

Pension Administration Strategy

January 2023

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THE LONDON BOROUGH OF REDBRIDGE PENSION FUND

Pension Administration Strategy

1 Introduction

This policy statement has been prepared by the London Borough of Redbridge as the Administering Authority to the London Borough of Redbridge Pension Fund in accordance with Regulation 59 of the Local Government Pension Scheme Regulations 2013 (as amended).

The Administering Authority will keep this policy statement under review and make revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

In preparing, reviewing or making revisions to this policy, the administering authority will consult with its Scheme Employers and publish the statement to each Scheme employer and to the Secretary of State.

The Administering Authority and its Scheme Employers must have regard to this pension administration strategy when carrying out their Scheme functions.

It is effective from 1 March 2023.

2 Matters to be considered

1. procedures for liaison and communication with Scheme employers in relation to which it is the Administering Authority ("its Scheme employers").
2. 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:
 - the setting of performance targets;
 - the making of agreements about levels of performance and associated matters, or
 - such other means as the administering authority considers appropriate.
3. 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.
4. procedures for improving the communication by the Administering Authority and its Scheme employers to each other of information relating to those functions.
5. 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).
6. the publication by the Administering Authority of annual reports dealing with:
 - the extent to which the Council and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and

- such other matters arising from its Pension Administration Strategy as it considers appropriate, and
- such other matters as appear to the Administration Authority after consulting its scheme employers and other such persons as it considers appropriate, to be suitable for inclusion in that strategy.

3 Liaison and Communication

Pension administration relies largely on information supplied to the pension administration team by the Scheme employers making up the total membership of the pension scheme. The pension team can be contacted at any time during normal office hours on 020 8708 3338. An office email facility is also available at pensionsLGPSadmin@redbridge.gov.uk

Each employer must nominate a pension liaison officer to deal with initial enquiries received from the Administering Authority. If preferred, a number of officers can be nominated (up to a maximum of 4) by the employer, providing that their specific responsibilities are identified. The employer will inform the Administering Authority immediately if these details are amended in anyway.

The employer will provide the following details in respect of their pension liaison officer(s):

- name
- position
- direct telephone number (if direct dial is available)
- email contact details
- specific responsibilities of each officer (if more than one has been nominated).

The Administering Authority will maintain a schedule of pension liaison officers and other employer contact details and ensure that all staff concerned with pension administration use the contact details provided by the employer.

The Administering Authority maintains a Pension Fund website with a dedicated employers' area. The information on the website includes:

- general employer guidance and information on procedures for administering the Local Government Pension Scheme, including all forms to be used;
- employer and employee information used to communicate current issues pertaining to the Scheme;
- copies of all publications issued by the Pension Fund including newsletters and scheme guides;
- links to the LGPS Regulations, LGE Circulars, CLG Guidance and consultation documents.

The Administering Authority will hold meetings every 6 months with the pension liaison officers for Employers to discuss current pension issues and administration procedures.

The website will be maintained to comply with "The Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018".

Further details regarding communications between the Administering Authority and Scheme Employers are contained within the London Borough of Redbridge 'Pension Fund Communications Policy Statement'.

4 Levels of Performance

In order to achieve and monitor performance targets, the Administering Authority will consult with Scheme Employers and produce a Service Level Agreement (SLA) between itself and each Scheme employer, setting out the responsibilities of both the Administering Authority and the Scheme employer in administering the Local Government Pension Scheme. This will be reviewed on an annual basis.

The Administering Authority will keep the SLA under review and consult with the Scheme Employers as amendments are required.

A number of Key Performance Indicators (KPIs) have been identified and will be reported to the Local Pension Board of the London Borough of Redbridge Pension Fund. The KPIs to be achieved include:

- setting up a new member record on the pension administration system and sending the member confirmation they have been admitted to the pension scheme within 20 working days of the end of the month the employee joined or the date of notification by the Employer, whichever is the later,
- calculating deferred pension benefits and notifying members of their rights upon termination of pensionable employment within 20 working days of leaving or notification by the Employer, whichever is the later,
- sending a statutory notification to a member following a change to pensionable status within 20 working days of the end of the month in which the change takes effect or notification by the Employer, whichever is the later.

