

Cronfa Bensiynau Clwyd
Clwyd Pension Fund



FLINTSHIRE COUNTY COUNCIL

**Administering Authority for
Clwyd Pension Fund**

ADMINISTRATION STRATEGY

[Month] 2021

ADMINISTRATION STRATEGY

Introduction and Background

This is the Statement outlining our Pension Administration Strategy for the Clwyd Pension Fund (“the Fund”) and has been developed following consultation with employers in the Fund, Pension Board members and other interested stakeholders.

The aim of the administration strategy is to ensure both the administering authority and the employers are fully aware of their responsibilities under the Scheme, and to outline the performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service. These performance standards are explained further in the appendices to this Strategy.

Flintshire County Council (the “administering authority” or otherwise referred to as “CPF Team” in this document) is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme (“the LGPS”). The Fund comprises around 48 employers with active members, and approximately 49,000 scheme members (including active members, deferred and pensioner members).

Delivery of a high standard of administration service is not the responsibility of one person or organisation, but rather of a number of different parties, who between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership.

This Strategy applies to all employers in the Fund and it sets out the expected levels of administration performance of both the administering authority and the employers within the Fund, the expected communication methods for transferring data and information between the employer and the Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.

This updated Strategy will be effective from 1 [month] 2021 and the performance indicators mentioned herein will demonstrate ongoing progress towards the Strategy’s aims and objectives.

Regulatory Basis

The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 provide the conditions and regulatory guidance surrounding the production and implementation of Administration Strategies.

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

- Local Government Pension Scheme Regulations
- Pensions Acts 2004, 2011 and 2021 and associated disclosure legislation
- Public Service Pensions Act 2013 and associated record keeping legislation

- Freedom of Information Act 2000
- Equality Act 2010
- Finance Act 2013
- Relevant Health and Safety legislation and
- General Data Protection Regulations 2018 ("GDPR").

As a result of the Public Service Pensions Act 2013, the Pensions Regulator has responsibility for oversight of a number of elements of the governance and administration of Public Sector pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings caused by the administering authority and also where employers in the Fund fail to provide correct or timely information to the administering authority. Should this happen, the administering authority would recharge any costs back to employers as set out later in this strategy.

More information relating to requirements of the Local Government Pension Scheme Regulations is included in Appendix A. This statement has been developed to include the information required by those provisions and to describe our approach in relation to meeting these requirements in the delivery of administration.

Our Aims and Objectives

Mission Statement

The Clwyd Pension Fund Mission Statement is:

- to be known as forward thinking, responsive, proactive and professional, providing excellent customer focused, reputable and credible service to all customers
- to have instilled a corporate culture of risk awareness, financial governance, and to provide the highest quality, distinctive services within the resource budget
- to work effectively with partners, being solution focused with a 'can do' approach

In addition, we have specific aims and objectives in relation to our administration responsibilities as set out below.

Administration Aims and Objectives

The purpose of this Strategy is to set out the quality and performance standards expected of Flintshire County Council in its role of administering authority and employer, as well as all other employers within the Fund.

The Administration Strategy has a number of specific objectives, as follows;

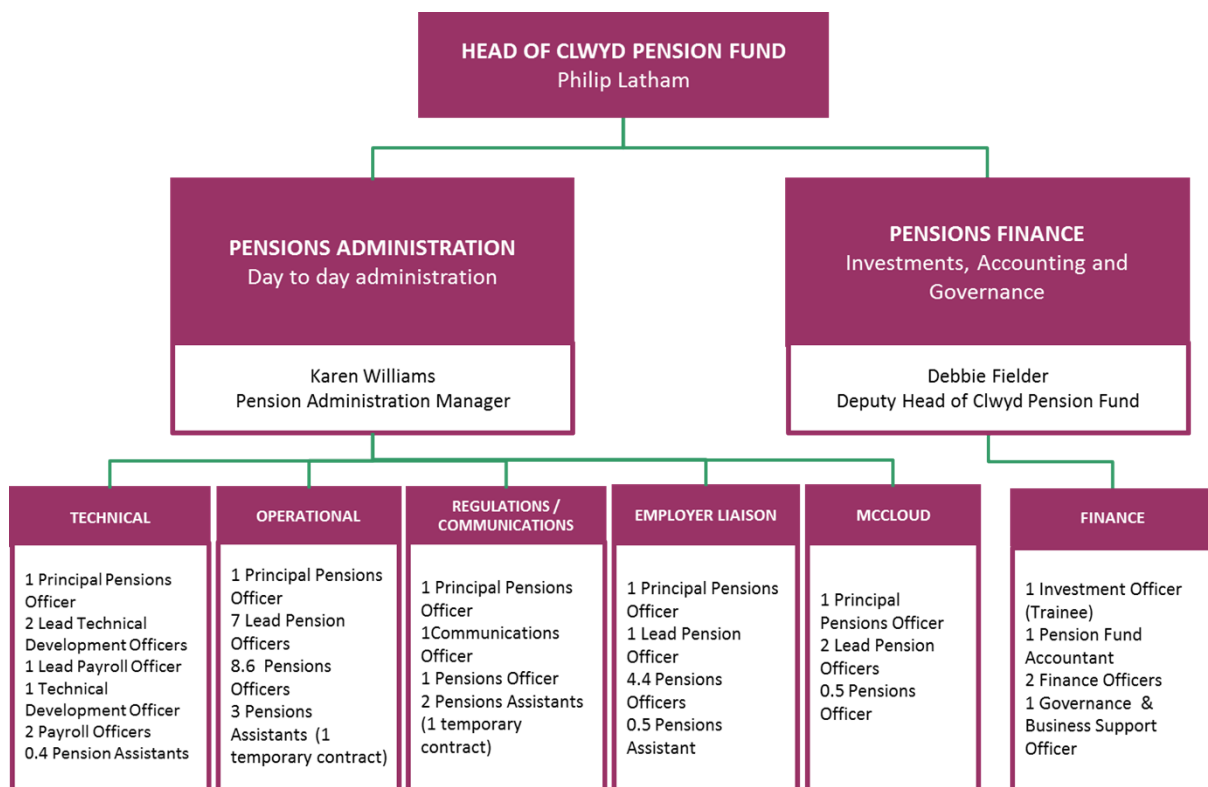
- Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
- Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money.

- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund
- Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
- Maintain accurate records and ensure data is protected and has authorised use only.

Delivery of Administration

Flintshire County Council has delegated responsibility for the management of the Pension Fund to the Clwyd Pension Fund Committee, taking into consideration advice from the Pensions Advisory Panel and the Pensions Board. The Committee will monitor the adherence to the Strategy on a regular basis as outlined later in this document.

Operationally, the administration of the Fund is undertaken 'in-house' within the Fund. The operational structure of the Pension Fund is illustrated in the schematic diagram below:



Most LGPS administering authorities provide the administration service from internal teams, although some have outsourced (or partially outsourced) their administration, and some utilise shared service administration arrangements across more than one Fund. Other LGPS administering authorities only outsource specific projects. The Fund may, in exceptional circumstances, consider outsourcing some of its administration services.

In addition, the CPF Team will look for opportunities to work collaboratively with other administering authorities so as to reduce development costs and enhance the quality of information. This might include:

- working with other administering authorities through the Pensions Officer Group networks or the All Wales network to produce communications, which can then be customised further where necessary to the needs of the Fund
- participating in joint training sessions with other administering authorities.

Employer Duties and Responsibilities

Nominated Representative

The Clwyd Pension Fund requires all employers to appoint a Nominated Representative who will be ultimately responsible for pension matters, and that person will act as the employer's primary contact with the Fund.

Authorised Officers

The Nominated Representative noted above will automatically be an Authorised Officer which means the Fund will accept information and instructions sent from that individual. In addition, only Authorised Officers whose names, contact details and specimen signatures are held by the Fund may sign or send documents and/or instructions from the employer to the Fund. Documents or instructions which have either not been signed, or that do not have clear oversight from an Authorised Officer, or are not sent by an Authorised Officer, will not be accepted.

Employers will periodically be required to confirm their named Authorised Officers and must ensure the Fund is advised of changes on an ongoing basis.

Information to be submitted and other responsibilities

Appendix B sets out the responsibilities of both the employer and the Fund in relation to various Fund matters such as employees joining or leaving the scheme and the payment of contributions. The Nominated Representative must ensure that these processes are understood and carried out in accordance with the requirements of this Strategy. These processes involve a range of actions such as the monthly upload of electronic files with scheme member data (i-Connect) and the completion and issue of standard forms to the Fund. It is critical that these processes are completed in an accurate and timely manner to ensure the objectives of this Strategy are met, not least ensuring that the correct benefits are paid to scheme members at the right time.

Year End Procedure

Various pieces of legislation include strict deadlines for the receipt of year-end information, the distribution of Annual Benefit Statements and the distribution of Pension Saving Statements (relevant to disclosing Annual Allowance information). To achieve these deadlines, the employer must provide the Fund with year-end information to 31st March (over and above that already included in the i-Connect

uploads) each year by 30th April (or the next working day) in an approved format required by the Fund, accompanied by a completed Employer Compliance Statement which employers will be required to sign by 30th April. The Fund will notify the employer of the required information each February, and it is recognised that there will be scenarios where further information is required from employers in addition to the March i-Connect upload (such as pensionable remunerations). Any changes to the format of year-end information must be agreed between both parties by no later than 10 working days after the Fund has issued the instructions.

Data Protection

There is no requirement under GDPR for data controllers to enter into formal contractual relationships with other data controllers with whom they share and from whom they receive personal data.

In order to comply with the Data Protection Law, including the General Data Protection Regulation (2016/679) (“GDPR”), the Employer and the Fund will separately inform the members of the respective purposes for which they will each process their personal data and provide all required information to ensure that the members understand how their personal data will be processed in each case by the Fund or the Employer (as applicable). The Employer’s privacy notice to members will inform them that their personal data will be provided to the Fund and a copy of that notice will be provided to the Fund on request.

The Employer undertakes to notify the Fund as soon as practicable if an error is discovered in the members’ personal data of which it is a data controller and which was received from or a copy of which has been provided to the Fund, to ensure that the Fund is then able to correct its own records.

If either the Fund or the Employer appoints professional advisers, third party administrators or another entity which provides other services involving the transfer of members’ personal data those third parties will be data processors or data controllers in their own right. The Fund or the Employer (as applicable) will comply with its own obligations in accordance with Data Protection Law (in particular, by ensuring that any entity to which it transfers members’ personal data also complies with Data Protection Law) and shall ensure that nothing in the terms of engagement between the Fund or the Employer (as applicable) and such third party would contradict Data Protection Law.

The Employer and the Fund confirms that it understands its respective obligations under Data Protection Law in the event of any personal data breach, unauthorised or unlawful processing of, loss or destruction of or damage to any of the members’ personal data, including (where necessary) an obligation to notify the Information Commissioner’s Office and/or the member(s).

