

Administration Strategy

DRAFT FOR
CONSULTATION
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Introduction and Regulatory Context

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

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 CPF 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 CPF 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 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 (once consultation has finished) 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 CPF 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 CPF and Scheme Employers are clearly defined as set out in the LGPS Regulations and other relevant legislation.
- the CPF 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 CPF 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.

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

Performance will be reported to and scrutinised by the Pension Fund Committee and Local Pensions Board. Performance against a number of our key performance indicators will also be reported in the Fund's annual report and accounts.

Cheshire Pension Fund - Roles and Responsibilities

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
1	New Starters	40	Receipt of correct data from employer.
1.1	Set up a new starter and provide notification to the member.		
2	Transfers	10	Receipt of request from scheme member.
2.1	Transfer In quotations processed.		
2.2	Transfer out quotations processed.	10	Receipt of all required information.
2.3	Notify member of Transfer in processed.	10	Receipt of transfer payment.
2.4	Transfer out payments processed and notify scheme member.	10	Receipt of all required information.
3	Estimates		
3.1	Retirement Estimates for employees.	15 (two per annum)	Receipt of request and all required information.
3.2	Retirement Estimates for employers (individual cases). Including any additional fund costs in relation to early payment of benefits.	15	Receipt of all required information.

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
3.3	Retirement / redundancy estimates for employers (bulk cases). Including any additional fund costs in relation to early payment of benefits.	15 (but CPF to monitor requests. Reserve right to amend PAS or agree different delivery date).	Receipt of request and all required information. Employer to provide 10 Business days' notice.
4	Retirements		
4.1	Provide retirement options to members.	15.	Receipt of request and all required information.
4.2	Process retirement benefits for payment.	Lump sum processed within 5 days First pension payment will be made on the next available	Receipt of request and all required information.
5	Deaths		
5.1	Notification of death benefits payable.	10 (five days to acknowledge the death).	Receipt of all required information.
5.2	Payment of death lump sum and survivors pension.	Lump sum processed within 5 days First pension payment will be made on the next available	Receipt of all required information.
6	Leavers		
6.1	Notify members of their deferred options.	One month	Check
6.2	Deferred benefits calculated.	30.	Receipt of all required information.

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
6.4	Process Refund payments.	10	Receipt of all required information.
7 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.	10	Receipt of request and all required information.
8 8.1	General Administration and communications Produce annual benefit statements for active and deferred members by 31 August following the year-end.	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.	By 31 August following the year end.	
8.3	Produce and issue pension savings statements.	By 6 October following the tax year end.	Receipt of all required information.

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
8.4	Notify scheme employers and scheme members of changes to the scheme rules.	Later of one month before change coming into effect or within 10 days of notification of changes.	
8.5	Publish and keep up to date all forms required for completion by scheme members, prospective scheme members or scheme employers.	Later of five days of notification of change or date of revision coming into force.	
9 9.1	Internal dispute resolution (IDRP) Process all stage two pension internal dispute resolution applications.	Two months.	Receipt of the application and all required information.
10 10.1	Governance Publish and regularly review the Fund's pension administration strategy.	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 one month before the effective date.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
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.	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.	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.	By 30 July following the year-end or following the issue of the auditors' opinion.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
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.	Annual review and publish within 30 days of any revision being agreed by Pension Committee.	
11 11.1	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.	Three weeks.	Receipt of all required information.
11.2	Process admission into the Fund including signed admission agreement (where required), notification of contribution rate, allocation of assets.	Eight weeks.	Receipt of all required information.
11.3	Issue the employer Welcome Pack including discretion policies, Contribution Form and employer questionnaire.	Five weeks.	Completion of admission and calculation of contribution rate.
11.4	Provide new employer pension training.	Rolling programme of quarterly training sessions for new and existing employers.	

Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need
12 12.1	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.	Three months.	Receipt of all required information.
12.2	Pay any exit credit due to exiting employer.	Six months of exit date.	Receipt of all required information.
13 13.1	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.	
13.2	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.	
Ref	Function/ Service	Expectation (working days unless otherwise stated)	What we need

14 14.1	Provide an answer or acknowledgement to scheme members/scheme employers/ personal representatives/dependents and other authorised persons.	30.	Receipt of enquiry.
14.2	Acknowledge member/employer complaints.	5	Receipt of complaint.
14.3	Formal response if complaint is escalated to stage one.	5	Receipt of notification of escalation to stage one.
14.4	Independent review if complaint is escalated to stage two.	20.	Receipt of notification of escalation to stage one.

Employer Roles and Responsibilities

Ref	Function/ Service	Expectation (working days unless otherwise stated)	Performance target
1	Governance		
1.1	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 three 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 one 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 one 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.	Five days of receiving the complaint.	Five days of receiving the complaint.
2.3	Notify the Fund that the stage 1 decision has been issued.	Five days of making the determination.	Five days of making the determination.
2.4	Timeframe for resolution of IDRP Notifying if timeframe is not going to be met.	Two months. Immediately when known not going to meet original timeframe.	Two months. Immediately when known not going to meet original timeframe.
2.5	Responding to Fund enquiries when Fund dealing with Stage two.	Five days of receiving the query.	Five 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	<p>Member information and data quality</p> <p>Provide the Fund with following information in a format, communication channel and time frame specified by the Fund:</p> <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 three month opt-outs • Leaver details 	<p>Monthly Interfacing</p> <p>On a monthly basis, by the 19th of the following month. As part of the monthly submission upload via the employer web portal.</p> <p>See Monthly Interfacing Guide for more detail.</p>	<p>On a monthly basis, by the 19th of the following month.</p>
5 5.1	<p>Leavers</p> <p>Notify the Fund when a member leaves employment including an accurate assessment of final pay using the method stipulated by the Fund.</p>	<p>As early as possible but no later than 10 working days after the member's final payroll has run.</p> <p>.</p>	
6 6.1	<p>Retirements</p> <p>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.</p>	<p>As early as possible but no later than 10 working days after the member's final payroll has run.</p> <p>.</p>	

7	Deaths		
7.1	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	Employer Communications		
8.1	Distribute any information provided by the Fund to scheme members/potential scheme members.	Within 10 days of its receipt.	
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](https://www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/breaches-policy/) can be found on the website at <https://www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/breaches-policy/>

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.