

	<p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk LOW</p>
	<p>Other Implications: None</p>
<p>Recommendation</p>	<p>That the Committee approve the final Pensions Administration Strategy for implementation from 1 April 2014.</p>
<p>Reason for Recommendation</p>	<p>To ensure that the Dorset County Pension Fund complies with best practice in pensions administration.</p>
<p>Appendices</p>	<p>1) Pensions Administration Strategy for the Dorset County Pension Fund 2) Regulation 65 Local Government Pension Scheme (Administration) Regulations 2008</p>
<p>Background Papers</p>	<p>The Local Government Pension Scheme (Administration) Regulations 2008 as Amended</p>
<p>Report Originator and Contact</p>	<p>Name: Anne Cheffey Tel: 01305 224025 Email: a.m.cheffey@dorsetcc.gov.uk</p>

1. Background

- 1.1 The Local Government Pension Scheme (LGPS) (Administration) Regulations 2008 enables Pension Fund Administering Authorities to introduce a Pension Administration Strategy (PAS) for the purpose of improving the administrative processes within their LGPS Fund.
- 1.2 The aim of the PAS is to ensure that both the Dorset County Pension Fund and its employers are fully aware of their responsibilities under the LGPS and to identify acceptable levels of performance.
- 1.3 A draft PAS was presented to Members at the Committee meeting on 20 February 2013 for consideration and approval for consultation.
- 1.4 Consultation with the Fund's Employers has now been concluded with comments received from 4 Employers.
- 1.5 Review of the comments has been completed with no impact on the PAS as it was presented to Members on 20 February 2013.
- 1.6 Members will recall that a key element to the successful introduction of the PAS was the introduction of an interactive website and electronic workflow system in collaboration with another large LGPS Fund. The new Dorset County Pension Fund website is now 'live'. Pension Team members have been working hard on the collaboration for the electronic workflow system and formal agreement is imminent. Testing will be taking place from December this year with a view to 'go live' from 1 April 2014 alongside the introduction of the PAS.
- 1.7 The introduction of the electronic workflow system will enhance the administration of the LGPS in the Fund. It will give the ability to implement the PAS providing monthly statistics in respect of the Pensions Section work performance against set performance indicators. Data collection from Fund Employers will be greatly enhanced, providing a secure portal for the exchange of information. Members will be kept up to date with progress made in this area, and will receive regular monitoring reports on the performance standards.

Paul Kent
Pension Fund Administrator
November 2013

1. INTRODUCTION

Dorset County Pension Fund (*“the Fund”*) is responsible for the administration of the Local Government Pension Scheme (*“LGPS”*) within the geographical area of Dorset. The Fund also administers the LGPS on behalf of a number of qualifying employers who are not situated within the Dorset area. The service is carried out by Dorset County Council (*“the administering authority”*) on behalf of qualifying employers and ultimately the LGPS members.

This document is the Pensions Administration Strategy statement outlining the policies and performance standards towards providing a cost-effective, inclusive and high quality pensions and administration service. Delivery of such an administration service is not the responsibility of one person or one organisation, but is rather the joint working of a number of different stakeholders which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership. As the cost of this service is borne by the Fund, and effectively recharged pro-rata to each employer via the contribution rate, it is in everyone’s interests to ensure an efficient cost-effective provision.

2. COMPLIANCE

Developed in consultation with employers within the Fund, this statement seeks to promote good working relationships, improve efficiency and ensure agreed standards of quality in delivery of the pension administration service amongst the employers and the Fund. A copy of this strategy is issued to each of the relevant employers.

The undertakings set out within this Pension Administration Strategy will be reviewed annually by the Fund. In no circumstances does this strategy override any provision or requirement of the Regulations set out below nor is it intended to replace the information provided in the Employers’ Guide on the Dorset For You Website for day-to-day use, <http://www.dorsetforyou.com/lgpsemployers>.

3. REVIEW

The Fund will review this policy statement at least annually and make revisions as appropriate following a material change in its policies in relation to any of the matters contained in the strategy. Employers will be consulted and informed of the changes.

4. REGULATORY FRAMEWORK

Regulation 65(1) of the LGPS (*Administration*) Regulations 2008 enables an LGPS administering authority to prepare a document (*“the pension administration strategy”*) detailing administrative standards, performance measure, data flows and communication with employers.

