

ADMINISTRATION STRATEGY

September 2023

Hertfordshire Pension Fund
Local Government Pension Scheme

Contents

Hertfordshire Pension Fund – Funding Strategy Statement

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INTRODUCTION

This is the Pensions Administration Strategy Statement (Administration Strategy) of the Hertfordshire Pension Fund (Administering Authority) in relation to the Local Government Pension Scheme (the Scheme), which is administered by Local Pensions Partnership Administration (LPPA).

Aims

The Pension Fund is committed to providing a high-quality pension service to both members and scheme employers and in ensuring that the Pension Fund is effectively governed. The aims of this Administration Strategy are to:

- Set out the roles and responsibilities of the Pension Fund, its scheme employers and our scheme administrator LPPA in administering the Scheme.
- To promote good working relationships and improve efficiency between all parties.
- Ensure that the Fund, its scheme employers and the LPPA operate in accordance with LGPS regulations and Single Code of Practice set out by The Pensions Regulator.
- Outline the quality and performance standards expected of all parties and provide details about the monitoring of performance levels and the action(s) that might be taken where persistent failure occurs.
- Support efficient working practices, transparency, and a culture of continual improvement between the Administering Authority and its scheme employers for the benefit of Fund members.
- Ensure communication processes are in place to enable all parties to engage with each other and third parties proactively and responsively.

The efficient and effective delivery of the benefits of the Scheme is dependent on sound administrative procedures being in place between the Administering Authority, its employers and the LPPA, principally for the timely exchange of accurate information in relation to scheme members.

Implementation

The current Administration Strategy is effective from 1 April 2023. The Administration Strategy is kept under review and revised to keep abreast of changes in Scheme regulations and Pension Fund policies and procedures.

Regulatory basis

The Scheme is a statutory scheme, established by an Act of Parliament. The following regulations governing the Scheme are shown below:

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional provisions, savings and amendment) Regulations 2014 (as amended)
- All saved provisions of former Local Government Pension Scheme Regulations

Regulation 59 of the Local Government Pension Scheme Regulations 2013 enables a Local Government Pension Scheme Fund to prepare a document ("the pension administration strategy") as one of the tools which can help in delivering a high quality administration service to its scheme members and other interested parties.

In addition, regulation 70 of the Local Government Pension Scheme Regulations 2013 allows a fund to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises, the Fund is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

ADMINISTRATION IN HERTFORDSHIRE

Responsibility

Hertfordshire County Council is the Administering Authority of the Hertfordshire Pension Fund and is therefore responsible for the administration of the scheme. The County Council has delegated this responsibility to the Pensions Committee (the Committee), which is made up of County Councillors, District Councillors and a Unison observer. The Committee is required to ensure administration matters are performed to a high standard and receive an administration performance report at their quarterly meetings. The Pension Board will assist and advise the Administering Authority in ensuring compliance with the Regulations and the Pension Regulator's service delivery expectations. They also receive an administration performance report. The Committee, in conjunction with the Pension Board, will monitor the review and revision of this Administration Strategy.

Objectives

The Pension Fund has set out the following administration objectives:

- To deliver an efficient, quality and value for money service to its scheme employers and scheme members.
- Complement procedures that help all parties meet their data protection and data quality responsibilities
- Ensure benefits are paid to the right people at the right time, in the right amount

Operationally, the administration of the Pension Fund is partly carried out by Pension Fund Officers and predominantly outsourced to Local Pensions Partnership Administration (LPPA). The County Council and LPPA staff work together to provide a seamless service to scheme employers and scheme members.

Communications

The Pension Fund has published a Communications Policy, which describes the way the Pension Fund communicates with scheme members, scheme employers and other stakeholders. The latest version is accessible from the [Pension Fund website](#).

PERFORMANCE STANDARDS

The Scheme prescribes that certain decisions be taken by either the Pension Fund or the scheme employer, in relation to the rights and entitlements of individual scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Pension Fund has agreed levels of performance between itself, LPPA and scheme employers which are set out below:

Overriding legislation

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Scheme. In carrying out their roles and responsibilities in relation to the administration of the Scheme the Pension Fund, LPPA and scheme employers will comply with overriding legislation.

Internal quality standards

The Pension Fund and scheme employers will ensure that all functions and tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in employers' guidance on the [LPPA website](#) and [Hertfordshire Pension Fund website](#)
- all information required by the Pension Fund to be provided in the required format and/or on the appropriate forms and returns referred to in the employers' guidance which are accessible from [LPPA's website](#)
- information to be legible and accurate
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately qualified member of staff
- information provided to be authorised by an appropriate officer, actions carried out, or information provided, within the timescales set out in this Administration Strategy.

