

ADMINISTRATION STRATEGY

April 2015

Hertfordshire Pension Fund
Local Government Pension Scheme



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INTRODUCTION

This is the Administration Strategy Statement (Administration Strategy) of the Hertfordshire Pension Fund (the Pension Fund) in relation to the Local Government Pension Scheme (the Scheme), which is administered by Hertfordshire County Council (the County Council). It was developed in consultation with employers in the Pension Fund and first published on 1 January 2010.

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 aim of this Administration Strategy is to set out the roles and responsibilities of the Pension Fund and its scheme employers in administering the Scheme. It seeks to promote good working relationships and improve efficiency between the Pension Fund and its scheme employers.

The efficient and effective delivery of the benefits of the Scheme is dependent on sound administrative procedures being in place between a number of interested parties, including the Pension Fund and scheme employers. The Administration Strategy sets out the quality and performance standards expected of the Pension Fund and its scheme employers, and provides details about the monitoring of performance levels and the action(s) that might be taken where persistent failure occurs.

Implementation

The current Administration Strategy is effective from 1 April 2015. 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)
- Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)

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 Administration Regulations 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

The County Council is responsible for administering the Scheme in Hertfordshire. 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 take a keen interest in administration matters and receive a report on administration at their quarterly meetings. The Committee, in conjunction with the Pension Board, will monitor the review and revision of this Administration Strategy.

Objective

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. Operationally the administration of the Pension Fund is partly carried out by County Council staff and partly outsourced to the London Pensions Fund Authority (LPFA). The County Council and LPFA staff work together to provide a seamless service to scheme employers and scheme members.

Communications

The Pension Fund has published a Communication Strategy Statement, 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 www.yourpension.org.uk/agencies/HCC. The table below summarises the current methods the Pension Fund uses to communicate with scheme employers:

Website www.yourpension.org.uk/agencies/HCC	Comprehensive information and guidance on procedures, policies and forms to use
Monthly Newsletters	Provide information, advice and guidance about administering the scheme.
Ad hoc bulletins	Published to advise employers about specific issues that require attention or action e.g changes to the Scheme regulations.
Annual general meeting	To listen to presentations on topical issues and to raise questions about the Pension Fund.
Annual report and accounts	Provides information on how the Pension Fund has been managed during the year.
Pension Committee Reports and Minutes	Available on request. Provide information about the decisions made at Pensions Committee meetings.
Helpline 01992 555466	For advice and help about administering the Scheme

E-mail addresses: For the County Council team: pensions.team@hertfordshire.gov.uk For the LPFA team: hertscc@lpfa.org.uk	For advice and help about administering the Scheme
Individual employer meetings	Offered to employers who need advice about how to carry out the day to day administration of the Scheme
Induction meetings for new employers	Provided to new employers within 3 months of their admission to the Pension Fund

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 and scheme employers which are set out below:

Overriding legislation

In carrying out their roles and responsibilities in relation to the administration of the Scheme the Pension Fund and scheme employers will, as a minimum, comply with overriding legislation, including:

- Local Government Pension Scheme Regulations
- Pensions Act 2011 and associated disclosure legislation
- Occupational Pension Scheme (Scheme Administration) Regulations 1996
- Freedom of Information Act 2000
- Equalities Act 2010
- Data Protection Act 2003
- Disability Discrimination Act 1995
- Finance Act 2013
- Relevant Health and Safety legislation
- The Pensions Regulator's code of practice: Governance and administration of public service pension schemes
- Any other legislation that may apply at current time

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 the Employers' Guide
- all information required by the Pension Fund to be provided in the required format and/or on the appropriate forms referred to in the Employers' Guide which are accessible from the Pension Fund website at www.yourpension.org.uk/agencies/HCC.
- 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.

Timeliness

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Scheme. The Scheme itself sets out a number of 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 following sections on responsibilities set out the locally agreed timescales for these requirements.

