

Pension Administration Strategy



1. Introduction

This is the Pension Administration Strategy of Gloucestershire Pension Fund (“GPF” or “the Fund”), administered by Gloucestershire County Council (the “Administering Authority”). GPF is one of approximately 86 Local Government Pension Scheme (LGPS) Administering Authorities in England and Wales. GPF comprises of over 240 Scheme employers and approximately 65,000 Scheme members. GPF mainly administers the LGPS for employers located in the Gloucestershire geographical area, although it also administers the scheme on behalf of some organisations located elsewhere but with links to the county. GPF’s administration costs are funded from a small proportion of the assets of the Fund (i.e. from employee and employer contributions and investment returns), the Fund’s budget is agreed annually by the Gloucestershire Pensions Committee.

This strategy outlines the administrative policies and performance standards the Fund and its sponsoring employers need to achieve to enable the provision of a cost-effective and high-quality pension administration service, in line with its Business Plan, and to meet statutory requirements. It also seeks to promote good working relationships, improve efficiency and establish a culture of high- quality data exchanges and services between Scheme employers and the Fund. Furthermore, it provides details of how performance levels will be monitored and the actions that might be taken if they fall below the stated expectations.

It has been finalised following consultation with sponsoring employers of GPF and will be kept under review and revised to reflect changes to LGPS regulations and the Fund’s policies as necessary. It has been formulated in keeping with the requirements of regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).

The Fund is overseen and scrutinised by various bodies including its Local Pension Board, the Gloucestershire Pensions Committee, internal and external auditors, the Scheme Advisory Board (SAB), MHCLG and the Pension Regulator. The Pension Regulator (tPR) has enforcement powers in relation to breaches of legislation.

In recent years, there has been an ever-increasing need and demand on Pension Funds to maintain high quality data, demonstrate the ability to process work in a timely manner and meet increasing customer expectations (for example, in relation to having instantly available data and to be able to self-serve). This Administration Strategy outlines the current position of the service offered by GPF.

Furthermore, GPF has instigated plans to modernise its administration service to meet these demands, as summarised in section 2, and as and when material changes are made, this strategy will be updated to reflect the revised approach and expectations placed upon the Fund and its employers and the service provided to members.

Application of this Strategy

This Administration Strategy applies to GPF and all its participating employers (at any given point in time). It automatically applies to all new employers.

This Administration Strategy, through consultation with employers for all material changes, will be updated from time to time as the service evolves.

2. Objectives

The Pension Administration Strategy objectives are that:

- GPF and its Scheme employers are aware of and understand their respective roles and responsibilities as defined in the Service Level Agreement targets (Appendices 1 & 2);
- The strategy aligns itself with compliance and governance requirements;
- Accurate records are maintained for the purpose of calculating pension entitlements and Employer liabilities, ensuring that all information and data is communicated accurately, on a timely basis and in a compliant manner to enable effective administration and positive outcomes for members;
- Performance standards are clear and easily measurable to help identify areas for improvement; and
- All parties are aware of the approach that GPF takes to escalating any administration issues and dealing with any cases of poor employer performance.

Fund administration current initiatives

The Fund is currently working on the following initiatives to improve its approach to administration as follows:

Employer data portal (i-Connect):

The Fund has recently procured an employer data portal which enables automatic monthly data transfers from all employers to the Fund. Once rolled out across all employers, this will allow the Fund to cross-check and validate core membership data at the point of submission, allowing the Fund to maintain up to date, high quality data. This, in turn, will enable Scheme members to self-serve effectively when making certain changes and gain instant access to pensions information (e.g. estimates of benefits). i-Connect will also significantly speed up the end of year process and enable the prompt production of annual benefit statements.

The i-Connect portal will begin to be rolled out across employers in late 2024/early 2025. It is anticipated this will take 2-3 years to complete rollout due to the large number of employers which participate in the Fund.

Member data portal (Engage):

The Fund has also recently procured a member self-service portal called 'Engage'. Engage will have a wide range of benefits for members: it will not only allow members to see their current pension benefits at any given point in time but it will also enable members to run retirement estimates, submit documents securely, replacing the need for paper communications in many instances, speeding up processing times.

Finally, it will remove the need for some current Fund administrative tasks to exist, thus saving Fund officer time.

The Engage portal will begin rollout to scheme members in late 2024.

Employer performance reporting:

As employers are onboarded onto i-Connect, the Fund will begin to provide regular employer performance reports to employers to identify areas of good performance and, importantly, areas where improvements could be made. Where areas for improvement are identified, the Fund will identify the appropriate steps which need to take place to make such improvements.

Employer liaison and member communications:

The Fund has recently created a specific team in this area so that it is able to provide an improved level of employer support and training and information to members through a variety of mediums. A key enabler in this area is the introduction of the self-service portal which will provide a way to communicate with members electronically (by gathering and storing a bank of email addresses).

