

Nottinghamshire Pension Fund Administration Strategy

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County Council**

Strategic Aims

The aim of the strategy is to set out the quality and performance standards expected of:

- Nottinghamshire County Council in its role of administering authority and scheme employer.
- All other scheme employers within the Notts Local Government Pension Fund.

It seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority.

The Regulations

The regulations allow that LGPS administering authority to prepare a Strategy which contains the following:

- Procedures for liaison and communication with all scheme employers.
- Setting performance targets
- The making of agreements about levels of performance and associated matters;
- Such other means as the administering authority consider appropriate
- Procedures which aim to secure statutory compliance.
- Improving the way the Admin Authority and scheme employers work together.
- Procedures to manage unsatisfactory performance with scheme employers.

Key Objectives

The key objectives of this strategy are to ensure that:

- The LGPS and scheme employers are aware of and understand their respective roles and responsibilities under the regulations.
- Notts pension Fund operates in accordance with the LGPS regulations, and aligned with The Pension Regulator requirements.
- Communication processes are in place to enable the fund and scheme employers to engage with each other.
- Accurate records are maintained for the purpose of calculating pensions entitlements, and scheme employer liabilities.
- Fund and scheme employers have appropriate skills and training.
- Standards are set and monitored for the delivery of specified activities in line with LGPS regulations, as set out in the attached service level agreement.

Administration Standards

The admin authority and scheme employers will ensure that all tasks are carried out to agreed standards, these being:

- Compliance with requirements and regulations set out in the information provided on the LGPS website.
- Work to be completed in the required format, and forms contained on the LGPS website.
- Information to be legible, accurate, and in the required format.
- Communications to be easy to read and understand.
- Information to be checked for accuracy
- Information properly authorised in line with audit requirements.
- Actions, and information provided within timescales set out in the SLA.

Liaison and Communication

Each employer will nominate a contact to administer the five main areas of employer responsibilities within the LGPS:

- A strategic contact for valuation, scheme consultation and, discretionary statements.
- An Internal disputes resolution procedure lead officer for stage 1.
- Administration contact for day to day administration.
- Year end activities lead officer.
- Finance contact for completion and submission of monthly postings and co ordination of exception reports.
- Nominated officers will have access to the employers area of the pension fund website.
- Responsibility of the scheme to ensure that the nominated officers are trained appropriately – support given by the Pensions Team.

Liaison and Communication

Notts Pension Fund will provide contact support information:

- A contact point for regulatory advice, guidance on Admin queries
- An Employer Support and Compliance Team for advice and guidance to employers
- Pension fund access telephone and e mail along with a special helpline at certain times of the year for ABS queries.
- Website with employer members area.
- Employer and member information and forms available on the website.
- Employer year end briefings.
- Pension Fund Annual General Meeting.

Liaison and Communication

Members



Whether you're interested in joining the scheme, an existing member or a past member you can find out more about your benefits and options.

Pensioners



If you're retired and claiming a pension from the Scheme, find out more about your pension benefits and payment dates.

Employers



All employers must login to access employer specific information and documents for the Nottinghamshire Local Government Pension Fund

News



News and information that relates to the Local Government Pension Scheme and the Nottinghamshire Local Government Pension Fund.

Resources



All the member's forms and guides you need to help you manage your scheme pension.

About the fund



Find out how Nottinghamshire County Council administers the Local Government Pension Fund on behalf of the various employers who belong to it.

Scroll



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Performance Standards

- Overriding legislation dictates minimum standards that pension schemes should meet.
- The scheme sets out a number of requirements for the admin authority and scheme employers to provide information to each other.
- Within the attached SLA performance standards have been set which cover all aspects of administration.
- The strategy identifies circumstances where the administering authority may levy costs associated with scheme employer's poor performance
- 2013 regulations provides that an Admin Authority may recover from scheme employers any additional costs associated with the admin of the scheme

Improving Employer Performance

Employer Support and Compliance Team will work closely with employers to identify areas of poor performance, and provide support and advice.

