

Administration Strategy

Effective From
1 April 2019

Introduction and Regulatory Context

This is the Pension Administration Strategy (PAS) of the Cheshire Pension Fund.

The PAS outlines the policies and performance standards required to deliver a cost-effective and high quality pensions administration service.

The efficient administration of the Pension Fund is dependent on effective administration procedures and strong joint working between scheme employers and the Pension Fund.

This PAS sets out the expected levels of performance of the Fund and scheme employers, and provides details about the monitoring of performance levels and the action(s) that might be taken where non-compliance occurs.

It seeks to promote good working relationships and improve efficiency between the Fund and its scheme employers who are collectively responsible for delivering a service which meets the diverse and changing needs of members, as well as ensuring compliance with the regulatory standards required by the Pensions Regulator (tPR) and overseen by the Local Pensions Board.

The PAS has been developed in accordance with regulation 59 of the LGPS Regulations 2013, and in consultation with the employers, the Cheshire Pension Fund Committee and the Local Pension Board. The Pensions Consultative Forum (consisting of employer representatives from a broad cross section of scheme employers along with the administering authority), will play a key role in reviewing performance against the standards set out in this document, and recommending changes and improvements.

Review

The PAS is effective from 1st April 2019. It will be reviewed on an annual basis and more frequently if there are changes to the scheme regulations or 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 Fund website at www.cheshirepensionfund.org.

Aims and Principles

The PAS recognises that the efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably the timely exchange of accurate information in relation to scheme members.

The aim of this PAS is to continue progress towards an automated pension service, employing appropriate technology to improve the quality of information, the speed of operational processing for employers and a more efficient service to members.

The key principles of this Strategy are that:

- the respective roles of the Fund and Scheme Employers are clearly defined as set out in the LGPS Regulations and other relevant legislation.
- the Fund and employers operate in accordance with LGPS regulations and the Pension Regulator Code of Practice/s in demonstrating compliance and scheme governance;
- communication processes are in place to enable both the Fund and Employers to exchange information efficiently and accurately.
- accurate records are maintained for the purpose of calculating pension entitlements and employer liabilities; ensuring all information and data is communicated accurately, on a timely basis and is secure and compliant
- administrative services are developed and delivered digitally in order to streamline processes and minimise service costs.
- clear service standards and service levels are set and monitored to be delivered by respective parties, in order to enable efficient administration of pension services.
- the fund and employers have appropriate skills and that training is in place to deliver a high quality service

What the Cheshire Pension Fund aims to deliver. And what you can expect from us.

The table below is not an exhaustive list, but outlines the key services that we aim to deliver to support employers and to administer and process LGPS scheme member benefits.

These services will be provided as standard and met by the element of employers' contribution rates that funds our administration costs. However there may be limits to the number of specific requests that the Fund can deliver. This is to best allocate resources and ensure fair access to services across all our employers and members. Any requests exceeding the limits may be subject to a time based fee. See page 21 for the current Cheshire Pension Fund staff charge out rates.

The Fund reviews performance across all areas, but specifically those that relate to the administration and processing of LGPS scheme member benefits.

The Fund's own performance targets are shown in the table below. Performance against these targets are reported to and scrutinised by the Pension Fund Committee and Local Pensions Board. Performance is also reported in the Fund's annual report and accounts.

Cheshire Pension Fund - Roles and Responsibilities

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
FA1 1.1	New Starters Set up a new starter and provide notification to the member.	None	40	Receipt of correct data from employer.	90%
FA2 2.1	Transfers Transfer In quotations processed.	None	10	Receipt of request from scheme member.	90%
2.2	Transfer out quotations processed.	None	10	Receipt of all required information.	90%
2.3	Notify member of Transfer in processed.	None	10	Receipt of transfer payment.	90%
2.4	Transfer out payments processed and notify scheme member.	None	10	Receipt of all required information.	90%
FA3 3.1	Estimates Retirement Estimates for employees.	Yes tbc	15	Receipt of request and all required information.	90%
3.1	Retirement Estimates for employers (individual cases). Including any additional fund costs in relation to early payment of benefits.	None	15	Receipt of all required information.	90%

