

Essex Pension Fund

Administration Strategy

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19 December 2018

1. Introduction and Regulatory Context

- 1.1 This is the pension administration strategy of the Essex Pension Fund (“the Fund”) in relation to the Local Government Pension Scheme (LGPS) in Essex. The strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. This document sets out a framework by way of outlining the policies and performance standards to be achieved to enable provision of a cost-effective and high quality pension administration service.
- 1.2 The Local Government Pension Scheme (LGPS) Regulations 2013 allow Pension Fund Administering Authorities to prepare a Pension Administration Strategy (“the Strategy”) for the sole purpose of improving the administrative processes within their LGPS Fund. In discharging their roles and responsibilities under these regulations, the Fund and Scheme employers (“employers” or “employer”) are also required to comply with any pertinent overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pension Regulator.
- 1.3 The 1st April 2015 represented a key milestone in the governance arrangements of the Local Government Pension Scheme. From this date the Pensions Regulator took responsibility for setting standards of administration and governance on all administrative aspects of the scheme, whilst recently established Local Pension Boards will play an independent scrutiny role to ‘assist’ the Fund with its ‘regulatory compliance, effective and efficient administration and governance’.
- 1.4 The Fund has revised its March 2013 strategy to ensure the Governance and administration requirements of The Pension Regulator (“TPR”) are properly addressed as they fall to the Fund and employers.

2. Aims and objectives

2.1 To ensure that we are administering the scheme correctly and we continue to improve and enhance the service we offer, the Fund has set the following administration objectives:

- Deliver a high-quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only

The Fund has also set the following communications objective:

- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

2.2 The **aims** of this strategy are to:

- Provide a high quality pension service to members
- Set out the quality and performance standards expected of the Fund and its scheme employers; and
- Promote good working relationships and improve efficiency between the Fund and its scheme employers.

2.3 The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably for the timely exchange of accurate information in relation to scheme members.

2.4 This strategy sets out the expected levels of performance of the Fund and the scheme employers and provides details about the monitoring of performance levels and the action(s) that might be taken where standards are not met by employers and/or when persistent non-compliance occurs.

2.5 The **specific objectives** of this strategy are to ensure that:

- The Fund and employers are aware of, and understand, their respective roles and responsibilities under the LGPS Regulations
- The Fund operates in accordance with LGPS Regulations and is aligned with The Pensions Regulator in demonstrating compliance and scheme governance.
- Communication processes are in place to enable both the Fund and Employers to proactively and responsively engage with each other and other partners.
- Accurate records are maintained for the purpose of calculating pensions entitlements and employer liabilities, ensuring all information and data is communicated accurately, on a timely basis and in a secure and compliant manner

- The Fund and Scheme employers have appropriate skills, and that guidance/training is in place, to deliver a high-quality service and effectively contribute to the changing pensions agenda
- Standards are set and monitored for the delivery of specified activities in accordance with Regulations and minimum standards as set out
- Administrative services are developed and delivered digitally where possible in order to streamline processes and maximise efficient use of resources

3. Roles & responsibilities

3.1 Scheme Employer responsibilities

- 3.1.1 Each Scheme employer shall nominate a person who will act as the Fund's primary contact. There may be up to three further contacts for finance, contributions, payroll etc.
- 3.1.2 Authorised officers should sign all documents and/or instructions received from an employer. In signing a document the authorised officer is not merely certifying that the form comes from the employer stated, but also that the information being provided is correct. Consequently, if an authorised officer is certifying information that someone else has compiled, for example leaving information including a final salary pay, career average pay, assumed pay, (s)he should satisfy him/herself that the information is correct.
- Nb. the authorised officer cannot sign a document/form which in respect of their own LGPS membership – these should be signed by a more senior authorised officer/chair of the council etc.
- 3.1.3 It is the employer's responsibility to ensure that the authorised officer and contact details held by the Fund are correct, and to notify the Fund of changes to either immediately.
- 3.1.4 The employer must ensure the nominated primary contact (and other key staff) is aware of its Scheme employer duties and keeps up to date with guidance issued by the Fund.
- 3.1.5 The employer must ensure it retains a good level of LGPS knowledge and has a succession plan in place in case the nominated primary contacts leaves.
- 3.1.6 During the year the employer should provide the required data and notifications to the Fund, with 90% compliance or better. Persistent failure by an employer to meet the required performance standards could result in any additional costs to the Fund being recovered from the employer – see Section 5.6.
- 3.1.7 The employer must comply with its obligations under Data Protection Law (see the Fund's 'Memorandum of Understanding for Employers – compliance with Data Protection Law'), including the secure transfer of members' personal data.