- The team will contact and meet with employers to discuss areas of concern.
- If no improvement, or failure to act a formal written notice will be issued, that costs will be reclaimed
- A schedule of charges have been drawn up which sets out the calculations of any loss or additional costs, taking account of time and resources.
- When making a claim the fund will set out the reasons for doing so.
- In certain circumstances the pensions regulator maybe informed.

Circumstances for cost being Recovered

The circumstances where additional costs might be recovered from scheme employers:

- Persistent failure to provide relevant information to the administration team, scheme member or other interested party in accordance with specified performance targets that are identified in the SLA.
- Failure to pass relevant information to the scheme member or potential members due to not meeting agreed timescales outlined in the SLA.
- Failure to deduct and pay over correct employee/employer contributions within timescales.
- Or where performance of scheme employer results in a fine.

Consultation

- The Strategy was distributed to all 295 scheme employers 29 November 2016 to consult on the Strategy, and seeking views.
- The consultation closed on 6 January 2017.
- Received 11 responses from employers.
- Report regarding the consultation was presented at Pensions Sub Committee on 2 February, and Pensions Committee 14 March 2017.
- Circulated a consultation response.

Consultation

- All responses welcomed the strategy.
- Comments related to the calculation of Pensions Estimates for scheme employers.
- The training of scheme employers has been raised by a number of respondents.
- The complicated nature of the pension forms was an issue. The forms do comply with the LGPS Regulations.
- The requirement for employer briefings, and business partnership roles/ account managers to support scheme employers.
- There were a number of comments on how fines will be calculated and a schedule of charges.

The administering authority will be working to support employers to mitigate any issues of non-compliance.

Support for Employers

- Employers training day was arranged at County Hall, 9 February.
- Based on the LGPC employer training event
- 72 employers attended, with a total of 106 candidates.
- Presented by Tim Hazlewood from LGA.
 - Joining the LGPS – contractual and auto enrolment
 - CARE vs Final Pay – the basics of pay calculations
 - Absences – child related leave and other absences
 - Additional contributions – AVC's and AVC's
 - Other regulation requirements – obligations to provide information
 - All types of retirement
 - Other areas of consideration – employer discretions
- Feedback was very positive.

Service Level Agreement

Included in the strategy document is a Service Level Agreement which sets out:

- The functions and actions against timescales for both the Administering Authority and the Scheme Employer.
- Procedures to ensure statutory compliance, with levels of performance.
- Responsibilities relating to discretionary powers
- Informs employers of their scheme responsibilities.
- Where there is unsatisfactory performance may consider fining the employer.

SLA Admin Authority Duties

- Helpdesk facility, employers and members – available during office hours.
- Create member records for all new starters.
- Collect and reconcile employer, and employee contributions.
- Maintain and update employer records for any changes.
- Provide data for the actuarial valuation.
- Provide benefit statements each year.
- Estimate of retirement benefits on request by the employer.
- Calculate and pay retirement benefits, deferred benefits and death in service benefits.
- Comply with HMRC legislation.

SLA Scheme Employer Duties

- Employers are responsible for ensuring that member and employer contributions are deducted at the correct rate, including additional contributions.
- Pension Fund is not responsible for verifying the accuracy of information provided by the employer for the purpose of calculating benefits under the provisions of LGPS.
- Overpayment as a result of inaccurate data shall be recovered from the employer.
- Employers are responsible for exercising discretionary powers.
- Employers responsible for assessing contribution bands.
- Employers responsible to make all payments on time under the LGPS regulations.

Measuring Performance

- Both the Employer and the Admin Authority performance will be measured and reported to the Pensions Committee and the Pensions Board.
- This will be based on the information in the Service Level Agreement
- The Service Level Agreement has been built into the reporting process within the pension system through a set of reports.
- The process will also measure the Admin Authority performance
- Where an employer fails to operate in accordance with standards described, which lead to extra costs being incurred by the fund, this extra cost where appropriate will be met by the employer.
- The emphasis on this monitoring is about working with scheme employers, and supporting them.