PENSION FUND RESPONSIBILITIES

This section outlines the key responsibilities of the Pension Fund and the performance standards scheme employers and scheme members should expect. It is focussed 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, rather than individual scheme members' benefits.

Ref	Function/Task	Performance Target
P1	Publish and keep under review the Pension Fund's Administration Strategy.	Within three months of decision to develop an Administration Strategy or one month of any changes that have been consulted on with scheme employers.
P2	Publish and keep up to date scheme guidance	30 working days from any revision.
P3	Publish and keep up to date all forms required for completion by scheme members, prospective scheme members or scheme employers.	30 working days from any revision.
P4	Host a meeting for all scheme employers.	Annually
P5	Organise training sessions for scheme employers.	As matter of course for all new employers in the form of induction training. Upon request from scheme employers, or as required.
P6	Notify scheme employers and scheme members of changes to the scheme rules.	Within one month of the change(s) coming into effect.
P7	Notify a scheme employer of issues relating to the scheme employer's poor performance.	Within 10 working days of a performance issue becoming apparent.
P8	Notify a scheme employer of decisions to recover additional costs associated with the scheme employer's poor performance (including any interest that may be due).	Within 10 working days of scheme employer failure to improve performance, as agreed.
P9	Issue annual benefit statements to active and deferred members as at 31 March each year.	By the following 31 August (providing no queries outstanding from year end data)
P10	Issue formal valuation results (including individual employer details).	10 working days from receipt of results from the Pension Fund's actuary (but in any event no later than 31 March following the valuation date).

Ref	Function/Task	Performance Target
P11	Carry out interim valuation exercises 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.
P12	Arrange for the setting up of separate admission agreement, where required (including the allocation of assets and notification to the Secretary of State).	Within 3 months of agreement to set up
P13	Undertake a risk assessment for all new admitted bodies in the Pension Fund	To be completed before the admitted body can be admitted to the Pension Fund
P14	Publish, and keep under review, the Pension Fund's Governance Policy and Compliance Statement.	By 30 September following the year end as part of the Pension Fund's Annual Report and Accounts, or within 30 days of the policy being agreed by the Pensions Committee.
P15	Publish and keep under review the Pension Fund's Funding Strategy Statement.	To be reviewed at each triennial valuation, following consultation with scheme employers and the Pension Fund's actuary. Revised statement to be published at the same time as the final valuation report is issued.
P16	Publish the Pension Fund's Annual Report and Accounts and any report from the auditor.	By 30 September following the year end or following the issue of the auditor's opinion.
P17	Publish, and keep under review, the Pension Fund's Communication Strategy Statement.	By 30 September following the year end as part of the Pension Fund's Annual Report and Accounts, or within 30 days of the policy being agreed by the Pensions Committee.
P18	Publish, and keep under review, the Pension Fund's Cessation Policy Statement.	Within 30 days of any changes being made to the policy
P19	Publish, and keep under review, the Pension Fund's Charging Policy.	Within 30 days of any changes being made to the policy
P20	Publish, and keep under review, the Pension Fund's Statement of Investment Principles	By 30 September following the year end as part of the Pension Fund's Annual Report and Accounts, or within 30 days of the policy being agreed by the Pensions Committee.

Scheme Administration

This details the functions which relate to scheme member benefits from the Scheme.

Ref	Function/Task	Performance Target
P21	Provide responses to scheme members/scheme employers/ personal representatives/ dependents and other authorised persons.	5 working days from receipt of enquiry