PENSION FUND RESPONSIBILITIES

The Scheme itself sets out several requirements for the Pension Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies. The Fund commits to ensuring LPPA, our pension scheme administrators meet our agreed performance standards.

This section outlines the key responsibilities of the Pension Fund, and the performance standards scheme employers and scheme members should expect. It is focused on the key activities which scheme employers and scheme members are involved in and should not be viewed as a complete list of all activities.

Pension Fund Administration

This details the functions which relate to the whole Pension Fund and the responsibility of Pension Fund officers.

| Function/Task | | Performance Target |
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| 1) | General Information | |
| 1.1 | Host a virtual or face to face annual employer forum for all scheme employers and ad hoc forums for other pension related matters. | Annually or as and when required |
| 1.2 | Publish and keep under review the Pension Fund's Administration Strategy and consult with all scheme employers | Review at least every 3 years and consult with Employers before revised Strategy agreed |
| 1.3 | Publish and keep under review the Pension Fund's Funding Strategy Statement at each Triennial Valuation, following consultation with scheme employers and the Fund's Actuary | Publish by 31 March following the valuation date, at the same time as the final valuation report is issued or following regulatory changes. |
| 1.4 | Publish, and keep under review, the Pension Fund's Investment Strategy Statement | By 31 March following the valuation date or within 30 days of the policy being agreed by the Pensions Committee. |
| 1.5 | Publish, and keep under review, the Pension Fund's Governance and Compliance Statement. | Review at least every 3 years and sooner if the governance arrangements or other matters included |

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| | | within it require amendments. |
| 1.6 | Publish, and keep under review, the Pension Fund's Communication Policy. | Review at least every three years. |
| 1.7 | Publish and keep under review the Administering Authority's Discretions Policy and any related policies | Within 30 working days of policy being agreed. |
| 1.8 | Publish, and keep under review all other Pension Fund Policies | Within 30 days of any changes being made to the policy. |
| 1.9 | Publish the Pension Fund's Annual Report and Accounts and any report from the auditor. | By 1 December following the year end or following the issue of the auditor's opinion. |
| 1.10 | Publish the Fund's final audited and approved Accounts | By 1 December following the year-end (or other date as set by Government) |
| 1.11 | Appoint stage 2 "appointed person" for the purposes of the pension dispute process and notify all scheme employers of the appointment. | Within 30 working days following the resignation of the current "appointed person". |
| 1.12 | Process all stage 2 pension dispute applications. | Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required. |
| 1.13 | Maintain Pension Fund website for the use of employers, members and other interested parties | Hertfordshire Pension Fund Hertfordshire County Council |
| 2) | Employer Contribution Requirements | |
| 2.1 | Consult with employers on the outcomes of the Triennial Valuation | The Fund will endeavour to provide outcomes at least two months in advance of the signing of the final rates and adjustment certificate |
| 2.2 | Notify employers of contribution requirements for three years effective from the April following the Actuarial Valuation date | On or before 1st April following final issue of rates and adjustments certificate by the Actuary |
| 2.3 | Notify new scheme employers of their contribution requirements | Within 6 weeks of receipt of the notification of admission |

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| | | application if all data has been supplied as requested or commencement as an employer |
| 3) | Scheme Employer Administration | |
| 3.1 | Arrange for the setting up of separate admission agreement, where required | Within 3 months of notifying the Fund and with all relevant information having been received and agreed by all parties |
| 3.2 | Undertake a risk assessment for all new admitted bodies in the Pension Fund and ensure appropriate guarantor or indemnity arrangements are in place | To be completed before the admitted body can be admitted to the Pension Fund |
| 3.3 | Carry out valuation exercise on cessation of admission agreements or a scheme employer ceasing participation in the Pension Fund | Upon each cessation or occasion where a scheme employer ceases participation on the Pension Fund. See Cessation Policy on Fund website for further detail. |
| 3.4 | Ensure cessation debts are extinguished in full, or a legal debt spreading agreement/deferred debt agreement is in place | Within 3 months of cessation valuation |
| 3.5 | Support the provision of any other actuarial report on request following agreement of costs | When required |

Scheme Administration

This details the functions Local Pension Partnership Administration undertakes which relate to scheme member benefits from the Scheme.

