

## **ADMINISTRATION STRATEGY**

### **PURPOSE OF STRATEGY**

1. This Strategy sets out the administration protocols that have been agreed between Capita and the London Borough of Barnet (LBB) as administering authority to the London Borough of Barnet Pension Fund. The protocols aim to ensure the smooth running of the London Borough of Barnet Local Government Pension Scheme (LGPS) (the Scheme) and must be followed at all times.
2. This Strategy is the agreement between London Borough of Barnet and employers participating in the Scheme about the levels of performance and associated matters. It does not override any existing commercial contracts or contractual performance indicators which exist between LBB and Capita.
3. Performance levels are set out in this document for the Administering Authority, employers participating in the Scheme, Capita and where applicable third party contractors. These will be reviewed from time to time and only changed with agreement of the London Borough of Barnet.

### **REGULATORY BACKGROUND**

4. The Strategy set out in this document is concerned with routine yet important responsibilities. These cannot, however, override any provision or requirement in the Local Government Pension Scheme Regulations (as set out in Appendix A) or in any other relevant legislation.

### **REVIEW OF THE STRATEGY**

5. Capita own this strategy and a review will take place every twelve months. Any changes to the strategy will be reviewed and agreed by London Borough of Barnet and identified to Employers. Employers may submit suggestions to improve any aspect of this Strategy at any time.

### **ADMINISTRATION AND PERFORMANCE**

6. London Borough of Barnet will administer the Pension Fund in accordance with the LGPS Regulations (and any overriding legislation including employer discretions) and issue a statutory notification to members. In doing so, the Pension Fund will support Employers by:
  - Providing information, advice and assistance on the Scheme and its administration
  - Distributing regular technical information
  - Distributing regular employer updates
  - Arranging a Pension Fund – Employer forum
  - Arranging six monthly Employer forum meetings
  - Providing employers online access to relevant management information and data on their employees
  - Issuing forms, newsletters, booklets and such other materials as are necessary in the administration of the Scheme

7. London Borough of Barnet as the Administering Authority will support members by:

- Producing benefit statements for members each year in line with the LGPS Regulations that meet the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 2013, provided the relevant information is received from their employer in line with this Strategy
- Setting up online access to allow member self service

8. Employers should note that London Borough of Barnet is not responsible for verifying the accuracy of any information provided by the employer for the purpose of calculating benefits under the provisions of the Local Government Pension Scheme and the Discretionary Payments Regulations. That responsibility rests solely with the employer. Any over payment made by the London Borough of Barnet Pension Fund resulting from inaccurate information supplied by the employer shall be recovered by the Fund from the employer.

9. Employer should note that it is their responsibility to ensure that the correct procedures are followed and that any contractor which is admitted as a result of a TUPE transfer is aware of their responsibilities and costs in relation to staff. Further details can be found in the Employer Guide.

## **ADDITIONAL NOTES**

### Data Protection

Under the Data Protection Act 1998, LBB will protect from any improper disclosure any information held about a member. Information held will only be used by the Council for the operation of the Scheme. The employer must protect from improper disclosure any information from a member contained (where applicable) on any item sent from London Borough of Barnet. It will also only use information supplied or made available by the London Borough of Barnet Pension Fund for the operation of the Local Government Pension Scheme.

### Internal Dispute Procedure

10. The employer must identify a 'nominated person' for any instances where an Internal Dispute Resolution Procedure (IDRP) application is submitted against the employer and meet the associated costs.

### Fines

11. In the event that London Borough of Barnet is fined by the Pensions Regulator, this will be passed on to the relevant employer where that employer's action or inaction (e.g. the failure to notify a retirement within the time limits), caused the fine. Similar action will be served on all other service providers where failure to perform their duties results in a fine from the Regulator.

### Charges to the employer

12. The administrative costs of running the Pension Fund are charged by LBB directly to the Fund. The Actuary takes these costs into account in assessing the employer contribution rate.

13. London Borough of Barnet will under certain circumstances consider giving written notice to employing authorities under regulation 70(2) on account of the authority's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established within this document. The written notice may include charges imposed by the Council for chasing employing authorities for outstanding information as detailed within the document.

14. If the London Borough of Barnet Pension Fund undertakes work specifically on behalf of the employer, the employer will be charged directly for the cost of that work e.g.