Ref	Function/Task	Performance Target
P22	Set up a new scheme member and provide statutory notification to the member.	6 working days from receipt of correctly completed starter form from a scheme employer.
P23	Provide transfer-in quote to scheme members.	6 working days of receipt of request from scheme member.
P24	Confirm transfer-in payment and membership change to scheme members.	6 working days of receipt of payment of transfer of value.
P25	Arrange for the transfer of scheme members' additional voluntary contributions into in-house arrangement.	6 working days of receipt of request from scheme member.
P26	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs) or additional voluntary contributions (AVCs), including all required information to enable deductions to commence.	6 working days of receipt of election from scheme member.
P27	Calculate cost of additional pension contributions, and notify the scheme member.	5 working days of receipt of request from scheme member.
P28	Notify the scheme employer of a request from the scheme member to cease additional regular contributions (ARCs), additional voluntary contributions (AVCs), additional pension contributions (APCs) or added years contributions, and notify the scheme member of the amount of additional pension credited.	6 working days of receipt of request from scheme member.
P29	Process scheme member requests to pay/amend/cease additional voluntary contributions.	5 working days of receipt of request from scheme member.
P30	Provide requested estimates of benefits to employees / employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency.	For individual estimates, 12 working days from date of request. For, bulk requests of more than 20 estimates this is subject to prior agreement on timescales
P31	Notify leavers of deferred benefit entitlements.	1 month from receipt of all necessary information.
P32	Notify retiring employees of benefits (enclosing HMRC disclosure forms).	5 working days of receipt of all necessary information.
P33	Payment of retirement benefits (including any interest due as a result of the late payment of benefits).	Lump sum by BACS payment within 10 working days of receipt of all necessary documentation. Pension payments on next available payroll run and thereafter make payment on the last banking day of each month.

Ref	Function/Task	Performance Target
P344	Update records, calculate and pay death grant and survivor benefits if applicable.	Contact next of kin within 2 working days of notification. Make payment within 10 days of receipt of all necessary documentation.
P35	Calculate and pay transfer out payments to receiving fund and notify scheme member.	10 working days following receipt of election form from scheme member.
P36	Return of employee contributions where member leaves or opt outs between 3 months and 2 years of their start date in the scheme.	10 working days following receipt of all necessary documentation.
P37	Payment of interest to scheme member where employee contributions have been deducted in error and payment has been credited to the Pension Fund.	Within 10 working days of receipt of notification from the scheme employer.
P38	Provide payslips to scheme members in receipt of a pension	In March, April and May each year. Additionally when the monetary amount of pension varies by £5 from previous month.
P39	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”.
P40	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.
P41	Publish and keep under review the Pension Fund’s policy on the abatement of pension on re-employment.	Notify scheme members and scheme employers within one month of any changes or revisions to the policy.
P42	Publish and keep under review the Administering Authority’s Discretions Policy.	Within 30 working days of policy being agreed.

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 within the prescribed timescales. Information and guidance is provided in the Employers' Guide and the Guide and forms are accessible from the Pension Fund's website www.yourpension.org.uk/agencies/HCC.

Pension Fund Administration

This details the functions which relate to the whole Pension Fund, rather than individual scheme members' benefits.

Ref	Function/Task	Performance Target
E1	Confirm a nominated representative to receive information from the Pension Fund and to take responsibility for disseminating it within the organisation.	30 working days of employer joining fund or change to nominated representative.
E2	Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the Scheme (including providing a copy of the policy decision(s) to the Pension Fund).	Within 30 working days of policy being agreed the employer.
E3	Respond to enquiries from the Pension Fund.	10 working days from receipt of enquiry.
E4	Attend induction training provided on admission to the Pension Fund, and other training relating to the administration of the Fund as and when this is offered	On agreed date within 3 months of admission.
E5	Pay over employer and employee contributions to the Pension Fund	<u>Cleared</u> funds to be received by 19 th calendar day of month after deduction.
E6	Provide schedule of payments in the format stipulated by the Pension Fund.	19 th calendar day of month after deduction.
E7	Implement changes to employer contribution rates as instructed by the Pension Fund.	At date specified on the actuarial advice received by the Pension Fund.
E8	Provide monthly membership data return information required by the Pension Fund in the format stipulated.	Submitted by the 19 th of the month following the month it relates

