

Public Document Pack

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18 April 2019

Dear Member,

Pensions Panel - Monday, 29 April 2019

Please find enclosed the following documents for consideration at the meeting of the Pensions Panel on Monday, 29 April 2019 which were unavailable when the agenda was published.

The documents were delayed as officers wanted to ensure the reports contained relevant and up to date information.

Agenda No	Item
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- | | |
|------------|--|
| 5. | Business Plan 2019/20 (Pages 3 - 26) |
| 6. | Policy Documents (Administering Authority Discretions, Administration Strategy and Communication Policy Statement)
(Pages 27 - 62) |
| 7. | Administration Transfer and Performance (Pages 63 - 66) |
| 12. | Investment Pooling (Pages 67 - 98) |
| 15. | Triennial Valuation (Funding Strategy Statement) (Pages 99 - 100) |

Yours sincerely

Tony Kershaw
Director of Law and Assurance

To all members of the Pensions Panel

Pensions Panel

29 April 2019

Business Plan 2019/20

Report by Director of Finance Performance and Procurement

Summary

The Pensions Panel approved its Business Plan for 2018/19 in April 2018. The Panel has received an update on progress against the Business Plan objectives, details impact on risk (where applicable) and proposes actions each quarter. The outcome for 2018/19 has been provided in this report.

In addition, the proposed Business Plan for 2019/20 is attached for the Panel's consideration.

Recommendations

- (1) That the updates to the 2018/19 Business Plan are noted.
- (2) That the proposed activities for the 2019/20 financial year are agreed.

1. Introduction

- 1.1 The Business Plan sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved. This has been included in Appendix A.
- 1.2 The Pensions Panel approach, historically, has been to review its business plan annually at the start of the year and consider the risks faced by the Fund. A report based on any emerging key business issues, any issue with the highest levels of risk identified, any area of concern with administration performance or any other matter the Director of Finance, Performance and Procurement wishes to bring to the attention of the Panel is then provided to the Panel each quarter.

Katharine Eberhart

Director of Finance, Performance and Procurement

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Appendices

Appendix A – Business Plan

Background Papers

None

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Business Plan

Background

This is the Business Plan for the West Sussex Local Government Pension Scheme. The County Council is responsible for administering the West Sussex County Council Pension Fund. It has delegated responsibility for this to the Pensions Panel.

The Business Plan is an important document which sets out the aims and objectives of the fund over the coming year, its core work and how the objectives will be achieved.

The Pensions Panel approach has been to review its business plan annually at the start of the year and consider the risks faced by the Fund. A report based on any emerging key business issues, any issue with the highest levels of risk identified, any area of concern with admin performance or any other matter the Director of Finance, Performance and Procurement wishes to bring to the attention of the Panel is then provided to the Panel each quarter.

Details of how the Pensions Panel's objectives and key priorities for 2018/19 and 2019/20 have been set out in the Business Plan.

A report on the management of key risks is also included as part of the Business Plan.

Objectives

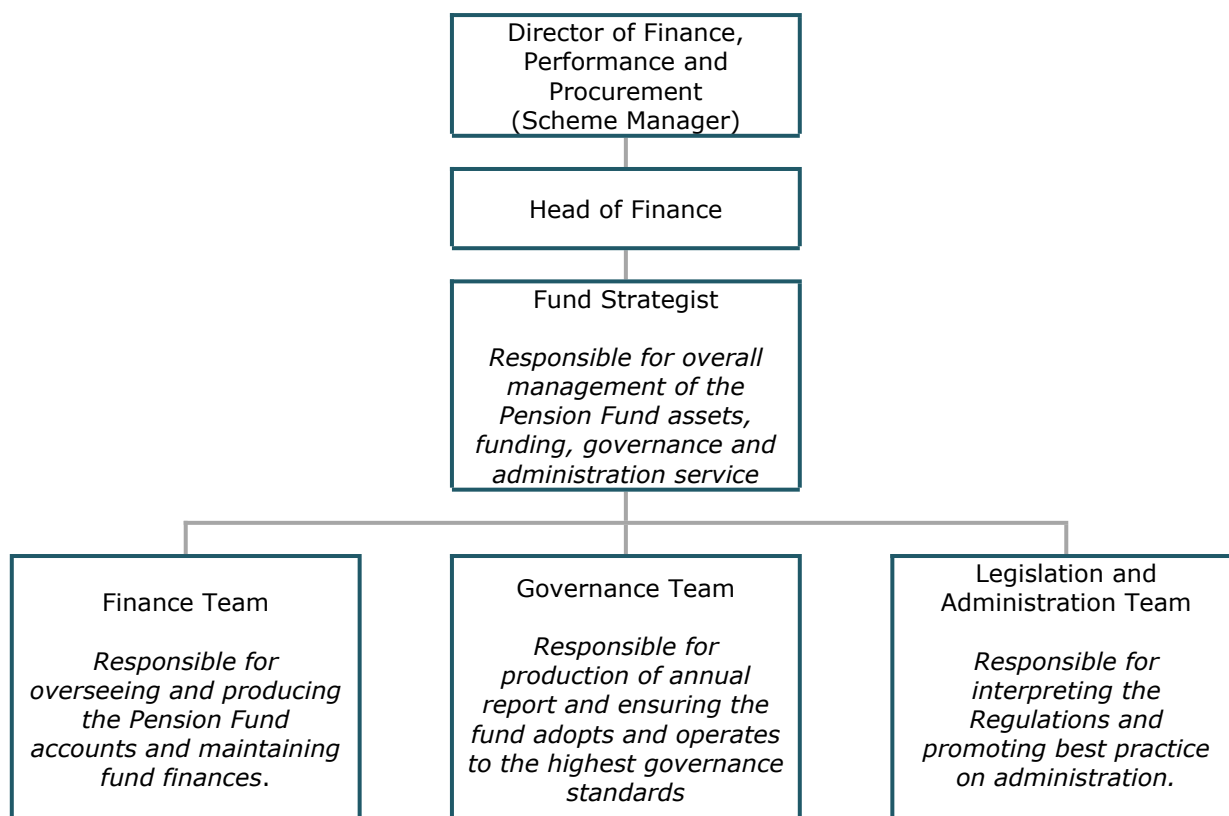
The Fund's overarching objectives are set out below:

- **Governance:** Act with integrity and be accountable to stakeholders for decisions, ensuring that they are robust, and well based, ensuring sound governance, risk management and compliance and that the management of the Fund is undertaken by people who have the appropriate knowledge and expertise.
- **Investments and Funding:** To maximise returns from investments within reasonable risk parameters and with clear investment decisions based on a prudent long term funding priorities given the preference to keep employer contribution rates are reasonably stable where appropriate.
- **Administration and Communication:** Deliver a high quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time, clear communication and robust accounting and reports.

Key deliverables for 2018/19 and 2019/20 have been shown in Annexe 1 and key risks are shown in Annexe 2.

Resources and Budget

The organisation of the Pension Fund team is illustrated below:



The Fund also accesses other services within Finance, such as the expertise of the Treasury Manager who manages the cash the Fund holds, the Fund's independent adviser, the Fund's actuary, the fund's external Investment Managers and any specialist external advisers as required.

The estimated costs paid by the Pension Fund to the administering authority (West Sussex County Council) are shown below. The core budgeted figures do not reflect any external charges such as fund management fees, external audit fees, actuarial costs, specialist legal advice or project work for administration which may be required from time to time.

	2017/18	2018/19	2018/19	2019/20
	Actual £'000	Estimate £'000	Actual £'000	Estimate £'000
Corporate Finance	566	566	576	556
Pension Services & Payroll	416	416	416	825
Legal Services	42	42	42	42
Internal Audit ¹	13	13	19	TBC
Procurement	0	0	5	5
Payments	3	3	3	3
Democratic Services	25	25	26	26
Total	1,065	1,065	1,087	1,457

The Pension Fund's Financial Statements will provide more details on all costs incurred during the year and will be reported at the July Panel meeting.

¹ Provided through the Southern Internal Audit Partnership since FY 2018/19

Training

A Training Strategy has been established to aid the Pension Panel and Pension Advisory Board members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities. This Strategy has been developed in the context of the Pension Regulator's Code of Practice, the Knowledge and Skills Framework developed by CIPFA and guidance covering knowledge and understanding of the Pension Advisory Board issued by the Scheme Advisory Board. The full Training Strategy agreed by the Pensions Panel in November 2018 is attached at Annexe 3.

During 2018/19, members of the Pension Panel, members of the Pension Advisory Boards and officers had their knowledge measured and assessed. The responses have been analysed by Hymans. As a result it is proposed that there is focus during 2019/20 on:

- Actuarial methods, standards and practices
- Pensions Accounting and Auditing Standards

In addition, it is proposed that the Pension Panel will also receive training on private equity and Environmental, Social Governance matters.