Performance Standards – Quality

Local Standards

The legislative and regulatory requirements are set out previously and in Appendix A. On top of these, the Fund and employers ensure that all administration functions and

tasks are carried out to agreed local quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in this Administration Strategy
- information to be provided in the required format and/or on the appropriate forms as provided by the Fund
- Annual agreement with the Compliance Statement which certifies the data that the employer supplies to the Fund
- information to be legible and accurate
- communications to be in a plain language style
- information provided or actions carried out to be checked for accuracy* by an appropriately trained member of staff
- information provided or actions carried out by an employer to be authorised by an Authorised Officer and
- actions carried out, or information provided, within the timescales set out in this strategy

* accuracy is defined as when we have received information, for example, from an employer, with **all** required areas completed **and** with no contradictory information which needs to be queried.

Providing data to the Fund - Secure Data Transfers and i-Connect

The Fund follows Flintshire County Council's data security guidelines when sending any personal data. Flintshire County Council uses Egress Switch to securely send data when required, which offers a combination of policy based gateway and desktop email encryption software to secure and control information sent to third parties. Egress Switch also uses;

- an authentication process
- password protection, and
- confirmation of receipt

to prevent any sensitive information from being accidentally sent to unauthorised recipients.

All employers are expected to ensure that information containing personal data that is sent to the Fund is sent securely.

A key method of data transfer relating to the Fund's administration, is the receipt of information from employers in relation to scheme members. In order to meet the requirements set out in this document in a secure and efficient way (for both employers and the administering authority), Clwyd Pension Fund uses a secure data system known as i-Connect for its employers. i-Connect automates a number of procedures, which reduces the administration time for both the Fund and the employer. Information is uploaded monthly. It is widely recognised that regular transmission of data dramatically improves data quality which is why the Fund has invested in this tool. All employers are provided with access to i-Connect and should upload information on a monthly basis.

Any employers not submitting data via i-Connect, once it is made available to them, may risk compromising data security and quality. Consequently, use of this system is compulsory to all employers in the Fund and any employers who do not engage with this may be charged administration costs.

The Fund recognises that there will be occasions where employers will need to send information to the Fund outside of i-Connect (e.g. prior to the employer being onboarded as an i-Connect user or where supplementary information is required). In these instances, the Fund expects this information to be sent electronically with appropriate encryption and from an Authorised Officer as approved by the employer. Information sent to the Fund without encryption or not from an Authorised Officer will not be accepted.

Oversight of Compliance and Quality

Ensuring compliance is the responsibility of the Fund and the employers in the Fund. The Fund has a range of internal controls in place to assist with ensuring compliance and which are articulated in the Fund's risk register. However, there are ways in which they are subject to elements of scrutiny or oversight:

Audit

The Fund is subject to a regular annual audit of its processes and internal controls. The Fund and the employers are expected to fully comply with any reasonable requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by the Pension Fund Committee, and where appropriate duly implemented (following discussions with employers where necessary).

Local Pension Board (LPB), the national Scheme Advisory Board (SAB) or the Pensions Regulator

The LPB of the Clwyd Pension Fund assists the Fund in a number of ways including oversight of the implementation of this Strategy. The Pensions Regulator and the national Scheme Advisory Board provide guidance that the Fund must have regard to. The Fund and the employers are expected to fully comply with any such guidance produced by the SAB and the Pensions Regulator. Any recommendations made from these entities will be considered by Flintshire County Council, in its role as administering authority, and where appropriate, duly implemented following discussions with employers where necessary.

Performance Standards – Timeliness and Accuracy

Overriding legislation, including The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended), dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. Further, the LGPS itself sets out a number of requirements for the administering authority or employers to provide information to each other, to scheme members and to prospective scheme members,

dependants, other pension arrangements or other regulatory bodies. In addition to these legal requirements, local performance standards have been agreed which cover all aspects of the administration of the Clwyd Pension Fund. In many cases these go beyond the overriding legislative requirements.

The locally agreed performance standards for the Fund are set out in Appendix B. These standards are not an exhaustive list of the Fund's and employers' responsibilities.

The locally agreed performance standards will be monitored on an ongoing basis by the administering authority, the key standards which will be publicly reported on are extracted and shown in the table below.

These elements are measured against:

1. any legal timescale that should be met ("Legal requirement")
2. the overall locally agreed target time ("Overall case target")
3. the locally agreed target time for the administering authority to complete that task ("CPF Administration element target")

Generally the CPF Administration element target will be a shorter procedure within the overall case which is being measured by the Legal requirement and Overall case targets. This is because the Legal requirements and Overall case targets will generally include periods of time when the Fund is waiting for information to be provided by an employer or scheme member. The CPF Administration element target then measures the period of time it takes the Fund to carry out their element of work once the accurate* information has been received.

* accurate is defined as when we have received information, for example, from an employer, with **all** required areas completed **and** with no contradictory information which needs to be queried.

Key Performance Indicators (KPIs)

Process	Legal requirement	Overall case target	CPF Administration element target
To send a Notification of Joining the LGPS to a scheme member	2 months from date of joining (assuming notification received from the employer), or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled ¹	46 working days from date of joining (i.e. 2 months)	30 working days from receipt of all information
To inform members who leave the scheme before retirement age of their leaver rights and options	As soon as practicable and no more than 2 months from date of initial notification (from employer or from scheme member) ²	46 working days from date of leaving	15 working days from receipt of all information
Obtain transfer details for transfer in, and calculate and provide quotation to member	2 months from the date of request ¹	46 working days from date of request	20 working days from receipt of all information
Provide details of transfer value for transfer out, on request	3 months from date of request (CETV estimate) ³ or within a reasonable period (cash transfer sum) ⁴	46 working days from date of request	20 working days from receipt of all information
Notification of amount of retirement benefits	1 month from date of retirement if on or after Normal Pension Age ¹ 2 months from date of retirement if before Normal Pension Age ¹	23 working days from date of retirement	10 working days from receipt of all information
Providing quotations on request for retirements	As soon as is practicable, but no more than 2 months from date of request unless there has already been a request in the last 12 months ¹	46 working days from date of request	15 working days from receipt of all information
Calculate and notify dependant(s) of amount of death benefits	As soon as possible but in any event no more than 2 months to beneficiary from date of becoming aware of death, or from a date of request by a third party (e.g. personal representative) ¹	25 working days from date of death	10 working days from receipt of all information
Calculate and Notify member of CETV for Divorce/Dissolution Quote	3 months from the date of request	46 working days from date of request	20 working days from receipt of all information