| Function/Task | | Performance Target |
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| 4) | Joint Support for Employers and Members | |
| 4.1 | Provision of a dedicated pensions helpdesk | 0300 323 0260 Monday – Thursday 9am – 5pm, Friday 9am – 4pm |
| 4.2 | Provide support through various communication channels to provide comprehensive pensions' related policy and process information, as well as practical support and guidance such as: | LPPA website |
| | | LPPA YouTube channel Monthly employer bulletins (Pensions Pulse) Annual member newsletters |

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| | <ul style="list-style-type: none"> • a dedicated website • a YouTube channel • Employer Bulletins | |
| 4.3 | Provision of a dedicated engagement team | Quarterly performance reports which evidence delivery of service |
| 4.4 | Provision of secure contact form for members and employers to submit queries online | LPPA Contact Form |
| 4.5 | Notify scheme employers and scheme members of changes to the scheme rules. | At least one month of the change(s) coming into effect. |
| 4.6 | Customer care <ul style="list-style-type: none"> • Investigate, respond to member and employer complaints • Liaise with appropriate parties for IDR stage 1 and stage 2 • Liaise with Pensions Ombudsman and/or other parties as required | Acknowledge within 7 working days from receipt of complaint. |
| 4.7 | Ensure all communications are accurate and up to date in line with legislation and procedures | 30 working days from any revision* |
| 5) | Support for Employers | |
| 5.1 | Targeted training sessions and campaigns for scheme employers. | Targeted campaigns and sessions for common issues. Individual employer meetings on request |
| 5.2 | Notify the scheme employer of a request from the scheme member to cease additional regular contributions (ARCs), additional pension contributions (APCs) or added years contributions and notify the scheme member of the amount of additional pension credited. | Within 20 working days before ARC, APC or added years contributions contract ends. |
| 5.3 | Issue monthly return submission queries to Employer and/or payroll provider (validation stage) | Within 5 working days of receipt of the file via work trays |
| 6) | Support for Members | |
| 6.1 | Provision of member self-service portal | Ensure members register to LPPA Pension Point once new member record has been set up |
| 6.2 | Issue annual benefit statements to active and deferred members as at 31 March each year. | By 31 August (providing no queries outstanding from year end data) |
| 6.3 | Notify the scheme employer of any scheme member's election to pay additional pension | Within 20 working days of receipt of election from scheme member. |

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| | contributions (APCs) including all required information to enable deductions to commence. | |
| 6.4 | Calculate cost of additional pension contributions and notify the scheme member. | 10 working days of receipt of request from scheme member. |
| 6.5 | Provide members with quality-of-service surveys | Member satisfaction surveys are issued by e-mail to members where the LPPA holds an e-mail address, following use of the helpdesk and retirements experience. |
| 7) | Data processing (on receipt of requisite information from either the employer or scheme member) | |
| 7.1 | Provision of UPM Employer Portal for employers to submit all relevant information. <ul style="list-style-type: none"> • Monthly member returns • Annual member returns • All other relevant forms for employers to submit or request information | Within 10 working days of receipt of all relevant information from the Fund* |
| 7.2 | Create member's record on UPM and provide new/prospective scheme members with a welcome letter confirming the entry to the LGPS, along with key scheme details and transfer in request form. | 10 working days of notification of employment or change in contractual conditions. |
| 7.3 | Abate members' pension in line with the Fund's Abatement Policy | 10 working days from notification of re-employment |
| 7.4 | Provide transfer-in quote to scheme members including AVC's if required. Following decision from the member, request payment and finalise transfer in. | Calculate transfer in calculations within 10 working days of receiving required documentation. |
| 7.5 | Calculate members' benefits required for divorce settlement at the request of the member and apply pensions sharing order or earmark order as appropriate | 10 working days from receipt of request from member |
| 7.6 | Provide mechanism to enable members to inform their employer of their decision to opt out of the pension scheme, ensuring that they are fully informed before proceeding | Online opt out form |
| 7.7 | Update member records following notification from employer of member's decision to opt out of the pension scheme, including notice to members of their eligibility for benefits (refund, defer, TV-out) | 10 working days from receiving notice |