Annexe 1 – Priorities

Governance and Administration	Area	Context	2018/19 Progress	2019/20 Actions
	Pension Administration (including Employer data quality)	<p>A good performing administration function is key to our stakeholders and for ensuring the quality of information held by the Fund for calculating benefits and liabilities.</p> <p>From 4 March 2019 the Pension Fund administration transferred from Capita to Hampshire County Council.</p>	The transfer of the Pension Administration and Payroll service completed on 4 March 2019, with Hampshire County Council providing the service. As part of this, all membership records were transferred, the April LGPS Pension Payroll was successfully run and employer workshops have been held.	<p>To embed the pension administration service, ensuring each partners expectations are fulfilled.</p> <p>Work with the pension administration team to complete the necessary statutory returns and disclosures (eg. Annual Benefit Statements).</p>
	Reconciliation to HMRC of GMP (Guaranteed Min Pension)	Following the end of contracting out each Administering Authority is required to review its records for who it pay as Guaranteed Minimum Pension to against HMRC records to update HMRC as appropriate of any changes or mis-allocations.	All queries were submitted to HMRC by their deadline of December 2018 and partial responses have been received.	<p>Agree and implement plans for data quality improvement.</p> <p>Continue to work with Capita to reconcile the data and rectify any issues.</p>
	Annual Report and Accounting	The Pension Fund is required to produce annual report and accounts and ensure accounts accepted as a true and fair view by auditors	The Pension Fund Financial Statements were agreed as a true and fair view by the Fund's external auditors, EY, in July 2018.	A detailed project plan has been put in place which draws on the wider resources within the pension team. Early engagement with audit, the pension administration team and legal services has helped provide early testing and working papers.
	GDPR	GDPR preparations ensure we are compliant with expected standards on data control and privacy on 25 May 2018	The Pension Fund's privacy notice was published in May 2018 and a Data Sharing Agreement has been put in place with 70% of the relevant employers participating in the Scheme.	Continue to work with employers to complete the Data Sharing Agreements where necessary.

Investment Strategy	The Fund's asset performance has been strong since the 2016 valuation and has exhausted its de-risking triggers. It is therefore important to ensure that the investment strategy remains aligned to meet its long term objectives.	Informed by the Pension Panel's investment beliefs, the strategic asset allocation was agreed by the Panel in July 2018.	The Panel will consider further details on the implementation of this strategy at their meeting in April 2019. Officers will then implement the decision by the Pension Panel.
Working collaboratively on the ACCESS Pool	The ACCESS Pool has been set up to meet the Government's investment reform criteria. Key priorities relate to governance and resourcing arrangements and the need for appropriate policies, practices and investment sub-funds are established to meet the participating Authorities requirements.	The West Sussex Pension Fund was represented at each of the five Joint Committee meetings and it continues to actively participate as part of Section 151 and other Officer discussions.	Review the property management requirements. Consideration will be made of the sub-funds available to meet West Sussex's requirements.
Working at Fund level to reflect the addition of the ACCESS Pool		An ACCESS Support Unit has been established which includes a full time Contract Manager alongside technical resource drawn from the participating Administering Authorities. A Director is due to be appointed early in the new financial year.	Financially the County Council will need to budget for its share of the overhead costs associated with pooling. The Chairman will continue his participation in the Joint Committee and Officers will continue to participate in the Officer Working Group including Governance structures and the on-boarding of assets.
ESG	There is continued focus on LGPS stakeholders on as to how they can best address and manage Responsible Investment (RI) issues such as Environmental, Social and Governance matters.	The Pension Panel continue to discuss the consideration of ESG matters with its appointed investment managers.	Discuss emerging issues relating to ESG with investment managers and work with ACCESS colleague to reflect ESG policies within any sub-fund arrangements for asset pools.
Custodian transition	The County Council was given notice of termination from its current custodian BNP Paribas. In response Officers undertook a procurement exercise in March 2019 completing with an appointment on 5 April 2019.	N/A	Work with the legacy custodian and incumbent to ensure the necessary arrangements are in place to ensure a smooth transition.

Funding	2019 valuation preparation	The next valuation will be based on data as at 31 March 2019. However it is important to prepare to ensure the project is delivered.	Officers have met with the Fund Actuary in preparation for the 2019 valuation and the FSS (Funding Strategy Statement) has been drafted for consideration by the Pension Panel at their meeting in April 2019.	Review of the Funding Strategy Statement and consultation with employers. Submission of data to the Fund Actuary. Engagement with employers on the valuation outcomes.
Other	Work by the Scheme Advisory Board	<p>The SAB have three key projects for the year.</p> <ul style="list-style-type: none"> • The separation project - identify both the issues deriving from the current scheme administrative arrangements and the potential benefits of further increasing the level of separation between host authority and the scheme manager role. • Regulations which may be better sited within statutory guidance - propose the necessary amendments and assist with the drafting of guidance. • Assist administering authorities in meeting the Pension Regulators requirements for monitoring and improving data - identification of scheme specific conditional data and the production of guidance for authorities and employers. 		Work with the SAB and their advisers on their key projects.

Annexe 2 – Key Risks

To follow

Annexe 3 – Training Strategy

TRAINING STRATEGY 2018/19

This is the training strategy for the West Sussex County Council Pension Fund.

The training strategy is established to aid the Pension Panel and Pension Advisory Board members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities. This is in the context of:

The Pensions Regulator's Code of Practice relating to the requirements of the knowledge and understanding of the Pension Advisory Board (see Annex 1 for more information).

The Knowledge and Skills Framework developed by CIPFA (see Annex 2 for more information).

Guidance covering the knowledge and understanding of the Pension Advisory Board issued by the Scheme Advisory Board (SAB) (see Annex 3 for more information).

Although the legal requirements in relation to the Pension Advisory Board are more stringent than any obligations enforceable on Pension Panel members or Officers, the expectation is that the same knowledge and understanding requirements should apply. Therefore this strategy applies equally.

This strategy was approved by the Pension Panel on 1 November 2018 and is effective from that date. This strategy is expected to be appropriate for the long-term but it will be reviewed annually, and if necessary, more frequently to ensure it remains accurate and relevant.

Purpose of the Strategy

Background

1. It is appropriate for the Pension Fund to establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support Pension Advisory Board, Pension Panel and Officers. The responsibility for ensuring that a framework is developed and implemented is ultimately the Scheme Manager, supported by Finance Manager – Pension Fund Governance.
2. Notwithstanding the above, it is ultimately the members' responsibility to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their function as a member of the Panel or Board.

Strategy Objectives

3. The West Sussex Pension Fund's objectives relating to knowledge and skills are to:
 - Ensure that the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
 - Ensure the Pension Fund is effectively governed and administered; and
 - Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government.
4. To assist in achieving these objectives, the County Council will aim for full compliance with the areas of knowledge and understanding set out by the Pensions Regulator in their Code of Practice (No. 14) and CIPFA Knowledge and Skills Framework. Attention will also be given to the guidance issued by the Scheme Advisory Board and guidance issued by the Secretary of State. Members of the Pension Panel, members of the Pension Advisory Board and Officers require a knowledge and understanding of:
 - The **relevant Pensions Legislation** including LGPS Regulations and any other regulations governing the LGPS;
 - Public Sector **governance** including responsibilities delegated by West Sussex County, the roles and responsibilities and duties of the scheme manager and other committees and effective decisions in the management of the Pension Fund including risk assessments / management and risk registers.

- The fundamental requirements relating to **financial markets and pension fund investments** including investment performance, risk management and the Investment Strategy Statement;
 - The **operation and administration** of the Pension Fund including any document recording policy / scheme-approved policy about the administration of the Pension Fund² and Pensions Accounting and Auditing Standards;
 - **Actuarial methods, standards and practices** and controlling and monitoring the funding level including the Funding Strategy Statement; and
 - Pensions Services **procurement and relationship management**;
 - Such other matters as may be prescribed.
5. To support this, members of the Pension Panel, members of the Pension Advisory Board and Officers will:
- Have their knowledge measured and assessed;
 - Receive appropriate training to fill any knowledge gaps identified; and
 - Seek to maintain their knowledge.

Further details on how this will be achieved are set out in the next section (Delivery of Training).

6. Given the importance of the roles of Chairman of the Pension Panel and Chairman of the Pension Advisory Board in leading and shaping the direction of their respective bodies, it is expected that they will both be able to demonstrate an additional level of knowledge and skills to that required by the other members of the Pension Panel and Pension Advisory Board.

How the strategy meets West Sussex County Council Pension Fund Objectives

7. The strategy meets the following objectives of the West Sussex County Council Pension Fund as set out in the Business Plan –
- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance;

² Including conflicts of interest, record keeping, internal dispute resolution, reporting breaches, maintaining contributions, appointments, exercise of discretionary functions, statement of communication, pension administration strategy and admission body arrangements.

- Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers;
- Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment;
- Continually monitor and measure clearly articulated objectives through business planning; and
- Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

Delivery of Training

Training Plans and Resources

8. To be effective, training must be recognised as a continual process and will be centred on three key points
 - The individual;
 - The general pensions environment;
 - Coping with change and current talking points.
9. All members and officers should commit sufficient time in their learning and development and be aware of their responsibilities immediately when they take up their position.
10. Members of the Pension Panel, members of the Pension Advisory Board and Officers will have their knowledge measured and assessed at least annually via a questionnaire.
11. Training plans will be developed by officers at least on an annual basis following a review of the above assessments to ensure as far as possible individual members receive appropriate training to fill any knowledge gaps identified. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, key events (e.g. the triennial valuation) and receipt of updated guidance. However it is recognised that a rigid training plan can be detrimental. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.
12. Members of the Pensions Panel, Pension Advisory Board and Officers will be expected to maintain their knowledge through continuing attendance at training events, reading material and conferences as appropriate.