Process	Legal requirement	Overall case target	CPF Administration element target
Calculate and Notify members of Actual Divorce Share	4 months from the date of the pension sharing order, or the date where all sufficient information is received to implement the order ⁵	46 working days from date of request	15 working days from receipt of all information
Calculate and pay a Refund of contributions	Not applicable	13 working days from receipt of request	10 working days from receipt of all information
Calculate and Pay retirement lump sum	Not applicable	Not applicable	15 working days from receipt of all information
Calculate and Notify member of Deferred Benefits	Not applicable	76 working days from date of leaving	30 working days from receipt of all information
Initial letter acknowledging death of member	Not applicable	Not applicable	3 working days from receipt of all information

1 - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended

2 - The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991

3 – Occupational Pension Schemes (Transfer Value) Regulations 1996

4 – Pension Schemes Act 1993

5 - Welfare Reform and Pensions Act 1999

Improving Employer Performance (where necessary)

This Strategy is focussed on good partnership working between the administering authority and the Fund's employers. The Fund is committed to enhancing the educational tools and guidance available to employers to ensure they are supported in their role of administering the LGPS. The primary supporting materials available include:

- Clwyd Pension Fund employer training guide
- LGA HR and Payroll guides for Employers found at: <https://www.lgpsregs.org/resources/guidesetc.php>
- i-Connect user guide
- training provided on request for new and existing employers
- various information and guides available for scheme members from the CPF website and the LGPS national website
- regular Fund meetings with employers being invited to submit agenda items
- attending employer induction courses
- the Fund annual meeting
- monthly updates to employers confirming performance against key performance standards.

However, it is recognised there may be circumstances where employers are unable to meet the required standards, and monthly employer reporting on key performance standards will help identify these areas so they may be addressed before they become a larger issue.

The Principal Pensions Officer (either in the Technical or the Operations Team as appropriate) will seek, at the earliest opportunity, to work closely with an employer's Nominated Representative in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

It is expected that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, we set out below the steps we will take in dealing with the situation in the first instance:

- The designated Principal Pensions Officer will issue a formal written notice to the employer's Nominated Representative setting out the area(s) of poor performance.
- The Principal Pensions Officer will meet with the employer's Nominated Representative to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how this improvement plan will be monitored.
- The designated Principal Pensions Officer will issue a formal written notice to the employer's Nominated Representative setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed and the timescales in which they will be addressed.

- A copy of this communication will be sent to:
 - The Pension Administration Manager
 - The Director of Finance or other senior officer at that employer.
- The Principal Pensions Officer will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the employer's Nominated Representative, with copies being provided to the Pension Administration Manager and the Director of Finance (or alternative senior officer) at that employer.
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the Principal Pensions Officer will escalate the matter to the Pension Administration Manager who will determine the next steps that should be taken. This may include (but is not limited to):
 - Meetings with more senior officers at the employer and Pensions Administration Manager and/or Head of the Clwyd Pension Fund
 - Escalating to the Clwyd Pension Fund Advisory Board, Pension Fund Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law
 - Reporting to The Pensions Regulator or Scheme Advisory Board, as part of the Fund's Procedure for Recording and Reporting Breaches of the Law.

Circumstances where the administering authority may levy costs associated with the Employers poor performance

The Fund will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. The Fund will work with each employer to ensure that overall quality and timeliness is continually improved.

The 2013 LGPS Regulations provide that an administering authority may recover from an employer, any additional costs associated with the administration of the scheme, incurred as a result of the unsatisfactory level of performance of that employer.

Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the employer's level of performance contributed to the additional cost.
- The amount the administering authority has determined the employer should pay.
- The basis on which this amount was calculated.
- The provisions of the Administration Strategy relevant to the decision to give notice.

The Fund's philosophy is to provide a framework which enables employers to be equipped with the tools to meet these requirements through further training, where required, and provides them with the opportunity to improve where performance is not satisfactory.

However,

- in instances where the performance of the employer results in fines being levied against the administering authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater than the amount of that fine will be recharged to that employer.
- where the improvement plan as outlined in the Improving Employer's Performance section of this Strategy is not being adhered to, or, where the employer is unwilling to engage with the administering authority, the administering authority will not hesitate to recharge any employer where it is deemed necessary. In these circumstances, the Pension Fund Committee will determine whether there is to be a recharge, the amount to be recharged and how this is to be calculated. The employer in question will be provided with a copy of that report and will be entitled to attend the Pension Fund Committee when this matter is being considered.

Whether or not interest will be charged on late contributions will be stated within the administering authority's separate policy on discretionary provisions.

Employer Liaison Team

Understanding the continuing pressure on resources and budgets for employers and the administering authority, Flintshire County Council has established an Employer Liaison team which can provide assistance to employers by carrying out a number of the employer responsibilities on the employers' behalf. The Employer Liaison Agreement has a number of specific objectives which are aligned with this Clwyd Pension Fund Administration Strategy and which are as follows;

- Provide a high quality, professional, proactive, timely and customer focused service to the Employer
- Provide the agreed service in a cost effective and efficient manner utilising technology appropriately to obtain value for money
- Ensure the Employer is aware of and understands their role and responsibilities under the LGPS regulations and the Fund's Administration Strategy
- Ensure that accurate member information is provided to the Fund, in the correct format, within the agreed timescales
- Ensure data is protected and has authorised use only.

