

Pension Administration Strategy

Introduction and Purpose

The County Council is the designated statutory body responsible for administering the West Sussex Pension Fund (“the Fund”) on behalf of the constituent Scheduled and Admitted Bodies. The Council is responsible for setting an Administration Strategy which sets out levels of performance which the Fund and its Scheme employers are expected to achieve in carrying out their Scheme function and will carry out regular reviews and monitoring of performance.

The Fund provides a high-quality pension service to members and employers, to ensure members receive their correct pension benefits. In this context, this Administration Strategy is considered an important document to provide transparency and sets out levels of performance which the Fund and its Scheme employers are expected to achieve in carrying out their Scheme function. Where information reveals problems in meeting the standards, the Fund will consult and work with its own officers or the relevant employers to improve compliance and performance levels by providing appropriate support, guidance, and training.

The performance standards set out in the Strategy do not override any statutory provision or requirement. If the Fund or Scheme employers fail to comply with any statutory requirements, the Fund will consider whether there has been a [relevant breach and take action as necessary](#).

This Strategy will be reviewed at least every two years and will be updated to reflect any substantive changes in the interim. The last review was in April 2021.

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

The table below sets out the levels of performance which Scheme and the Fund are expected to achieve in carrying out their Scheme functions.

Task	Employer responsibility	Fund responsibility
Actuarial Valuation	Provide information in line with Year End Information requirements.	Provide necessary information to the Fund Actuary and publish the Actuarial Valuation report (which includes the Rates and Adjustment Certificate) by 31 March of the year following a valuation.
Additional Voluntary Contributions (AVCs)	<p>For new starters, notify the Fund or its AVC provider within 10 working days of receiving a request of a new AVC application.</p> <p>For contributions, pay relevant contributions to the AVC provider (or the Fund) by the 22nd of the month following their deduction in the format required by the AVC provider.</p>	<p>For employers who provide information directly to the AVC provider, new starters will be set up immediately following completion of the necessary information. For employers who provide information via the Fund, new starters will be set up prior to the next contribution upload.</p> <p>Contributions will be credited to a member account within 5 days of payment by the employer (or Fund).</p>
Annual Benefit Statements (ABSs)	Provide information in line with Year End Information requirements.	Publish ABS's online or as hard copy by 31 August each year.
Bulk Transfer	Notify as soon as it is anticipated that a bulk transfer is likely to take place	Determine process on a case by case basis.

Task	Employer responsibility	Fund responsibility
<p>Change in member details including move to 50:50 Section</p>	<p>Provide information by the end of the month in which the change occurs.</p> <p>For 50:50 Section move member into 50:50 Section from the next pay period after receiving the members request and provide an amendment form to advise of change to/from 50:50 section within 10 working days following the change</p>	<p>Update the member record to reflect the change within 15 working days of receipt of the relevant information.</p>
<p>Change of Payroll Provider</p>	<p>Notify the Fund of a change of payroll provider as soon as possible but no later than 20 working days before change.</p> <p>Submit individual 'Change of payroll provider' forms to the Fund for all transferring employees within 20 working days post transfer.</p> <p>Provide notification of new payroll numbers (if applicable) to the Fund within 20 working days post transfer.</p> <p>Complete a mid year return if date of change is not 1 April within 40 working days post transfer.</p>	<p>Update membership records within 15 working days, unless for an employer with more than 150 employees, where timescales will be on a case by case basis.</p>
<p>Communication</p>	<p>Distribute annual benefit statements and any other notifications to active members as requested by the Fund within 20 working days of receipt.</p>	<p>Provide communication in lien with the Communication Policy Statement.</p>

Task	Employer responsibility	Fund responsibility
Contributions (Payment)	<p>Deduct all member and employer contributions at the correct rate and make payment electronically by 22nd of the month (or the last working day before where the 22nd is not a working day) following the month the contributions relate to.</p> <p>Submit a bespoke remittance advice form electronically in advance of the payment.</p>	<p>Allocate all contributions submitted by the employer to their respective income codes and reconcile the total contributions paid on a monthly basis.</p> <p>Write to all employers within 10 working days of the notification from Government to ensure that any changes to the contribution rates are communicated.</p>
Contributions (Refund)	<p>Refund contributions through the payroll to any employee who opts out of the scheme with less than 3 months membership from the next pay period after receiving the employee's request to opt out</p> <p>Provide the Fund with a copy of the opt out form within 10 working days following the end of the month in which the employee left.</p>	<p>Where a member is entitled to repayment of contributions (where a member has more than three months but less than two years membership) make payment within 15 working days of receiving all necessary information.</p>
Data Cleanse	<p>Where there are concerns about the accuracy of an employer's data, undertake a data cleanse exercise and make a declaration that they have fulfilled all of their requirements to notify the Fund of changes.</p>	<p>[NOTE: Placeholder. Fund targets to be included]</p>

Task	Employer responsibility	Fund responsibility
Data Retention	Keep a full pay history for the 13 years, ending 31 March, before the member leaves the Scheme	<p>Data will be retained for the greater of:</p> <ul style="list-style-type: none"> • such period as the member (or any beneficiary who receives benefits after the member's death) are entitled to benefits from the fund and for a period of 15 years after those benefits stop being paid • 100 years from the member's date of birth • 100 years from the date of birth of any beneficiary who received benefits from the fund after the member's death. •
Death Benefits	Where death in service, notification of a member's death and next of kin's details within 5 working days of the death of the member.	<p>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.</p> <p>Supply survivor beneficiaries with notification of their entitlements within 15 working days of all the information being received.</p> <p>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> <p>In certain circumstances (e.g. hardship cases)) the timescale can be reduced.</p>