13. Consideration will be given to various training resources available in delivering training to the Pension Panel, members of the Pension Advisory Board and officers. These may include but are not restricted to:

Delivery	Commentary	PAB	Panel	Officers
Induction training	This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles.	✓	✓	✓
The Pension Regulator's e-learning programme	<p>On line tool covering seven short modules:</p> <ol style="list-style-type: none"> 1. Conflicts of Interests; 2. Managing Risk and Internal Controls; 3. Maintaining Accurate Member Data; 4. Maintaining Member Contributions; 5. Providing Information to Members and Others; 6. Resolving Internal Disputes; 7. Reporting Breaches of the Law. <p>The toolkit is designed specifically with Pension Advisory Board members in mind but the material covered is of equal relevance to members of the Pension Panel and Officers.</p> <p>It is expected that all modules are covered.</p>	✓	✓	✓
Attending courses, seminars and external events	<p>Notification of appropriate training events will be sent on receipt and a log will be included within the Business Plan updates to each of the relevant meetings.</p> <p>After attendance at an external event, Members and Officers will be asked to provide feedback via a feedback form which will be issued by Officers covering the following points:</p>	✓	✓	✓

Delivery	Commentary	PAB	Panel	Sharepoint
	<ul style="list-style-type: none"> • Their view on the value of the event and the merit, if any, of attendance; • A summary of the key learning points gained from attending the event; and • Recommendations of any subject matters at the event in relation to which training would be beneficial to other Pension Panel, Pension Advisory Board members or other Officers. <p>This will assist with ensuring relevant training is offered in the future and enable Officers to ensure that the Fund is meeting the requirements of the Pension Regulator.</p>			
Internally developed training days and pre/post meeting sessions or in collaboration with other Funds or frameworks	Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which a decision is to be made by the Panel in the near future or is subject to review by the Board.	✓	✓	✓
Regular updates from officers and/or advisers including circulated reading material	This can be provided as necessary depending on the topical issues arising which the Fund is facing, to ensure up to date knowledge.	✓	✓	✓
Self-improvement and familiarisation with regulations and documents	Formal training can be used to highlight sources of further information for supplementary reading. Information held on the internet – such as webinars – can be used as a source of further information.	✓	✓	✓
Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI)	As agreed by the Director of Finance, Performance and Procurement, to meet the needs of the service and where necessary in keeping with the requirements of apprenticeship training			✓

Risk

Risk Management

14. The compliance and delivery of this training strategy is at risk in the event of:
- Frequent changes in membership of the Pension Panel or Pension Advisory Board;
 - Poor individual commitment;
 - Resources not being available;
 - Poor standards of training;
 - Inappropriate training plans.
15. These risks will be monitored by officers within the scope of this training strategy and be reported where appropriate.

2019 Training Proposals

Training for November 2018 will focus on investment types currently being considered as part of the review work of the investment strategy e.g. infrastructure and private debt. This may also be relevant to investment pooling options being opened up by the ACCESS work.

Further training as background to decisions on the investment strategy will therefore be expected.

2019 will be a Fund valuation year, and the work of valuation and the role of the actuary will need to be covered.

2019 will also see the pension administration function transfer to Hampshire County Council, and hence it may be appropriate to provide a session around the requirements of administration (such as the need for an annual benefit statement) as part of the background for this transfer.

Understanding the statutory framework including the role of the Pension Regulator may also be useful and any issues the Regulator has raised in relation to LGPS funds.

Joint training with the Pension Advisory Board may be appropriate for some sessions.

Pension Regulators Area of Knowledge and Understanding

1.1. Legal requirements

- 1.1.1. A member of the pension board of a public service pension scheme must be conversant with:
- the rules of the scheme, and
 - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
- 1.1.2. A member of a pension board must have knowledge and understanding of:
- the law relating to pensions, and
 - any other matters which are prescribed in regulations.
- 1.1.3. The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the pension board

1.2. Practical guidance

- 1.2.1. The legislative requirements about knowledge and understanding only apply to pension board members. However, scheme managers should take account of this guidance as it will support them in understanding the legal framework and enable them to help pension board members to meet their legal obligations
- 1.2.2. Schemes should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented.
- 1.2.3. However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.

1.3. Areas of knowledge and understanding required

- 1.3.1. Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being 'conversant' means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.
- 1.3.2. They must also have knowledge and understanding of the law relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.
- 1.3.3. In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category:
- any scheme-approved policies relating to:

- conflicts of interest and the register of interests
- record-keeping
- internal dispute resolution
- reporting breaches
- maintaining contributions to the scheme
- the appointment of pension board members
- risk assessments/management and risk register policies for the scheme
- scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures
- the roles, responsibilities and duties of the scheme manager, pension board and individual pension board members
- terms of reference, structure and operational policies of the pension board and/or any sub-committee
- statements of policy about the exercise of discretionary functions
- statements of policy about communications with members and scheme employers
- the pension administration strategy (or equivalent), and
- any admission body strategy (or equivalent)

- 1.3.4. For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.
- 1.3.5. Pension board members must also be conversant with any other documented policies relating to the administration of the scheme.
- 1.3.6. Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.
- 1.3.7. Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant. This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.

1.4. Degree of knowledge and understanding required

- 1.4.1. The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.
- 1.4.2. Schemes should assist individual pension board members to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.
- 1.4.3. Pension board members must have a working knowledge of their scheme regulations and documented administration policies. They should understand their scheme regulations and policies in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.
- 1.4.4. Pension board members must have knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the

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Appendix A

As of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.

- 1.4.5. Pension board members should be able to identify and where relevant challenge any failure to comply with:
 - the scheme regulations
 - other legislation relating to the governance and administration of the scheme
 - any requirements imposed by the regulator, or
 - any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.
- 1.4.6. Pension board members' breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge any information or advice they are given. They should understand how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.
- 1.4.7. Pension board members of funded pension schemes should ensure that they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.
- 1.4.8. All board members should attain appropriate knowledge so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) should have a greater level of knowledge than that considered appropriate for board members without this background.

1.5. Acquiring, reviewing and updating knowledge and understanding

- 1.5.1. Pension board members should invest sufficient time in their learning and development alongside their other responsibilities and duties. Schemes should provide pension board members with the relevant training and support that they require. Training is an important part of the individual's role and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations.
- 1.5.2. Newly appointed pension board members should be aware that their responsibilities and duties as a pension board member begin from the date they take up their post. Therefore, they should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. Schemes should offer pre-appointment training or arrange for mentoring by existing pension board members. This can also ensure that historical and scheme specific knowledge is retained when pension board members change.
- 1.5.3. Pension board members should undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. They should use a personalised training plan to document and address these promptly.
- 1.5.4. Learning programmes should be flexible, allowing pension board members to update particular areas of learning where required and to acquire new areas of knowledge in

the event of any change. For example, pension board members who take on new responsibilities will need to ensure that they gain appropriate knowledge and understanding relevant to carrying out those new responsibilities.

- 1.5.5. The regulator will provide an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. If schemes choose alternative learning programmes they should be confident that those programmes:
- cover the type and degree of knowledge and understanding required
 - reflect the legal requirements, and
 - are delivered within an appropriate timescale.

1.6. Demonstrating knowledge and understanding

- 1.6.1. Schemes should keep appropriate records of the learning activities of individual pension board members and the board as a whole. This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. A good external learning programme will maintain records of the learning activities of individuals on the programme or of group activities, if these have taken place.

CIPFA Requirements

1.7. CIPFA Knowledge and Skills Framework

- 1.7.1. In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 Pension Committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:
- Pensions legislative and governance context;
 - Pension accounting and auditing standards;
 - Financial services procurement and relationship development;
 - Investment performance and risk management;
 - Financial markets and products knowledge; and
 - Actuarial methods, standards and practice.
- 1.7.2. The Knowledge and Skills Framework sets the skills required for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS funds.

1.8. Local Pension Boards: A Technical Knowledge and Skills Framework

- 1.8.1. In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members;
- Pensions Legislation;
 - Public Sector Pensions Governance;
 - Pensions Administration;
 - Pensions Accounting and Auditing Standards;
 - Pensions Services Procurement and Relationship Management;
 - Investment Performance and Risk Management;
 - Financial markets and product knowledge;
 - Actuarial methods, standards and practices.

1.9. CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")

- 1.9.1. CIPFA's Code of Practice, issued in 2013, embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:
- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
 - ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
 - publicly report how these arrangements have been put into practice each year
- 1.9.2. The West Sussex County Council Pension Fund fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. This training strategy formally sets out the arrangements the West Sussex County Council Pension Fund will take in order to comply with the principles of the Code of Practice.

Guidance from the Scheme Advisory Board

1.10. General Principles

- 1.10.1. The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Pension Advisory Board members to understand their knowledge and understanding obligations.
- 1.10.2. Knowledge and understanding must be considered in the light of the role of a local pension board and West Sussex County Council will make appropriate training available to assist and support PAB members in undertaking their role.

1.11. Committee Members

- 1.11.1. Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of an s101 Pension Committee. However, it is proposed that members of the Pension Panel should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

1.12. Degree of Knowledge and Understanding

- 1.12.1. The role of the Pension Advisory Board is to assist the Scheme Manager i.e. the administering authority. To fulfil this role, Pension Advisory Board members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or Codes of Practice.
- 1.12.2. Pension Advisory Board members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the West Sussex County Council Pension Fund in enough detail to know where they are relevant and where it will apply.