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| 7.8 | Return of employee contributions where member leaves or opt outs between 3 months and 2 years of their start date in the scheme. | 5 working days following receipt of all required documentation. |
| 7.9 | Provide transfer-out quote including all relevant pension scam information and AVC's if required. Following completion of all relevant documentation from the member, make payment and finalise transfer out to receiving fund. | 10 working days following receipt of election form from scheme member. |
| 7.10 | Provide requested standard estimates of benefits to employees (and scheme employers on request). | 10 working days for employees, 5 working days for employers, 1 working day for urgent requests from scheme employers. Bulk estimate requests (10 or more) may fall out of the agreed SLA. |
| 7.11 | Provide requested estimates of benefits to employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency. | 5 working days from receipt, 1 working day for urgent requests from scheme employers. Bulk estimate requests (10 or more) may fall out of the agreed SLA. |
| 7.12 | Aggregate member records in line with Scheme rules | Within 30 working days following receipt of all required information* |
| 7.13 | Notify leavers of the pension scheme of refund or deferred benefit entitlements. | 15 days from receipt of notification from scheme employer |
| 7.14 | Calculation and payment of retirement benefits, including deferred into payment. | 5 working days of receiving all required documentation, or date of entitlement, whichever is later. |
| 7.15 | Update records, suspend payment and calculate benefits on notification of death. Inform appropriate contact and pay any additional pension due to the deceased or recover any overpayment of pension that may have occurred. Calculate and pay survivor benefits (co-habiting partner, spouse, children) | Suspend pension within 1 working day, inform appropriate contact within 5 working days and pay appropriate recipient within 5 working days on receipt of all required documentation. |
| 7.16 | Calculate and pay death grant in accordance with decision made by the Pension Fund, in line with the Administering Authority Discretions Policy | Within 5 working days of decision from the Fund. |
| 7.17 | Check child's ongoing pension entitlement and pay/suspend as necessary in line with Scheme rules | Monthly |
| 7.18 | Respond to general queries, including but not limited to: <ul style="list-style-type: none"> • Change of address | Within 10 working days |

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| | <ul style="list-style-type: none"> • Change of bank details • Recording of strike action • Change of hours • Recording of unpaid leave • Update nomination | |
| 7.19 | Carry out existence checks for overseas pensioners | Annually |
| 7.20 | Carry out existence checks for UK pensioners | Monthly |
| 7.21 | Calculate and apply annual pension increases to deferred, pensioner and dependent records. | By 1 st Monday of the new tax year |
| 7.22 | Revalue CARE pay for active and deferred records. | Ahead of issuing annual benefits statements |
| 7.23 | Provide payslips to scheme members in receipt of a pension | Monthly, as set out in the Communications Policy |
| 7.24 | Issue P60s to pensioner and dependents | By 31 st May every year, as set out in the Communications Policy |
| 7.25 | Produce and issue pension savings statements each year to members who have exceeded their standard annual allowance | By 6 October following the end of the tax year, (provided receipt of all relevant information from the scheme employer) |
| 8) | Support for the Pension Fund | |
| 8.1 | Provision of membership data on request in an agreed format for the following: <ul style="list-style-type: none"> • Accounting reports • Actuarial reports • Central Government data requirements • Compliance with internal audit requirements • Compliance with the National Fraud Initiative • Valuation submissions | When requested |
| 8.2 | Set up a new employer on the LPPA's pension administration system | Within 10 working days of receipt of all relevant information from the Fund. |
| 8.3 | Maintain common and conditional scheme data as set out by the Pensions Regulator | Reported quarterly |
| 8.4 | Technical support for: <ul style="list-style-type: none"> • Interpret and implement changes to the scheme and pensions legislation • Identify and review procedure changes • HMRC compliance | Each issue has to be taken on its own merits and timescales will be communicated once a definitive position is known or has been legislated or within statutory deadlines. |

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| 8.5 | Maintain up to date and accurate employer contact details on behalf of the Pension Fund | Annually, by February in preparation of the year end process |
| 8.6 | Discretionary matters will be referred to the Pension Fund on a case by case basis and actioned in line with the Fund's decision. | Within 10 working days of when a case falls due and is required to be referred to the Fund or Employer as required. |
| 8.7 | Provide information for reports from, but not limited to, DWP, HMRC, DLUHC, GAD | Within legislative timeframes |
| 8.8 | Provide quarterly performance and risk and compliance reports | Quarterly |
| 8.9 | Attend meetings with the Pension Fund, Pension Committee and Pension Board | When required |
| 8.10 | Carry out regular data quality and regulatory compliance checks | Annually |
| 8.11 | Performance against service level agreement | Target 95% |

* Internal LPPA service level agreement

SCHEME EMPLOYER RESPONSIBILITIES

This section outlines the responsibilities of all scheme employers in the Pension Fund and the performance standards scheme employers are expected to meet to enable the Pension Fund to deliver an efficient, quality and value for money service.

All information must be provided in the format prescribed by the Pension Fund and LPPA within the prescribed timescales. Information and guidance is provided in the employers' guidance accessible from the [LPPA's website](#).