The Fund is also building a new employer and member website at:
www.gloucestershirepensionfund.org.uk.

Reduction in paper:

The Fund is also mindful of its environmental impact, and it anticipates that through making the changes identified, it will be able to significantly reduce the amount of paper it uses and the associated environmental impact.

3. Our commitment to scheme members

Outlined below are the areas of work we will administer on behalf of each group of members.

The target timeframes for each are reviewed from time to time in order to seek to achieve an optimal balance between customer expectation, achievability, legal requirements and cost.

The current timeframes and their effective dates can be found in Appendix 2.

3.1. New Members

a) New Joiner Information

Upon enrolment within the Pension Scheme, the member's employer will provide the member with information about the Scheme and various forms which should be completed such as an expression of wish form and transfer request information.

The Fund also sends out a starter pack to all new employees upon receipt of starter data from the employer.

b) Transfers in from previous pension schemes

All members have the right to transfer in benefits to the Scheme within the first 12 months of starting a new employment.

If a member has built up a pension elsewhere in the LGPS, or in another employment within Gloucestershire Pension Fund, in most cases the aggregation of membership will become automatic after 12 months. As necessary, the Fund will work with the other LGPS Fund to complete the aggregation in a timely manner. In some cases, the member needs to make an election. The options available will be outlined in the starter pack information supplied by the employer and the Fund.

If the member has built up a non-LGPS pension elsewhere, the Fund will provide them with a quote, if requested, and confirmation of the final transfer if they decide to go ahead with the transfer. These types of transfers are not automatic.

3.2. Existing members: change of details

The Fund will encourage all active members to ensure they inform their employer when their personal details change (e.g. name, address etc), which the employer should then in turn advise the Fund accordingly. For all other member statuses, members are encouraged to ensure they tell the Fund when their personal details such as their address and their expression of wish details changes or, preferably, use the Engage portal when it becomes available to members.

Some details such as change of name, for example due to marriage, need to be accompanied by appropriate evidence.

3.3. Leaving members

a) Leaver options notification

Upon leaving their employment, the employer will provide generic information on the options available to the member. These could include taking a refund of benefits (if the member has minimal service), deferred benefits or to transfer out.

b) Deferred benefits

If the member is entitled to a deferred benefit, the Fund will update their pension record and we will then produce deferred benefits statements each year for them.

c) Refunds

If a member is eligible to receive a refund, the Fund will contact them to advise of this and ask them to complete an option form either via email or post. Upon receiving the correct documentation and confirming eligibility, the Fund will make payment of the refund to their bank account.

d) Transfer Out quote and completion

Members are able to obtain a transfer value quote by contacting the Fund. If a transfer out quotation has been requested by a Financial Advisor on the member's behalf, then the quotation will be issued directly to the member rather than to the financial advisor.

Subject to the Fund being satisfied that the new provider meets the eligibility requirements under the relevant legislation, following the member's instruction and other scheme's confirmation, the Fund will then make a transfer out to the other scheme.

e) Estimates of retirement benefits

Upon request, for any member who is considering taking their retirement benefits, the Fund will provide an estimate of retirement benefits (voluntary retirement benefits only). Retirement Estimates are also available via the Engage member self-service portal (once available).

f) Deferred into pay quotations

When the benefits are payable in full, the Fund will write to the member to provide them with a quote.

Note: In scenarios e) and f) outlined above, if the member has an AVC the standard timeframes are likely to be longer as the Fund will need to wait for the AVC fund value from the provider before the necessary figures can be sent to the member.

g) Retirement payments

Lump sums: The Fund will process the payment of any lump sum upon receiving all the required documentation and after the retirement date has passed.

First monthly pension: The first monthly pension will be paid on the next available payroll run after processing is completed.

Note: In both cases, if the member has an AVC our standard timeframes are likely to be longer as we will need to wait for their AVC to have been disinvested by the provider and for payment to be made from the AVC provider to the Fund.

h) Death benefits

Upon receiving notification of a member's death, the Fund will contact the next of kin (or another appropriate contact) once established and request further information in the form of a family questionnaire. If notification of a death is received from a third party (such as a tracing agent), the Fund may use a tracing agent to receive a copy of the death certificate and attempt to establish the next of kin.

The Fund will use the information on the family questionnaire to help establish if dependant pensions are due. Once all required information is received, the Fund will pay any death benefits due.

Members will be encouraged to keep their expression of wish information up to date.

3.4. Existing members: annual communications

a) Annual Benefit Statements (ABSs)

The Fund will produce an Annual Benefit Statement by 31 August each year, showing the value of the member's benefits as at 31 March of that same year. In all cases, the Fund will either send out the information by post or upload the information to Engage. Note the Fund is only able to provide this information for active members if the employer submits accurate data in a timely manner and for deferred members, if the member keeps the Fund up to date with changes of address.

b) Pension Saving Statements (PSS)

If the member exceeds the Annual Allowance, the Fund will issue the member with a PSS by the 6 October following the end of the relevant tax year, showing their Pension Input Amount as at the previous 5 April for the pension benefits they hold with us.