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Pension Panel

29 April 2019

Policy Documents (Administering Authority Discretions, Administration Strategy and Communication Policy Statement)

Report by Director of Finance, Performance and Procurement

Summary

As part of the transfer of administration to Hampshire County Council, a number of policy documents have been reviewed and amended.

Recommendation(s)

1. That the Panel note the Administering Authority Discretions including:
 - a. The removal of abatement for any members who have retired and have been re-employed from transfer date;
 - b. The clarification in respect of early retirement strain costs being paid upfront by an employer by default, with the option to request recovery over three years, by exception.
2. That the Panel note the Administration Strategy.
3. That the Panel consider the Communication Policy Statement

Background

1. The Pensions Administration function is being transferred to Hampshire County Council and this requires a change to a number of policy documents. These need to be in place at the time of the transfer to enable members, employers, officers and Hampshire County Council to be aware of the necessary processes.

Review of Pension Fund policy documents

2. The Pension Fund is required by law to keep and maintain a number of policy documents.
3. The transfer of the administration function has necessitated a change in a number of policies that either make reference to the Pension Fund Administrator or set out various pension administration processes.

Administering Authority Discretions

4. The Local Government Pension Scheme (LGPS) is a Statutory Scheme. The rules and Regulations governing the Scheme are laid down under Act of Parliament. However there are some provisions within the Scheme that are discretionary, allowing the administering authority to determine how, or if, they should be applied.
5. The administering authority is therefore required to have and maintain a statement of policy about exercise of these discretionary functions as required under the Local Government Pension Scheme Regulations 2013.
6. The current administering authority discretions have been reviewed. Attention is drawn to the following amendments:
 - The administering authority no longer seeks to abate (reduce or suspend) a pension for retired pensioner members, who subsequently become re-employed with any Scheme employer where they are eligible to join the LGPS in that employment. The current discretion is to apply abatement and it is proposed that this amendment would be effective after the date that the pension administration transferred to Hampshire County Council. If amended, scheme employers should be made aware of this change, and they should be asked to review their processes to restrict re-employment to manage that they are not paying twice out of the public sector budget.
 - Additional clarifications have been included in respect of payment of early retirement strain costs and a default position is adopted requiring that early retirement strain costs will be paid for 'up front' by an employer, with the option of an employer requesting to repay the cost over a maximum of three years, by exception. This would be referred to the Head of Finance.
7. The changes are made through the Director of Finance, Performance and Procurement's delegated powers.
8. The Regulations requiring the discretions policy and the policy are included in Appendix A. This has been shared with employers. No feedback has been received on the content of the policy.

Administration Strategy

9. The LGPS Regulations 2013 states that an Administering Authority may prepare a written statement of the authorities' policies in relation to the administration of the Fund.
10. This has been updated to reflect the service standards agreed with Hampshire County Council as part of the administration transfer. Whilst the key processes (retirements, estimates and transfers) have a service standard of 15 days, there is a 100% target for delivery against these. A refund of contributions has a 20 day service standard, whilst processing a deferred members notification has a 40 day target. The service standard for

the current Capita administration is 10 days for all case types except a deferred member notification.

11. The Strategy has been agreed by the Director of Finance, Performance and Procurement in line with her delegated powers.
12. The Regulations requiring the administration strategy and the revised Administration Strategy are included in Appendix B. This has been shared with employers. No feedback has been received on the content of the policy.

Communications Policy Statement

13. The Fund is required to set out its policy concerning how it communicates with members and Scheme employers.
14. Opportunity has been taken to review the content of the Communication Policy Statement.
15. The Regulations setting out this requirement and the revised Communication Policy Statement are included in Appendix C.

Katharine Eberhart

Director of Finance, Performance and Procurement

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Appendices

Appendix A - Statement of Policy about Exercise of Discretionary Functions
Appendix B - Pension Administration Strategy
Appendix C - Statements of policy concerning communications with members and Scheme employers

Background Papers

None

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Appendix A - Statement of Policy about Exercise of Discretionary Functions

Extract from The Local Government Pension Scheme Regulations 2013 //
Regulation 60

1. A Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under regulations—
 - a) 16(2)(e) and 16(4)(d) (funding of additional pension);
 - b) 30(6) (flexible retirement);
 - c) 30(8) (waiving of actuarial reduction); and
 - d) 31 (award of additional pension),and an administering authority must prepare such a statement in relation to the exercise of its functions under regulation 30(8) in cases where a former employer has ceased to be a Scheme employer.
2. Each Scheme employer must send a copy of its statement to each relevant administering authority before 1st July 2014 and must publish its statement.
3. A body required to prepare a statement under paragraph (1) must—
 - (a) keep its statement under review; and
 - (b) make such revisions as are appropriate following a change in its policy.
4. Before the expiry of a month beginning with the date any such revisions are made, each Scheme employer must send a copy of its revised statement to each relevant administering authority, and must publish its statement as revised.
5. In preparing, or reviewing and making revisions to its statement, a body required to prepare a statement under paragraph (1) must have regard to the extent to which the exercise of the functions mentioned in paragraph (1) in accordance with its policy could lead to a serious loss of confidence in the public service.
6. In this regulation a relevant administering authority in relation to a Scheme employer, is any authority which is an appropriate administering authority for that employer's employees.

Statement of Policy about Exercise of Discretionary Functions

Under the LGPS Regulations, the Administering Authority has a number of discretions.

Whilst the Constitution sets out the responsibility for functions, this discretions document sets out the onward delegation and practice.

The description of discretions have been set out in the table below with references to supporting documents where applicable.¹

All pension discretions will be reviewed at least on a four yearly basis, or as and when circumstances change.

¹ R – LGPS Regulations 2013 / TP –Transitional Provisions 2014/ A – Administration Regulations 2007 / B – Benefit Regulations 2007 / T – Transitional Regulations 2008/ L – LGPS Regulations 1997/ -LGPS Regulations 1995

Regulation No- Description of discretion	WSSC practice/discretion
R5(5) & Schedule 2 Part 3, para 1 Whether to agree to an admission agreement with a body applying to be an admission body	Agreement to Admission for an admission body is the delegated responsibility of the Chief Finance Officer. The Scheme of Delegation can be found in the WSSC Constitution.
R Schedule 2, Part 3, paragraph 12(a) Define what is meant by “employed in connection with”	The fund defines ‘Employed in connection with’ as meaning “employed solely or mainly (i.e. more than 50% of their time) in the management or delivery of such services as are set out in the Contract”.
R4(2)(b) Whether to agree to an admission agreement with a Care Trust or NHS Scheme employing Authority	NHS staff (Public Health) retain right to participate in the NHS Pension Scheme, so it is unlikely the Administering Authority will need to exercise this discretion. Admission, if required, will be subject to agreement by the Chief Finance Officer. The Scheme of Delegation can be found in the WSSC Constitution.
R Schedule 2, Part 3 para 9(d) Whether to terminate an admission agreement in the event of <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement • failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	The Fund reserves the right to terminate any admission agreement (Community or Transferee) if the Admission Body is in breach of its obligations. This includes insolvency and failure to pay contributions. This right is explicitly included in all admission agreements.
R54(1) Whether to set up a separate admission agreement fund.	The Administering Authority does not currently operate any separate admission agreement funds. Any proposal to create an admission agreement fund will be subject to discussion between officers and the Fund actuary.
R64(4) Whether to obtain a revision of a employer’s contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer.	The Fund requires that a revised rates and adjustment certificate is obtained in anticipation of the termination of an admission agreement (community or transferee) or where a scheduled body is likely to cease.
R64 (2A) Whether to issue a written notice (“a suspension notice”) to an exiting employer to suspend payment of an exit payment for a period of up to 3 years.	The Fund would look to issue a written notice (“a suspension notice”) subject to discussion between officers and the Fund actuary, where it is reasonable to assume that an exiting employer will have one or more active members commence contributions to the Fund, within 3 years.
R65 Decide whether to obtain a new rates and adjustment certificate if the Secretary of State amends the Benefits Regulations as part of the ‘cost sharing’ under R63	The Fund may require that a reassessment is carried out when a change to the underlying benefits occurs in the inter-valuation period. The Fund reserves the right to obtain a new rates and adjustment certificate subject to discussion with officers and the Fund actuary.
R68(2)	The Administering Authority’s requires employers to make upfront

Regulation No- Description of discretion	WSCC practice/discretion
<p>Whether to require any strain on Fund costs to be paid “up front” by employing authority following payment of benefits under R30(6) (flexible retirement). R30(7) (redundancy/business efficiency), or the waiver (in whole or in part) under R30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement.</p> <p>TP Schedule 2, para 2(3) Whether to require any strain on Fund costs to be paid ‘up front’ by employing authority following flexible retirement under R30(6) or waiver of actuarial reduction under TP schedule 2, para 2(1) or release of benefits before age 60 under B30 of B30A</p> <p>R80(5) Whether to require any strain on Fund costs to be paid ‘up front’ by employing authority following early voluntary retirement of a councillor, or early payment of a deferred benefit on health grounds or from age 50 with employer consent (pre 1.4.08 leavers)</p>	<p>payment of strain charges following any decision to allow early payment of benefits (other than ill health). An employer can request to pay instalments over a three year period, but this would be by exception. Chief Finance Officer to agree exceptions to the current practice.</p>
<p>R69(1) Decide frequency of payments to be made over to Fund by employers and whether to make an administration charge</p>	<p>Employer contributions payments are due monthly by 19th of the month (22nd if electronic) following deduction. Employer contribution rates include an element to cover administration expenses. This is referred to in the Fund’s Funding Strategy Statement.</p>
<p>R69(4) Decide the form and frequency of information to accompany payments to the Fund</p>	<p>Employer (or their payroll bureau) must provide monthly remittance to Financial Services along with their payment and complete a quarterly confirmation. All employers have been notified of this requirement.</p>
<p>R70 & TP22(2) Whether to issue employers with a notice to recover additional costs incurred as a result of the employer’s level of performance</p>	<p>The Administering Authority does not currently issue employers with a notice to recover additional costs incurred as a result of an employer’s level of performance. The Administering Authority will work with employers to improve performance but if additional and disproportionate resources are deployed because of an employer’s poor performance, the cost of the additional resources may be re-charged. The right to raise a charge will be as agreed by the Chief Finance Officer on a case by case basis.</p>
<p>R71(1)</p>	<p>The Administering Authority will charge interest as defined in regulation</p>