Pension Fund Administration for Scheme Employers

This details the functions which are the responsibility of the scheme employers and include submission of data which directly impacts scheme members' benefits.

| Function/Task | | Performance Target |
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| 9) | General | |
| 9.1 | Maintain up to date contact details for employer (link to form on website) | Within 10 working days of employer joining fund or change to nominated representative. |
| 9.2 | <p>Notify the Fund of any Notifiable Events including, but not restricted to, the following:</p> <ul style="list-style-type: none"> • Material change in LGPS membership • Material change in Employer payroll and/or pensionable pay • Change in Employer's legal status or constitution • A decision which will restrict the Employer's active membership in the Fund in future • Any restructuring or other event which could materially affect the membership in the Fund in future • Confirmation of wrongful trading • Conviction of senior personnel • Decision to cease business • Breach of banking covenant • Contract end date | Within 7 working days of becoming aware of such event |
| 9.3 | Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute | Within 10 working days of becoming an employer in |

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| | process (IDRP) and provide full up to date contact details to the Fund | the Fund, or following resignation of the current adjudicator |
| 9.4 | Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS, including a policy for deferred members to access benefits on grounds of ill health | A copy of the policy document is to be submitted to the Fund within 30 working days of the change in policy |
| 9.5 | Distribute any information provided by the Fund or LPPA to scheme members/potential scheme members (e.g. scheme benefits or benefit statement production) | Within 15 workings days of its receipt or earlier as required |
| 9.6 | Utilise training as provided by the Fund and LPPA, including but not limited to: <ul style="list-style-type: none"> • Annual employer forum • Valuation forums • Ill Health liability insurance forum • Ad-hoc training relating to the administration of the Fund as and when this is offered • Employer training sessions, including scheme essentials sessions and system navigation training • LPPA YouTube channel • LPPA Pension Point newsletters • LPPA website | Within 3 months of admission. |
| 9.7 | Submit information to LPPA for all relevant scheme administration tasks | Within 1 month of employer being set up to use the online system, in line with the employer responsibilities outlined within this Strategy. |
| 9.8 | Confirm a nominated representative to act as administrator on the Pension Fund website for the online submission of forms. | Within 10 working days of implementation of the online system. |
| 9.9 | Comply with auto-enrolment from the prescribed staging date, as required under Pensions Regulations. | From the employers staging date. |
| 9.10 | Ensure employer data is kept accurate & secure. | Online submission by 10 th of month* |
| 9.11 | Respond to queries from the Pension Fund and LPPA | Within 10 working days |
| 9.12 | Respond to urgent queries from the Pension Fund and LPPA (i.e. death case or ill health) | Within 2 working days |
| 10) | Monthly Returns | |
| 10.1 | Provide LPPA with a monthly return containing all required data each month. | By 10 th of each month* |

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| 10.2 | Respond to monthly return queries | Within 10 working days |
| 11) | Year End Returns (to be replaced by the monthly return process) | |
| 11.1 | Provide LPPA with a year end return containing all required data | By 30 th April |
| 11.2 | Respond to year end return queries | Within 10 working days |
| 12) | New Starters | |
| 12.1 | Decide who is eligible for LGPS membership (and the date from which membership of the LGPS starts) | On joining (or at point a member becomes eligible if later) |
| 12.2 | Determine rate of employee contributions | For the first pay period in which the employee joins the LGPS |
| 12.3 | Notify LPPA of new joiners via either the online form or monthly return process | Submitted online within 20 working days of scheme member joining. |
| 12.4 | Provide new/prospective scheme members with a starter form and other documentation (or refer them to LPPA website). Members must be made aware of Pension Point and advised to nominate their death grant nominees. | 5 working days of commencement of employment or change in contractual conditions. |
| 13) | Contributions | |
| 13.1 | Pay employer and employee contributions to the Fund and complete LG221 form via the YourFund portal containing detail of the contribution's payment | *Cleared funds to be received by 19 th calendar day of month after deduction, or before if 19 th falls on a non-working day. |
| 13.2 | Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary | *At date specified on the actuarial advice received by the Pension Fund. |
| 13.3 | Arrange for the correct deduction of employee contributions from a scheme member's pensionable pay throughout their membership in the scheme (including any periods of absence) | *As required, typically monthly. |
| 13.4 | Manage the deduction of all additional pension contributions or amend/cease such deductions, as appropriate and payment of contributions to the Pension Fund. | Commence deduction of additional contributions in the month following election to pay contributions or notification received from LPPA. |