In addition, Regulation 43 of the (*Administration*) Regulations 2008 allows an administering authority to recover costs from an employing authority where costs have been incurred because of that employing authority’s level of performance in carrying out its functions under these Regulations. See Poor Performance section.

This document has been presented, for approval to the Pension Fund Committee on the 21st November 2013 and, as such, the contents of which apply to all existing and future employers of Dorset County Pension Fund and from that date.

5. LIASON AND COMMUNICATION

The delivery of a high quality, cost effective administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure Scheme members, and other interested parties, receive the appropriate level of service and ensure that statutory requirements are met.

Each Employing authority will designate a named individual to act as the main point of contact (Pension Liaison Officer (PLO)) with regard to any aspect of administering the LGPS.

Their key responsibilities will be to:

- to act as a conduit for communications to appropriate staff within the employer – for example, Human Resources, Payroll teams, Directors of Finance;
- to ensure that standards and levels of service are maintained;
- to ensure that details of all nominated representatives and authorised signatures are correct and to notify the Fund of any changes immediately;
- to arrange distribution of communications literature as and when required;
- to inform the Fund of any alternative service arrangements required;
- to assure data quality and ensure the timely submission of data to the Fund; and
- to assist and liaise with the Fund on promotional activities.
- to ensure payments due to the Fund are made in accordance with the Pensions Administration Strategy

Employer Training/Meetings

Employer workshops are arranged 4 times per year but more will be provided if requested or deemed necessary by the Fund. The workshops cover employer responsibilities highlighting:

- Starter and leaver processes
- Final Pay
- LGPS Discretions
- End of Year requirements
- Communications

The Fund will hold Pension Liaison Officer Group (PLOG) meetings 4 times per year. Attendance by each employer's PLO is actively encouraged.

The Fund holds an annual employer's meeting where officers provide information on Fund Finances, Investment Performance and topical issues for the Fund; in recent times this has included updates on future changes to the LGPS. Attendance by each employer's main contact and Senior Management is actively encouraged.

Meetings with senior pension fund staff can be arranged on request.

Policy Discretions

Each employer is required to produce, publish and maintain a statement of policy regarding the exercise of certain discretionary functions available to them within the LGPS regulations. The policy statement must be kept under review and where revisions are made; the revised policy statement must be sent to the Fund and made readily available to all employees within the employing authority within one month of the effective date.

Notification of Employee's Rights

Any decisions made by an employing authority affecting an employee's rights to membership or entitlement to benefits must be notified to the employee in writing.

Internal Disputes Resolution Procedures (IDRP)

Each employing authority is required to nominate and name the person to whom applications under Stage 1 of the Internal Disputes Resolution Procedures should be made. The name, job title and contact details of this nominated person must be kept up-to-date with the Fund.

Computer Links

The Fund will, to appropriate large employers, provide the software, hardware and communication facilities in order for employing authority staff to produce retirement estimates and enquire on their employee’s record of membership.

The Fund will ensure that the Pensions Administration computer system is available for use during normal office hours with the exception of any necessary scheduled maintenance of the system.

6. FUND AND EMPLOYER RESPONSIBILITIES

The LGPS Regulations identifies a number of responsibilities for the Fund and Employers.

PERFORMANCE STANDARDS ARE HELD WITHIN THE FOLLOWING TABLES:

NEW APPOINTMENTS	
EMPLOYERS’ RESPONSIBILITY	FUND’S RESPONSIBILITY
To ensure that pensions information is included as part of any induction process.	To provide to employers on request appropriate information/forms for inductions.
To provide each new employee with an LGPS booklet and application form, either with their contract or within two weeks of starting work.	To update pension information in accordance with regulatory changes and provide sufficient stock within five weeks of request by the employer.