Regulation No- Description of discretion	WSSC practice/discretion
Whether to charge interest on payments by employers overdue by more than 1 month	71 on late payments, except in exceptional circumstances.
R36(3) Approve medical advisors used by employers (for ill health benefits) A56(2) Approve medical advisors used by employers (for early payment, on grounds of ill health, of a deferred benefit or suspended Tier 3 ill health pension) L97(10) Approve medical advisors used by employers (re: ill health benefits for councillors and pre 1.4.08 preserved benefits payable on health grounds)	Each employer appoints their own medical advisor based on required qualifications and the certificate wording confirms the doctor has the required qualifications. The Administering Authority requires employers to provide details of medical advisors used for assessing entitlement to ill health benefits and will liaise with any employer who is using a medical advisor of which the Administering Authority does not approve. This will be captured through the retirement process.
R79(2) & A63(2) & L105(1) Whether the administering authority should appeal against employer decision (or lack of a decision)	This is considered on a case by case basis.
R58 Decide on Funding Strategy for inclusion in Funding Strategy statement	The Funding Strategy is prepared, maintained and published in accordance with the Regulations. The Funding Strategy is consulted on by employers and approved by the Fund's Pensions Panel The Funding Strategy Statement is published on the Funds web pages.
R61 Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective member and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.	The Communication policy is prepared, maintained and published in accordance with the Regulations and circulated to employers. The Communications Policy is published on the Funds web pages.
R59(1) & (2) Whether to have a written pensions administration strategy and, if so, the matters it should include	A Pension's administration strategy has been prepared, maintained and published in accordance with the Regulations.
R76(4) and A60(8) & L99 Decide procedure to be followed by Administering Authority when exercising its stage two Internal Dispute Resolution Procedure (IDRP) functions and decide the manner in which those functions are to be exercised.	Any stage two IDRP applications will be referred to the nominated person, Head of Law & Assurance, to provide a report on the appropriateness of the stage one decision. This report will be considered by the administering authority when making a determination under stage two. A copy of the IDRP and application form is published on the Funds web pages.

Regulation No- Description of discretion	WSCC practice/discretion
TP3(13), A70(1), A71(4)(c) & T12 & L109, L110(4)(b) Decide policy on abatement of pensions following re-employment	The Administering Authority will not abate pension (reduce or suspend) for any re-employment starting after 4 th March 2019. Pensions already abated at this date will continue to be abated until the re-employment ends.
R80(1)(b) & TP 22(1) & A64(1)(b) Specify information to be supplied by employers to enable the Administering Authority to discharge its functions	The Administering Authority will specify the standard information and actions required by employers, their format, frequency and level of accuracy in our Employer's Guide and Administration Strategy.
R89(5) & 106A(5) Date to which benefits shown on annual benefit statement are calculated	Benefits in the Annual Benefit Statement will be as at 31 March each year.
R98(1)(b) Agreement to bulk transfer payments	Bulk transfer terms will be negotiated and agreed on a case by case basis in consultation with the Fund Actuary and the Scheme employer.
R22(3)(c) Pension account may be kept in such form as is considered appropriate	Hampshire Pension Services, on behalf of the Administering Authority maintain pension accounts on their UPM administration system. The Administering Authority in partnership with Hampshire Pension Services will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner. Appropriate measures are in place to ensure the administration system meets the requirements of the regulations.
31(2) Agree to pay annual compensation on behalf of employer and recharge payments to employer	The Administering Authority will pay annual compensation and recharge the payments on a monthly basis. Appropriate quarterly reconciliation measures are in place to ensure that the recharge takes place.
R100(7) Allow the transfer of pension rights into the Fund R100(68) Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	The Pension Fund will usually allow transfers from Club and Non Club Schemes ² provided that the application is made within 12 months of joining the Scheme. The 12 month time limit may be extended in agreement with the Principal Pension Consultant (Administration & Employers) and the employer if it is clear that you were unable to meet the normal time period due to circumstances beyond your control.

² Transfer Club is a network of public sector pension schemes generally providing membership credits of equivalent lengths when a member transfers between them. Personal pension plans not provided by companies in the Transfer Club are rarely of an equivalent length and can vary greatly from scheme to scheme.

Regulation No- Description of discretion	WSCC practice/discretion
TP10(9) Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	The Administering Authority will aggregate with the earliest remaining employment.
R16(10) Whether to require a satisfactory medical before agreeing to an application to pay an Additional Pension Contribution (APC) or Share Cost Additional Pension Contribution (SCAPC) Whether to turn down an application to pay an APC/SCAPC if not satisfied that the member is in reasonably good health.	A satisfactory medical report by a registered medical practitioner is required. The report should detail whether in their opinion the member is in reasonably good health to undertake APC/SCAPC's. If this is not satisfied then the application to pay an APC/SCAPC will be turned down. All costs incurred to establish that a member is in reasonably good health to undertake APC/SCAPC's are at the member's expense. Members are advised of this requirement on the Fund's website.
R16(1) Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)	The Administering Authority has not set a minimum payment threshold.
TP15(1)(d) & A25(3) Whether to charge member for the provision of an estimate of additional pension that would be provided by the Scheme in return for the transfer of in house Additional Voluntary Contribution / Shared Cost Additional Voluntary Contribution (AVC/SCAVC) funds (where AVC/SCAVC arrangement was entered into before 1/4/14)	The Administering Authority charges for estimates in accordance with its Pension Administrators estimates policy https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/forms
TP15(1)(c) & T schedule 1 & L83(5) Extend time period for capitalisation of added years contract	The Administering Authority will not extend the time limit for applications to pay off added years contracts.
A45(3) & L89(3) Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Outstanding employee contributions will be recovered by deduction from benefits as agreed by the Principal Pension Consultant (Administration & Employers).
R32(7) Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement	This is considered on a case by case basis, as agreed with the Principal Pension Consultant (Administration & Employers).
R49(1)(c) & B42(1)(c) Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more	Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member

Regulation No- Description of discretion	WSSC practice/discretion
regulations in respect of the same period of Scheme membership	
R34(1) & B39 & T14(3) & L49 & L156 Decide whether to commute small pension	The Administering Authority would look to commute a small pension, as calculated under the regulations and within HMRC limits.
L50 & L157 Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08 leavers and 1.4.08 Pension Credit members)	The Administering Authority would provide the member with the option to commute where appropriate.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2) & E8 Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member	The most advantageous figure is applied as this would be chosen by deceased member.
L22(7) Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98/pre 1.4.08)	The most advantageous figure would be used as this would be chosen by deceased member.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & T Schedule 1 & L23(9) Make an election on behalf of a deceased member with a certificate of protection of pension benefits (i.e. determine the best pay figure to use in the benefit calculations (pay cuts/restrictions occurring pre 1 April 2008))	Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member
TP17(5) to (8), R40(2), R43(2), R46(2) & B23(2), B32(2), B35(2) & T Schedule 1 & L155(4) Decide to whom a death grant is paid	Where it is clear, having taken account of all the circumstances, payment is taken in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner following receipt of Grant of Probate or Form of Indemnity. Where there is any doubt this is delegated to the Principal Pension Consultant (Administration & Employers).
R82(2) & A52(2) & L95 Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965	The Administering Authority will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for grant of probate/ letters of administration.
R17(12) Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	Where it is clear, having taken account of all the circumstances, payment is made in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner.

Regulation No- Description of discretion	WSSC practice/discretion
	Where there is any doubt this is delegated to the Principal Pension Consultant (Administration & Employers) or Probate obtained.
R83 & A52A Whether, where a scheme pensioner (including an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit	The Fund will pay benefits to the person having care of the scheme pensioner or eligible child, or such other person as they may determine where the scheme pensioner or eligible child is incapable of managing his or her affairs as agreed by the Principal Pension Consultant (Administration & Employers).
B27(5) & L47(2) & G11(2) Whether to pay the whole or part of a child's pension to another person for the benefit of that child	The Fund will pay benefits to the child's legal guardian or such other person as they may determine where the child is under the age of 18 or where it can clearly be identified that it would be in the child's best interests when they are over the age of 18, as agreed by the Principal Pension Consultant (Administration & Employers).
L47(1) & G11(1) Apportionment of Children's pension amongst eligible children (children of pre 1.4.98 retirees/pre 1.4.98 deferreds)	Eligible children's pensions will be paid on an equal share basis.
R Schedule 1 & TP17(9) Decide to treat child as being in continuous education or vocational training despite a break	The Fund will treat the child being in continuous education or training despite a break.
R Schedule 1 & TP17(9)(b) & B25 Decide evidence required to determine the financial dependence of a cohabiting partner on scheme member or financial interdependence of a cohabiting partner and scheme member	Considered on a case by case basis, taking consideration of LGPS Regulation requirements and advice from the Council's Legal Services team.
F7(1) Suspension of spouses' pensions during re-marriage or cohabitation	Spouse's pensions are not ceased on re-marriage or cohabitation but are payable for life. This was introduced to equalise benefits for those members leaving active service after 31 March 1998.
L147 How to discharge Pension Credit liability	The Administering Authority will discharge its liability by granting pension credit rights on the person entitled to the pension credit.