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| 13.5 | Manage the deduction of AVCs or amend/cease such deductions as appropriate and payment of contributions to AVC provider(s). | Commence deduction of AVCs in month following the month of election Pay over contributions to the AVC provider(s) by the 19 th of the month following the month of election, or before if it's a non-working day. |
| 13.6 | Make additional fund payments in relation to: <ul style="list-style-type: none"> • an early payment of benefits from flexible, redundancy or business efficiency retirement • a member retiring early with employer's consent • early payment of benefits from ill health unless ill health insurance is in place. • the employer 'switching on' the 85 year rule which has resulted in an actuarial strain cost • poor performance of the scheme employer. | *Within 30 days of receipt of invoice from the Pension Fund. |
| 13.7 | Refund employee contributions via payroll where the member has opted out within 3 months , or when any employee contributions have been deducted in error | Month following month of election to opt out. |
| 13.8 | Arrange for reassessment of employee contribution rate in line with employer's (discretionary) policy and notify the employee of the change in rate. | *Review as per policy and notification within 10 working days of change in rate. |
| 14) | During Membership | |
| 14.1 | Enrol and notify LPPA of a scheme member's election to move into the 50:50 scheme | From the next pay period following receipt of the members election form |
| 14.2 | Enrol a "50:50 scheme member" back into the full scheme and notify LPPA. | If the employee <ul style="list-style-type: none"> • is in the 50/50 section and goes onto no pay due to sickness or injury and is still on nil pay at the beginning of the next pay period or • or is in the 50/50 section at the time of the employer's reenrolment date |

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| | | then the employee must be moved into the main section from the beginning of the next available pay period. |
| 14.3 | <p>Notify LPPA of changes affecting pension entitlement via Monthly Return, such as:</p> <ul style="list-style-type: none"> • changes working hours • changes in employee circumstances • any breaks in membership (e.g. trade disputes, maternity, paternity) and any APC contracts taken out to cover the break in service | By 6 th of the following month |
| 14.4 | <p>Notify LPPA of urgent changes affecting pension entitlement via the employer portal, such as:</p> <ul style="list-style-type: none"> • death in service, online Bereavements Form | Submitted online within 5 working days |
| 14.5 | When a member returns from a period of unpaid absence , they must be informed of lost pensionable pay and where to go if they wish to buy back lost pension. | Within 10 working days of member returning from unpaid absence |
| 15) | Early Leavers | |
| 15.1 | Early leavers (non-retirement) , notify the LPPA of member leaving the Pension Fund via the online form and monthly return, ensuring provision of accurate information. | Submitted online within 20 working days of month end of leaving* |
| 16) | Retirements | |
| 16.1 | Notify LPPA when a scheme member is due to retire (normal retirement, redundancy, business efficiency, ill health, flexible) via the online form and monthly return, ensuring provision of accurate information and authorisation of reason for retirement. | Submitted online at least 20 working days before retirement date |
| 16.2 | Appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine, in order to consider all ill health retirement applications and agree appointment with the Pension Fund | Within one month of commencing participation in the scheme or date of resignation of existing medical adviser |
| 16.3 | Carry out an 18 month review of scheme members who retired on grounds of ill health (Tier 3) and notify LPPA of the outcome of the Tier 3 ill health review. | 18 months after date of retirement and immediately following decision by IRMP |
| 16.4 | Carry out a 3 year review of scheme members who retired on grounds of ill health (Tier 3) on request of the member and notify the LPPA of the outcome of the Tier 3 ill health review. | Immediately following decision by IRMP |

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| 17) | Outsourcing Services | |
| 17.1 | Contact the Fund to discuss outsourcing of services and adhere to the Admission Agreements Policy | Access via Hertfordshire Pension Fund Website |

* Administration charge if performance is not met

MONITORING PERFORMANCE AND COMPLIANCE

Ensuring compliance with the Scheme regulations and this Administration Strategy is the responsibility of the Pension Fund, LPPA and scheme employers. This section describes the ways in which performance and compliance will be monitored.

Audit

The Pension Fund is subject to an annual external audit of the accounts and, by extension the processes employed in calculating the figures for the accounts. The key findings of their work are presented to the Pension Committee and Pension Board in an Annual Governance Report and the Pension Fund is set an action plan of recommendations to implement. In addition, the Pension Fund is subject to internal audits by the County Council's internal auditors of its processes and internal controls. Any subsequent recommendations made are considered by the Pension Fund and where appropriate duly implemented.