3.1.8 Summary of Scheme employer responsibilities

This section outlines the key responsibilities of Scheme employers, what employers are required to do and by when. It is focussed on the key activities and should not be viewed as an exhaustive list; employers have a statutory duty to provide the Fund with all information necessary to enable the Fund to administer the scheme. Employers are expected to achieve at least 90% compliance with the expectations.

Function/task		Expectation
1)	General	
1.1	Confirm nominated representative(s) to receive information from the Fund via the submission of a completed contacts form	Within 30 days of change or becoming a Scheme employer
1.2	Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute process (IDRP) and provide full up to date contact details to the Fund	Within 30 days of becoming a scheme employer or following the resignation of the current adjudicator
1.3	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS	A copy of the policy document is to be submitted to the Fund within 30 days of the change in policy
1.4	Distribute any information provided by the Fund to scheme members/potential scheme members (e.g. scheme benefits or benefit statement production)	In a timely manner as required
2)	New Starters	
2.1	Decide who is eligible for LGPS membership (and the date from which membership of the LGPS starts).	On joining (or at point becomes eligible if later)
2.2	Determine rate of employee contributions	For the first pay period in which the employee joins the LGPS
2.3	Notify EPF of new joiner via spreadsheet or online portal	By end of month following the date joined (e.g. by the end of May if joined in April)
2.4	Provide new employees, who are eligible for the LGPS, with details about the LGPS This may be in the form of providing a copy of the Key Facts leaflet and/or directing them to the Fund's website	With 30 days of commencing eligible employment

Function/task		Expectation
3)	Contributions	
3.1	Remit employer and employee contributions to the Fund and Complete monthly remittance form containing detail of the contributions payment.	By 19th of the following month (both payment and form)
3.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates & Adjustment Certificate as per the valuation or on commencement as a scheme employer
3.3	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly
3.4	Manage the deduction of all additional contributions or amend such deductions, as appropriate	As required
3.5	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly
3.6	Make additional fund payments in relation to early payment of benefits from flexible, redundancy or business efficiency retirement or where a member retires early with employer's consent, or the employer 'switches on' the 85 year rule, and a financial strain cost arises	Within 30 days of receipt of invoice from the Fund
3.7	Refund contributions through the payroll to any employee who opts out of the scheme with less than 3 months membership.	From the next pay period after receiving the employee's request to opt out
4)	During membership	
4.1	Move employees into the 50:50 section or Main section	From the next pay period after receiving the employee's election

Function/task		Expectation
4.2	Move employee back into the Main section	If the employee is in the 50/50 section and either goes onto no pay due to sickness or injury or passes the member's automatic re-enrolment date, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.
4.3	Notify EPF of changes affecting pension entitlement via monthly spreadsheets or online portal	By end of month following the date of change (e.g. by the end of May if the change occurred in April)
5)	Early Leavers	
5.1	Early leavers (non-retirement) notify EPF via forms EPF1 + EPF68 or online portal	By end of month following the date of leaving or opting out of the scheme.
6)	Retirements	
6.1	Advance notification of retirement form EPF1a (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known
6.2	Notification of retirement forms EPF1 + EPF68 (or via online portal)	Forms EPF1 + EPF68 (& EPF142 for ECC if applicable) should be sent to the Fund as early as possible but, in any event, no later than 10 working days after the member's final payroll has run
6.3	Early Retirement at member's choice	If the Fund receives forms EPF1 + EPF68 for a member who has left their employment and is age 55+ we will process as a potential retirement and offer the member early payment of pension benefits. Therefore, leaver forms should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run
6.4	Ill Health Retirement notification notify EPF via forms EPF1 + EPF68 (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known. Forms EPF1 & EPF68 should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run

Function/task		Expectation
6.5	Flexible retirement notification	Forms EPF1 & EPF68 should be sent to the Fund as early as possible but no later than 10 working days after the member's final payroll has run accompanied by a covering letter confirming the number of hours p.w. to be worked in the continuing job
7)	Contracting out of services	
7.1	Contact the Fund to discuss the pension implications of the contracting out of services which will involve a TUPE transfer of staff to another organisation.	Immediately if contracting out of services is being considered as a possibility and certainly before making any decisions to contract out services
7.2	Notify the Fund of the intention to contract out of services which will involve a TUPE transfer of staff to another organisation by completing TUPE 1 form to instruct the actuary	At least 6 weeks before going out to tender
7.3	Work with the Fund to arrange for an admission agreement to be put in place when contracting out a service, and assist in ensuring it is complied with	In advance of the date of contract (admission agreement must be completed and signed before the contract signing)
7.4	Notify the Fund if the employer ceases to admit new scheme members or is considering terminating membership of the Fund	During exploratory discussions or as soon as the decision is made
8)	Year-end data return	
8.1	Provide the Fund with a year-end data return to 31 March each year. Because of the critical nature of this data for statutory reporting and annual benefit statement production, there is a separate charging policy for late and/or inaccurate returns – see Appendix 1	An accurate return to be submitted in the approved format no later than 30 April.

