**APPENDIX 7**

**THE LONDON BOROUGH OF WALTHAM FOREST**

**PENSION FUND**

**PENSION ADMINISTRATION STRATEGY**

**2019/20**

**INTRODUCTION**

This is the Pension Administration Strategy of the London Borough of Waltham Forest Pension Fund, administered by the London Borough of Waltham Forest (the Administering Authority). It has been prepared in accordance with Regulation 59 of the Local Government Pension Scheme Regulations 2013, as amended. The strategy has been developed following consultation with employers who participate in the London Borough of Waltham Forest Pension Fund, schools who employ their own payroll providers and The Pension Shared Service partnership with 3 other London Boroughs Wandsworth (Richmond has now merged with Wandsworth), Camden and Merton (hosted by the London Borough of Wandsworth) who undertaken the pensions benefit administration on behalf of the Fund from 1 February 2016.

The aim of the Pension Administration Strategy is to set out the responsibilities, quality and performance standards expected of the London Borough of Waltham Forest in its role as Administering Authority and scheme employer, as well as all other employers within the Fund (including for example Academies, Schools and private sector bodies) and the Pension Shared Service partnership in its pensions benefits administration role. The strategy seeks to promote positive working relationships, improve efficiency, quality and governance of the Fund.

The introduction of a new Local Government Pension Scheme from 2014 provides a further and important reason for the introduction of a Pension Administration Strategy as under a Career Average Scheme administration for the Administering Authority and employers will become significantly more complex. A Career Average scheme will require that the annual salaries of Active members are accurately provided in a timely manner by employers to the Administering Authority/ its shared service partners Benefits Administrators. This will be fundamental to the accurate calculation of benefits.

This Pension Administration Strategy also sets out the circumstances and procedures the Fund will apply, in accordance with Regulation 70 of the Local Government Pension Scheme Regulations 2013, as amended, for recovering costs from an Employer where costs have been incurred by the Fund because of an Employers’ levels of performance in carrying out its functions under the Local Government Pension Scheme Regulations.

**IMPLEMENTATION**

This Pension Administration Strategy has been subject to consultation with employing authorities in accordance with Regulation 59(4) of the Local Government Pension Scheme Regulations 2013, as amended. This document has been considered and approved by the Pensions Committee of the London Borough of Waltham Forest at its meeting held on 26th June 2019. Therefore this Pension Administration Strategy applies to the London Borough of Waltham Forest as both the Administering Authority and a scheme employer and to all other existing and future employers within Fund from 28 June 2018.

**REGULATORY FRAMEWORK**

Under Regulation 59 of the Local Government Pension Scheme Regulations 2013, as amended issues that can be covered in a Pension Administration Strategy include:

* Procedures for liaison and communication with Employing Authorities.
* Establishing levels of performance which the Administering Authority and Employing Authorities are expected to achieve through performance targets or agreements about levels of performance.
* Procedures for improving communication.
* Circumstances in which the Administering Authority may consider giving written notice under Regulation 70 of the Local Government Pension Scheme Regulations 2013 of its intention to recover additional costs it has incurred as a result of unsatisfactory performance by an Employing Authority in carrying out its functions.
* The publication by the Administering Authority of Annual Reports in respect of performance achieved.
* Such other matters as, after due consultation, it considers to be suitable for inclusion in the Strategy

Once an Administration Strategy is approved it must be kept under review and revised if there are major changes to any matter covered in the strategy.

The Administering Authority must consult the Employing Authorities in preparing and revising the Pension Administration Strategy.

The Administering Authority must publish its Pension Administration Strategy and send a copy to each Employing Authority and the Secretary of State. Revisions must also be sent to Employers and the Secretary of State.

**LIAISON AND COMMUNICATION BETWEEN THE FUND AND EMPLOYERS**

The London Borough of Waltham Forest Pension Fund has published a number of documents in respect of statements of policy and procedures including the following

* Communication Policy
* Governance Compliance Statement
* Investment Strategy Statement
* Funding Strategy Statement
* Annual Report

The delivery of an effective service by the Fund to scheme members and other stakeholders is not solely the responsibility of the London Borough of Waltham Forest in its role as Administering Authority. The Council in its role as Administering Authority and Employing Bodies have a joint role and responsibility to ensure a high quality cost effective administrative service is provided. Effective liaison and communication between the Administering Authority, Employing Bodies and The Pensions Shared Service (hosted by the London Borough of Wandsworth) (as at 1 February 2016) in its pensions benefit administration role is therefore crucial. Examples of the requirements of both the Administering Authority and Employers in respect of liaison and communication are set out below:

Designated Named Individual

Each Employing Body will designate a named individual to act as the main point of contact with regard to any aspect of administering the Local Government Pension Scheme (LGPS). The name of the designated individual, plus a deputy to act in their absence, will be communicated to the Administering Authority and the Pension Shared Service in its role as pension benefits administrator. Each Employer will immediately inform both the Administering Authority and the Pension Shared Service of any change in respect of the main or deputy point of contact.