NEW STARTERS	
EMPLOYERS’ RESPONSIBILITY	FUND’S RESPONSIBILITY
To ensure that all employees subject to automatic admission are brought into the LGPS from the date of appointment, and provide the Pensions Team each month with details of their start date by electronic interface or approved paper form.	To accurately record and update associated member records on the pension administration system.
To assist the Fund in ensuring that all new starters complete the Pension Membership Form containing information including National Insurance Number, Date of Birth and Home Address to the Fund within 1 calendar month of the employee’s first pay date	To apply for any Transfer Value details within 10 working days of receipt of all the relevant information from the member and to produce a Membership Certificate and forward to member’s home address, within thirteen weeks of joining the LGPS, as stated within the Regulations.
Where there is more than one contract of employment with the same employer, each membership shall be maintained separately and the Fund notified.	To accurately record these member records on the pension administration system.
To send the Fund notification in agreed electronic or paper format of any eligible employees subject to automatic entry, who do not wish to join, or elect to leave the scheme within three months of appointment.	To accurately record and update member records on the pension administration system within 30 working days of receipt of the notification.

VALUATION & ANNUAL BENEFIT ILLUSTRATIONS	
EMPLOYERS’ RESPONSIBILITY	FUND’S RESPONSIBILITY
To ensure that the Fund is informed of any changes	To provide forms for recording any key change in

<p>in the circumstances of employees on approved forms or by agreed electronic templates within 1 calendar month of the change. Forms can be found on Dorset For You: http://www.dorsetforyou.com/lgpsemployers The changes include:</p> <p>Status:</p> <ul style="list-style-type: none"> • Change of Name • Marital Status • National Insurance Number • Address <p>Conditions of Service:</p> <ul style="list-style-type: none"> • Contractual Hours • Remuneration changes due to down grading • Contribution Rate • Employee Number and/or Post Number • Date Joined Scheme (if adjusted) <p>Absence:</p> <ul style="list-style-type: none"> • Maternity, Paternity and Adoption • Unpaid leave of absence • Industrial Action • Any other material period of absence <p>Each employer must ensure that the relevant contributions are deducted, if required.</p> <p>End of Year End of Year contribution return to be sent to the Fund by the 15th May of each year and by 8th May in a Valuation year. Employer to respond to End of Year queries within 15 working days of request</p>	<p>circumstances and/or to provide a template for the secure submission of data electronically.</p> <p>To accurately record and update member records on the pension administration system within 30 working days of notification or any shorter period as requested by the employer with regard to specific requirements.</p> <p>To issue Annual Benefit Illustrations by the 5th October of the year concerned for all members where the employer has sent end of year contribution return by 15th May of that same year.</p> <p>To calculate the LGPS member's Annual Allowance under HMRC Legislation and notify members, where appropriate by the 5th October of the year concerned or within 3 months of member's request.</p>
---	--

RETIREMENT ESTIMATES	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To submit a request using the Estimate Request Form, found on http://www.dorsetforyou.com/lgpsemployers by post or attaching it to an e-mail.</p> <p>(Only 1 estimate request per member per rolling year allowed, additional requests chargeable as per Charging Schedule – Appendix A)</p> <p>For larger bulk estimates, requests can be made in alternative formats.</p>	<p>To issue the quotations within 15 working days of receiving the request or by separate agreed timescales for bulk requests.</p> <p>To provide large employers with the appropriate software to produce retirement estimates without the resource of Fund staff.</p>

ACTUAL RETIREMENTS	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To submit the appropriate form to the Fund at least one month before retirement where possible but in all cases no later than 15 working days after retirement date.</p>	<p>To issue the member with a letter and retirement information within 10 days of notification.</p> <p>To make payment of any lump sum within 5 working</p>

<p>Further information can be found in the Employers Guide, http://www.dorsetforyou.com/lgpsemployers.</p>	<p>days of the date of retirement provided all relevant forms and certificates have been received from the member.</p> <p>To pay any pension payment on the last working day of each month, following retirement.</p>
--	---