Ref	Function/Task	Performance Target
E9	Provide year end information required by the Pension Fund in the format stipulated in the instructions issued to the nominated representative in March each year. For scheme employers with more than 200 contributing members, provide an assurance statement from their internal auditors on the adequacy of HR and Payroll systems used in relation to calculation of contributions	Information to be submitted on line by 30 April following the year end.
E10	Distribute any information provided by the Pension Fund to scheme members/ potential scheme members in particular Annual Benefit Statements	Within 15 days of its receipt.
E11	Notify the Pension Fund if contracting out services which will involve a TUPE transfer of staff to another organisation.	At the time of deciding to tender so that information can be provided to assist in the decision.
E12	Work with the Pension Fund to arrange for an admission agreement and surety arrangements to be put in place when contracting out a service and assist in ensuring it is complied with.	Agreement to be in place by the time the service is contracted out.
E13	Notify the Pension Fund if the employer ceases to admit new scheme members or is considering terminating membership of the Pension Fund.	As soon as the decision is made, so that the Pension Fund can instruct the actuary to carry out calculations if applicable.
E14	Provide new/prospective scheme members with a starter form and other documentation (or refer them to the Pension Fund website).	5 working days of commencement of employment or change in contractual conditions.
E15	Make additional fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employers consent.	Within 30 days of receipt of invoice from the Pension Fund.
E16	Make additional fund payments in relation to early payment of benefits from ill health, where an employer have exceeded its ill health budget.	Within 30 days of receipt of invoice from the Pension Fund.
E17	Make payment of additional costs to the Pension Fund associated with the poor performance of the scheme employer.	Within 30 working days of receipt of invoice from the Pension Fund.

Scheme Administration

This section details the functions which relate to scheme member benefits from the Scheme.

Ref	Function/Task	Performance Target
E18	Use online forms, spreadsheets or interfaces for all relevant scheme administration tasks	Within 1 month of employer being set up to use the online system
E19	Confirm a nominated representative to act as administrator on the Pension Fund website for the online submission of forms	Within 2 weeks of implementation of the online system.
E20	Notify the Pension Fund of each new employee admitted to the pension scheme and ensure that the employee completes their element of the process.	Submitted online within 20 working days of scheme member joining.
E21	Arrange for the correct deduction of employee contributions from a scheme member's pensionable pay on becoming a scheme member.	Immediately on joining the scheme, opting in or change in circumstances.
E22	Ensure correct employee contribution rate is applied	Immediately upon commencing scheme membership and in line with the employer's policy and as a minimum in each April payroll thereafter.
E23	Arrange for reassessment of employee contribution rate in line with employer's policy and notify the employee of the change in rate.	Review as per policy and notification within 10 working days of change in rate.
E24	Ensure correct deduction of pension contributions during any period of child related leave, trade dispute or other forms of leave or absence from duty.	Immediately, following receipt of election from scheme member to make the necessary pension contributions.
E25	Commence deduction of additional pension contributions or amend such deductions, as appropriate.	Month following election to pay contributions or notification received from the Pension Fund.
E26	Cease deduction of additional pension contributions.	Immediately following receipt of election from scheme member.
E27	Arrange for the deduction of AVCs and payment over 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.
E28	Refund any employee contributions deducted in error.	Month following month of deduction.
E29	Cease deduction of employee contributions where a scheme member opts to leave the Scheme.	Month following month of election, or such later date specified by the scheme member.
E30	Refund employee contributions via payroll where the member has opted out within 3 months	Month following month of election to opt out.
E31	Provide the Pension Fund with details of all contractual changes to scheme members working hours.	Submitted online within 20 working days of change.