Subject to having access to the necessary systems and information, the Employer Liaison Team can carry out a number of responsibilities on behalf of an employer including:

- notification of new starters, changes in circumstances and leavers, including by uploading i-Connect submissions

- carrying out estimates of benefits (for example, for redundancy exercises)
- responding on behalf of the employer to queries from the Clwyd Pension Fund Operations and Technical teams, for example relating to year end submissions
- assisting with specific projects, such as data cleansing exercises.

Any employer wishing to make use of this service will be expected to enter into a signed agreement which will include information relating to how the service is paid for by the employer. There may be opportunities to spread these costs, recognising the budgetary pressures that employers are currently subject to.

Measuring the Fund against the Administration Objectives

The administering authority will monitor the performance of the Fund in carrying out its responsibilities in relation to the scheme and will regularly monitor performance by benchmarking against other Funds, using benchmarking clubs and other comparators available. How well the Fund performs will be reported in the Fund's Annual Report based on the statistics available at that time.

In addition, the Fund will monitor success against the administration objectives in the following ways:

Objectives	Measurement
Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders.	Key Performance Indicators achieved in 90% of cases* (100% for legal requirements). Annual satisfaction surveys with employers and scheme members achieving 90% of scores in positive responses in these areas.
Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money.	Cost per member is not in upper or lower quartiles when benchmarked against all LGPS Funds using national data (either SF3 or SAB)
Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund.	Annual data checks (including ongoing reconciliations) resulting in few issues that are resolved within 2 months. Key Performance Indicators achieved in 90% of cases* (100% for legal requirements). Issues included in formal improvement notices issued to employers resolved in accordance with plan. Annual satisfaction surveys with employers achieving 90% of scores in positive responses in these areas. All employers receive monthly updates of performance against key service standards

Objectives	Measurement
<p>Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.</p>	<p>Positive results in audit and other means of oversight/scrutiny.</p> <p>Key Performance Indicators achieved in 90% of cases* (100% for legal requirements).</p> <p>Minimal issues against the Fund identified by Internal Dispute Resolution Procedures and complaints.</p> <p>No breaches relating to incorrect benefit calculations as a result of errors that occurred purely within the Fund's Administration Team (e.g. not as a result of incorrect information from an employer).</p>
<p>Maintain accurate records and ensure data is protected and has authorised use only.</p>	<p>Annual data checks (including ongoing reconciliations) resulting in few issues that are all resolved within 2 months.</p> <p>Data improvement plan in place with ongoing evidence of delivered agreed improvements.</p> <p>No breaches of data security protocols.</p> <p>Positive results in audit and other means of oversight/scrutiny.</p>

An overview of the Fund's performance against these objectives, in particular, the target standards for turnaround times, will be reported within the Fund's annual report and accounts. It will be reported, on an ongoing basis, to the Pension Fund Committee and Pension Board. In addition, these will be reported to The Pensions Regulator (if deemed appropriate) under the Procedure for Recording and Reporting Breaches of the Law (Breaches Procedure Policy).

If performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the administering authority will formulate an improvement plan. This will be reported to the Pension Fund Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

Key Risks

The key risks to the delivery of this Strategy are outlined below. The Pensions Administration Manager and other officers will work with the Pensions Advisory Panel, Pension Fund Committee and Pension Board in monitoring these and other key risks and consider how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness

- Significant increase in the number of employing bodies causes strain on day to day delivery
- Significant external factors, such as national change, impacting on workload
- Incorrect calculation of members' benefits, resulting in inaccurate costs
- Employer's failure to provide accurate and timely information or in the correct format resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payments
- Failure to administer the scheme in line with regulations as listed under 'Regulatory Basis' in this Strategy. This may relate to delays in enhancement to software or regulation guidance
- Failure to maintain records adequately resulting in inaccurate data
- Use of external printers/distributors resulting in possible data mismatch errors
- Unable to deliver an efficient service to pension members due to system unavailability or failure
- Failure to maintain employer contact database leading to information being sent to incorrect person

Approval, Review and Consultation

This Strategy was originally approved in March 2016 and updated in March 2017 and June 2019 by the Clwyd Pension Fund Committee. It has subsequently been reviewed in March 2021 and this version is effective from 1 [Month] 2021.

It will be formally reviewed and updated at least every three years or sooner if the administration management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing and updating the Strategy, we have consulted with the relevant employers, the scheme member and employer representatives on the Clwyd Pension Board, and other persons considered appropriate.

This Strategy will be included within the Fund's Annual Report and Accounts and available on our website at: www.mss.clwydpensionfund.org.uk.

Costs

All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise. However, this does not apply to costs incurred by employers in meeting the requirements of this Strategy.

Further Information

Any enquiries in relation to the day to day administration of the Fund or the principles or content of this Strategy should be sent to:

Karen Williams, Pensions Administration Manager
 Flintshire County Council
 County Hall
 Mold
 Flintshire

CH7 6NA
E-mail – karen.williams@flintshire.gov.uk
Telephone - 01352 702963

Any enquiries in relation to the services provided by the Employer Liaison Team should be sent to:

Kerry Robinson, Principal Pensions Officer – Employer Liaison Team
Flintshire County Council
County Hall
Mold
Flintshire
CH7 6NA
E-mail – kerry.robinson@flintshire.gov.uk
Telephone - 01352 702814

Administration Legal Requirements within the LGPS

This section of the Strategy details some of the key legal requirements that are prescribed in the LGPS Regulations for employers and the administering authority. This is not an exhaustive list of requirements and it does not detail any other requirements that are outlined in other pieces of legislation as referred to in the Regulatory Basis section of this Strategy.