Both the Administering Authority and scheme employers will be expected to comply with requests for information from internal and external audit in a timely manner.

Performance monitoring

The employer should monitor its own performance against its scheme employer roles and responsibilities and seek to improve its performance where it is not achieving the required level of performance. The Fund and LPPA will also monitor the employers' performance levels and work closely with employers in identifying any areas of poor performance.

The Pension Fund monitors LPPA's performance against the contract with them and the agreed Service Level Agreement. Monitoring occurs on a quarterly basis and LPPA are asked to explain variations from agreed Service Level Agreement targets. The Committee receives a quarterly report on administration of the Pension Fund allowing them to monitor not only LPPA's performance but also the performance of the scheme employers.

Data Quality

The Pension Fund is committed to a continuous data improvement plan. In addition, the Pension Fund is required to report annually to the Pensions Regulator on common and conditional data scores.

Feedback from employers

Employers who wish to provide feedback on the performance of the Pension Fund and LPPA against the standards in this Administration Strategy should e-mail comments to

[Pensions.Team @hertfordshire.gov.uk](mailto:Pensions.Team@hertfordshire.gov.uk). This will be acknowledged within 5 working days and an investigation of the matter will then be undertaken. Following the investigation a response will be provided to the scheme employer within 10 working days of the initial acknowledgment. This feedback will be incorporated into the quarterly reports to the Committee.

Annual report on the strategy

The Scheme regulations require the Pension Fund to undertake a formal review of performance against the Administration Strategy on an annual basis. This report will be produced annually and incorporated within the Annual Report and Accounts.

POLICY ON CHARGING EMPLOYERS FOR POOR PERFORMANCE

The Scheme regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the Scheme incurred as a result of the poor level of performance of that scheme employer. Where a fund wishes to recover any such additional costs, they must give written notice stating:

- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost
- The amount of the additional cost incurred
- The basis on how the additional cost was calculated
- The provisions of the Administration Strategy relevant to the decision to give notice.

Circumstances where costs might be recovered

It is the policy of the Pension Fund to recover additional costs incurred in the administration of the Scheme as a direct result of the poor performance of any scheme employer (including the County Council).

Scheme employers that have outsourced their payroll will be responsible for the third party providers' performance in relation to the tasks set out in this Administration Strategy. This requires that scheme employers will be responsible for payment of any charges levied for underperformance by that third party provider.

The circumstances where such additional costs will be recovered from the scheme employer are:

- failure to provide relevant information to the Pension Fund, LPPA, scheme member or other interested party in accordance with specified performance targets in this Administration Strategy (either as a result of timeliness of delivery or quality of information)
- failure to pass relevant information to the scheme member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in this Administration Strategy
- failure to deduct and pay correct employee and employer contributions to the Pension Fund within the stated timescales
- delay in submitting LG221 forms.

- instances where the performance of the scheme employer results in fines being levied against the Pension Fund, or the Fund being required to pay distress and inconvenience payments by the Pension Regulator, Pensions Ombudsman or other regulatory body.

Approach to be taken by the Pension Fund

The Pension Fund and LPPA will seek, at the earliest opportunity, to work closely with scheme employers in identifying any areas of poor performance, provide the necessary training and put in place appropriate processes to improve the level of service delivery in the future.

The deadline for the payment of contributions and submission of contribution schedules are outlined in this Administration Strategy, the contribution rates can be found on the online YourFund portal for employers to access. For every instance of late payment of contributions or late or non-submission of a monthly schedule of contributions, scheme employers will receive written notice of the area(s) of poor performance and notice that charges will be levied in accordance with the charging scale set out in this document. An invoice will then be issued to the scheme employer.

For other instances of poor performance, the process for engagement with scheme employers will be:

1. Write to the scheme employer, setting out area(s) of poor performance and discuss how they can be addressed.
2. If no improvement is seen within one month, or no response is received to the initial written notice, the scheme employer will be contacted by representatives of the Pension Fund to discuss the area(s) of poor performance and to agree an action plan to resolve them. In cases where the scheme employer has been admitted to the fund via an Admission Agreement, then where appropriate, the originating employer will be informed and expected to work with the Pension Fund to resolve the issues.
3. If no improvement is seen within one month or a scheme employer is unwilling to resolve the issue, the Pension Fund will issue a formal written notice, setting out the area(s) of poor performance that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will now be reclaimed.
4. An invoice will then be issued to the scheme employer clearly setting out the calculations of any loss resulting to the Pension Fund, or additional cost, taking account of time and resources in resolving the specific area(s) of poor performance, in accordance with the charging scale set out in this document.