4. Working with our employers

Engagement with our employers is key to helping the Fund deliver an effective service for both members and employers and to meet statutory requirements. The Fund is committed to working closely with employers to build positive working relationships and to ensure we create efficiencies and meet service standards.

4.1. Communication, training and support

Full information on the Fund's approach to communications can be found in the Fund's Communication Strategy.

The Fund will proactively seek to hold employer training sessions, set up face to face or Teams meetings with employers and provide additional support by telephone or email.

4.2. Nominated contacts

To enable the Fund to communicate efficiently with employers, we require all employers to nominate an 'employer representative'. The employer will notify the Fund who that person is and ensure that changes of nominated person are notified to the Fund immediately. The nominated person is required to take responsibility for the distribution of Fund information to other contacts within their organisation as appropriate.

We will also request employers to provide a contact name for the following areas to enable more targeted communications:

- a) Payroll
- b) HR
- c) Finance
- d) Member Communications

**Smaller employers, or employers with few active members, may use one person to receive all the communications in all areas, to pass on to the relevant parties within their organisation.*

4.3. Service standards

In order to meet the Fund's Business Plan and the Fund's statutory requirements, the Fund has developed a set of service standards for both the Fund and employers split down by process.

All employers are required to meet the timeframes outlined in Appendix 1.

In addition to meeting the turnaround times outlined in Appendix 1, employers are responsible for verifying the accuracy of data provided as inaccurate data could lead to incorrect pension benefits being put into payment. If employers need any support in completing data submissions, they should contact the Fund through the normal channels.

In addition to general day to day service standards, the Fund will also:

- a) Maintain an up to date Administration Authority discretions policy; and
- b) Facilitate the provision of accounting reports from the Fund's actuary in relation to the International Accounting Standards (IAS19) or the Financial Reporting Standards (FRS102). The costs and timeframes for this will vary according to each employer's requirements.

4.4. Other responsibilities

In order to fulfil an employer's general statutory roles and responsibilities, the Fund requires employers to:

- a) Formulate and maintain an employer's discretion policy; and
- b) Formulate and maintain any other documents which may be required from time to time in relation to the fulfilment of an employer's legal requirements to assist with the administration of the pension scheme.

4.5. External payroll providers

The Fund is willing to exchange data directly with any employer's external payroll provider, but ultimately the responsibility for the accurate and timely submission still sits with the participating employer. The Fund may require that certain employers approve major data submissions from an external payroll provider, such as end of year submissions, or where the Fund has reason to doubt the accuracy of the information provided.

If the Fund is unsatisfied with the performance of an external payroll provider, it will initially raise issues with the payroll provider concerned but then revert back to the employer if these prove unsuccessful, as per the details of the escalation policy outlined in the appendix.

Furthermore, if the Fund continues to remain unsatisfied with the ability and willingness of the external payroll provider to provide the information necessary, the Fund may require that the employer approves all data submissions from the payroll provider prior to receipt by the Fund.

4.6. Regulatory breaches

It is the responsibility of the Administering Authority, Scheme employers and the Fund to ensure compliance with all statutory requirements.

The Pension Regulator (tPR) imposes a statutory obligation on Administering Authorities, as scheme managers, and the Local Pension Board to report failures which are likely to be of material significance. All breaches of statutory requirements are recorded in the Fund's breaches log and material breaches are reported quarterly to the Pension Fund Committee and Local Pension Board.

This log may also be published on the Funds website and within the Funds Annual Report. Where there is a material breach which represents a reportable event to tPR then tPR would also expect to see an improvement plan implemented to rectify this position.

4.7. Required levels of performance

In order for the Fund to provide a high quality service to members, in many cases the Fund will require employers to provide data in timeframes shorter than what is required in the Disclosure Regulations. Each Scheme employer's performance is monitored against the standards set out in this document, in particular in Appendix 1. Reporting to Committee and Board will include both quality and timeliness of each Scheme employer's data provision.

Where the Fund identifies areas of improvement or poor performance for one of more employers, the Fund will use the Employer Escalation policy outlined in the Appendix, which could include the application of poor performance charges as outlined in the LGPS Regulations, Regulation 70.

The Fund's own administration performance is overseen by the Pensions Committee and Local Pension Board and the Fund is required to self-report breaches of legislation and data quality scores to the Pension Regulator. The Fund's targets are outlined in the appendices.

4.8. Data protection

Employers must ensure that they take appropriate steps to comply with all prevailing Data Protection legislation when submitting data to the Fund, retaining data or sharing it elsewhere.

Appendix 1: Service Level Agreement - employers

Important: A failure to meet the timeframes stated may result in the Fund's applying the process outlined in its Escalation Policy.