Regulations 72, 73, 74 and 80 of Local Government Pension Scheme Regulations 2013 require the following:

Employer Responsibilities:

- To decide any rights or liabilities of any person under the LGPS (for example, what rate of contributions a person pays and whether or not a person is **entitled** to any benefit under the scheme) as soon as is reasonably practicable*
- To formally notify that person of the decision in relation to their rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to a benefit and why not), including information about their internal dispute resolution procedure
- To inform the administering authority of all such decisions made
- To provide the administering authority with such information it requires so it can carry out its functions including, within three months of the end of each Scheme year**, the following information in relation to any person who has been an active member of the scheme in the previous year:
 - name and gender
 - date of birth and national insurance number
 - a unique reference number relating to each employment in which the employee has been an active member
 - in respect of each individual employment during that year:
 - the dates during which they were a member of the scheme
 - the normal pensionable pay received and employee contributions paid
 - the pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
 - the normal employer contributions paid
 - any additional employee or employer contributions paid
 - any Additional Voluntary Contributions paid by the employee or employer
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to employer decisions (or a lack of a decision)***

**And at the latest within 1 month of the need for a decision*

***Note that, in practice, the administering authority will require this information by a specific date as outlined in Appendix B in order to meet statutory deadlines on benefit statements*

****Note that, in practice, employers in the Clwyd Pension Fund may use the same person to consider stage 1 IDRPs complaints as used by the administering authority*

Administering Authority Responsibilities:

- To decide the **amount** of benefits that should be paid, including whether the person is entitled to have any previous service counting towards this for LGPS purposes, as soon as is reasonably practicable
- To formally notify that person of the decision in relation to the amount of their benefits in writing as soon as is reasonably practicable, including a statement showing how they are calculated and information about their internal dispute resolution procedure
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to administering authority decisions (or a lack of a decision)
- To appoint a person to consider complaints under stage 2 of the internal dispute resolution procedure (which covers both employer and administering authority decisions or lack of decisions)
- To provide on request any information to an employer about a complaint under the internal dispute resolution procedure that may be required by an employer

Regulation 59(1) enables an LGPS administering authority to prepare a written statement ("the pension administration strategy") to assist in delivering a high-quality administration service to its scheme members and other interested parties. It sets out local standards which often go beyond the minimum requirements in overriding legislation as outlined above, and which the administering authority and employers should comply with.

The statement may contain matters mentioned below, as considered appropriate:

- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the administering authority and the employers are expected to achieve in carrying out their functions under the LGPS by:
 - i. the setting of performance targets;
 - ii. the making of agreements about levels of performance and associated matters; or
 - iii. such other means as the administering authority consider appropriate;
- Procedures which aim to secure that the administering authority and the employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication of information, relating to those functions, between the administering authority and the employers.

- The circumstances in which the administering authority may consider giving written notice to an employer on account of poor performance in carrying out its functions under the LGPS Regulations when measured against the agreed performance levels.
- The publication of annual reports, by the administering authority, dealing with:
 - i. the measurement of the administering authority and the employers achievements against the agreed performance levels, and
 - ii. such other matters arising from its pension administration strategy as it considers appropriate
- Such other matters as appear to the administering authority to be suitable for inclusion in that strategy.

Regulation 59(2)e allows an administering authority to recover additional costs from an employer, where the costs are directly related to the poor performance of that employer. Where this situation arises, the administering authority 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.

In addition, regulation 59(6) also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employers as well as to the Secretary of State. The administering authority must review this statement and make such revisions as are appropriate. It is a requirement that, in preparing or revising any pension administration strategy, that the administering authority must consult its relevant employers and such other persons as it considers appropriate.

Both the administering authority and employers must have regard to the current version of the pension administration strategy when carrying out their functions under the LGPS Regulations.

Responsibilities and Performance Standards

This section of the Strategy sets out the responsibilities and performance standards for participating employers and the administering authority ("CPF Team") in a number of key processes. Adherence to the standards will help employers and the CPF Team meet the legal disclosure requirements imposed by the relevant pieces of legislation set out in the Regulatory Basis section of the Strategy.

i-Connect monthly uploads	
Employer's responsibility	Target Service Standard
To ensure monthly information is uploaded to the CPF i-Connect system.	Employer specific - no later than the 'submission day' agreed between the Fund and Employer during the i-Connect on-boarding process Employers can find their agreed date within the 'Payroll Details' section of the i-Connect portal

New Appointments	
Employer's responsibility	Target Service Standard
To ensure that pensions information is included as part of the notification of appointment process	Within 6 weeks of the employment start date
To provide each new employee with basic scheme information ¹	Within one month of joining

New Scheme Members	
Employer's responsibility	Target Service Standard
Determine if an employee should be entered into the LGPS, and decide and ensure the correct employee contribution rate is applied	Immediately on joining, with contribution rate in line with employer's policy
Provide new starter information to the CPF Team for each new employee joining the LGPS via i-Connect:	Employer specific i-Connect deadline: <ul style="list-style-type: none"> Where the joining date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. Otherwise, the due date is the following i-Connect

¹ <https://www.lgpsmember.org/thinking-joining.php>
[https://mss.clwydpensionfund.org.uk/error/A%20Short%20Guide%20to%20LGPS%202020.2021%20\(v2\).pdf](https://mss.clwydpensionfund.org.uk/error/A%20Short%20Guide%20to%20LGPS%202020.2021%20(v2).pdf)

	employer submission day (i.e. after the next pay date).
CPF Team's Responsibility	
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
To send a Notification of Joining the LGPS to a scheme member including personal details and transfer forms	Within 30 working days of receipt of all information
To apply for any transfer value details from a previous fund or scheme	Within 5 working days from receiving all information