3.2 The Fund's responsibilities

This section outlines the key responsibilities of the Fund, what the Fund will do and by when. It is focussed on the key activities which scheme employers and scheme members are involved in and should not be viewed as an exhaustive list. See section 4.2 for a list of key tasks which are benchmarked annually against other LGPS Funds and are reported to the Essex Pension Fund Strategy Board ("Pension Strategy Board").

3.2.1 General duties & responsibilities

Function/task		Expectation
1)	General information	
1.1	Regularly review the Fund's pensions administration strategy and consult with all scheme employers	In advance of the policy being adopted
1.2	Regularly review the Fund's funding strategy statement at each triennial valuation, following consultation with scheme employers and the Fund's actuary	Publish by 31 March following the valuation date or as otherwise required
1.3	Regularly review the Fund's communication policy	Annual review and publish within 30 days of the policy being agreed by the Pensions Strategy Board
1.4	Regularly review the Fund's governance and compliance statement	Publish by 30 September, following the year-end or within 30 days of the policy being agreed by the Pensions Strategy Board
1.5	Publish the Fund's annual report and accounts	By 1 December, following the year-end
1.6	Publish the Fund's final audited and approved accounts	By 31 July following the year-end
2)	Contribution requirements	
2.1	Consult with employers on the outcomes of the triennial valuation	At least two months in advance of the signing of the final rates and adjustment certificate
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	On or before 1 st April following final issue of rates and adjustments certificate by the actuary
2.3	Notify new scheme employers of their contribution requirements	Within six weeks of receipt of the notification of admission application or commencement as a scheme employer

Function/task		Expectation
3)	Support for employers	
3.1	Provide support for employers through: <ul style="list-style-type: none"> • a dedicated helpline • written guidance and communications; and • face to face meetings 	Dedicated helpline: Monday-Thursday 8.30am-5.00pm Friday 8.30am-4.30pm Written communication as per the Fund's communication policy Employer forum held at least annually
3.2	Organise and provide coaching sessions on the scheme employer role	in accordance with the Fund's communications policy
3.3	Notify scheme employers and scheme members of changes to the scheme rules	As per disclosure requirements
3.4	Provide a facility for employers to submit data via a web portal	Employers being on boarded regularly from 2017/18 onwards
3.5	Production and maintenance of an IDRPs employer guide	On an ongoing basis
3.6	Issue postings queries to employers re year-end data return (validation stage)	Accepted or Rejected email sent to employer within 7 days
3.7	Query list sent to employer requesting information re year-end data return (processing stage)	Query list sent to employer within 20 working days of return being accepted at validation stage
4)	Member information and general administration	
4.1	Produce annual benefit statements for active members as at 31 March and deferred members as at pensions increase date in April	By 31 August following the year-end
4.2	Produce annual benefit statements for deferred members as at pensions increase date in April	By 30 June following pensions increase date
4.3	Produce and issue pension savings statements each year to members who have exceeded their standard annual allowance	By the end of the tax year, 6 October (provided receipt of all relevant information from the scheme employer)

Function/task		Expectation
4.4	Issue P60s to pensioners and beneficiaries	By 31 May following the year-end
4.5	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision
4.6	Letters/e-mails from members (or member's representatives)	Answer or acknowledge within 5 working days

3.2.2 Performance measurement and key tasks

The Fund monitors its performance against the following tasks and a number of the key tasks are also benchmarked annually against industry standard performance indicators. The benchmarking also compares the Fund's performance against other LGPS Funds as part of the CIPFA benchmarking club. The Fund's performance against these key tasks, and its performance comparative to other Funds, is reported to the Pension Strategy Board and is included in the Fund's annual report & accounts.

The table below set out the Fund's performance indicators in relation to processing scheme member records and benefits and the separate table on page 12 sets out the key performance indicators which are benchmarked annually. The Fund aims to maintain performance at 100% in respect of annual benefit statements, 95% in respect of key performance indicators and 90% in respect of other performance indicators.