- Non receipt of new entrant documentation requiring the London Borough of Barnet Pension Fund to set up temporary data and/or complete documentation on behalf of the employer
- Non receipt of leaver details requiring the London Borough of Barnet Pension Fund to interrogate payroll or other systems on the employers' behalf

- Chasing outstanding information following one reminder
- IAS19 / FRS17 valuations
- Actuarial and / or legal advice (e.g. TUPE transfer)
- Technical advice, (where re-charging is deemed appropriate because the advice is not of general benefit to the Fund overall)

Indicative charges have been set out in the Matrix.

Please note, the Employer is responsible for any work carried out on its behalf by another section of their organisation or by a contractor appointed by that organisation (e.g. Pay or Human Resource sections).

Written by: Capita, on behalf of the Administering Authority and will be subject to review on an annual basis.

Created: July 2017

Reviewed:

Task	Employer	Administering Authority or third party contractor (e.g. Fund Actuary)
<b>Actuarial Valuation Data (Provision of Data to Actuary and follow-ups)</b>	<p>The employer (or their payroll contractor / agency for whom the employer is responsible) shall provide Capita with year-end information as at 31 March each year in the notified format no later than <b>30 April</b> or the next working day.</p> <p>The information should distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary contributions.</p>	<p>Capita will respond to queries about information provided within timescales set out and agreed with London Borough of Barnet.</p> <p>The Rates and Adjustment Certificate which forms part of the Valuation report must be published by the Council by <b>31 March of the year following a valuation.</b></p> <p>The cost of any employer specific questions or modelling which incurs a charge to the Fund by the Actuary will be chargeable to the employer.</p>

**Additional Voluntary Contributions**

Pay additional voluntary contributions to the AVC provider within **one week of deduction.**

Under the Pensions Act 1995 the Pensions Regulator may be notified if contributions are not received before the **19th of the month** following that in which they were deducted.

The employer will submit the schedule of AVCs in an agreed format directly to the AVC Provider ahead of the actual remittance.

Upon request of a new AVC application Capita will send a copy of the members application form is forwarded to the AVC provider **within 10 working days**, to enable them to set the member up in advance of the deductions being sent and to ensure that the deductions are allocated to the correct fund as elected by the member.

**Ad-hoc requests and Data Queries**

Capita will respond within **15 working days** of the request.

Enquiries which require input from the Actuary but require little or no research or calculations will take an additional **3 working days.**

Enquiries which require input from the Actuary and require more significant research or calculations will take an additional **5 working days.**

**Annual Benefit Statements**

The employer (or their payroll contractor / agency for whom the employer is responsible) shall provide Capita with year-end information as at 31 March each year in the notified format no later than **30 April** or the next working day.

The information should distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary contributions.

Capita will make a members ABS available on line or as hard copy by **31<sup>st</sup> August** each year provided clean data has been provided by the employer by **30th April**, unless agreed otherwise.

For those employers who do not provide data by **31 May** or have queries in relation to the data, statements will be issued on an alternative date but it cannot be guaranteed that they will be issued by the statutory deadline.

**Bond Assessment (Provision of Data to Actuary or Pension Fund)**

Pensions services will need the name of new employer, contact details, contract details and details of transferring employees in a specified format as set out below:

- Name
- National Insurance Number
- Date of Birth

Capita will provide data to the Fund Actuary within **15 working days** of all necessary information or within timescales set out and agreed with the London Borough of Barnet.

Once the Actuary has agreed clean data, they will calculate the contribution rate within **10 working days.** Capita will distribute the report within **one week** of receipt.

**Employers should note that there will be a charge from the Actuary**

- Gender
- Full time pay at date of transfer
- Part time hours at date of transfer
- Date of transfer
- Period of the contract
- Whether the new employer will be 'open' or 'closed' to new entrants
- Whether there will be a guarantor in place for the new employer
- The funding basis on admission

**for the work.**

Any costs incurred by the Pension Fund in respect of this work will be chargeable to the Employer commissioning the work.

**Bulk Transfer (Provision of Data to Actuary or Receiving Scheme)**

Form to be provided within **10 working days** of employee providing their notice of leaving but by no later than the end of the month in which they left.

Capita will provide the data to the Actuary within **15 working days** of receipt.