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Appendix B - Pension Administration Strategy

Extract from The Local Government Pension Scheme Regulations 2013 //
Regulation 59

1. An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.
2. The matters are—
 - a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");
 - b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions by—
 - (i) the setting of performance targets,
 - (ii) the making of agreements about levels of performance and associated matters, or
 - (iii) such other means as the administering authority considers appropriate;
 - c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
 - d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;
 - e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
 - f) the publication by the administering authority of annual reports dealing with—
 - (i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and
 - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and

- g) such other matters as appear to the administering authority after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.
- 3. An administering authority must—
 - a) keep its pension administration strategy under review; and
 - b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.
- 4. In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.
- 5. An administering authority must publish—
 - a) its pension administration strategy; and
 - b) where revisions are made to it, the strategy as revised.
- 6. Where an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.
- 7. An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.
- 8. In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme employer.

Pension Administration Strategy

Background

1. West Sussex County Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the Scheme employers participating in the LGPS through the West Sussex Pension Fund (WSPF). The LGPS is governed by statutory regulations.
2. The Administration Strategy set out levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme function.
3. The performance standards set out in the Strategy do not override any statutory provision or requirement. If the administering authority or Scheme employers fail to comply with any statutory requirements, the administering authority will consider whether there has been a relevant breach and take action as necessary.
4. The Strategy does not include performance levels in respect of actuarial work which will be agreed on a case by case basis.
5. Employers are responsible for verifying the accuracy of any information provided by them for the purpose of calculating benefits under the provisions of the Local Government Pension Scheme and the Discretionary Payments Regulations. Any over payment made by the Scheme resulting from inaccurate information supplied by the employer shall be recovered by the Pension Fund from the employer.

Related Policies ¹

6. The Strategy should be read in conjunction with:
 - The Pension Fund's Communication Policy Statement in respect of procedures for liaison and communication with employing authorities
 - The Pension Fund's Privacy Notice
 - The Data Processing Agreements in place between Employers and the County Council.
 - The Pension Fund's Employer Guide
 - Information contained on the County Council's website
 - The Administering Authority Discretions
 - The Pension Fund's Pension Regulator's Breaches Policy

Principal Regulations

¹ Hyperlinks to be included in final version

7. The principal Regulations underpinning this document are:²
- The Local Government Pension Scheme Regulations 2013 (and any amendments thereto)
 - The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (and any amendments thereto)
 - The Local Government Pension Scheme (Administration) Regulations 2007 (and any amendments thereto)
 - The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (and any amendments thereto)
 - The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 and 2007 (and any amendments thereto)
 - The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 (and any amendments thereto)
 - The Local Government Pension Scheme Regulations 1997 (and any amendments thereto)
 - The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (and any amendments thereto)
 - The Local Government Pension Scheme (Miscellaneous) Regulations 2012
 - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (and any amendments thereto)

Publication

8. This version of the Strategy was produced by West Sussex County Council in consultation with the Scheme employers and is effective from **[TBC]**.
9. This Strategy will be published on the Pension Fund's website, sent to each of its employing authorities and sent to the Secretary of State.

Review

10. Employers may submit suggestions to improve any aspect of this Strategy at any time and the administering authority will keep this Strategy under review. In making any amendments, the administering authority will consult its employing authorities and such other persons as it considers appropriate.

² Hyperlinks to be included in final version

Queries

11. Any enquiries in relation to this Communications Policy Statement should be forwarded to Tara Atkins, Principal Pensions Consultant (Administration and Employers) (0330 222 8787 or tara.atkins@westsussex.gov.uk)

Charges

12. In line with its Funding Strategy Statement the administrative costs of running the Pension Fund are predominantly charged to employers through their contribution rate. However it should be noted:
 - i. In compliance with its Discretions Policy the administering authority will consider giving written notice (including charges) to Scheme employers under on account of the authority's unsatisfactory performance against levels of performance.
 - ii. Work commissioned specifically on behalf of a Scheme employer will be charged for that work. This includes IAS19 / FRS17 valuations, Actuarial modelling, assessments or advice, and / or legal advice and technical advice, (where re-charging is deemed appropriate because the advice is
 - iii. The Scheme employer is responsible for any work carried out on its behalf by another section of their organisation or by a contractor appointed by that organisation (e.g. Pay or Human Resource sections).
 - iv. In the event that the County Council as administering authority is fined by the Pensions Regulator due to an Scheme employer's action or inaction this will be passed on to the relevant Scheme employer.
 - v. The Scheme employer will maintain employment records for each member for the purposes of determining membership and entitlement to benefits (this will need to include full service history for the period of LGPS membership held under the employment, as well as any gaps in service and whether these were repaid).
 - vi. The employer must keep a full pay history for the 13 years, ending 31 March, before the member leaves the Scheme.³

³ To be reviewed by WSCC Data Protection Officer

Levels of performance which the administering authority and its employing authorities are expected to achieve

13. The table below sets out the levels of performance which Scheme employers, their contractors and the administering authority are expected to achieve in carrying out their Scheme functions.

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Answer enquiries made by members and employers		<p>The Administering Authority will respond to all enquiries within 5 working days or sooner where possible.</p> <p>Where an enquiry will take longer than 5 working days to resolve, the Administering Authority will notify the member or employer and keep the member updated.</p>
The Triennial Actuarial Valuation	The employer will provide information in line with Year End Information requirements.	The Actuarial Valuation report (which includes the Rates and Adjustment Certificate) will be published by the Administering Authority by 31 March of the year following a valuation.
Additional Voluntary Contributions	The employer must pay additional voluntary contributions to the AVC provider by the 19th of the month following that in which they were deducted along with a schedule in the format required by the AVC provider. ⁴	The Administering Authority will notify the AVC provider within 10 working days of receiving a request of a new AVC application.
Annual Benefit Statements	The employer will provide information in line with Year End Information requirements.	The Administrator will make a members ABS available to members online or as hard copy by 31 August each year.
Divorce Estimates		The Administering Authority will provide estimates/actuals for pension sharing provided during the year within 15 working days of receiving all necessary information.

⁴ Subject to Hampshire County Council's confirmation

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Leaver forms including for Bulk Transfer Out Employer Cessation Deferred Benefits upon Leaving	<p>For employer notification of a retirement, please see "Retirement Benefits".</p> <p>Leaver form to be provided within 10 working days following the end of the month in which the employee was paid.</p> <p>The Employer should notify the Administering Authority as soon as they identify that a bulk transfer is likely to take place.</p>	<p>For payment of retirement benefits, please see "Retirement Benefits".</p> <p>For the deferment of a members benefits, the Administering Authority will issue a letter informing member of their deferred pension rights within 30 working days of receipt of all the necessary information required to produce calculation.</p> <p>The Administering Authority will repay contributions for members with less than two years membership within 20 working days of receiving all necessary information.</p> <p>For an individual transfer out, the Administering Authority will make payment of the transfer value within 15 working days of receipt of all necessary information</p> <p>For bulk transfers and cessations, the performance level will be agreed between the Administering Authority, its Actuary the Administrator and the Receiving Scheme on a case by case basis.</p>
Change in member details	<p>Information⁵ to be provided within by the end of the month in which the change occurs.</p>	<p>The Administering Authority will update the member record to reflect the change within 15 working days of receipt of the relevant information.</p>

⁵ Format to be confirmed by Hampshire County Council

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Death Benefits	Notification must be provided to the Administrator within 5 working days of the death of the member.	<p>The Administering Authority will:</p> <ul style="list-style-type: none"> • acknowledge in writing the death of a member enclosing claim forms to the informant or next of kin within 5 working days of being notified of the death. • Supply survivor beneficiaries with notification of their entitlements including the method of calculation within 15 working days of all the information being received.. • pay any death grant due within 10 working days of receipt of all necessary paperwork to be able to produce the calculation (this includes Grant of Probate or Letters of Administration). <p>As agreed by exception in certain circumstances (e.g. hardship cases)) the timescale can be contracted</p>

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Discretionary Powers	Each employer is responsible for exercising the discretionary powers given to them by the Regulations and publish their policy in respect how they will exercise these discretionary powers. This is a statutory requirement. Employers must advise the Administering Authority of any changes to their discretions policy immediately and confirm that they have reviewed their discretions policy annually. ⁶	Once any amendments are received the Administering Authority will apply the changes with immediate effect.
Employer Decisions	The employer is responsible for implementing such areas correctly, (e.g. deduction of contributions at the correct rate, notification to employee and within the correct timescales).	The Administering Authority will write to all employers within 10 working days of the notification from Government to ensure that any changes to the contribution rates are communicated. ⁷
Provision of the LGPS Employee Guide to all new employees	An employer must ensure that all new employees eligible to join the Local Government Pension Scheme (LGPS) receive a copy of the Employee Guide to the Scheme within two months of becoming employed. The Employee Guide can be found on the Fund's website. ⁸	