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
3.2	Retirement / redundancy estimates for employers (bulk cases). Including any additional fund costs in relation to early payment of benefits.	Yes tbc	15	Receipt of request and all required information.	90%
FA4	Retirements				
4.1	Provide retirement options to members.	None	15	Receipt of request and all required information.	90%
4.2	Process retirement benefits for payment.	None	Lump sum 5 days First pension payment on next available payroll run.	Receipt of request and all required information.	90%
FA5	Deaths				
5.1	Notification of death benefits payable.	None	10 (5 days to acknowledge the death)	Receipt of all required information.	90%
5.2	Payment of death lump sum and survivors pension	None	Lump sum 5 days First pension payment on next available payroll run.	Receipt of all required information.	90%
FA6	Leavers				
6.1	Notify members of their deferred options	None	10	Check	90%
6.2	Deferred benefits calculated.	None	30	Receipt of all required information.	90%

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
6.4	Process Refund payments.	None	10	Receipt of all required information.	90%
FA7 7.1	Additional Member Contributions Notify the scheme employer of any scheme member's decision to pay additional pension contributions. Provide all required information to enable deductions to commence.	None	10	Receipt of request and all required information.	90%
FA8 8.1	General Administration and communications Produce annual benefit statements for active members By 31 August following the year-end.	None	31 August following the year end.	Receipt of all required information.	
8.2	Inform scheme member and employer if an annual benefit statement cannot be issued due to data issues.	None	By 31 August following the year end.		
8.3	Produce and issue pension savings statements.	None	By 6 October following the tax year end.	Receipt of all required information.	100%

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
8.4	Notify scheme employers and scheme members of changes to the scheme rules.	None	Later of one month before change coming into effect or within 10 days of notification of changes.		100%
8.5	Publish and keep up to date all forms required for completion by scheme members, prospective scheme members or scheme employers.	n/a	Later of 5 days of notification of change or date of revision coming into force.		
FA9 9.1	Internal dispute resolution (IDRP) Process all stage 2 pension internal dispute resolution applications.	None	2 months	Receipt of the application and all required information.	
FA10 10.1	Governance Publish and regularly review the Fund's pension administration strategy.	n/a	To review at least triennially and revise following any material change in policies that relate to the PAS. To consult with employers and the Pensions Consultative Forum and publish on the Fund's website 1 month before the effective date.		

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
10.2	Publish and regularly review the Fund's funding strategy statement.		To be reviewed at each triennial valuation (or whenever there is a material change in either the policy or the Investment Strategy Statement. To consult with scheme employers and the Fund's actuary. Revised statement to be published by 31 March following valuation date or as required.		
10.3	Publish and regularly review the Fund's communication policy statement.	n/a	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee.		
10.4	Publish and regularly review the Fund's governance compliance statement.	n/a	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee.		
10.5	Publish the Fund's Annual report and Financial Statement.	n/a	By 30 July following the year-end or following the issue of the auditors opinion.		

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
10.6	Formulate and publish policies in relation to areas where the administering authority may exercise a discretion within the scheme and keep under review.	n/a	Annual review and publish within 30 days of any revision being agreed by Pension Committee.		