1). High level summary of key responsibilities:

Task	Frequency	Deadline
a) i-Connect: Submit an i-Connect return (once the employer is onboarded)	Monthly	19 th of calendar month following the month covered by the return.
b) Contributions: Deduct and pay contributions to Fund and send accompanying remittance	Monthly	19 th of calendar month following the date of contribution deduction for contributions received and 10 th of the calendar month for the remittance advice.
c) Additional Contributions: Pay any AVC/APC/ARC/Added Years contributions (AVC deductions to the provider and other additional contributions to the Fund)	Monthly	19 th of calendar month following the date of contribution deduction
d) End of year return: Send an end of year return to the Fund in the Fund's required format	Annually	By the 30 April each year in relation to date up to the 31 March of that year.
e) Retirement action form: Send retirement information to any leaving members age 55+	As occurs	Before the member's date of leaving
f) Retirement forms: Complete and send to the Fund.	As occurs	On or before 5 working days after the date of retirement
g) Death in active membership form: Complete and send to the Fund.	As occurs	Within 5 working days of the death, or notification of the death.
h) Starter/Change of details/Early leaver Forms: Send new starter, change of details and early leavers forms <u>to the Fund</u> using the latest version of the form from the website.	As occurs	To be sent to the Fund within 5 weeks of the date of event (e.g. starting, changing details or leaving respectively)
i) Starter Packs: Send new starter packs to employees eligible for automatic membership of the Local Government Pension Scheme	As occurs	Within one month of the member's start date

j) Leaver Notification: Send early leaver information to any leaving members under age 55	As occurs	No later than a month after their departure date.
k) Fund individual member additional data requests: Respond to the relevant officer	As occurs	5/10 working days depending on priority level of the task.
l) Refund contributions through payroll (less than 3 month opt outs)	As occurs	Next available payroll
m) Advise the Fund of a change payroll provider and TUPE transfers	As occurs	At least 3 months before the changes occur.
n) Other tasks (infrequent) – See below for detail.	As occurs	Other tasks – See below for further detail.

Note: All forms referred to above can be found in the Employer's Guide on the website.

2). Disclosure Regulations

The targets set within section 1 are set to provide an appropriate level of service for scheme members and to meet the Disclosure Regulations targets.

However, if the targets above are missed on some occasions, employers need to ensure they meet The Occupational Pension Schemes (Disclosure of Information) Regulations 2013 in every case. For example,

- Where a retirement takes place before normal pension age, Employer Leaver form must be received by GPF no later than one month after the date of retirement.
- Where a retirement takes place on or after normal pension age, GPF must receive Employer Leaver form no later than 10 working days after the date of retirement.

3). More detailed explanation (by task)

a) i-Connect Return (All employers – monthly)

Description	Performance Target
<p>(All employers) Submit i-Connect return to the Fund.</p> <p><u>Note:</u></p> <p>i). The Fund will need to undertake an onboarding process with each employer before this process can be undertaken.</p> <p>ii). There are two types of approaches used: A report upload approach aimed at larger employers and a more manual approach aimed at smaller employers.</p>	<p>19th calendar day of the month following the month of the latest contribution deductions.</p>

b) & c) Paying contributions (All employers – monthly)

Description	Performance Target
<p>(All employers) Paying employee and employer contributions to the Fund.</p> <p><u>Note:</u></p> <p>Employee contributions: Employee contributions should be deducted based on the relevant year's contributions bands, as advised by the Fund each year, and against the correct section of the scheme (i.e. either the main scheme or 50:50) and allowing for absences such as maternity etc.</p> <p>Employer contributions: Employer contributions are outline on the Fund's website and are set by the actuary.</p> <p>Submit remittance advice, in the format determined by the Fund and revise from time to time, to accompany the payment: This statement must reconcile with the payment made and contain the information detailed in the LGPS Regulations 2023. The current template can be found on the Fund's website.</p>	<p>19th calendar day of the month following the month of deduction.</p> <p>Remittance advice is due by the 10th calendar day of the month following the month of deduction.</p>

<p>(If applicable) Pay any other additional payments due to the Fund</p> <p>Payment of additional fund payments (for example strain costs) in relation to early payment of benefits from flexible retirement, redundancy, business efficiency retirement and any other payment due.</p>	<p>To be received within 30 calendar days of receipt of the invoice from the Fund, or within the timescales specified if different.</p>
<p>(If applicable) Pay across Additional Voluntary Contributions (AVC) and other Additional contributions:</p> <p>Arrange payment of contributions to the relevant AVC provider(s) and all other additional contributions (added years, APCs and ARCs should be payable to the Fund).</p>	<p>Pay over contributions to the AVC provider(s) and the Fund by the 19th calendar day of the month</p>

d) Annual employer responsibilities:

<u>Task</u>	<u>Employer Target timeframe</u>
<p>End of year return: Employers will provide the Fund with a year-end data return as at 31 March each year in an approved format no later than 30 April of that year. The return must be balanced by the employer against the employee and employer contribution payments made for that financial year.</p>	<p><u>30 April each year</u></p>

e) to m) Other key employer responsibilities:

<u>Task</u>	<u>Employer Target timeframe</u>
<p>e) Retirement action form: Provide a retirement action form to the information to any leaving members who is aged 55+</p> <p>The pack is available on the website. The Fund requires both the member form to be completed (part of the pack) and the retirement form (from the employer) to be completed to process a retirement.</p>	<p><u>Before the employee's date of leaving.</u></p>

<p>f) Retirement Form: Submit a fully completed and accurate retirement form for voluntary retirements, redundancies age 55+, flexible retirements, ill health retirements and members reaching age 75. Ill Health retirement forms should also be accompanied by an ill health certificate and employer consent forms as required.</p>	<p>No later than 5 days after the member's retirement date</p>
<p>g) Death in service form: For any deaths of LGPS members whilst still employed, complete and submit a leaver form to the Fund.</p>	<p>5 working days from the date of death, or notification of death.</p>
<p>h) Starter set up: Complete the latest version of the starter form, change of details or early leaver form on the Fund website and send this to the Fund.</p> <p><u>Starter forms*</u>: The Employer starter form is required in order for the Fund to set up a new record on its system. This record then forms the basis of additional information which is later added (such as pay figures etc).</p> <p><u>Change of details**</u>: Including address, change of name and change of working hours. All this information supplements and assists the administration of the scheme.</p> <p><u>*This step is not required for any employer using Gloucestershire County Council's payroll or if the employer is onboarded onto i-Connect.</u></p> <p><u>**This step is not required if the employer is onboarded onto i-Connect.</u></p>	<p>To be sent to the Fund within 5 weeks of the date of event (e.g. starting, changing details or leaving respectively)</p>
<p>i) Starter packs: Send new member starter packs to employees eligible for automatic membership of the Local Government Pension Scheme.</p> <p>The starter pack provides useful information to the member about the Scheme</p>	<p>Within a month of the employee starting</p>
<p>j) Leaver notifications: Send early member leaver information to any leaving members under age 55.</p>	<p>No later than a month after the departure date</p>

<p><u>k) Data requests:</u> Provide accurate and timely pay figures and other data. <u>Most commonly this would be CARE or Pension Remuneration figure requests, but it could also relate to any other key data needed to process a case.</u></p>	<p><u>5 working days</u>, if the data requested relates to a process which will result in a payment to the member (or a beneficiary) – e.g. a retirement process, or a requirement to meet a statutory deadline (for example, send a pension saving statement).</p> <p><u>10 working days</u> otherwise.</p> <p>For larger data requests, a timeframe will be set at the time of the request.</p>
<p><u>l) Refunds through payroll:</u> If a member opts out within 3 months of starting, the contributions deducted should be refunded through payroll (as required by the LGPS Regulations.)</p>	<p>As per description.</p>
<p><u>m) TUPE transfers out (if they occur):</u></p> <p>Inform the Fund of all cases where a prospective new employer or admitted body may join the Fund as the result of reorganisation or TUPE transfers and pay all fees quoted</p> <p>Change of payroll provider: Advise the Fund of the change and work with Fund officers to put appropriate processes in place and to enable staff to be trained.</p>	<p>At least 3 months before the change occurs.</p>

N) Other ad-hoc employer responsibilities

Other ad-hoc and less frequent employer responsibilities are outlined below:

1) Review of Tier 3 Ill Health Benefits

Description		Employer target (working days)
1.1	To review Tier 3 ill-health pensions in payment after 18 months of commencement and, if required after 3 years.	As per description
1.2	To notify member in writing if Tier 3 pension ceases.	As soon as is reasonably practical after IRMP advice.
1.3	To notify member of any uplift from Tier 3 to Tier 2 benefits.	Provide Fund with relevant ill health certificate signed by IRMP within 10 days and notify the member as soon as is reasonably practical

2) Early payment of deferred benefits on grounds of ill health

Description		Employer target (working days)
2.1	Acknowledge any request for early payment on ill-health grounds made by the member (and former employee)	Request acknowledged within 5 days.
2.2	Employer to arrange for IRMP referral	Within 15 days
2.3	Notification to member of any award determined.	Within 10 days of decision being made following IRMP assessment.