A report is presented to the quarterly Pension Committee and Pension Board meetings

detailing charges levied against scheme employers and outstanding payments.

Additionally, the Fund is obligated to record employers who are not carrying out their responsibilities as a scheme employer to The Pensions Regulator in line with the Code of Practice 14 (point 130 copied below).

130. Schemes should ensure that appropriate procedures and timescales are in place for scheme employers to provide updated information when member data changes, for checking scheme data against employer data and for receiving information which may affect the profile of the scheme. If an employer fails to act according to the procedures set out above, meaning that they and/or scheme managers may not be complying with legal requirements, those under a statutory duty to report breaches of the law to the regulator under section 70 of the Pensions Act 2004 should assess whether there has been a relevant breach and take action as necessary.

Charging scales for administration

The table below sets out the charges which the Pension Fund will levy on a scheme employer whose performance falls short of the standards set out in this document, which will increase in line with pensions increase and inflation. This reflects the additional administration involved in securing payment of sums due to the Pension Fund and submission of required data and information. Please note unpaid penalties levied by the Pension Fund can be added to employers' liabilities if they remain unpaid. Each item is referenced to the Scheme Employer Responsibilities section.

| Item | Charge | Ref |
|--|--|----------------|
| Late or underpayment of employee, employer and cessation deficit contributions | £50 plus interest* (increasing to £100 from 1 April 2024)** | 13.1 |
| Late or non-provision of LG221 form. | £50 per occasion (increasing to £100 from 1 April 2024)** | 13.1 |
| Late or non-provision of year end information or the poor quality of monthly returns information | £250 plus £100 for every month the information is late | 9.10/10.1/11.1 |
| Late or non-provision of leaver forms | £50 per month for forms not received or late | 15.1/16.1 |
| Failure to start monthly returns within 30 working days | £50 per occasion | 11.1 |
| Charges for non-payment of strain costs within terms stated on invoice, or in line with repayment plan. | £50 + £50 for every month the payment is late | 13.6 |
| Failure to enter into admission agreement in line with Admissions Policy | £250 + £100 every month information is late | 17.1 |
| Failure of non-renewal of bonds within 3 months | £250 + £100 every month information is late | 17.1 |
| Charges for persistent incorrect and incomplete information provided by the employer to the Fund (where the case has to be returned for incorrect information on more than 2 occasions). | £50 per occasion | 17.1 |
| Charges for non-payment of actuarial recharges*** | £50 + £50 for every month the payment is late | |

| | | |
|---|---|--|
| Failure to provide Discretions Policy to the Fund | £50 per occasion | |
| Charges for additional work required for employer's auditor requests | Time spent | |
| Fines or additional costs incurred by the Pension Fund in relation to a specific scheme employers' poor performance | Full cost of fines or additional charges + £100 | |

- * Interest will be charged in accordance with regulation 44 of the LGPS Administration regulations, which states interest should be charged at Bank of England Base Rate plus one percent.
- ** In future increasing in line with annual pensions increase.
- *** No further work will be commissioned to the actuary until previous invoices have been paid.

SERVICE AND COMMUNICATION IMPROVEMENT PLANNING

As set out earlier in this Administration Strategy, the Pension Fund's objective in relation to administration is to deliver an efficient, quality and value for money service to its scheme employers and scheme members. This can only be achieved through continuously reviewing and improving the service. Communication between the Pension Fund, LPPA and scheme employers is key to providing the service and is therefore an important aspect of service improvement planning.

LPPA and Pension Fund officers work together on a programme of continuous improvement to the service and meet quarterly to review progress against the action plan agreed.

The monitoring of the performance standards set out in this document will inform the programme going forward and feedback from scheme employers on the service and the way in which the Pension Fund communicates is welcomed in developing plans. Feedback should be e-mailed to pensions.team@hertfordshire.gov.uk.

The Pension Fund will take responsibility for improving the service and determining the balance between implementing service improvements and the goal of providing a value for money service for the Pension Fund.

Employers will be informed of any changes to the service provision which affect the way they interact with the Pension Fund.

CONSULTATION AND REVIEW PROCESS

In preparing this Administration Strategy the Pension Fund has consulted with all the scheme employers with active contributors in the Pension Fund. The strategy will be reviewed at every valuation and more frequently if there are changes to the Scheme regulations or Pension Fund policies. All scheme employers will be consulted before any changes are made to this document.

The latest version of this document can be accessed from the [Pension Fund website](#).