

## **Administration Strategy**

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

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.

1. 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.

2. 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.

3. 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.

4. An administering authority must publish—

- a) its pension administration strategy; and
- b) where revisions are made to it, the strategy as revised.

5. 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.

6. An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

7. 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 <sup>1</sup>

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

---

<sup>1</sup> Hyperlinks to be included in final version

## Principal Regulations

7. The principal Regulations underpinning this document are:
- 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.

## **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.

## **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.

Scheme Employer (or their contractors) performance	Administering Authority (or their contractors) performance
<b>Answer enquiries made by members and employers</b>	
	<p>The Administering Authority will respond to all enquiries within <b>5 working days or sooner where possible.</b></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>
<b>Actuarial Valuation</b>	
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 <b>31 March of the year following a valuation.</b>
<b>Additional Voluntary Contributions</b>	
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.	The Administering Authority will notify the AVC provider <b>within 10 working days</b> of receiving a request of a new AVC application.
<b>Annual Benefit Statements</b>	
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 <b>31 August</b> each year.
<b>Change in member details</b>	
Information to be provided within by the end of the month in which the change occurs.	The Administering Authority will update the member record to reflect the change within <b>15 working days</b> of receipt of the relevant information.
<b>Death Benefits</b>	
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"> <li>• acknowledge in writing the death of a member enclosing claim forms to the informant or next of kin within <b>5 working days of being notified of the death.</b></li> <li>• Supply survivor beneficiaries with notification of their entitlements including the method of calculation within <b>15 working days</b> of all the information being received..</li> <li>• pay any death grant due within</li> </ul>

	<p><b>10 working days</b> of receipt of all necessary paperwork to be able to produce the calculation (this includes Grant of Probate or Letters of Administration).</p> <p>As agreed by exception in certain circumstances (e.g. hardship cases)) the timescale can be contracted</p>
<b>Discretionary Powers</b>	
<p>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.</p> <p>Employers must advise the Administering Authority of any changes to their discretions policy immediately and confirm that they have reviewed their discretions policy annually.</p>	<p>Once any amendments are received the Administering Authority will apply the changes with immediate effect.</p>
<b>Divorce Estimates</b>	
	<p>The Administering Authority will provide estimates/actuals for pension sharing provided during the year within <b>15 working days of receiving all necessary information.</b></p>
<b>Employer Decisions</b>	
<p>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).</p>	<p>The Administering Authority will write to all employers within <b>10 working days</b> of the notification from Government to ensure that any changes to the contribution rates are communicated.</p>
<b>Independent Medical Practitioner</b>	
<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 <b>at the point of an ill health retirement</b>, through their retirement processes.</p> <p>The Administrator will seek confirmation at the point of <b>an employer being admitted</b> to the Scheme and confirm the information</p>

<b>at the time</b> of an ill health retirement.	
<b>Leaver forms including for Bulk Transfer Out Employer Cessation Deferred Benefits upon Leaving</b>	
For employer notification of a retirement, please see "Retirement Benefits".	For payment of retirement benefits, please see "Retirement Benefits".
Leaver form to be provided within 10 working days following the end of the month in which the employee was paid.	For the deferment of a members benefits, the Administering Authority will issue a letter informing member of their deferred pension rights within <b>30 working days</b> of receipt of all the necessary information required to produce calculation.
The Employer should notify the Administering Authority as soon as they identify that a bulk transfer is likely to take place.	The Administering Authority will repay contributions for members with less than two years membership within 20 working days of receiving all necessary information.
	For an individual transfer out, the Administering Authority will make payment of the transfer value within <b>15 working days</b> of receipt of all necessary information
	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.
<b>New Starter including for Bulk Transfer In</b>	
New Starter form to be provided within 10 working days following the end of the month in which the employee joined the LGPS.	The Administering Authority will set up a member record within <b>20 working days</b> of receipt of the new starter form.
A member may elect to transfer other pensions into the Scheme by completing the necessary form within 12 months of joining.	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 <b>15 working days</b> of confirmation that the payment from the other pension scheme has been allocated to the pension fund.
The Employer should notify the Administering Authority as soon as they identify that a bulk transfer is likely to take place.	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.

### **Payment of Contributions**

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 22<sup>nd</sup> of the month following the month the contributions relate.

All employers must submit their bespoke remittance advice form electronically in advance of their payment.

### **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.

### **Retirement Benefits**

The Employer must provide a retirement notifications at least 20 days before an employee's retirement date.

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.

Retirement pension will be made to pensioner on the **next available pensioner payroll run**.

### **Retirement Estimates**

The Employer must provide estimated pensionable pay details within 10 working days of the members' request.

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

Employers may consider a previous years pay may be more beneficial to the member and should provide such information if necessary.	employer. <sup>2</sup>
<b>Year End Information</b>	
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.	The Administering Authority will request information and provide specification to employers not later than the <b>end of the first week in March</b> . A reminder will be sent out 10 working days before the due date of <b>30<sup>th</sup> April</b> .
The information should distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary contributions.	

---

<sup>2</sup> 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).