Task	Employer responsibility	Fund responsibility
Discretionary Powers	<p>Publish a policy in respect of exercising discretionary powers given by the LGPS Regulations.</p> <p>Advise the Fund of any changes to the discretions policy within one month of setting a policy and the changes taking effect.</p> <p>Provide annual confirmation of the discretions policy being reviewed.</p>	Apply the changes with immediate effect.
Divorce Estimates		Provide estimates/actuals for pension sharing within 15 working days of receiving all necessary information . Note the Fund's charging policy.
Enquiries made by members and employers		Respond to all enquiries within 5 working days . Where this is not possible notify the member or employer and keep the member updated.
Independent Medical Practitioner Appointment	<p>Provide details of its appropriately qualified independent medical practitioner to the Fund before admission.</p> <p>Notify the Fund of any changes within 10 working days.</p>	<p>Verify that the nominated independent medical practitioners is appropriately qualified to deal with ill health retirement cases within 10 working days of notification.</p> <p>Confirm the information at the time of an ill health retirement.</p>

Task	Employer responsibility	Fund responsibility
Leavers (excluding retirements/casuals)	Notify the Fund within 10 working days following the end of the month in which the employee was paid.	Issue a letter informing member of their deferred pension rights within 30 working days of receipt of all the necessary information.
Leavers (casuals)	Notify the Fund within 10 working days following the end of the month in which the employer is aware they have left or were last paid	Issue a letter informing member of their deferred pension rights within 30 working days of receipt of all the necessary information.
Leaver (Retirement)	Provide retirement notifications at least 20 days before an employee's retirement date.	<p>Calculate benefits due when a member leaves employment and send details to the member with 15 working days on receipt of all information needed to make the final calculation.</p> <p>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>Pay retirement benefits to pensioner on the next available pensioner payroll run.</p>
New Starter	<p>Provide the new starter notification within 10 working days following the end of the month in which the employee joined the LGPS.</p> <p>Ensure all new employees eligible to join the LGPS receive a copy of the Employee Guide to the Scheme within two months of becoming employed.</p>	Set up a member record and issue a Statutory notification within 20 working days of receipt of the new starter form.

Task	Employer responsibility	Fund responsibility
Outsourcing and TUPE	<p>Notify of any outsourcing arrangements which impact on employees eligible to the LGPS as soon as possible but no later than 20 working days before change.</p> <p>Where an admission agreement is required, to complete a data request and provide an undertaking of costs.</p> <p>Ensure admission agreement is finalised no later than date of transfer.</p> <p>Complete Part A of the TUPE form within 10 working days following the end of the month in which the transfer took place.</p>	Commission advice from the Fund Actuary and legal advisers as appropriate to approve an admission (if appropriate) no later than date of transfer .
Pension increase		Apply pensions increases annually to the relevant pensions in payment and deferred pensions in accordance with the Pensions Increase (Review) Order issued by the Government.
Retirement Estimates	Provide details required for completion of an estimate within 10 working days of the members' request. ¹	Provide the retirement estimate within 15 working days of receipt of accurate pensionable pay details from an employer. ² Note the Fund charges for estimates.

¹ Employers may consider a previous year's pay may be more beneficial to the member and should provide such information if necessary.

² In addition to online functionality.

Task	Employer responsibility	Fund responsibility
Transfers of members' pension rights outwards		Make payment of the transfer value within 15 working days of receipt of all necessary information.
Transfers of members' pension rights inwards		Calculate and process transfers of members' pension rights within 15 working days of receipt of all information.
Year End Information	<p>Provide annual information of the contributions paid by members in the year to 31 March each year in the notified format no later than 30 April.</p> <p>Respond to queries on the annual return raised by the Fund within 10 working days of receipt.</p>	<p>Request information and provide specification to employers no later than the end of the March.</p> <p>A reminder will be sent out 10 working days before the due date of 30th April.</p> <p>Raise reconciliation/initial template queries by 15th May (or within 2 weeks of late submissions).</p> <p>Raise post upload queries by 15th June (or with 2 weeks of late submissions)</p>

Charges

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 the following should also be noted:

- **Actuarial and Legal Fees:** Where additional actuarial or legal services are required by, or result from the decisions and actions of, the employer, the employer will be required to reimburse the Fund for the costs involved. Where appropriate, an estimate of these costs will be provided, and the employer's agreement obtained.
- **Estimates:** An employer can request up to two estimates for a member over a 12-month period. Subsequent estimates will be subject to a £100 administration fee. If an employer requires an estimate in less than three weeks, they may request an urgent estimate. The charge is £100 plus VAT and will be completed within five working days of the Fund receiving the request form.
- **Additional Administration Charges:** If additional and disproportionate resources are deployed by the Fund because of an employer's poor performance, the cost of the additional resources may be re-charged to the employer. Written notice will be given of the reasons for the re-charge, how the cost was calculated. In addition where the Fund incurs additional administration costs due to the pension implications of an Employer restructuring (e.g. outsourcing, creation of a company, change of legal status etc) a separate additional administration charge will be made. The charge will be based on estimated staff time and will be notified to the employer before any work is carried out.
- **Interest:** If the Fund incurs interest charges because of an employers failure to notify the Fund of the final retirement details in a timely manner the Fund may recharge to the employer the interest incurred on the late payment of the lump sum. Interest may also be charged on payments by employers overdue by more than 1 month (equal to the bank of England base rate plus 1%) except in exceptional circumstances.
- **TPR and TPO Costs:** Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by Fund, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.
- **Training:** From time to time, the Fund will offer training and support to employers through 'Employer Days' and workshops. There is no charge made to an employer for attending this event, however the Fund reserves the right to charge a late cancellation fee of £100 + VAT, where at least one week's notice has not been given of non attendance