3) Additional Pension Contributions (APCs)

Description		Employer responsibility and target (working days)
3.1	Send any new, completed APC contracts to the Fund.	Employer to deduct extra contributions from member's pay based on the instructions set out on the form within 10 days of instruction from the Fund or the next available payroll, whichever is soonest
3.2	<p>Lost pension contract (enquiry/application sent to scheme employer)</p> <p>Note: Applications for buying back the lost pension must be within 30 days of the member returning to work for the member to only pay 1/3 and the employer to contribute 2/3. (If there is an administrative delay the employer can extend the 30 day limit to share the cost)</p>	<p>Employer to provide a quote to the member detailing the amount of lost pay/pension as soon as the members return to work is confirmed.</p> <p>Employer to provide application to the Fund within 10 days of receipt of members election to proceed.</p>

4) Internal Dispute Resolution Procedure (IDRP) Stage 1 Appeal against determination of scheme employer

Description		Employer target (working days)
4.1	Acknowledgement sent to applicant on receipt of Stage 1 application	Within 5 days of request
4.2	Forms to be issued to the employer's Stage 1 adjudicator	Within 2 days
4.3	Stage 1 adjudicator to give written notice of the decision to the applicant and a copy to the employer and to the Fund (this should also include information on further appeal rights under Stage 2)	<p>Within 2 months of the date on which the application was received</p> <p>If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date</p>
4.4	<p>The Employer to act on any actions arising from the Stage 1 decision</p> <p>The Fund to act on any actions arising from the Stage 1 decision, if appropriate after the employer has carried out their actions (this could include recalculation of the applicant's benefits)</p>	Within 10 days of receiving the decision

5) Internal Dispute Resolution Procedure -Stage 2 – Appeal against the employer

Description		Employer target (working days)
5.1	Acknowledgement sent to applicant on receipt of Stage 2 application	Within 5 days of request
5.2	Forms to be issued to the fund/employer's Stage 2 adjudicator	Within 2 days
5.3	Stage 2 adjudicator to give written notice of the decision to the applicant and a copy to the employer and to the Fund (this should also include information on further appeal rights)	<p>Within 2 months of the date on which the application was received</p> <p>If no such notice can be given by this date an interim reply should be issued with an explanation as to the reasons for the delay and an expected decision date</p>
5.4	<p>If applicable the Employer to act on any actions arising from the Stage 2 decision</p> <p>The Fund to act on any actions arising from the Stage 2 decision, if applicable after the employer has carried out their actions (this could include recalculation of the applicant's benefits)</p>	Within 10 days of receiving the decision

6) Employer Discretions

6.1	Employer Discretions Policy	To produce and maintain an employer's discretion policy with 3 months of joining the Fund and within 3 months of being advised of any changes to legislation.
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Appendix 2: Fund Service Targets

The Fund has split its processes into three different priorities levels, which are defined as follows, in order to manage its resources effectively.

Note: The Fund has only set itself targets against the most important processes, in terms of priority level and volume, and for processes where existing reporting capability currently exists. The range and choice of targets will be kept under review and extended with increased reporting capability.

In all cases the Fund will prioritise its work according to this priority list:

Priority Level	Definition
High priority	<ul style="list-style-type: none"> ➤ The process is expected to result in a payment directly to the member (or a beneficiary) in the near future; or ➤ Key statutory deadlines exist. ➤ Answering queries related to high priority case work.
Medium priority	<ul style="list-style-type: none"> ➤ The process does not result in a payment directly to the member, but the task still needs to be completed by Fund officers and a failure to complete the task in a timely manner could result in subsequent complications or delays (for example to high priority cases). ➤ All standard queries (except those related to high priority cases).
Low priority	<ul style="list-style-type: none"> ➤ Any other cases where a delay to processing the work is unlikely to cause any issue to the member (but the work still requires completion).

***Note:** All timeframes stated below exclude ‘out of office’ time, whether that is waiting for a response from the employer, member or an (independent) third party such as another Pension Fund and begin when all required information is received.*

The priority levels help determine the Fund’s management of tasks in busy times and inform the setting of target levels, the approach to governance reporting and the level of urgency assigned to taking remedying action.

Overview and 'tolerable' thresholds

In recognition of the complexity that exists in certain cases and the reliance the Fund sometimes has on other parties, the Fund is aware there will be occasions where it is unrealistic for these targets to be met for certain cases. Therefore, the Fund has set a tolerable performance threshold (the minimum acceptable levels) which includes an allowance for these exceptions. The tolerable percentage is defined as the percentage of successful completions in each category that the Fund considers to be the minimum acceptable level of performance without further action being considered.

Task number	Priority Level	Task Description	Turnaround time (Working days) – excludes 'out of office' query time)*	Tolerable Performance Level (Minimum Acceptable level)***	Disclosure Regulations/Legal requirement
1	High	Process actual retirement (from active or deferred status)	20 days	90%	None
2	High	Death grants – make determination and process	15 days	90%	None
3	High	Process dependant pensions	20 days	90%	None
4	High	Refund payment requests – process	20 days	90%	None
5	High	Produce Annual Benefit Statements	31 August	100%**	31 August
6	High	Issue Pension Saving Statements for Annual Allowance	6 October	100%**	6 October
7	Medium	Transfer out – Make payment	20 days	90%	None
8	Medium	Estimate request	20 days	90%	2 months

*All measures begin from the date that all required information is received.