⁶ Date to be confirmed with Hampshire County Council

⁷ To be confirmed by Hampshire County Council

⁸ This cannot be measured by the administering authority

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Independent Medical Practitioner	<p>The Employer should provide details of its appropriately qualified independent medical practitioner to the Administering Authority before admission.</p> <p>If the employer chooses to change its appropriately qualified independent medical practitioner the employer should provide details to the Administering Authority within 10 working days.</p>	<p>The Administrator will verify the employers nominated independent medical practitioners is appropriately qualified to deal with ill health retirement cases, as set out in the Regulations within 10 working days of notification.at the point of an ill health retirement, through their retirement processes.⁹</p> <p>The Administrator will seek confirmation at the point of an employer being admitted to the Scheme and confirm the information at the time of an ill health retirement.</p>
New Starter including for Bulk Transfer In	<p>New Starter form to be provided within 10 working days following the end of the month in which the employee joined the LGPS.</p> <p>A member may elect to transfer other pensions into the Scheme by completing the necessary form within 12 months of joining.</p> <p>The Employer should notify the Administering Authority as soon as they identify that a bulk transfer is likely to take place.</p>	<p>The Administering Authority will set up a member record within 20 working days of receipt of the new starter form.</p> <p>Where a member transfers in other pension benefits the Administering Authority will update the members pension record and issue member with statutory notification with relevant details within 10 working days of confirmation that the payment from the other pension scheme has been allocated to the pension fund.¹⁰</p> <p>For bulk transfers, the performance level will be agreed between the Administering Authority, its Actuary the Administrator and the Predecessor Scheme on a case by case basis.</p>

⁹ Process to be confirmed by Hampshire County Council

¹⁰ Process to be confirmed by Hampshire County Council

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Payment of Contributions	<p>All member and employer contributions must be deducted at the correct rate and must make payment to the Administering Authority's by 19th of the month (or the last working day before where the 19th is not a working day) following the month the contributions relate to unless it is paid electronically when payment must be cleared in the Administering Authority's bank account by 22nd of the month following the month the contributions relate.</p> <p>All employers must submit their bespoke remittance advice form electronically in advance of their payment.</p>	
Retirement Benefits	<p>The Employer must provide a retirement notifications at least 20 days before an employee's retirement date.</p>	<p>The Administering Authority will pay lump sums within 10 working days of the retirement date or of receipt of all necessary paperwork to be able to make the payment.</p> <p>Retirement pension will be made to pensioner on the next available pensioner payroll run.</p>

Task	Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
Retirement Estimates	<p>The Employer must provide estimated pensionable pay details within 10 working days of the members' request.</p> <p>Employers may consider a previous years pay may be more beneficial to the member and should provide such information if necessary.</p>	<p>In line with the Employer Estimate Policy the Administrator will provide the retirement estimate within 15 working days of receipt of accurate pensionable pay details from an employer.¹¹</p>
Year End Information	<p>The employer (or their payroll contractor / agency for whom the employer is responsible) shall provide Capita with year-end information as at 31 March each year in the notified format no later than 30 April.</p> <p>The information should distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary contributions.</p>	<p>The Administering Authority will request information and provide specification to employers not later than the end of the first week in March. A reminder will be sent out 10 working days before the due date of 30th April.</p>

¹¹ In addition to online functionality employers can request a maximum of two estimates per employee in any 12 month period. Additional estimates provided to employers, subject to a separate administration charge. A member is restricted to one estimate in any 12 month period (in addition to their annual benefit statement).

Appendix C - Statements of policy concerning communications with members and Scheme employers

Extract from The Local Government Pension Scheme Regulations 2013 //
Regulation 61

1. An administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with—
 - a) members;
 - b) representatives of members;
 - c) prospective members; and
 - d) Scheme employers.
2. In particular the statement must set out its policy on—
 - a) the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
 - b) the format, frequency and method of distributing such information or publicity; and
 - c) the promotion of the Scheme to prospective members and their employers.
3. The statement must be revised and published by the administering authority following a material change in their policy on any of the matters referred to in paragraph (2).

Statements of policy concerning communications with members and Scheme employers

Background

1. West Sussex County Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the West Sussex Pension Fund (WSPF). The LGPS is governed by statutory regulations.
2. This Communication Policy Statement reflects the LGPS Regulatory requirement for the administering authority to maintain a Statement concerning communications with members, representatives of members, prospective members; and Scheme employers.

Related Policies ¹

3. The Strategy should be read in conjunction with:
 - The Administration Strategy

Principal Regulations and Guidance

4. The principal Regulations underpinning this Policy are:²
 - Occupational Pension Schemes (Disclosure of Information) Regulations and the Public Sector Pensions Act 2013
 - The Local Government Pension Scheme Regulations 2013 (and any amendments thereto)
 - The Pension Regulator Code of Practice

Publication

5. This Policy will be published on the Pension Fund's website, sent to each of its Scheme employers and sent to the Secretary of State.

Review

6. Employers may submit suggestions to improve any aspect of this Policy at any time.
7. The administering authority will keep this Policy under review.

Queries

8. Any enquiries in relation to this Communications Policy Statement should be forwarded to Tara Atkins, Principal Pensions Consultant (Administration and Employers) (0330 222 8787 or tara.atkins@westsussex.gov.uk)

¹ Hyperlinks to be included in final version

² Hyperlinks to be included in final version

Responsibilities and Resources

9. The responsibility for communication material for each Scheme rests with the County Council working in partnership with its Pension Administration provider, Hampshire Pension Services.
10. For the LGPS and Firefighters Pension Schemes Hampshire Pension Services will write, design and produce most of the communications.

Accessibility

11. The County Council is committed to using technology to enhance services, improve accessibility and broaden inclusion. The County Council will work with Hampshire Pension Services to develop further our use of electronic means of communicating through e-mail and our internet site (including a Member Portal). Wherever possible, responses will be sent by electronic means.
12. The Council recognises that individuals may have specific needs in relation to the format or language of our communication. Alternative material will be provided on request.
13. Details of the objectives of the communication strategy with the various stakeholder groups and details of how this is achieved have been set out in the following sections.

Communication Objectives and Methods

14. The delivery of the benefits involves communication with a broad range of stakeholders and this statement provides an overview of how the Authority will communicate with each.

Communication Relevant to All Stakeholders

15. For the LGPS the following documents are considered to be relevant to all stakeholders:³
 - **Administration Strategy** which set out levels of performance which the administering authority and its employing authorities are expected to achieve in carrying out their Scheme functions.
 - **Annual Report & Accounts** which sets out details of the value of the Pension Fund during the financial year, income and expenditure and how the fund is managed.
 - **Investment Strategy Statement** Which outlines how investment decisions are made, the types of investment held, fees paid, risk and corporate governance.

³ Hyperlinks to be included in final version

- **Business Plan** which deals with the functions carried out by the Pension Fund as administering authority on the investment side
 - **Governance Policy and Governance Compliance Statement** which provides details pension fund governance arrangements, such as the remit of the Investment Panel and representation
 - **Funding Strategy Statement** which sets out how employer liabilities will be calculated and the strategy for covering future service accrual, and past service deficits.
 - Details of the **Pensions Panel** including meeting dates, membership details and meeting papers.
 - Details of the **Pension Advisory Board** including meeting dates, membership details and meeting papers.
16. For the Firefighters Schemes the following documents are considered to be relevant to all stakeholders:
- Details of the **Pension Advisory Board** including meeting dates, membership details and meeting papers.

Communication with active, deferred and pensioner members and prospective members

17. Objective:
- i. For the Schemes to be used as a tool in the attraction and retention of employees;
 - ii. To improve the understanding of how the Schemes works;
 - iii. To inform scheme members of their pension rights, the full benefits of scheme membership, and the contributions that employers make;
 - iv. As a result of improved communication, for queries and complaints to be reduced;
 - v. To improve take up of the Scheme;
 - vi. To comply with our statutory obligations
18. We do this by:
- i. Working with Hampshire Pension Services to maintain **webpages** which provide detailed information about the Schemes, including who can join, how much it costs, the benefits of the Schemes and how to increase the value of benefits.
 - ii. Providing members with access to information about their current and projected benefits via a secure **Member Portal**.

- iii. Producing an **annual newsletter or briefing** (for current members and pensioners) which provides updates in relation to changes to the Schemes as well as other related news, such as national changes to pensions, forthcoming seminars, a summary of the accounts for the year, contact details, etc. These are published on the relevant Scheme websites (see above).
- iv. Providing **annual benefit statements for active members** which includes details about the current value of benefits, the associated death benefits and projected retirement benefits. Annual Benefit Statements will be made available to all members through the Member Portal by 31 August each year (and as hard copy on request).
- v. Providing **annual benefit statements for deferred members** which includes the current value of the deferred benefits and the earliest payment date of the benefits. Annual Benefit Statements will be made available to all members through the Member Portal by 31 August each year (and as hard copy on request).
- vi. Providing **payslips for pensioner members** at least annually where their pension varies by £1.⁴
- vii. Providing **calculations of pension benefits, transfers, deferred benefits, pension shares, increasing pension benefits, and other processes** as requested, in the format requested by the member.
- viii. Providing **latest news updates** which provide information on specific topics, such as changes to the regulations, topping up pension rights, and transfer values in and out of the Schemes on the relevant websites.
- ix. Advertising the **Pre-Retirement course** (via the County Council's Learning and Development Gateway).
- x. **Responding to all letters, e-mails, enquiries and phone calls** appropriately and within reasonable timescales, in the format requested by the member.
- xi. **Requesting feedback** from customers as part of the Customer Services Excellence accreditation

⁴ TBC whether HCC are reflecting WSPF's threshold of £2 or whether WSPF is moving to £1.

