing compliance with the Regulations and the PASS. Ongoing performance monitoring allows the Fund to identify potential non-compliance early and ensures appropriate measures can be taken in conjunction with LPPA to prevent non-compliance.

Annual report on the strategy

The Regulations require the Fund to undertake a formal review of performance against the PASS on an annual basis. This report is incorporated within the Fund Annual Report and Accounts.

POLICY ON CHARGING EMPLOYERS FOR NON-COMPLIANCE

The majority of Scheme employers are compliant with the requirements of the Scheme and their obligations as outlined in the PASS, enabling the Fund and LPPA to deliver an efficient service on behalf of their members. Occasionally an individual Scheme employer's performance drops below the required level of the Fund and further intervention may be necessary to bring performance back in line with the required standard.

Teams within LPPA and the Fund work closely with employers to target specific performance concerns when they arise. LPPA's Engagement Team offer support and training one on one with employers and officers in the Fund engage closely with employers that need additional support.

The Fund welcomes early engagement from employers to target any areas where performance is below the expected standard. The Fund recognises that unexpected challenges can impact an employer's performance and will endeavour to work with employers to improve performance where possible. In most instances, performance issues can be resolved quickly, and further intervention is not required. In rarer cases, the Fund may be required to intervene further, and the following sections outline the approach that is taken.

Regulation 70 of the LGPS Regulations 2013 enables the Pension Fund to recover costs from a Scheme employer where, in the opinion of the Fund, it has incurred additional costs because of that employer's level of performance in carrying out its functions. Those functions are as stated within this PASS. Where a Fund recovers any such additional costs, they must give written notice to the Scheme employer stating:

- The reasons for forming this opinion.
- the amount the Fund has determined the Scheme employer should pay under regulation 69(1)(d) (payments by Scheme employers to administering authorities) in respect of those costs and the basis on which the specified amount is calculated; and
- the provisions of this PASS which are relevant to the decision to give the notice and to the matters in bullets above.

Circumstances where costs might be recovered

The Fund will strive to work in partnership with employers to resolve areas of non-compliance with their obligations outlined within this PASS. However, the Fund reserves the right to implement charges for prolonged or persistent non-compliance in accordance with the Regulations. Additionally, the Fund may also pass on any additional charges levied by LPPA in relation to non-compliance by individual employers.

Scheme employers that have outsourced their payroll will be responsible for the third-party providers' performance in relation to the tasks set out in the PASS. This requires that Scheme employers will be responsible for payment of any charges levied for underperformance by that third party provider.

The circumstances where such additional costs may be recovered from the Scheme employer include, but are not limited to:

- failure to provide relevant information to the Fund, LPPA, member or other interested party in accordance with specified performance targets in the PASS (either as a result of timeliness of delivery or quality of information)

- failure to pass relevant information to the member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in the PASS.
- failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales.
- instances where the performance of the Scheme employer results in fines being levied against the Fund by the Pension Regulator, Pensions Ombudsman or other regulatory body.

Approach to be taken by the Fund

On identification of any instances of non-compliance, the Fund and LPPA will contact Scheme employers to remind them of their obligations under the PASS and to encourage them to address and improve their compliance. This will include the provision of or signposting to support and guidance as appropriate. Scheme employers are expected to proactively seek out support and training as required if they need additional support.

In cases of prolonged or persistent non-compliance the process for engagement with Scheme employers will be:

1. Write to the Scheme employer, setting out area(s) of non-compliance and highlighting that charges may be made in line with this strategy.
2. The employer will be asked to improve their performance or provide the reasons for the non-compliance within a reasonable timeframe. If needed, the Fund will assess what additional support may be required in terms of training or systems access.
3. If there is not sufficient positive engagement from the Scheme employer to improve performance, charges will be levied.
4. Where the Fund considers it appropriate to charge the Scheme employer in accordance with this policy, an invoice will then be issued to the Scheme employer in accordance with the charging scale set out in this document.

Charging scales for administration

The table below sets out the charges which the Fund will levy on a Scheme employer whose performance does not improve after repeated engagement from the Fund. This reflects the additional administration involved in securing payment of sums due to the Fund and submission of required data and information.

| Item | Charge |
|--|--|
| Contributions Payments - Failure to pay, or underpayment of, employee and employer contributions by the 19 th of the month following deduction. | Interest in line with the Regulations* |
| Contributions Remittances - Late or non-provision of monthly remittance via the Pensions Contributions Remittance (PCR) portal. The deadline for receipt of an accurate schedule would be 12 th of the month following deduction of contributions (or previous working day if the 12 th were to fall on a weekend). | £50 per occasion |
| Monthly Data Files - Late or non-provision of monthly data files. The deadline for receipt of an accurate schedule would be 6 th of the month following deduction of contributions. | Charges as set out below for every month files are not brought up date. Charges in tiers Less than 50 active employees - £50 Between 51 – 1000 active employees - £150 Over 1000 active employees - £250 |
| Late or non-provision of retirement information | In respect of leavers £50 for every case where the information is more than 1 month late from date of leaving or not received via the next monthly data collection portal. In respect of retirements information received later than within 5 working days before retirement date would be deemed late. |
| Fines or additional costs incurred by the Fund in relation to a specific Scheme employers' non-compliance | Full cost of fines or additional charges |
| Unreasonable delays caused by a prospective or Scheme employer to enter into an admission agreement | £50 for every month the information is late |

* Interest will be charged in accordance with regulation 71 of the Local Government Pension Scheme Regulations 2013, which states interest should be charged at Bank of England base rate plus one percent.

Additionally, the Fund reserves the right to recharge a Scheme employer for any additional costs charged by LPPA associated with non-compliance of that Scheme employer's obligations as detailed within this PASS.

All instances of charges for non-compliance being levied to Scheme employers will be reported on a quarterly basis to the Local Pension Board.

CONTINUOUS IMPROVEMENT

The Fund's objective in relation to administration is to deliver an efficient, quality and value for money service to its Scheme employers and members. This can only be achieved through continuously reviewing and improving the service.

Fund officers are appraised of LPPA's continuous improvement activities which are regularly discussed at Client meetings to review progress. LPPA also gather and consider feedback from Scheme employers and members on a regular basis through surveys and a member panel. Employers will be informed of any changes to the service provision which affect the way they or their members interact with the Fund.

CONSULTATION AND REVIEW PROCESS

In preparing the PASS the Fund must consult with all Scheme employers with active contributors in the Fund. The strategy will be reviewed where there are significant changes to the Regulations or Fund policies. Scheme employers will be consulted before any changes are made to this document.

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