ILL HEALTH RETIREMENTS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To determine based on medical opinion and advice of one of the Administering Authorities approved Independent Medical Registered Practitioners (<i>Independent Medical Registered Practitioners (IMRP)</i>) whether an ill health award is to be made and determine which tier 1, 2 or 3.</p> <p>To submit the appropriate form to the Fund at least one month before retirement where possible but in all cases no later than 15 working days after retirement date.</p>	<p>To calculate and pay required benefits in line with actual retirement timescales.</p>
<p>To keep a record of all Tier 3 ill health retirements, particularly in regard to the 18 month review of their gainful employment and any subsequent appointment with an (IMRP) approved by the Administration Authority for a further medical certificate.</p> <p>To inform the Administering Authority if and when the pension should cease.</p>	<p>To calculate and recover any overpayment of pension benefits</p>
<p>To review all Tier 3 ill health retirement cases prior to discontinuance at three years and notify member of cessation if applicable.</p> <p>Further information on ill health retirements can be found in the Employers Guide, http://www.dorsetforyou.com/lgpsemployers .</p>	<p>Update the member records as becoming a "<i>pensioner member with deferred benefits from the date of the suspension</i>".</p>

MEMBERS LEAVING EMPLOYMENT BEFORE RETIREMENT

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To notify the Fund of the employee's date and reason for cessation of membership and all other relevant information on approved forms within one month of the event.</p>	<p>To accurately record and update member records on the pension administration system.</p> <p>To inform members who leave the Scheme, who are not entitled to immediate payment of benefits, the options available and deferred benefit entitlement within 2 months of receiving the relevant information.</p>

FORMER MEMBERS WITH DEFERRED BENEFITS

EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
<p>To keep adequate records of the following for members who leave the Scheme with deferred benefits</p>	<p>To record and update member records on pension administration system.</p>

<p>as early payment of benefits may be required:</p> <ul style="list-style-type: none"> • Name and Last known address • National Insurance Number • Payroll Number • Date of Birth • Last job including job description • Salary details • Date and reason for leaving <p>On application from the former employee to have their deferred benefits paid early, a determination as to whether or not they are eligible for early payment on ill health grounds after seeking a suitable medical opinion from an (IRMP) approved by the Administering Authority, to determine whether benefits should be released early on compassionate grounds and whether any early retirement reduction should be waived.</p>	<p>Issue deferred benefit notification within 2 months of notification by employer.</p> <p>To provide former members, where possible, an annual benefit illustration of their deferred benefits updated by accrued annual pensions increase award.</p> <p>To provide estimates of benefits that may be payable and any resulting employer costs within 10 working days of request.</p>
---	--

DEATH IN SERVICE & TERMINAL ILLNESS

EMPLOYERS' RESPONSIBILITY

To inform the Fund immediately of the death of an employee or when a member is suffering from a potentially terminal illness and provide details of the next of kin.

Further information can be found in the Employers Guide, <http://www.dorsetforyou.com/lgpsemployers>.

FUND'S RESPONSIBILITY

To assist employers, employees and their next of kin in ensuring the pension options are made available and that the payment of benefits are expedited in an appropriate caring manner.

FINANCIAL OBLIGATIONS

EMPLOYERS' RESPONSIBILITY

To pay the Fund all contributions deducted from payroll (*not including AVCs*) of its employees and employer contributions, no later than the 19th day of the month following the period of deductions.

To re-imburse the Fund for all pension payments made which are not to be borne by the Fund e.g. early retirement strain cost, compensatory added years, injury allowances under an agreed schedule.

To ensure that all payments made to the Fund are supported by a completed Monthly Financial Return form which is available on the Employers area of Dorset For You website.

Further information can be found in the Employer Guide, <http://www.dorsetforyou.com/lgpsemployers>.

To apply the correct employer and employee contribution rate.

To alter employee contribution rates at all other times in line with the employers' discretionary policy on adjusting employee contribution rates.

To pay all rechargeable items to the Fund within four weeks of the invoice.

FUND'S RESPONSIBILITY

To allocate the received contributions to each employers record.

Interest will be charged for late payment as detailed in Regulation 44(4) of the LGPS (*Administration*) Regulations 2008.

Inform each employer of any new contribution banding.

The Fund will inform employers of any recharge items as they become due.

To pay the appropriate AVC provider AVC contributions deducted from payroll of its employees no later than the 19 th day of the month following the period of deductions.	To record and update member records on pension administration system to show membership of AVC scheme.
--	--

ADDITIONAL BENEFITS (ARCs and ASBCs)	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
To collect from the employee payroll, contributions and to arrange the prompt payment to the Fund no later than the 19 th of the month following deduction. More information can be found in the Employers Guide, http://www.dorsetforyou.com/lgpsemployers	To provide information on Additional Regular Contributions (ARCs) and Additional Survivor Benefit Contributions (ASBC's) on request to the LGPS member and employers and issue quotations within 10 working days.