Communication with Scheme Employers

19. Objective:
 - i. To assist them in understanding costs/funding issues;
 - ii. To work together to maintain accurate data;
 - iii. To ensure their members are provided with all the necessary information;
 - iv. To ensure they are fully aware of developments within the Schemes;
 - v. To ensure they are aware of the policies in relation to any decisions that need to be taken concerning the Scheme and to assist them in making the most of the discretionary areas within the Schemes.
20. We do this by:
 - i. Working with Hampshire Pension Services to maintain **webpages** with key information for Scheme employers.
 - ii. Providing **employer workshop sessions** set up as and when required to debate current issues and regulations changes as required and requested.
 - iii. Providing **calculations and costings of early retirement scenarios** as requested, in the format requested by the employer.
 - iv. Provide **employer newsletters** including Scheme specific information.
 - v. Provide **Stop Press** publications for timely notifications and actions required.
 - vi. Holding an **Annual General Meeting** to discuss the Pension Fund's Annual Report and any other pertinent issues.
 - vii. Providing **training for small groups** to improve understanding of pension administration, legislation, the principles of the Scheme, changes and costs e.g. as a result of restructuring.
 - viii. Holding **focus group meetings** on key issues as necessary with all scheme employers.
 - ix. Holding **Actuarial Valuation meetings** with the Fund Actuary leading up to and during an Actuarial Valuation year to discuss the results and implications of the Actuarial Valuation and other actuarial matters.
 - x. Providing **training** on provision of end of year member data, including the completion of the appropriate data capture spreadsheet.
 - xi. **Requesting feedback** from customers as part of the Customer Services Excellence accreditation

Pensions Panel (LGPS only)

21. Objective:

- i. To ensure members are aware of their responsibilities in relation to the Scheme;
- ii. To seek members approval to the development or amendment of discretionary policies, where required;
- iii. To assist members in making decisions about investment, administration and governance of the Scheme;
- iv. To seek members approval to formal responses to government consultation in relation to the Scheme;
- v. To ensure that the required level of knowledge and understanding is maintained.

22. We will do this by:

- i. Drafting, reviewing and publishing **key Scheme documents**,
- ii. Publishing **formal papers** setting out relevant issues in respect of the Scheme, in many cases seeking specific decisions or directions.
- iii. **Attending formal and informal meetings** of Pension Panel members, at which local decisions in relation to the scheme are taken
- iv. **Responding to all requests** for information by members of the Pension Panel.
- v. **Facilitating training** in line with the knowledge and understanding requirements and the Pension Fund's Training Strategy.

Communication with Members of the Pension Advisory Board

23. Objective:

- i. To ensure they are aware of their responsibilities in relation to the Scheme;
- ii. To ensure they are aware of their responsibilities in relation to the Scheme Manager, the Pensions Regulator and the National Scheme Advisory Board;
- iii. To ensure that the required level of knowledge and understanding is maintained.

24. We will do this by:

- i. Publishing **formal papers** setting out relevant issues in respect of the Scheme.

- ii. **Attending formal and informal meetings** of the Pension Advisory Boards
- iii. **Responding to all requests** for information by members of the Pension Advisory Boards.
- iv. **Facilitating training** in line with the knowledge and understanding requirements and the Pension Fund's Training Strategy.

Communication with Hampshire Pension Services and WSCC Pensions Staff

25. Objective:

- i. To provide in depth and practical training to new employees;
- ii. Provide training updates to existing employees;
- iii. Provide working manuals to all employees;
- iv. Document any procedural changes;
- v. Monitor/review service standard to strive for continual improvement;
- vi. Be aware of changes and proposed changes to the scheme;
- vii. To provide on the job training on specific Scheme issues such as admission arrangements;
- viii. To develop improvements to services, and changes to processes as required;
- ix. To agree service standards.

26. We will do this by:

- i. Monthly **Service Review meetings**.
- ii. **Regular catch up meetings** between West Sussex County Council legal services, corporate finance team, and Hampshire Pension Services.

Communication with Media and Other Stakeholders

27. Objective:

- i. To ensure the accurate reporting of Fund valuation results, the overall performance of the Fund and the Fund's policy decisions against discretionary elements of the scheme;
- ii. To ensure accurate reporting on any issues relating to the Schemes.
- iii. To meet our obligations under various legislative requirements such as the Freedom of Information Act and the requirements of the Pensions Regulator (tPR);

- iv. To ensure the proper administration of the scheme;
 - v. To deal with the resolution of pension disputes;
 - vi. To administer the Schemes AVC arrangements (LGPS only),
28. We will do this by:
- i. **Responding to consultations** about regulatory changes and the future of the Scheme.
 - ii. **Publishing notices** such as via the Members Information Services or OJEU following specific Pension Panel decisions and to advise on votes cast by the investment managers on behalf of the pension fund, specifically relating to remuneration.
 - iii. **Publishing press releases** providing statements setting out the County Council's opinion on Scheme matters concerned, e.g. Fund valuation results.
 - iv. **Responding to Freedom of Information** and other requests.

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Pensions Panel

29 April 2019

Administration Transfer and Performance

Report by Director of Finance Performance and Procurement

Summary

The Pension Panel has a key objective within its Business Plan to deliver a high quality administration service.

The Pension Fund's administration transferred from Capita to Hampshire County Council on 4 March 2019.

As part of business as usual processing from 12 March to 31 March the Hampshire Pension Services team completed 100% of the cases received within their 15 working days target, with the majority completed within five days.

Recommendation(s)

- (1) The update is noted.

Background and Context

1. The Pension Panel has a key objective within its Business Plan to deliver a high quality administration service to all stakeholders with processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time.
2. It is also acknowledged that there is a risk relating to inaccurate and/or incomplete data retained by the Pension Fund, impacting member outcomes, compliance with legislation and management of liabilities.
3. The Pension Fund's administration transferred from Capita to Hampshire County Council on 4 March 2019. This is therefore an interim update given the timescales since transfer and future reporting will be developed.
4. An Administration Strategy has been put in place which describes the key performance targets for employers, the Administering Authority and Hampshire County Council (Agenda Item 6).

Membership Volumes

5. The table below shows the membership volumes as at 31 March 2019:

1	Total
Active	28,087
Deferred	19,874
Pensioners incl beneficiaries	27,253
Total	75,214

6. As at the same date there were XX employers actively participating in the Scheme.

Performance

7. Hampshire have successfully run the LGPS pensioner payroll for March which provides strong assurance on the completeness and accuracy of the data transfer work.
8. The table below shows the performance against service standards for the key processes which were set up as part of business as usual processing from 12 March to 31 March. The target for all case types, with the exception of deferred retirements, is 15 working days.

	Time to complete				Total Cases	% on Target
	0-5 days	6-10 days	11-15 days	16-30days		
Active Retirement	20				20	100
Deferred Retirement	40	2			42	100
Estimate	8	1			9	100
Deferred	5				5	100
Transfer Out					0	
Transfer In					0	
Divorce	1				1	100
Refund	9				9	100
Rejoiner	1				1	100
Interfund	0	1			1	100
Death	9				9	100
Total					97	100

9. All work received during the transition period and received as open cases from Capita has been logged by the Hampshire team and appropriate tasks have been set up. These are not included in the above.

¹ For WSCC only, figures are actives 14,599, Pensioners (incl beneficiaries) 10,580 and deferred 16,194

10. From 1 April, the Hampshire team will make resource will be available to assess the full position of legacy workloads so that the work can be cleared as far as possible by the end of June, before the valuation extracts are run.
11. Since 4 March, the Hampshire team have been referred 17 complaints, all relating to the period before Hampshire took on the administration. Several compliments about the responsiveness of Pension Services during the transition period have been received.

Communication

12. Hampshire has held five employer training and liaison sessions in venues in West Sussex. In total 94 participants representing 72 employers attended. These are in addition to bespoke sessions with key employers which ran as part of the transfer project.
13. A further communication has been sent out to all active, deferred and pensioner members where an email address is held on the pension administration system. This confirmed the completion of the transfer, highlighted the new contact details and promoted the availability of the Member Portal.
14. Pensioners received an annual newsletter with their payslip in March, detailing payment dates and other important information about their pension payments.
15. From 1 April LGPS members could register for a pensions account so that they can see their annual benefit statements online, as well as access and update their personal details. Pensioner members are able to view their payslips and P60s. Although there were some issues caused by the volume of interest in registering for the site as at 9 April:

	Number
Active	1,763
Deferred	749
Pensioner	424
Total	2,936

Katharine Eberhart

Director of Finance, Performance and Procurement

Contact: Rachel Wood, Pension Fund Investment Strategist
033 022 23387 | rachel.wood@westsussex.gov.uk

Background Papers

None

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