**Target is subject to the timely receipt of accurate data from the employer.

***Targets will be measured against either a quarterly figure or a 12 month rolling average, as appropriate based on the volume of cases.

Detailed explanation

Description		Fund target (working days)	Disclosure Legal Requirement
1	Retirement benefits commence (all retirement types) and lump sum paid.	<p>The Fund will process benefits for payment within 20 days of receipt of correctly completed member and employer forms (and receipt of AVC funds, if applicable).</p> <p>The lump sum will be paid on the next available payment run following completion (usually a further 5 working days after the Fund has processed the benefits).</p> <p>The first monthly pension will be paid on next available pensions payroll run. Note: No retirement benefits can be paid out before the retirement date.</p>	None
2	Death grant paid	<p>Determination and payment instruction made within 15 working days of the Fund receiving all required information (i.e. excludes query time)</p> <p><i>Note: The destination of payment is made at the Fund's absolute discretion and therefore some cases may be much more complicated than others and require contact with multiple potential beneficiaries on more than one occasion as more information becomes available.</i></p>	None
3	Dependant pension commences	<p>The Fund will process benefits for payment within 20 days of receipt of correctly completed member forms.</p> <p>The first monthly pension will be paid on next available pensions payroll run.</p>	None
4	Refund payments	<p>The Fund will process the refund and make the payment instruction within 20 days of receipt of all necessary information from the member/employer. The actual payment will be made within a further 5 days.</p>	None

5	Annual Benefits statements (ABS) All active and deferred members are issued an ABS for the year ending 31 st March	All ABSs to be posted to member's home addresses by 31st August (subject to correct data being held such as an up-to-date address and accurate pay details).	31 August (LGPS Regulations)
6	Pension Saving Statements (PSS) for Annual Allowance All members who have exceeded the standard Annual Allowance are issued a PSS for the year ending 5 th April	All PSSs to be issued by 6 th October following the tax year end date (providing the employer has submitted all required data)	None
7	Transfer out payments	Payment made to new pension scheme within 20 days of receipt of all relevant documents	N/A
8	Estimate requests	Member issued with quotation within 20 days of completion of estimate request form from either the member or the employer.	2 months from date of request OPPS Regs 2013 Reg 16(3)

Appendix 3: Employer escalation policy

1. Introduction

The purpose of this policy is to outline the Fund's approach to resolving any data, processing and payment issues with employers.

The Fund wishes to work closely in partnership with all its participating employers to enable it to efficiently and effectively administer their employees and former employees' pensions. The Fund also works in a highly legislated, complex environment which means that its' data requirements are not always straightforward, yet it is required to process data within certain timeframes to remain compliant with legislation and also to provide high quality customer service to members.

The aspiration of the Fund is always to focus on preventative approaches with employers, such as training and support, to limit the occasions when an escalation of issues is necessary.

2. Scope of this policy

The policy covers the Fund's approach to all data and payment issues outlined within the Pension Administration Strategy.

3. Approach

The Fund will monitor employers' performance against the targets set out within the Pension Administration Strategy and will use the approach outlined in section 4 where the timeframes are breached.

In all cases, the Fund wishes to work closely and support the employer to resolve the issues identified.

The approaches outlined in section 4 are a guide to the approach the Fund will use, and the Fund reserves the right to take an alternative approach where it is necessary and proportionate to do so.

4. Escalation approaches by process

a). Payment of contributions and submission of i-Connect return (as relevant) – indicative process

	Issue identified	
	Contributions or remittance advice not received by deadline	Materially incorrect or inconsistent contributions or remittance advice.
Payment of employer and employee contributions AND Submission of i-Connect return	<p>Step 1: <u>As soon as deadline missed</u></p> <p>A Fund officer will contact the designated contact.</p> <p>Step 2: <u>7 Working days after deadline</u></p> <p>If no response is received, the Fund officer will make further contact with the employer and escalate the matter to more senior roles within the employer's structure.</p> <p>Step 3: <u>If step 3 does not promptly resolve the matter</u></p> <p>If issues remain, the Fund will consider and apply further steps (either concurrently or one after another) as proportionate to the situation such as:</p> <ul style="list-style-type: none"> ➤ Escalation to more senior roles within the employer and/or the Fund; and/or ➤ The implementation of an administration surcharge; ➤ Write to Scheme members (i.e. employees) to make them aware of the issues. and/or ➤ Reporting the matter to the Pension Regulator. 	<p>1). A Fund officer will highlight the inconsistencies to the nominated contact within 10 working days of submission. Issues must be resolved by the employer prior to the next monthly submission.</p> <p>2). If issues are not resolved by the employer prior to the next monthly submission the matter will be referred to a Fund Senior Officer who will phone and/or email the employer contacts, escalating to more senior roles within the employer's structure as necessary.</p> <p>3). If errors persist, the Fund will consider and apply further steps such as:</p> <ul style="list-style-type: none"> ➤ Escalation to more senior roles within the employer and/or the Fund; and/or ➤ The implementation of an administration surcharge; ➤ Write to Scheme members (employees to make them aware of the issues) and/or ➤ Reporting the matter to the Pension Regulator.