Draft Service Level Report

	Total No	Total No	Total	Total No	
	Completed	Outside	Outside	Within	Completed
Active Processes	In Period	Service Standard	Service Standard %	Service Standard	Within Target %
Rejoiner LG	1	0	0	1	100
Transfer In Quote Provision	1	0	0	1	100
Transfer In Payment	2	0	0	2	100
Notify Leavers of Deferred Benefits	3	0	0	3	100
Transfer Out Quote	1	0	0	1	100
Interfund Transfer Out Quote	1	1	100	0	0
Transfer Out Payments	1	0	0	1	100
Interfund Transfer Out Payments	1	0	0	1	100
Pension - Retirement LG	4	1	25	3	75
Death Notification (Death in Retirement)	4	1	25	3	75
Death Notification (Death in Service)	7	0	0	7	100
Death Notification (Death in Deferment)	4	0	0	4	100
Survivor benefits notification (Death in Deferment)	4	0	0	4	100
ABS Query Response (no updates made)	1	0	0	1	100
Interfund Transfer In Payment	2	0	0	2	100



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Charges

Employer Activities	Reason for Charge	Basis of Charge
Any overpayment made to a member due to inaccurate information provided by an employer will be recovered from employer, if the total overpaid is more than £50.		Actual amount overpaid + admin charge based on the following : £37.00 Total per hour spent. This may also include the cost of other recovery actions (court and legal fees)
Contributions to be paid anytime but latest date by 17 th month.(weekends and bank holidays on the last working day before 17 th).	Due by 17th month-late receipt of funds, plus cost of additional time spent chasing payment	Number of day's late interest charged at base rate plus 1%.
Monthly return provided at the latest by 17 th , errors on the return i.e. employer/employee rate deducted incorrectly, exception reporting errors to be resolved within 2 months	Due by 17 th month, any additional work caused by late receipt of information, incorrect information, incorrect contributions.	Failure to provide appropriate information, resulting in significant work will result in an admin charged at £37.00 per hour + Vat per hour.

Charges

Change in member details		Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat
Early leavers information		Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat
Retirement notifications	Due 10 working days before last day of employment unless the reason for retirement is ill health or redundancy – additional work caused by late receipt of information.	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat
Death in membership	Due within 7 working days of the notification –additional work caused by late receipt of information from employer	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat
AVC deducted from pay to be paid anytime but latest date by 17 th of the month.	Additional investigative work caused through lack of compliance by employer.	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat

Charges

Re-issue of invoices	Charge based on number of request	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £37.00 per hour + Vat
Member requests estimate	The first estimate provided in each financial year is free, then subsequent estimates are chargeable	1 st request in each financial year is free. Additional request is charged at a notional charge of £50 + vat is made.
Pension sharing order	For pension sharing order work, each party will be charged according to the instruction in the court order	The charge is £607 incl vat for this work.
Miscellaneous items: <ul style="list-style-type: none"> Benefit recalculation. Members file search and record prints. Supplementary information requests. 	Where information is requested by members that is in addition to routine	
Where there is an issue that requires some activity from our system provider that will incur a cost following a request from an employer which is outside normal administration activity	Where incorrect data has been provided by an employer. Or additional information is requested.	An estimate of cost will be provided by the system provider for the employer to agree the work being undertaken before a cost is incurred. (advice and guidance will be provided prior to any work carried out) The cost will then be invoiced to the client concerned

System Developments to Support Employers

- Project Plan Agreed for the implementation of a employer portal for a planned implementation and roll out to a selected number of employers by the end of September 2017.
- Project planning started for the implementation of a members portal by May/ June 2018 to enable the distribution of ABS for selected members.
- Development of employer new starter bulk data Input this will enable new starters to be sent by employers in a spreadsheet format for upload into the pension system.
- New process to be able to produce redundancy estimates in bulk, employers send information on spreadsheet which is uploaded in the Pension system.
- New Processes for changes and Leavers through bulk processing

Other Administration activities

- Work on the Guaranteed Minimum Pension reconciliation project with HMRC we have identified 37K miss-matches in the data so far.
- Tell Us Once implementation.
- Payroll reconciliation with the pension system working with NCC audit on this activity.
- Life certificates working with the DWP on mortality screening.
- Further Pension validation checks, mortality screening, Lost contact, and members address checking along with Bank Account checking.