Performance Area		Measurement
1)	New joiners & changes	
1.1	Set up a new starter and provide statutory notification	<u>Portal submissions</u> Within 5 working days of receipt of correct data file from employer <u>Spreadsheet submissions</u> By 15 th working day of the month if correct data received by 7 th working day of the month; or By 15 th working day of the following month if correct data received after the 7 th working day of the month
1.2	Changes to a member's details	Within 20 working days of receipt of notification from employer

Performance Area		Measurement
2)	Transfers	
2.1	Transfer-in quotations processed	Within 10 working days of receipt of all the required information
2.2	Transfer notification of transferred-in membership to be notified to the scheme member	Within 10 working days of receipt of payment
2.3	Transfer-out quotations processed	Within 10 working days of receipt of all the required information
2.4	Transfer-out payments processed	Within 20 working days of receipt of all the required information
2.5	Provision of estimate for divorce purposes	Within 15 working days of written request
3)	Additional contributions	
3.1	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including all required information to enable deductions to commence	Within 10 working days of receipt of election from a scheme member
2)	Process scheme member requests to pay/amend/cease additional voluntary contributions (AVCs)	Within 5 working days of receipt of request from a scheme member
4)	Leavers	
4.1	Notify members of their deferred options	Within 10 working days of receipt of the leaver notification
4.2	Deferred benefits calculated	Within 10 working days of receipt of all necessary information
4.3	Deferred benefits processed for payment following receipt of election	Within 5 working days from receipt of all necessary information
4.4	Refund payments	Within 5 working days from receipt of all necessary information
5)	Retirements	
5.1	Provision of retirement options to members	Within working 10 days of the later of (i) the member's leaving date or (ii) receipt of all necessary documentation

Performance Area		Measurement
5.2	New retirement benefits processed for payment following receipt of election	Lump-sum payment within 5 working days of receipt of all necessary documentation First pension payment on next available payroll run
5.3	Changes to bank details made	By next payroll cut-off date
6)	Deaths	
6.1	Acknowledgement of a death	Within 5 working days of receiving the notification.
6.2	Notification of benefits payable to dependents will be issued	Within 5 working days of receiving the required information
6.3	Payment of death lump-sum will be made	Within 10 working days of receipt of all the required information
7)	Customer service	
7.1	Calls received to the customer helpline to be answered	85% of calls received to the customer helpline to be answered within 5 rings
7.2	Calls received to the employer helpline to be answered	85% of calls received to the employer helpline to be answered within 5 rings
7.3	Provide an answer or acknowledgement to scheme members/scheme employers/personal representatives/dependents and other authorised persons	Within 10 working days from receipt of enquiry

Key tasks

The following key tasks are benchmarked annually against the performance other LGPS Funds as part of the CIPFA benchmarking club. The Fund's performance against these key tasks, and its performance comparative to other Funds, is reported to the Pension Strategy Board and is also included in the Fund's annual report & accounts.

Performance Area		Standard
1	Non-LGPS transfer in quotations processed	10 working days

Performance Area		Standard
2	Non-LGPS transfer out quotations processed	10 working days
3	Refund payments made	5 working days
4	Deferred benefits calculated	10 working days
5	Estimate of retirement benefits processed	10 working days
6	Actual retirement benefits processed	5 working days
7	Process and pay lump sum retirement grant	5 working days
8	Notification of a death processed	5 working days
9	Dependants' pensions processed for payment	5 working days

4. Achieving the Objectives

There are currently in excess of 700 employers in the Fund differing in size, structure and capability which represents a significant logistical challenge to the management of information, processes and services within the Fund. The number of employers in the Fund continues to grow as does the demand for more accurate and timely information. We need to comply with the expectations and demands of scheme members and the data requirements of ever increasing scrutiny both at a local and national level. Furthermore, the Pensions Regulator has introduced higher levels of compliance and the Fund will be required to demonstrate heightened governance and administrative efficiency.

There are four key elements necessary to achieving the Fund's administrative objectives:

(a) Communications

The Fund aims to provide clear, relevant, accurate, accessible and timely information to all stakeholders. To this end, the Funds' communications strategy is already well developed providing a wide range of solutions for all parties. However, with the increasing number of scheme employers and membership creating an increased need for information, the Fund is developing its communications strategy, embracing technology to enable both member and employer online access to the administration system.

(b) Training and Engagement

The objectives of the Fund have always been to keep stakeholders informed of new developments providing guidance, training and workshops for employers and the Fund's staff alike when new Regulations are implemented or are under consideration.

Additionally, guidance and training are offered on an ongoing basis to new scheme employers or relevant new HR/Payroll staff. With this in mind, it is important that both employers and the Fund ensure that their staff have the right level of skills and knowledge to support any changes, starting with a sound foundation of existing regulations and administrative processes.

Notwithstanding future changes, there is an ongoing need to continuously maintain the quality of member records and the administrative processes by improving the quality of information received from employers.

The Fund's guidance and training aims are therefore:-

- To ensure that relevant staff within each employer have sufficient knowledge and skills to effectively discharge administrative processes by working with Employers' Human Resources, Payroll and other staff to identify relevant skills and knowledge gaps and provide appropriate guidance and training;
- To ensure that employers are fully aware of the risks involved in poor administration and maintenance of member pension records and if they fail to discharge their discretionary functions;
- To support the implementation of new technology within the Fund enabling greater self-service for the employer and streamlined administration;

- To continually develop the technical skills and competencies of the Fund's staff and retain knowledge in the application of historic regulations.