DISCRETIONS POLICY	
EMPLOYERS' RESPONSIBILITY	FUND'S RESPONSIBILITY
Formulate, publish and update (as necessary) an Employer Discretions Policy as required under the LGPS Regulations and provide a copy using the Discretions template to the Fund. More information can be found in the Employers Guide, http://www.dorsetforyou.com/lgpsemployers See Appendix B for details of Discretions. This must be done within 30 days of policy being agreed by the appropriate officers or committee of the Employer OR any changes being made AND No later than 6 months after being informed by the Fund of any relevant change in the Regulations	Formulate, publish and update (as necessary) an Administering Authority Discretions Policy as required under the LGPS Regulations. The Fund will keep the policies under review and will update within 6 months of any relevant change in the Regulations. Where the Fund does not have an up to date discretions policy from an Employer, the Fund will not process anything which involves Employers discretions. This currently includes early retirement (pre age 60), additional pension awards, flexible retirement and waiving of actuarial reductions on any of these.

7. STANDARDS OF DATA

Overriding Legislation

In performing the role of administering the LGPS, The Fund and Employers will comply with the overriding legislation, including:

- the Occupational Pensions Schemes (*Disclosure of Information*) Regulations 1986;
- the Pensions Act 1995 & 2004;
- any Transitional Regulations currently in place;
- the Discretionary and Compensation Regulations 2006;
- the Data Protection Act 1998;
- the Freedom of Information Act 2000;
- the Disability Discrimination Act 1995;
- the Age Discrimination Act 2006;
- the Finance Act 2004;
- Health and Safety Legislation;

- Employment Rights Act 2010;
- HMRC Legislation and
- Current Government Actuaries Department Guidance

and any future amendments to the above legislation.

Secure Data Transfer

The Fund will follow Dorset County Council data security guidelines when sending any personal data in bulk.

8. FUND ADMINISTRATION PERFORMANCE - TASK STANDARDS

In all cases the standard quoted applies only once all necessary information and documents have been received

TASK	STANDARD (WORKING DAYS)
Letters/emails acknowledged	10 Days
New Starters processed – electronic/paper	30 Days
Payment of transfer values	10 Days
Provision of inward transfer quotes	15 Days
Notification of deferred benefits	40 Days
Respond to members general postal/telephone enquiries	10 Days
Changes in details processed	30 Days
Estimates for divorce purposes processed	30 Days or 21 Days for Court Ordered requests
Refund Payments	15 Days
Deferred benefits calculated	40 Days
ARC Illustrations calculated	10 Days
Annuity quotations calculated	5 Days
New retirement letters sent detailing options	10 Days
New retirement benefits processed for payment following receipt of election	5 Days
Deferred benefits processed for payment following receipt of election	5 Days
Notification of death processed	5 Days
Processing of survivor pensions	5 Days
Processing of death grants	5 days
Estimate requests processed	15 days

The annual figures for the Fund performance measures across all employers will be monitored by the Pension Fund Committee and reported in the Annual Report.

Audit

The Fund is subject to an annual audit of its processes and internal controls. Employers are expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations will be considered and where appropriate implemented with Employing authority cooperation.

Benchmarking

The Fund will regularly monitor its costs and service performance by benchmarking with other administering authorities. Details of the costs of administration, quality measures and standards of

performance will be monitored by the Pension Fund Committee and a summary will be published in the Annual Report.

9. EMPLOYER PERFORMANCE REPORTING

As part of this Pensions Administration Strategy the Fund will develop, with employer consultation, arrangements for quarterly reporting on key performance measures as contained in section 6 of this document.

This approach to reporting will facilitate early engagement with employers and also provide a mechanism for service level review and recognition of best practice.

Poor Performance

The Pension Fund Committee will monitor regularly the key performance measures. The Fund will seek, at the earliest opportunity, to work closely with employers in identifying areas of poor performance, provide the necessary training and development to put in place appropriate processes to improve the level of service into the future.