The Administering Authority will consult with the Scheme Employers if the KPIs are amended in anyway.

5 Statutory Requirements

As well as the deadlines and performance standards set out in the SLA, a number of other statutory requirements are made by the Scheme Regulations. For the purpose of this strategy statement some of these are detailed in this section.

- Each Scheme 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. This policy statement must be kept under review and where revisions are made, the revised policy statement must be published before the expiry of one month from the effective date of revision. A copy of the policy statement must be sent to the Administering Authority.
- Each Scheme employer must specify the name, job title, and address of a person to whom applications under Stage 1 of the Internal Disputes Resolution Procedures should be made. When an amendment to these details is made, a notification of the change should be sent to the Administering Authority immediately.
- Each Scheme employer must determine the rate at which its employees should contribute to the Scheme with effect from 1 April each year and where an employee holds more than one post, the rate applicable to each post. Where there is a material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied in accordance with its policies.

- Each Scheme employer must obtain the approval of the Administering Authority as to its choice of registered medical practitioner for the purposes of awarding ill health retirement under the Scheme regulations.
- Each Scheme employer must pay to the Administering Authority all contributions deducted from the pay of its employees and the respective employer contributions. Payment must be made no later than the 19th day of the month following the period for which the pension contributions have been deducted or a fine will be levied.
- Each Scheme employer must submit the information detailed in the iConnect payroll extract file specification (Appendix A) to the Administering Authority each month using the iConnect portal. In the event the portal not be available to the employer, the information must be submitted using a supplied excel template.

*Please note: The amount of any Additional Voluntary Contributions should **NOT** be included.*

Each Scheme employer must pay to the Administering Authority any charge identified by the Administering Authority as a result of the Scheme employer's decision to release any pension benefits prior to a member's normal retirement age. Such payments should be made within 21 days from the date of receipt of an invoice as issued by the Administering Authority.

Each Scheme employer must also pay to the Administering Authority any charge identified by the administering authority as a result of the Scheme employer's decision to award any additional benefits to a scheme member in accordance with its statement of policy regarding the exercise of certain discretionary functions as described above. Such payments should be made within 21 days from the date of receipt of an invoice as issued by the Administering Authority.

6 Circumstances for giving written notice of unsatisfactory performance

In the event that a Scheme employer fails to make payment of employee and employer contributions by the 19th of the month following the period in relation to which the contributions were deducted, the Administering Authority will give a written notice of unsatisfactory performance to the Scheme employer. If failure to make payment by the required deadline occurs more than once in any 12-month period, the Administering Authority will charge the Scheme employer in accordance with the charging schedule attached to this strategy statement.

Similarly, in the event that a Scheme employer has failed to settle an invoice as described in this part within the prescribed 21-day deadline, the Administering Authority will give a written notice of unsatisfactory performance to the Scheme employer. If failure to make payment by the required deadline occurs more than once in any 12-month period, the Administering Authority will charge the Scheme employer in accordance with the charging schedule attached to this strategy statement.

If as a result of an Scheme employer's failure to notify the Administering Authority that one of its employees has become entitled to the release of their pension benefits, the Pension Fund may become liable to pay interest on any retirement lump sum paid to the member. Consequently, the Administering Authority will issue a written notice of unsatisfactory performance and invoice the Scheme employer for the amount of interest paid. Such circumstances arise where payment of the lump sum is made later than 30 days following the date from which the benefits are due and interest is calculated in accordance with Regulation 81(4) of the Local Government Pension Scheme Regulations 2013 (as amended).

Persistent failure to meet the targets laid down in the SLA will result in the Administering Authority issuing a written notice of unsatisfactory performance to the Scheme employer. The Administering Authority will assist the Scheme employer to resolve any issues but continued failure to meet the targets will result in the Administering Authority imposing a fine on the Scheme employer in accordance with the charging schedule attached to this strategy statement.