The Fund will provide guidance and training for employers' relevant staff, to build up and maintain a level of professional expertise which together with the employer's own systems and processes will enable employers to deliver information required by the Fund to efficiently administer the Scheme.

The primary contact at the employer has an important role to play in ensuring both they and other relevant staff (or their successor) build up and retain sufficient knowledge and skills to enable the employer to comply with its statutory LGPS duties.,

(c) Information & Communications Technology

As part of its digital ambitions, the Fund has invested in upgraded software which has the facility to enable employers to submit data online, via a web portal enabling employers to review and update their staff's individual member records or notify the Fund of changes in their employment details.

This development allows employers to submit certain changes, notifications and requests online, including Joiners, 50/50 switches, Changes of Address, Changes of Personal Circumstances, Changes of Hours and Breaks in Service, Early Leaver Notifications, Estimate Requests, General Queries, Leaver Notifications, Maternity Commencement and Return and Opt outs within 3 months.

At the time of publication, over 200 employers have been successfully on boarded and on boarding continues on a monthly basis; the ambition is to eventually have all Fund employers submitting data electronically via the portal.

(d) Performance standards

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 scheme itself sets out a number of requirements for the administering authority or scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies.

The locally agreed performance standards, covered in section 3 above, cover all aspects of the administration of the scheme and, where appropriate, go beyond the overriding legislative requirements.

The administering authority and scheme employers will ensure that all functions/ tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- work to be completed and submitted in the required format and/or on the appropriate forms;
- information to be legible and accurate;
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately trained member of staff before submission;

- information submitted to be appropriately authorised; and
- actions carried out, or information provided, within the timescales set out in this strategy document.

For the avoidance of doubt “accuracy” in this Strategy is defined as when we have received a completed form/data with no gaps in mandatory areas and with no information which is either contradictory within the document or which we need to query.

The timeliness relates to a date of event being either the date the member started or left the Fund or any other material change that affects a scheme member’s pension record.

5. Procedures for ensuring compliance

5.1 Ensuring compliance is the responsibility of the administering authority and scheme employers. We will work closely with all scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy.

5.2 We will also work with employers to ensure that overall quality and timeliness is continually improved. Various means will be employed, to ensure such compliance and service improvement, seeking views from as wide an audience as possible. These include:

Performance monitoring

5.3 The employer should monitor its own performance against its scheme employer duties & responsibilities and seek to improve its performance where it is not achieving the required level of performance.

5.4 The Fund will also monitor the employer's performance against the agreed performance levels and will work closely with employers in identifying any areas of poor performance, provide the opportunity for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

5.5 The Fund will also monitor its own performance against its administering authority duties and responsibilities. The Fund participates each year in the CIPFA Benchmarking Club to measure its performance against other LGPS Funds and performance against key performance indicators are reported to the Pension Strategy Board and included in the Fund's annual report & accounts.

Unsatisfactory performance

5.6 Where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and /or unwillingness is shown by the employer to resolve the identified issue(s), the following sets out the steps we will take in dealing with the situation in the first instance;

- The Fund will contact and/or meet with the employer to discuss the area(s) of poor performance and how they can be addressed.
- An improvement plan will be agreed setting out the improvements required and a timescale for achieving those improvements.
- Where no improvement has been demonstrated by the employer within the agreed timescale, or where there has been a failure to take agreed action by the employer, the Fund will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified, the steps taken to resolve those area(s) and giving notice that the additional costs may now be reclaimed.

- The Fund will clearly set out the calculations of any loss or additional costs resulting to the Fund, taking account of time and resources in resolving the specific area of poor performance; and
- The Fund make a claim against the scheme employer, setting out the reasons for doing so, in accordance with the Regulations

6. Work not included in the administration charge (and for which the Fund will make an additional charge)

The following table details work which the Fund may do for scheme employers, but which is not covered by the administration charge. This may be because there is no statutory requirement for the Fund to do the work or because not all employers require the work to be done. As such work is not included in the administration charge, the following additional charges will apply:

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
IAS19/FRS17 production for accounts	All work relating to IAS19/FRS17 production for accounts Nb. this is in addition to the Actuary's charges	£150-£600 depending on no. of members Additional officer time can be charged for additional auditor enquiries.
Late payment of contributions (Ees/Ers/deficit) & late submission of return	Receipt of income late - regulations require within 19 days of end of the month.	£60 for late payment (includes part payment being paid late, e.g. deficit) £60 for late submission of return
Spreading of Pension Strain cost – <i>category A employers only (major tax raising bodies)</i>	All related accounting and reconciliation work	£225 per case Nb. if subsequently chooses to make capital payment to pay off strain, no further charge will apply
Working out average hours for a scheme member	Working out average hours for a scheme member (an employer duty)	£20 per member/per scheme year
Coding changes for CAYs/ teachers compensation	Input new code on pension payroll	£100 < 100 members £150 100-250 members £200 > 250 members
Early Retirement Estimates (1 st for that member in the calendar year)	Accelerated turnaround time	A charge will usually only be made if, in the Fund's view, excessive requests are being made by a scheme employer: 2 - 3 week turnaround – No charge 1 - 2 week turnaround - £25 per estimate < 1 week turnaround - £50 per estimate

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
Early Retirement Estimates (Additional requests in calendar year)	Provision of additional early retirement estimates	A charge will usually only be made if, in the Fund's view, excessive requests are being made by a scheme employer: 2 - 3 week turnaround – £25 per estimate 1 - 2 week turnaround - £50 per estimate < 1 week turnaround - £75 per estimate
Bulk early retirement estimates E.g. Running report to capture pension, lump sum, strain for everyone over age 55	Bulk early retirement estimates	3 week turnaround - £650
TUPE & Outsourcings - Admission body process (including re-lets)	Any work relating to a Fund employer tendering or outsourcing a service, TUPE transferring staff and contractor/community body entering into admission agreement with the Fund. Nb. this is in addition to the Actuary's report fee	Charge is 25% of the actuary's fee for the risk and contribution report. Charge includes: <ul style="list-style-type: none"> • Generic guidance of the process • Provision of standard draft agreements • Reasonable cleansing of records • Providing data to the Actuary • Liaising with the Actuary • 60 minutes of officer support & guidance by phone, e-mail or in person • Sealing of agreements by ECC • Provision of copy of sealed agreements to all parties • Amendment of UPM records Any additional work necessary, such as amendments to the standard draft admission agreement, will be chargeable at £50 - £100 per hour depending on which officer does the work
Academy conversions/free schools	Any work relating to the conversion of a school to Academy status or the setting up of a free school. Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Bond Review	Any work in relation to reviewing a bond level Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee

Description of Activity	Work done which is not covered by Admin Charge	Additional charge
Internal fund transfers	Any work in relation to an internal transfer of members between employers in the Fund Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Non- standard Actuarial work	Non-standard actuarial work instigated by, or because of the actions of, the Employer – e.g. bespoke requests Nb. this is in addition to the Actuary's report fee.	15% of the Actuary's fee
Cessation work when an employer exits the Fund	All work in relation to the cessation of an employer exiting the Fund Nb. this is in addition to the Actuary's report fee.	20% of the Actuary's fee
Accelerating work - Employer asking for work to be done quicker than normal agreed turnaround times	Prioritising work over other work	Charge will depend on how many cases to be accelerated and how quickly turnaround is required
Assistance with wording of the employer's communications or policies etc	Writing/Re-writing employer communication	Chargeable at £50 - £100 per hour depending on which officer does the work

Nb. Any charges shown as a cash amount will be reviewed periodically and any revised charges published in an updated version of this Strategy.

YEAR-END DATA RETURNS

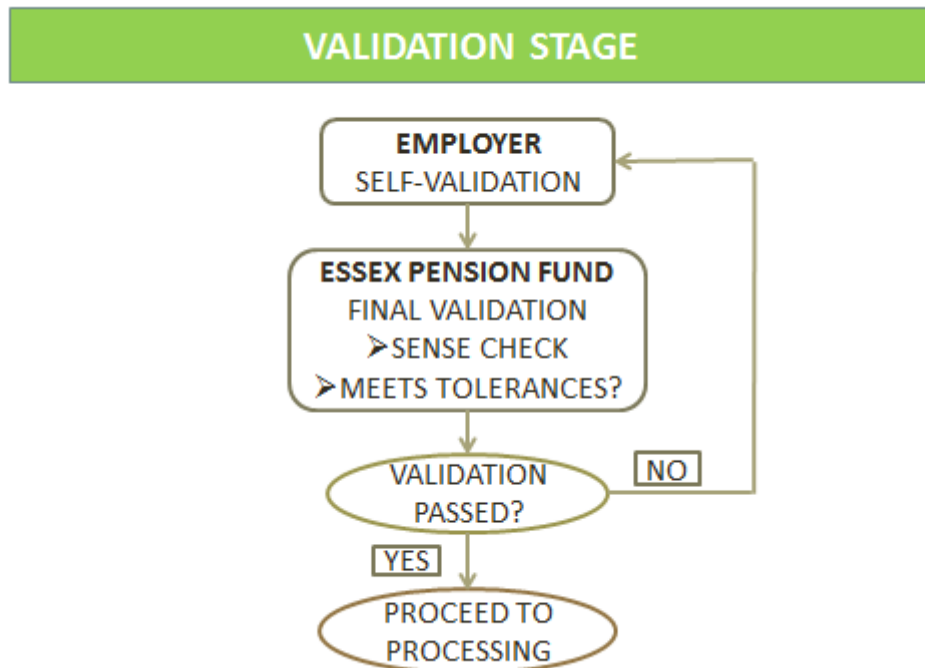
Policy on charging for late and/or inaccurate returns