Changes in circumstances	
Employer's responsibility	Target Service Standard
Arrange for reassessment of employee contribution rate in line with employer's policy	As per employer's policy (generally at least annually)
Notify the CPF Team of any eligible employees who opt out of the scheme within three months of appointment via i-Connect and securely send a copy of the opt out form to the CPF Team	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the opt out date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Opt out form – within 5 working days from i-Connect upload due date.</p>

<p>Notify the CPF Team of all other relevant personal or contractual changes in the circumstances of employees via i-Connect:</p> <ul style="list-style-type: none"> - Change of name, address, and/or marital status - Increase/decrease in number of hours or weeks worked - Job changes e.g. job titles and payroll references - Job transfers e.g. leaving one post and starting another (also submit contractual amendments form) - Absences (also submit notification of paid/unpaid leave form) <ul style="list-style-type: none"> o Authorised absence o Child-related leave o Strike o Sickness absence that results in a reduction in pay o Unauthorised absence o Education / career break o Reserved forces leave o Jury service 	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the date of change is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Contractual amendments form – within 5 working days from i-Connect upload due date.</p> <p>Notification of paid/unpaid leave form – within 5 working days from i-Connect upload due date.</p>
CPF Team's Responsibility	
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
To send a Notification of Change (or equivalent) if legally required	Within 30 working days from receiving information

Retirement Estimates (including ill-health)	
Employer's responsibility	Target Service Standard
Provide pay (and other information as requested) details to the CPF Team when a member requests an early retirement estimate	Within 5 working days from request by CPF Team
CPF Team's Responsibility	
Providing quotations on request for retirements (including deferred members)	Within 15 working days from receipt of all information
Providing provisional statement of retirement benefits for deferred members approaching age 60 and NRD	Before 1 month before age 60 or NRD, as appropriate

Actual Retirements (including ill-health) - includes all leavers aged 55 or over	
Employer's responsibility	Target Service Standard
Notify the CPF Team via i-Connect when members retire and reason for retirement	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the leave date is on or before 10 working days before a pay date, the due

	<p>date is the first i-Connect employer submission day immediately after that pay date.</p> <ul style="list-style-type: none"> • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date).
Provide a completed Notification of Termination form (and authorisation where appropriate) to the CPF Team when a member leaves employment	Within 10 working days of date of retirement
CPF Team's Responsibility	
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
Notify expected amounts of retirement benefits (including deferred members)	Within 10 working days from receipt of all information
Notification of amount of <u>final</u> retirement benefits and payment of tax free cash sum	Within 15 working days from receipt of all information

III-Health Retirements (responsibilities in addition to retirement responsibilities in previous section)

Employer's responsibility	Target Service Standard
Appoint a qualified independent medical practitioner (from the approved list provided by the CPF Team) in order to consider all ill health retirement applications, and agree this appointment with the Fund.	Within one month of becoming an employer within the Fund
To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	
Notify the CPF Team of the results of any review of Tier 3 ill-health cases with appropriate information to allow the CPF Team to recalculate benefits if necessary	Within 5 working days of results of review
Send a Notification of Entitlement to Benefit (or change in benefit) to a scheme member following the review of his/her Tier 3 ill-health benefits	Within 5 working days of results of review
CPF Team's Responsibility	
To notify employers and members prior to scheduled discontinuation of benefit payments, and before updating the member records to "pensioner with deferred benefits".	Before 3 months prior to scheduled discontinuation date

Members leaving before retirement (defined as all leavers under age 55 including opt outs beyond 3 months)

Employer's responsibility	Target Service Standard
Notify the CPF Team of the member's date of (and reason for) cessation of membership via i-Connect, and provide a completed Notification of Termination form and, where relevant, copy of the completed Opt-Out form	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the leave date is on or before 10 working days before a pay date, the due date is the first i-Connect employer submission day immediately after that pay date. • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Notification of termination form and copy of completed Opt-Out form to be sent within 5 working days of the i-Connect due date.</p>
CPF Team's Responsibility	
To accurately record and update member records on the pension administration system	Now processed automatically on upload of i-Connect submission
To inform members who leave the scheme before retirement age of their leaver rights and options	Within 15 working days from receipt of all information
To inform members who leave the scheme of their deferred benefit entitlement amounts	Within 30 working days from receipt of all information
Provide a refund of contributions where requested	Within 10 working days from receipt of all information
Provide a statement of current value of deferred benefits on request	Within 15 working days from date of request

Death Benefits

Employer's responsibility	Target Service Standard
Notify the CPF Team of the death of a member and provide details of next of kin where available	Within 2 working days of becoming aware
Notify the CPF Team of the death of an active member and provide details of next of kin where available by providing a completed Notification of Termination form	<p>Employer specific i-Connect deadline:</p> <ul style="list-style-type: none"> • Where the date of death is on or before 10 working days before a pay date, the due date is the first i-Connect employer

	<p>submission day immediately after that pay date.</p> <ul style="list-style-type: none"> • Otherwise, the due date is the following i-Connect employer submission day (i.e. after the next pay date). <p>Notification of Termination form to be sent within 2 working days of the i-Connect due date</p>
CPF Team's Responsibility	
Write to next of kin or other contact requesting information following the death of a scheme member	Within 35 working days from notification
Calculate and notify dependant(s) of amount of death benefits	Within 10 working days from receipt of all information
Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed	Within 7 working days from receipt of all information