In the event of continued poor performance and a lack of any evidence of measures being taken to achieve improvement by an employing authority the Fund will seek to recover any additional costs arising.

The Fund may also charge for other services, details of all the charges that apply are provided in Appendix A.

Any third party costs or regulatory fines incurred by the Fund as a consequence of administrative failures or poor performance by the employing authority will be recovered from the employer. These may include fines imposed by the Courts or the Pensions Ombudsman and additional charges in respect of actuarial fees, legal fees, third party computer charges and additional printing and distribution costs.

In dealing with poor performance the Fund will:

- Write to the employer setting out the area(s) of poor performance;
- meet with the employing authority, to discuss area(s) of poor performance and how these can be addressed;
- issue formal written notice, where no improvement is demonstrated by the employing authority or where there has been a failure to take agreed action by the employing authority;
- make a claim for cost recovery, taking account of time and resources in resolving the specific area(s) of poor performance;
- will report any claim for the cost of recovery to the Pension Fund Committee at the next available meeting and may form part of the administration report in the Fund's published Annual Report.

10. ASSOCIATED POLICY STATEMENTS

Communications Policy

The statement outlines the Fund's policy on:

- Information to members, representatives and employers;
- The format, frequency and method of distributing such information;
- The promotion of the Scheme to prospective members and their employing authorities

The policy can be accessed on the Dorset County Pension Fund website:

<https://www.yourpension.org.uk/Dorset/In-the-Scheme/Publications>

Governance Policy

Dorset County Council has delegated to the Pension Fund Committee various powers and duties in respect of its administration of the Fund.

This statement sets out the scheme of delegation and the terms of reference, structure and operational procedures of the delegation.

The policy can be accessed on the Dorset County Pension Fund website:

<https://www.yourpension.org.uk/Dorset/Investments/Responsible-Investment>

Employer Discretions

The LGPS Regulations require every employing authority to:

- issue a written policy statement on how it will exercise the various discretions provided by the LGPS;
- keep it under review;
- revise it as necessary.

A list of the Employer discretions can be found in the Employers Guide:

<https://www.yourpension.org.uk/Dorset/Employers>

Administering Authority Discretions

The LGPS Regulations require every administering authority to:

- issue a written policy statement on how it will exercise the various discretions provided by the LGPS;
- keep it under review;
- revise it as necessary.

A copy of the Dorset County Pension Fund Administering Authority Discretions can be found on the Dorset County Pension Fund website:

<https://www.yourpension.org.uk/Dorset/Scheme>

LOCAL GOVERNMENT PENSION SCHEME (ADMINISTRATION) REGULATIONS 2008 REGULATION EXCERPTS RELATED TO PENSIONS ADMINISTRATION STRATEGY DOCUMENTS

Exchange of information by authorities

64. –

1. An employing authority which is not an administering authority must –

- a) inform the appropriate administering authority of all decisions made by the employer under Part 6 or this Part concerning members; and
- b) give that authority such other information as it requires for discharging its Scheme functions.

2. If –

- a) an administering authority makes any decision under Part 6 or this Part about a person for whom it is not the employing authority; and
- b) information about the decision is required by his employing authority for discharging that employer's Scheme functions, that authority must give that employer that information.

Pension administration strategy

65. –

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 employers in relation to which it is the administering authority (*"its employers"*);
- b) the establishment of levels of performance which the administering authority and its 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 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 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 employers under regulation 43(2) on account of that authority'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 employers have achieved the levels of performance established under subparagraph (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 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 pensions administration strategy, an administering authority must consult its 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. When an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its employers and to the Secretary of State.**
- 7. An administering authority and its employers must have regard to the current version of any pension administration strategy when carrying out their Scheme functions.**
- 8. In this regulation references to the functions of an administering authority include, where applicable, its functions as an employing authority.**

Additional costs arising from employing authority's level of performance

43. –

- 1. This regulation applies where, in the opinion of the appropriate administering authority, it has incurred additional costs which should be recovered from an employing authority because of that employing authority's level of performance in carrying out its functions under these Regulations or the Benefits Regulations.**
- 2. The administering authority may give written notice to the employing authority stating –**
 - a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);
 - b) the authority's opinion that the employing authority's contribution under regulation 42(1)(d) should include an amount specified in the notice in respect of the additional costs attributable to that authority's level of performance;
 - c) the basis on which the specified amount is calculated; and
 - d) where the administering authority has prepared a pension administration strategy under regulation 65, the provisions of the strategy which are relevant to the decision to give notice and to the matters in subparagraph (a), (b) or (c).