Effective date: 19/12/2018 Updated: 19/12/2018 to include September 2018 CPI

- If a return is late and/or contains errors, or data omissions are identified, then charges can be incurred by an employer at both the Validation stage and at the Processing stage.
- Any charges incurred by employers for either stage will be invoiced at the end of the year-end data return exercise.

Details of the two acceptance stages are outlined below;

Nb. *all dates are following the year-end, e.g. 30 April means 30 April 2018 for the 2017/18 return, 30 April 2019 for the 2018/19 year-end and so on.*



- Employers will be expected to undertake many of the formatting and tolerance checks themselves, by using the self-validation facility built into the year-end data return spreadsheet, before they submit their return.
- Any return submitted with Red or Amber validation errors without explanatory comments, or not submitted on the correct layout provided for the year in question, will be rejected and returned to be corrected and resubmitted
- Correctly submitted returns will then be subject to additional validation and tolerance checks by officers which must be passed before the return can be accepted and proceed to the Processing stage.

No charge if;

- the return is received by the deadline of 30 April and passes the validation and tolerance checks by 14 May

Charge A if;

- the return is received by 30 April and passes the validation and tolerance checks after 14 May but by 31 May, or
- the return is received after 30 April but is received and passes the validation and tolerance checks by 31 May.

Charge B if;

- the return is received after 30 April but by 31 May and does not pass the validation and tolerance checks by 31 May, or
- the return is received after 31 May.

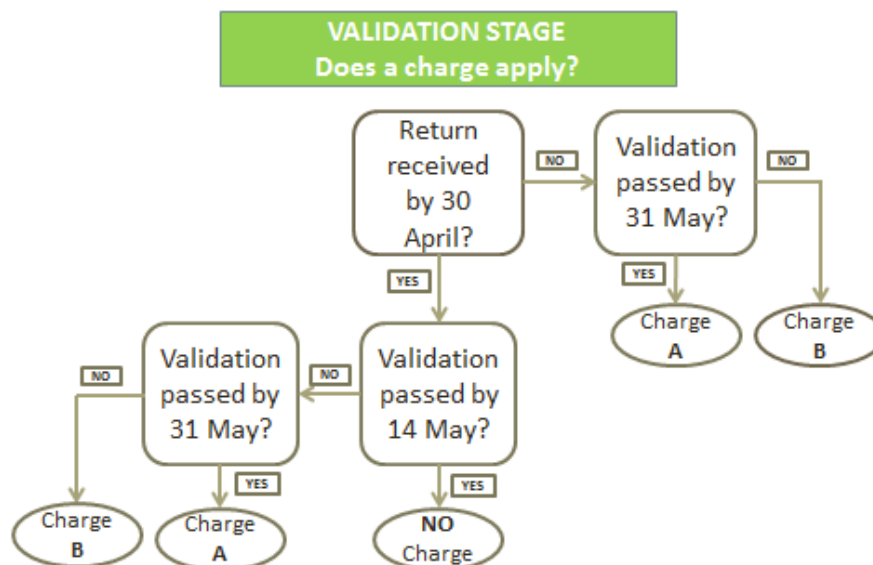
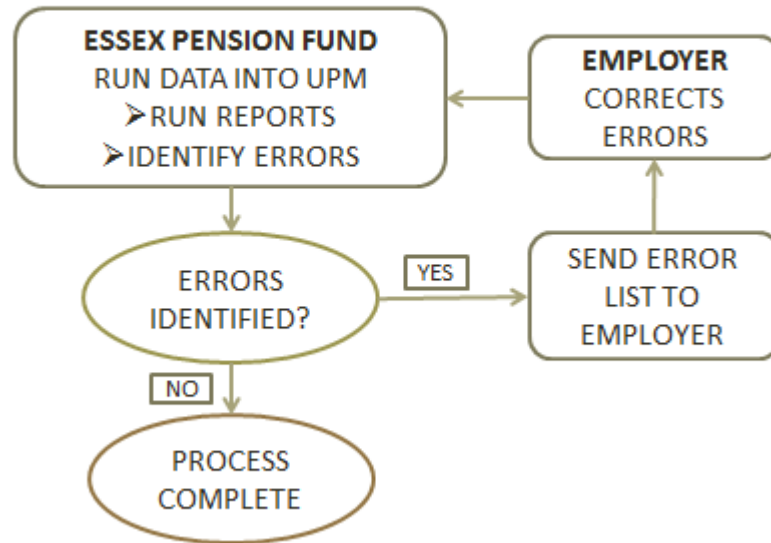