FA11 11.1	Support for employers Provide support for employers by developing a standard pensions offer for employers: <ul style="list-style-type: none"> • A dedicated employer helpline • Nominated Client Relationship Manager • Employer coaching/training • Training/induction training for new scheme employers • Employer Forums • Employer newsletters • Online employer support guides • Member presentations/roadshows • Feedback on data quality issues • Feedback on employer performance against PAS 	Yes <ul style="list-style-type: none"> • Generic quarterly Employer coaching/training sessions free of charge. One bespoke training per annum free of charge subject to agreement. • Additional training subject to time cost charge. • Two member presentations /roadshows in each of the 4 geographic areas per annum. Bespoke presentations subject to time cost charge and minimum attendance criteria. 	<ul style="list-style-type: none"> • Dedicated helpline Monday - Thursday 8.30am - 5.00pm Friday 8.30am - 4.00pm • Rolling programme of quarterly training sessions for new and existing employers • Employer Forum to be held twice annually • Employer Newsletters to be issued at least twice a year • Written communication as per the Fund's communication strategy. 		
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Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
11.2	Issue guidance, file specification and spreadsheet (if applicable) for completion of Monthly Interfacing and Annual Returns.	None	2 months before submission date 6 months before submission for new developments.		
FA 12.1	New Employers joining the Fund Undertake a risk assessment of all new prospective admitted bodies/new scheme employers to the satisfaction of all parties. To determine the level of bond or guarantee to protect other employers in the Fund.	None	3 weeks	Receipt of all required information.	
12.2	Process admission into the Fund including signed admission agreement (where required), notification of contribution rate, allocation of assets.	n/a	8 weeks	Receipt of all required information.	
12.3	Issue the employer Welcome Pack including discretion policies, Contribution Form and employer questionnaire.	None.	5	Completion of admission and calculation of contribution rate.	
12.4	Provide new employer pension training.	None	Rolling programme of quarterly training sessions for new and existing employers.		

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
FA13 13.1	Employers Exiting the scheme Carry out valuation assessments on cessation of admission agreements or a scheme employer ceasing participation in the Fund and issue revised rates and adjustments certificate.	None	3 months	Receipt of all required information.	
13.2	Pay any exit credit due to exiting employer.	None	3 months	Receipt of all required information.	
FA14 14.1	Valuations and Contribution Rates Consult with employers on the draft outcomes of the triennial valuation and any revisions to the Funding Strategy Statement.		At least 90 days in advance of the signing of the final Rates and Adjustment Certificate.		
14.2	Notify employers of final contribution requirements for 3 years effective from April following the actuarial valuation date.		At least 30 days in advance of the signing of the final Rates and Adjustment Certificate.		
FA15 15.1	Customer Service Answer all calls to helplines in office hours.	None	Provide office cover of 8.30am to 5.00pm Monday to Thursday and 8.30am to 4.00pm on Friday.		90%

Ref	Function/ Service	Limits on service	Expectation (working days unless otherwise stated)	What we need	Performance target (% within expectations)
15.2	Provide an answer or acknowledgement to scheme members/scheme employers/ personal representatives/dependents and other authorised persons.	None	10	Receipt of enquiry	
15.3	Acknowledge member/employer complaints.	None	5	Receipt of complaint	
15.4	Formal response if complaint is escalated to stage 1	None	5	Receipt of notification of escalation to stage 1	
15.5	Independent review if complaint is escalated to stage 2	None	20	Receipt of notification of escalation to stage 1	