Repeated issues:

In addition to the escalation approach above, if after resolving the issues relating to a particular month, similar issues occur again on more than one occasion, the Fund reserves the right to move towards the final steps on the escalation process labelled above.

b). Individual benefit administration cases and other ad-hoc requests – indicative process

Note: For particularly urgent cases, the steps and timeframes outlined below may be condensed.

Issue identified	
Information not received by the deadline or in the stated timeframe	Materially incorrect or poor-quality information is received
<p>Step 1: <u>Deadline missed</u></p> <p>A member of the team will send a reminder email and, if appropriate, a phone call.</p> <p>Step 2: <u>5 working days after the reminder in step 1</u></p> <p>If no response is received, a further email will be sent to the same email address and also to the employer's main pension contact. A phone call may also be made.</p> <p>Step 3: <u>10 working days later</u></p> <p>If no response is received, the matter will be referred to either a Pension Group Lead or the Pensions Administration Manager who will phone and email the employer contacts, escalating to more senior roles within the employer's structure.</p> <p>Step 4: <u>If step 3 does not resolve the matter</u> If issues remain, the Fund will consider and apply further steps such as:</p> <ul style="list-style-type: none"> ➤ Escalation to more senior roles within the employer and/or the Fund; and/or ➤ The implementation of an administration surcharge; ➤ Write to Scheme members (employees to make them aware of the issues) and/or ➤ Reporting the matter to the Pension Regulator. 	<p>1). A member of staff will summarise the area of concern and email the appropriate employer contact with these, offer further explanation and support and set out a timeframe for re-submission.</p> <p>2). If problems persist, the team will offer further support and assistance, including if appropriate and practical, a face to face visit.</p> <p>3). If the employer does not engage with the support offered or fails to respond, steps 2 onwards from the adjacent column will apply.</p>

Repeated issues:

In addition to the escalation approach above, if after resolving the issues relating to a particular month, similar issues occur again on more than one occasion, the Fund reserves the right to move towards the final steps on the escalation process labelled above.

d). General data and employer engagement issues

Where general data or employer engagement issues arise, normally as highlighted by the Fund analysis of an employer's data submission against the timeframes within this document, a Senior Fund Officer, or a suitable colleague, will initially offer support and training and seek the engagement of a senior member of the employer concerned. If the approached outlined is unsuccessful, the matter will be raised internally with the Fund and the Fund will take an approach which is proportionate with the issue faced which could be further support or the levy of additional administration charges, as outlined in section 5 below, and reporting to the Pension Regulator.

5). Administrative charges

Where the Fund considers that it has incurred additional costs (including Officer time) as a result of an employer's poor level of administrative performance, Regulation 22 of the Local Government Pension Scheme Regulations 2013 allows the Fund to recover these costs.

The Fund very much considers this approach a last resort which it will only use if it feels it has exhausted all other reasonable means of improving the employer's performance.

Where such a situation arises, the Fund will apply a charge based on a **double of the hourly rate of the key staff** involved, multiplied by the estimated number of hours involved. The Fund will raise an invoice for such a charge and provide a breakdown of the charge and send it to the employer accordingly.

***Note i:** Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by Gloucestershire Pension Fund, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.*

***Note ii:** In addition, where the Fund incurs costs related to the stage 1 review of the Internal Dispute Resolution Procedure (IDRP) which are due to an employer's action or lack of action, these costs will be charged to the employer. Similarly, the employer will pay for all costs where the IDRP is aimed solely at the employer and the costs will be apportioned between employer and Fund where the IDRP is targeted at both the Fund and employer.*

Appendix 4: Overriding legislation

Introduction

Overriding legislation dictates the minimum standard by which the GPF and Scheme Employers must meet in providing various items of information. In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members, prospective scheme members and dependants.

Relevant legislation

In discharging their roles and responsibilities under the LGPS Regulations, the Administering Authority and scheme employers are required to comply with the following regulations, which require scheme employers to supply information on time.

- The Occupational Pensions Schemes (Disclosure of Information) Regulations 1986;
- The Pensions Act 1995;
- The Disability Discrimination Act 1995;
- The Data Protection Act 2018;
- The Freedom of Information Act 2000;
- The Pensions Act 2004;
- The Finance Act 2004;
- The Discretionary and Compensation Regulations 2006;
- The Age Discrimination Act 2006;
- The Pensions Act 2008;
- Employment Rights Act 2010;
- Public Services Pension Act 2013;
- The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Regulators Code of Practice no.14 Governance and Administration of Public Service Pension Schemes

The Pensions Acts provide for fines to be levied on Pension Scheme Administrators, where information is not processed in a timely manner.