Table 1: Validation stage charges		
Number of Active members at 31 st March	Validation Charge A	Validation Charge B
1 to 25	£211	£422
26 to 50	£370	£738
51 to 75	£475	£949
76 to 100	£581	£1,160
101 to 250	£1,055	£2,109
251 to 500	£2,215	£4,430
501 to 1,000	£2,901	£5,801
1,001 to 5,000	£5,801	£11,602
5,001 to 10,000	£10,020	£20,040
10,001 to 15,000	£15,821	£31,642
15,001 to 20,000	£23,731	£47,462
20,000+	£31,642	£63,283
If a return is not submitted by 31 May then Charge B will apply		
These charges will be increased each year by September's Consumer Prices Index (CPI) annual inflation figure		

PROCESSING STAGE



- Data provided on the return is run into the administration system to identify any errors on the individual data lines (e.g. missing starter or leaver notifications)
- If any errors/omissions/queries are identified, a list of these will be sent to the employer and the employer will be given 14 calendar days to rectify the errors/omissions/queries.
- If the errors/omissions/queries are not rectified within 14 calendar days from notification by the Fund, there will be a Stage 2 charge
- The Processing charge will be based on the number of errors, omissions and queries in the list sent to the employer and the level of charges is shown in Table 2.
- If completely correct data is not received within 28 calendar days from notification by the Fund, the charge will be doubled.

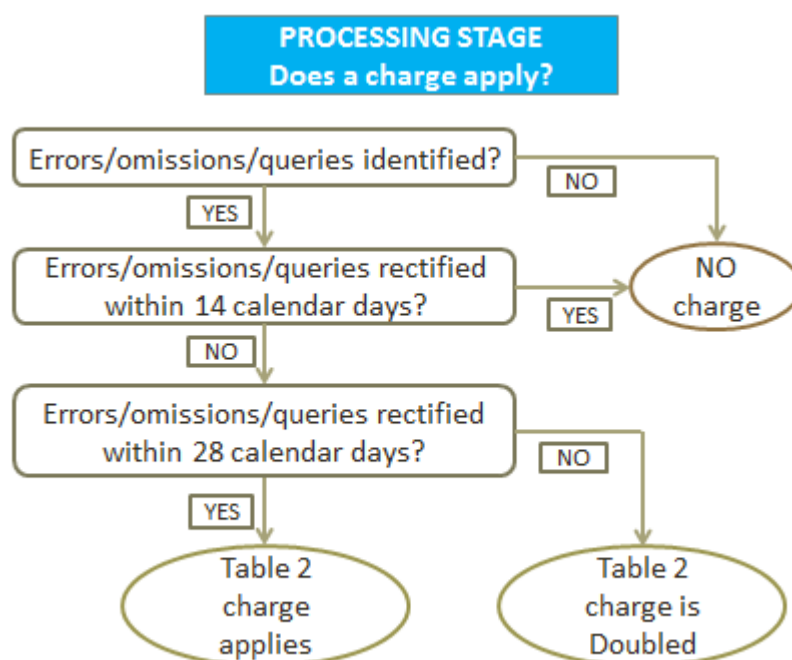


Table 2 – Processing stage charges		
No. of errors, omissions & queries	Processing Charge	Double charge*
1 – 10	£105	£211
11 – 20	£211	£422
21 – 30	£316	£633
31 – 40	£422	£844
41 – 50	£527	£1,055
51 – 100	£844	£1,688
101 – 250	£2,109	£4,219
251 – 500	£4,219	£8,438
501 – 750	£6,328	£12,657
751 – 1000	£7,910	£15,821
1001 – 1500	£10,547	£21,094
1501 – 2000	£13,184	£26,368
2001+	£15,821	£31,642
*If correct data is not received, and any errors/omissions/queries rectified, within 28 calendar days from notification by the Fund then this charge will be doubled		
If the data which gave rise to a particular query turns out to be correct then that query will be deducted from number of errors, omissions and queries used to determine the charge		
These charges will be increased each year by September's Consumer Prices Index (CPI) annual inflation figure		

Additional charges

Additional charges will be incurred by an employer if a correct return is submitted too late;

- to be included in the annual benefit statements (ABS) run, or
- for correct data to be included in the annual submission/return to the Actuary, Government Actuary's Department or the LGPS Scheme Advisory Board.

Also, if the Fund should incur a fine from the Pensions Regulator as a result of an employer action or inaction then the employer will be required to reimburse the Fund for the amount of the fine.