Transfers	
CPF Team's Responsibility	
Transfers in	
Obtain transfer details for transfer in, and calculate and provide quotation to member	Within 20 working days from receipt of all information
Request transfer value upon acceptance of transfer in	Within 5 working days from request
Notify scheme member of benefits purchased by transfer in on receipt of payment (statutory notification)	Within 15 working days from date of notification of payment or payment receipt, whichever is later
Transfers out	
Provide details of transfer value for transfer out, on request	Within 20 working days from receipt of all information
Provide payment of transfer value to appropriate recipient	Within 15 working days from receipt of request

Additional Benefits (APCs and AVCs)	
Employer's responsibility	Target Service Standard
Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In month following election
Notify the CPF Team of APCs being paid by providing copy of "Buying Lost Pension – APCs" ²	Provide Buying Lost Pension Form within 5 working days from i-Connect upload including APCs
CPF Team's Responsibility	

²Form generated once member has obtained a quote from:
<https://www.lgpsmember.org/more/apc/index.php>

To provide information on APCs / AVCs on request to members and employers	Within 10 working days receipt of all information
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Various Financial Obligations	
Employer's responsibility	Target Service Standard
Pay all employee contributions deducted from payroll and all employer contributions to the Fund. ³	Immediately when deducted from pay but at the latest by the 19 th day of the following month.
Pay all Additional Voluntary Contributions (AVCs) deducted from payroll to the AVC provider	Within 1 week of contributions being deducted but at the latest by the 19 th day of the following month.
For all contribution payments (including AVCs) an LGPS1 remittance advice form must be completed, certified correct by an Authorised Officer and forwarded to the CPF Team.	Within 3 working days of the 19 th of the following month to which the contributions relate.
Pay all rechargeable items to the CPF Team, including additional payments in relation to early payment of benefits.	Within 20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
Pay all additional costs to the CPF Team associated with the unsatisfactory performance of the employer	Within 20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
CPF Team's Responsibility	
To allocate the received contributions to each employer's cost centre	Prior to closing month end
Issue invoice in relation to payments in respect of early payment of benefits	Within 10 working days of employer costs being confirmed
Inform the employers of any new contribution banding	At least 1 month prior to the new contribution bands being introduced
Provide updated LGPS1 remittance advice forms for payment of contributions	Within 10 working days of the new contribution bands being introduced

³ **Contributions**

The Employer will ensure that both employee and employer contributions are deducted at the correct rate, including:

- any contributions that are due on leave of absence with reduced or no pay and
- any additional contributions that the CPF Team request the Employer to collect

Annual Return, Valuation, Annual Benefit Statements and Pension Savings Statements	
Employer's responsibility	Target Service Standard
Provide the CPF Team with any outstanding year end information to 31 March each year, and any other information that may be required for the production of Annual Benefit Statements	By 30 April annually
Complete the Employer Compliance Statement	By 30 April annually
CPF Team's Responsibility	
Produce annual benefit statements for all active, deferred, pension credit and 3 rd tier ill-health members.	In line with LGPS regulations timescales – currently 31 st August each year
Produce pension saving statements for all members whose pension input amount exceeds the annual allowance	In line with statutory timescales – currently 6 th October each year
Provide information to the Actuary (or GAD as appropriate) for both the triennial valuation and for accounting purposes.	As agreed between the CPF Team and the Actuary.
Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising.	Within 10 working days from publication of report

General	
Employer's responsibility	Target Service Standard
Confirm a nominated representative to receive information from the CPF Team, and to take responsibility for disseminating it within the organisation.	By effective date of admission or within 5 working days of previous representative leaving
Formulate and publish policies regarding all discretions that the employer may exercise and provide a copy to the CPF Team.	Within 2 months of joining the Fund and also provided to the CPF Team every 3 years or whenever amended
Respond to enquiries from the CPF Team where not covered by other requirements in this schedule	Within 10 working days from request
Notify the CPF Team if the employer intends to outsource services that will involve TUPE transfers of staff, and work with the CPF Team to ensure an admission agreement is put in place and complied with or a bulk transfer arranged.	Initial notification immediately upon becoming aware of potential outsourcing, and at least 3 months prior to the start of the contract
Distribute any information provided by the CPF Team to members / potential members	Within 5 working days from receipt of information

Put in place a Stage 1 Internal Dispute Resolution Procedure	Within 1 month of joining and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Ensure the employer prepares, publishes and keeps under review a written statement of policy on discretionary items (mandatory discretionary items as a minimum) ⁴	Within 1 month of joining the Fund or within an item becoming a mandatory discretion. Review policies at least annually
CPF Team's Responsibility	
Arrange for the setting up of an admission agreement where required	Within 2 months of all information being provided
Publish the Fund's annual report and accounts and any report from the auditor	In line with CIPFA and legal requirements
Provision of other responses to general enquiries from scheme members and employers (not covered by other requirements in this schedule)	Within 10 working days to provide initial response
Put in place a Stage 1 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Put in place a Stage 2 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Ensure the CPF Team prepares, publishes and keeps under review a written statement of policy on discretionary items-(mandatory discretionary items as a minimum)	Within 1 month of an item becoming a mandatory discretion. Review policies at least annually
Providing surgeries and/or presentations for members upon request from employers or member representatives	As soon as practically possible depending on the CPF Team's resources

Pension Payments	
CPF Team's Responsibility	Target Service Standard
Issue pension payments to designated bank accounts	To arrive on pay date
Issue payslips for those pensions where net pay has changed by £5 or more	Issued so as to arrive on or prior to pay date
Issue P60s	Issued by legal deadline
Respond to pensioner queries	Within 10 working days from receipt of query
Implement a change to pension in payment	By next payroll period where change occurs more than 5 days prior to the pay-date
Notify calculation and new value of pension following annual pensions increase	Issued so as to arrive on or prior to pay

⁴ A list of the required discretions can be found at:
<https://mss.clwydpensionfund.org.uk/home/employers/discretions/index.html>