Employer Roles and Responsibilities

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
EA1 1.1	Governance Confirm a Designated Pensions contact(s) to <ul style="list-style-type: none"> • Receive information from the Fund and to take responsibility for disseminating it within your organisation. • Authorise a signatory to perform key policy decisions and administrative roles within the organisation • Submit data in the format and within the time frames specified by the Pension Fund 	30 days of employer joining fund or change to Designated Contact(s). Annual review and update of Designated Contact(s) by 30 April.	
1.2	Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the LGPS (including providing a copy of the policy document to the Fund).	30 days of joining the Scheme A copy of the policy document is to be submitted to the Fund within one month of a change in policy. And no later than 3 months after being informed by the Fund of any changes in regulations.	
1.3	Appoint an independent registered medical practitioner qualified in occupational health medicine or arrange contract with third party, in order to consider all ill health retirements applications and agree appointment with Administering Authority.	30 days of employer joining fund or change to current medical officer.	
1.4	Appoint person (the adjudicator) for stage 1 of the pension dispute process (IDRP) and provide full up to date contact details to the Fund.	30 days of employer joining fund or change to current adjudicator.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
2 2.1	IDRP Appoint person for stage 1 of the pension dispute process (IDRP) and provide full up to date contact details to the Fund.	30 days of becoming a scheme employer or change to current adjudicator	30 days of becoming a scheme employer or change to current adjudicator
2.2	Notify the Fund of the receipt of a complaint under the IDRP process.	5 days of receiving the complaint	5 days of receiving the complaint
2.3	Notify the Fund that the stage 1 decision has been issued.	5 days of making the determination	5 days of making the determination.
2.4	Timeframe for resolution of IDRP Notifying if timeframe is not going to be met.	2 months Immediately when known not going to meet original timeframe.	2 months Immediately when known not going to meet original timeframe.
2.5	Responding to Fund enquiries when Fund dealing with Stage 2	5 days of receiving the query.	5 days of receiving the query.
3 3.1	Contributions Ensure correct employee contribution rate is deducted each scheme year. And throughout their membership in the Scheme.	Immediately upon commencing scheme membership. Reviewed as per policy on adjusting employee contribution rates or change in circumstances.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
3.2	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay including any period of child related leave, trade dispute or other forms of leave of absence from duty.	Next payroll after being instructed by the scheme member.	
3.3	Ensure the correct deduction of, amend or cease additional contributions as instructed by the Pension Fund.	Next payroll after being instructed by the Pension Fund.	
3.4	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund Actuary.	In accordance with the latest Rates & Adjustment Certificate Or when notified by the Pension Fund of any amendments to the Rates & Adjustment Certificate.	
3.5	Remit correct employer and all employee contributions and Remittance Advice (in format specified by the Fund).	By 22nd of the month following deduction from payroll if made electronically or 19th if not paid electronically.	By 22nd of the month following deduction from payroll if made electronically or 19th if not paid electronically
3.6	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required.	As required by payroll cycles and AVC provider(s).	
3.7	Make additional invoiced payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent.	Within CWaC standard terms of trade.	Within CWaC standard terms of trade.

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
4 4.1	Member information and data quality Provide the Fund with following information in a format, communication channel and time frame specified by the Fund: <ul style="list-style-type: none"> • New starters • Change of address, hours, name, payroll number, or job title • movement in and out of the 50/50 scheme, • marital or civil partnership status, • maternity, paternity, career break, • employee contributions (including additional contributions) • employee earnings (FTE and CARE) • AVC contributions • Under 3 month opt-outs • Leaver details 	Post Monthly Interfacing On a monthly basis, by the 19th of the following month. As part of the monthly submission upload via the employer web portal. See Monthly Interfacing Guide for more detail.	On a monthly basis, by the 19th of the following month.
4.2	Notify the Fund of new starters.	Pre Monthly Interfacing Within 4 weeks of member joining.	Within 4 weeks of member joining.
4.3	Notify the Fund of other material changes in employees' circumstances (eg, marital or civil partnership status) using the method stipulated by the Fund.	Within 4 weeks of notification by the scheme member of a change in circumstances.	
4.4	Notify the Fund of leaves of absence with permission (maternity, paternity, career break, etc) using the method stipulated by the Fund.	Within 20 days of notice from employee.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
4.5	Notify the Fund when a member leaves employment including an accurate assessment of final pay using the method stipulated by the Fund.	Within 4 weeks of release of the pay run that includes the members final payment.	
4.6	Submission of year end annual return (LGS50) in a format specified by the Pension Fund.	By April deadline specified each year by the Pension Fund. See LGS50 Guidance Notes for more detail.	By April deadline specified each year by the Pension Fund 90% of records with no errors
5 5.1	Leavers Notify the Fund when a member leaves employment including an accurate assessment of final pay using the method stipulated by the Fund.	Tbc – retirement process review.	
6 6.1	Retirements Notify the Fund when a member is due to retire including an accurate assessment of final pay details and authorisation of the reason for retirement.	Tbc – retirement process review.	
7 7.1	Deaths Notify the Fund of the death of a scheme member using the method stipulated by the Fund.	As soon as practicable, but within ten days.	
8 8.1	Employer Communications Distribute any information provided by the Fund to scheme members/potential scheme members.	Within 10 days of its receipt.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
8.2	Refer new/prospective scheme members to the Fund's website.	Within 10 days of commencement of employment or change in contractual conditions.	
8.3	Notify the 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.	
8.4	Work with the Fund to arrange for an admission agreement to be put in place when contracting out a service and assist in ensuring it is complied with.	Agreement to be in place no later than date of contract. Notify Pension Fund if terms of Admission Agreement are not being met.	
8.5	Notify the Fund if the employer ceases to admit new scheme members or is considering terminating membership of the Fund.	As soon as the decision is made, so that the Fund can assess the impact and instruct the actuary to carry out calculations, if applicable.	