Ref	Function/Task	Performance Target
E32	Notify the Pension Fund of changes in employees' circumstances	Submitted online immediately following notification by the scheme member of a change in circumstances.
E33	Provide the Pension Fund with details of any breaks in membership (e.g trade disputes, maternity, paternity) and any APC contracts taken out to cover the break in service.	Submitted online within 20 working days of notice from employee.
E34	Notify the Pension Fund when a scheme member leaves employment including an accurate assessment of actual pensionable pay and final pay (for scheme members in the scheme prior to 1 April 2014).	Submitted online within 20 working days of month end of leaving.
E35	Notify the Pension Fund when a scheme member is due to retire including an accurate assessment of actual pensionable pay and final pay (for scheme members in the scheme prior to 1 April 2014) and authorisation of reason for retirement.	Submitted online within 10 working days before retirement date.
E36	Notify the Pension Fund of the death of a scheme member.	Submitted online and as soon as practicable, but within 10 working days.
E37	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
E38	Carry out an 18 month review of scheme members who retired on grounds of ill health (Tier 3)	18 months after date of retirement
E39	Notify the Pension Fund of outcome of Tier 3 ill health review.	Immediately following decision by IRMP
E39	Appoint person for stage 1 of the pension dispute process and provide full details to the Pension Fund	Within 30 working days of joining the Pension Fund and following the resignation of the current "appointed person"
E40	Enrol and notify the Pension Fund 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
E41	Enrol a "50:50 scheme member" back into the full scheme and notify the Pension Fund.	3 years following date of enrolment in 50:50 scheme
E42	Comply with auto-enrolment from the prescribed staging date, as required under Pensions Regulations and advise the Pension Fund of the date.	From the employers staging date.

MONITORING PERFORMANCE AND COMPLIANCE

Ensuring compliance with the Scheme regulations and this Administration Strategy is the responsibility of the Pension Fund 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 by Ernst & Young and, by extension the processes employed in calculating the figures for the accounts. The key findings of their work are presented to the Committee 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 Pension Fund monitors LPFA's performance against the contract with them and the agreed Service Level Agreement. Monitoring occurs on a monthly basis and LPFA 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 LPFA's performance but also the performance of the County Council's in-house staff. The performance of scheme employers against the standards set out in this document will be incorporated into the reporting to the Committee.

Feedback from employers

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

In the case of scheme employers that have been admitted to the Scheme as a Transferee Admission Body (TAB) via an Admission Agreement, the originating employer will retain overall responsibility for ensuring that the scheme employer complies with the requirements of the Pension Fund. This includes the payment of charges levied against the TAB.

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, 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 over correct employee and employer contributions to the Pension Fund within the stated timescales
- instances where the performance of the scheme employer results in fines being levied against the Pension Fund by the Pension Regulator, Pensions Ombudsman or other regulatory body.

Approach to be taken by the Pension Fund

The Pension Fund 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 and on the template monthly schedule issued to scheme employers at the start of each financial year. 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 offer training.
2. If no improvement is seen within one month, or following training no improvement is seen, or no response is received to the initial letter, 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 attend a meeting 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 Committee meeting detailing charges levied against scheme employers and outstanding payments.

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. This reflects the additional administration involved in securing payment of sums due to the Pension Fund and submission of required data and information. Each item is referenced to the Scheme Employer Responsibilities section.

Item	Charge	Ref
Late payment of employee and employer contributions	£50 plus interest*	E5
Late or non-provision of a schedule of contributions paid or the poor quality of information submitted	£50 per occasion	6
Underpayment of employee or employer contributions	£50 plus interest*	7E21E22
Late or non provision of year end information or the poor quality of year end information	£250 plus £100 for every month the information is late	E9
Late or non provision of starter forms	£50 per month for forms not received or late	E20
Late or non provision of leaver forms	£50 per month for forms not received or late	E34E35, E36
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	

* 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.

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 and scheme employers is key to providing the service and is therefore an important aspect of service improvement planning.

LPFA and County Council in-house staff 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@hertsccl.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 through the monthly newsletters.

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 every two years 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 www.yourpension.org.uk/agencies/HCC.