The key responsibility of the individual main point of contact will be to:

* Act as a link for communications to appropriate staff within the Employer – for example Human Resources, Payroll, the Director of Finance
* To ensure that standards and levels of service are maintained
* To ensure that details of all nominated representatives and authorised signatures are correct and to notify the Fund and the Pension Shared Service of any changes immediately
* To arrange distribution of communications literature as and when required
* To assure data quality and ensure the timely submission of data to the Fund and any of its agents including the Pension Shared Service and the Fund Actuary.
* To attend, if at all possible, seminars held by the Administering Authority

Employer Seminars and Training

The Fund holds periodic Employer Seminars and Training events. At these sessions the Fund Officers, the Fund Actuary and the Pension Shared Service will provide information, advice and training on a range of issues including Administrative matters, the Actuarial Valuation process & Fund Finances and Investment approaches & performance. Attendance by each Employers main contact and Senior Management is strongly recommended.

Policy Discretions

Each employer must produce, publish and maintain a statement of policy regarding the exercise of discretions available to them under the LGPS Regulations. This policy statement must be kept under review and where revisions are made the revised policy statement must be sent immediately following its approval to the Fund, the Pension Shared Service, and made readily available to all employees within the Employing Body.

Internal Disputes Resolution Procedure

Each Employing Body is required to nominate and name the person to whom applications under Stage 1 of the Internal Dispute Resolution Procedure (IDRP) should be made. The name, job title and contact details of this nominated person must be communicated to both the Fund and the Pension Shared Service. Any changes in relation to the nominated person should be communicated to the Fund and the Pension Shared Service immediately.

**PERFORMANCE STANDARDS**

Certain actions and decisions must be taken by either the Fund (Administering Authority) or the relevant employer, in relation to the rights and entitlements of individual scheme members. To meet these obligations the Fund (after consultation) has agreed Levels of Performance between itself and employers which are set out below and which take into account the requirements of overriding legislation, internal standards and timeliness.:

Overriding legislation

The Administering Authority and employers will, as a minimum, comply with overriding legislation including:

* Local Government Pension Scheme Regulations
* Public Service Pensions Act 2013
* Pensions Act 1995
* Pensions Act 2004
* Freedom of Information Act 2000
* Data Protection Act 2018 and General Data Protection Regulation 2018
* Finance Act 2004
* Health and Safety legislation
* Any other legislation that may apply at the current time

And any future amendments to the above legislation.

Where specified in this Pension Administration Strategy, the Fund and Employers will comply with local standards which go beyond the minimum requirements set out in overriding legislation.

Internal standards

The Fund and employers will ensure that all functions and tasks are carried out in accordance with the following quality standards:

* Compliance with all requirements set out in the Employers’ Guide
* Information to be legible and accurate
* Communications to be in a plain language style
* Information provided to be checked for accuracy by an appropriate member of staff
* Information provided to be approved by an authorised member of staff
* Actions carried out, or information provided, within the timescales set out in this Pension Administration Strategy

Timeliness

Overriding legislation and regulations set minimum standards that Administering Authorities and Employers within the LGPS must meet in providing certain information to the various parties associated with the Scheme. Local performance indicators, for the London Borough of Waltham Forest Scheme, have been determined, where appropriate going beyond the overriding legislative and regulatory requirements.

Levels of Performance

Payment of monthly contributions to the fund - to be received by the fund by the 19th of the month following the deduction of the contributions.

Provision of monthly payroll schedules containing contribution information (to include pensionable pay and any AVC or additional pension deductions) required - to be received by e-mail by the 19th of the month following the deduction of the contributions.

Provision of end of year payroll information - to be received by 15 April each year.

Provision of starter and leaver forms - to be sent to the funds benefits administrator within 5 working days of the event. Evidence that these forms have been sent is require by auditors in case of review. Copies of these documents should be retained by each employer.

**RECOVERY BY THE ADMINISTERING AUTHORITY OF ADDITIONAL COSTS**

Regulation 70 of the Local Government Pension Scheme Regulations 2013, as amended, permits an Administering Authority to recover from an Employer any additional costs incurred as a result of the poor level of performance of that employer. Where an Administering Authority wishes to recover such costs they must give notice in writing setting out the reasons for considering that additional costs should be recovered, the amount of the additional costs, the basis on which the additional cost has been calculated and the provisions of the Pension Administration Policy which are relevant to the decision to levy additional costs.

The London Borough of Waltham Forest in its role as Administering Authority will seek to work with an employer to identify areas of poor performance, set out in writing areas of poor performance, meet with the employer, provide any necessary training and put in place an improvement plan.

Where however, after the provision of advice and assistance from the Administering Authority, poor performance continues then the additional costs incurred will be recovered from the Employer.

Circumstances where additional costs will be recovered from an Employer are:

* Ongoing failure to provide relevant information to the Administering Authority, the Pension Shared Service, the Fund Actuary, a scheme member or other interested party in accordance with specified performance targets either through failures in quality of information or timeliness of delivery.
* Failure to pass relevant information to scheme members or potential members either due to poor quality or failure to adhere to timescales in the performance targets of this strategy.
* Failure to deduct and pay over correct employee and employer contributions to the London Borough of Waltham Forest Pension Fund within the stated timescales.
* Where the performance of the scheme employer results in fines being levied against the Administering Authority by the Pension Regulator, Pensions Ombudsman or any other regulatory body.

**REVIEW OF THE PENSION ADMINISTRATION STRATEGY**

The London Borough of Waltham Forest in its role as Administering Authority will keep this strategy under review. At least every three years the Fund will undertake a formal review of the strategy in consultation with Employers.

A current version of the Pension Administration Strategy will be provided to the Secretary of State, Employers and will be available on the Fund website.

Updated/reviewed November 2020