The Administering Authority will report any occasion where it has had to issue a written notice of unsatisfactory performance and the amount of any charges made, to the Local Pension Board of the London Borough of Redbridge Pension Fund.

7 Performance Reports

The Administering Authority will keep records of the performance of each Scheme employer on a monthly basis.

Every quarter, the Administering Authority will report back to each Scheme employer on their performance.

The Administering Authority will produce and publish an annual performance report that will be made available to all Scheme Employers. This will be published on the London Borough of Redbridge Pension Fund website along with the KPIs for the pension administration team

Charging Schedule

1	Failure to notify the pension team of new starter details within 10 working days from the end of the month in which scheme membership commenced.	£100 per case
2	Failure to notify the pension team of a change to a scheme member's status within 10 working days from the end of the month in which the change took effect.	£100 per case
3	Failure to notify the pension team of the leaving details of a scheme member within 10 working days from the end of the month in which the employment ended.	£100 per case
4	Failure to notify the pension team of the retirement details of a scheme member within 5 working days from the date of the member's retirement.	£100 per case
5	Whereas a result of the Scheme employer's failure to notify the pension team of a scheme member's retirement, interest becomes payable on any retirement lump sum paid, the administering authority will recharge the total amount of interest to the Scheme employer.	Interest calculated in accordance with regulation 81(4) of the Local Government Pension Scheme Regulations 2013 (as amended)
6	Failure to make payment of monthly employee and employer contributions by the 19th of the month following the period to which the contributions relate	Interest is payable in accordance with the LGPS Regulations 2013 s71.
7	Failure to submit the information detailed in the iConnect payroll extract file specification (Appendix A) to the Administering Authority each month within 10 working days from the end of the month to which the information relates.	£50 per working day

8	Failure to make payment of a capital cost owing to the Pension Fund within 21 days from the date of issue of an invoice.	Interest is payable in accordance with the LGPS Regulations 2013 s71.
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Notes to Charging Schedule

- Notifications of all new starters must include the information contained in the service level agreement. Late notifications will only be reported where the standards laid down in the service level agreement have clearly not been met as a result of the employer's failure to meet the required standards.
- Notifications of relevant pension status changes are set out in the service level agreement. Late notifications will only be reported where the standards laid down in the service level agreement have clearly not been met as a result of the employer's failure to meet the required standards.
- Notifications of all leaver details must include the information contained in the service level agreement. Late notifications will only be reported where the standards laid down in the service level agreement have clearly not been met as a result of the employer's failure to meet the required standards.
- Notifications of all retirement details must include the information contained in of the service level agreement. Late notifications will only be reported where the standards laid down in the service level agreement have clearly not been met as a result of the employer's failure to meet the required standards.
- Regulation 81(4) of the Local Government Pension Scheme Regulations 2013 (as amended) states that interest must be calculated at one per cent above base rate on a day to day basis from the due date of payment and compounded with three-monthly rests. If late payment of a lump sum occurs as a result of a failure by the scheme member to provide information to the pension team, the Pension Fund will be liable for the payment of any interest due.
- The method of payment of contributions is set out in the service level agreement.
- The policy of the London Borough of Redbridge, as Administering Authority to the London Borough of Redbridge Pension Fund, is to have all invoices paid by the due date specified on the invoice. If payment is not made within that timescale a reminder will be sent followed by a demand. If payment is not received legal action may be taken.

In accordance with paragraph 7 of this policy statement, the Pension Fund will monitor the performance of employers on an ongoing basis and report the results to the Local Pension Board. The charges detailed in sections 1 to 4 and section 7 of the above table may be made in cases of persistent underperformance and will only be invoked once all steps have been taken to resolve any issues causing an employer's under performance and with the consent of the Local Pension Board. The charges detailed in sections 5 to 6 and section 8 of the Charging Schedule of the above table will be imposed automatically.