Interest

44. –

- 1. An administering authority may require an administering or employing authority from which payment of any amount due under regulations 39 to 42 (employers' contributions or payments) or regulation 86 (changes of fund) is overdue to pay interest on that amount.**
- 2. The date on which any amount due under regulations 39 to 41 is overdue is the date one month from the date specified by the administering authority for payment.**
- 3. The date on which any amount due under regulation 42 (other than any extra charge payable under regulation 40 or 41 and referred to in regulation 42(1)(c)) is overdue is the day after the date when that payment is due.**
- 4. Interest due under paragraph (1) or payable to a person under regulation 45(5) (deduction and recovery of member's contributions), 46(2) (rights to return of contributions) or 51 (interest on late**

payment of certain benefits) must be calculated at one per cent. above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

5. Interest on any amount due in respect of regulation 86 shall be calculated in accordance with guidance issued by the Government Actuary.

Overriding legislation dictates minimum standards that Pension Schemes should meet in providing certain pieces of information to the various associated parties – not least of which the Scheme member.

Appendix A - Charging Schedule

Failure to notify the Fund of new starters with full information within 1 month of their start date	£50 per case
Failure to notify the Fund of changes in status, conditions of service and absence of employees within 1 month of the change	£50 per case
Failure to notify the Fund of any member leaving the Scheme (termination of employment or opting-out) within 1 month of the event	£50 per case
Failure to notify the Fund of any retirement within 15 days of retirement date	£50 per case
Where as a result of the Employer's/Payroll Providers failure to notify the Fund of a retirement interest becomes payable on any lump sum or death grant paid, the Fund will recharge the total amount of interest to the Employer/Payroll Provider	Interest calculated in accordance with Regulation 44 of the LGPS (Administration) Regulation 2008
Failure to notify the Fund of the death in service of a member within 10 working days of the Employer receiving notification	£250 per case
Failure to pay over the monthly contributions to the Fund by the 19 th of the month following deduction of the contributions	Interest calculated on a daily basis equal to the Bank of England Base Rate plus 1%
Failure to provide the Fund with the End of Year contribution return by 15 th May or 8 th May in a Valuation year	£50 per working day from day after required date to date return is received
Failure to respond to requests for End of Year information to resolve queries within 15 working days of Fund request	£50 per query
Estimate requests in excess of 1 required in a rolling year	£100 per estimate request plus VAT per additional request
Failure to pay invoices from the Fund within the prescribed payment period	Interest calculated on a daily basis equal to the Bank of England Base Rate plus 1%

Notes to Charging Schedule

- Notifications of new starters, changes, absences, leavers, retirements and death in service must give full information as detailed in the Employer's Guide: <https://www.yourpension.org.uk/Dorset/Employers>
- Regulation 44 of the LGPS (Administration) Regulations 2008 states that interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests. If late payment of a lump sum or death grant occurs as a result of a failure by the scheme member or scheme member's representative to provide the information to the Fund, the Fund will be liable for the payment of any interest due.

**Appendix B – Regulation 65 Local Government Pension Scheme
(Administration) Regulations 2008**

Pension administration strategy

65.—(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 employing authorities in relation to which it is the administering authority ("its employing authorities");

(b) the establishment of levels of performance which the administering authority and its employing authorities 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 employing authorities 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 employing authorities 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 employing authorities under [regulation 43\(2\)](#) on account of that authority's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

APPENDIX 2

- (f) the publication by the administering authority of annual reports dealing with—
 - (i) the extent to which that authority and its employing authorities 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 employing authorities 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 employing authorities 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) When an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its employing authorities and to the Secretary of State.
- (7) An administering authority and its employing authorities must have regard to the current version of any pension administration strategy when carrying out their Scheme functions.
- (8) In this regulation references to the functions of an administering authority include, where applicable, its functions as an employing authority.