Monitoring Service Standards and Managing Compliance

The Pension Fund will monitor its own performance and that of scheme employers against the targets and standards set out in this strategy. The outcomes from this monitoring and any issues arising will be reported to:

- the Pensions Consultative Forum
- the Local Pensions Board
- the Pension Fund Committee
- individual scheme employers/members as appropriate
- The Pensions Regulator (where applicable)

Where performance issues arise, the aim in the first instance will be to resolve issues informally between the parties, and to identify appropriate action to address any underlying issues, through training, coaching, process improvements or better communication.

Where persistent and on-going failure occurs, and no improvement is demonstrated by an employer (and, or unwillingness is shown to resolve the issues identified), the following steps will be taken:-

- The Pension Fund will write to the designated contact for the scheme employer setting out the areas of poor performance.
- The Pension Fund will meet with the employer to discuss areas of concern and agree the action required and timescales for remediation.
- if no improvement has been demonstrated by the employer, or there has been a failure to take forward agreed action within the required timescale, the Fund will issue a formal notice to the Chief Executive of the employer body setting out the issues of concern and the immediate action required. The final notice may also include a claim for additional costs, taking account of the time and resources required to address and resolve the poor performance in question and any consequences arising.

Please note, notwithstanding the above process, where there is a clear breach of regulations or agreed performance, for instance, where an employer fails to pay the monthly contributions income to the fund in line with regulatory deadlines or where the fund fails to issue statutory communications (such as the Annual Benefit Statements) to members within statutory deadlines, the Fund is duty bound to capture this on its Breaches Log. All such breaches will be investigated and if deemed material will be reported to the regulator. The Breaches Log is presented to the Pension Fund Committee and Local Pension Board on a quarterly basis.

A copy of the fund's [breaches policy](http://www.cheshirepensionfund.org/about-the-fund/investments/governance) can be found on the website at www.cheshirepensionfund.org/about-the-fund/investments/governance

Additional Administration Charges

Where the Pension Fund incurs additional costs in respect of work requested by individual employers, for example, in respect of new admissions, early or ill-health retirements, or employer accounting returns; these will be recharged on completion of the work in question.

Examples of specific additional administration charges and the basis for calculation are set out in the Funds charging policy which is available on the employer section of the website

Invoices will be subject to the normal payment terms of the Cheshire West and Chester Council, as administering authority. Non-payment will be managed through the Council's normal debt recovery process.

Policy on Charging Employers for Poor Performance

The LGPS 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 any such additional costs are to be recovered by the Fund, written notice will be provided stating:

- the reasons 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; and
- the provisions of the administration strategy relevant to the decision to give notice.

It is the policy of the 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 administering authority). With the objective of ensuring fairness across employers in avoiding other employers paying more to cover the higher administration costs incurred by others.

The current charge out rates for Pension Fund Officers are listed in the table below:

Grade	Daily rate	Hourly rate
4	£165	£22
6	£204	£28
8	£275	£37
10	£342	£46
11	£406	£55
13	£475	£64
17	£718	£97