For a LGPS to LGPS transfer the calculations will be provided by the Actuary within **10 working days** from receiving clean data.

For a bulk transfer to a broadly comparable scheme the time will vary. However **employers should note that there will be a charge from the Actuary for the work on a time cost basis.** The negotiations between the two Actuaries will take at least 5-6 months Any costs incurred by the Pension Fund in respect of this work will be chargeable to the Employer commissioning the work.

**Cessation Valuation for admission of any Employer of the Scheme**

Form to be provided within **10 working days** of employee providing their notice of leaving but by no later than the end of the month in which they left.

Capita will provide data to the Fund Actuary within **15 working days** of all necessary information or within timescales set out and agreed with the Council.

Once the Actuary has agreed clean data, they will calculate the contribution rate within **20 working days**.

Capita will distribute the report within **one week** of receipt.

Any costs incurred by the Pension Fund in respect of this work will be chargeable to the Employer commissioning the work.

**Change in member details**

Form to be provided within **10 working days** of event but by no later than the end of the month in which the change occurs.

Capita will update the Hartlink member record to reflect the change within **10 working days** of receipt of the change form.

**Death Benefits**

Notification must be provided to Capita within **3 working days** of the death of the member.

Capita will pay lump sums within **10 working days** of receipt of all necessary paperwork to be able to produce the calculation (this includes Grant of Probate or Letters of Administration).

In exceptional circumstances (e.g. hardship cases) this will be brought forward by exception as agreed with LBOB.

**Deferred Benefits upon Leaving**

Form to be provided within **10 working days** of employee providing their notice of leaving but by no later than the end of the month in which they left.

Capita will issue a letter informing member of their deferred pension rights within **20 working days** of receipt of all necessary information required to produce calculation

<p><b>Discretionary Powers</b></p>	<p>It is a mandatory requirement that each employer is responsible for exercising the discretionary powers given to them by the Regulations and publishing their policy in respect of these key discretions.</p> <p>Copies of the relevant employer policies must be lodged with the London Borough of Barnet Pension Fund <b>before admission.</b></p> <p><b>Employers must confirm that they have reviewed their discretions policy by 28th February each year and advise Capita of any changes required.</b></p>	<p>Capita will ensure that all employers hold a current Discretions Policy document upon admission to the fund.</p> <p>Capita will remind the employer newsletter the need to review and update employers on Regulatory changes which affect the employer’s discretions.</p> <p>Capita will write to all employers (<b>by 31st January</b>) to request confirmation that the Employers Discretions Policy has been reviewed and is correct.</p> <p>Capita will store electronically all policies received and will refer to them upon any request that involves an employer’s discretion. If a policy is not held then the request will not be actioned.</p> <p>Once any amendments are received Capita will apply the changes with <b>immediate</b> effect following receipt.</p> <p>From April 2015, non-receipt of a published Discretions Policy could result in non-compliance to the employer from The Pensions Regulator.</p>
<p><b>Employer Data for Calculation of Contribution Rate Schedule and/or Pension Information Memorandum (PIM)</b></p>	<p>Pension Services will need the name of new employer, contact details, contract details and details of transferring employees in a specified format as set out below:</p> <ul style="list-style-type: none"> <li>• Name</li> <li>• National Insurance Number</li> <li>• Date of Birth</li> <li>• Gender</li> <li>• Full time pay at date of transfer</li> <li>• Part time hours at date of transfer</li> <li>• Date of transfer</li> <li>• Period of the contract</li> <li>• Whether the new employer will be ‘open’ or ‘closed’ to new entrants</li> <li>• Whether there will be a guarantor in place for the new employer</li> <li>• The funding basis on admission</li> </ul>	<p>Capita will provide data to the Fund Actuary within <b>15 working days</b> of all necessary information or within timescales set out and agreed with London Borough of Barnet.</p> <p>Once the Actuary has agreed clean data, they will calculate the contribution rate within <b>10 working days.</b></p> <p>Capita will distribute the report within <b>one week</b> of receipt.</p> <p><b>Employers should note that there will be a charge from the Actuary for the work.</b></p> <p>Any costs incurred by the Pension Fund in respect of this work will be chargeable to the Employer commissioning the work.</p>
<p><b>Employer Decisions</b></p>	<p>Certain aspects of the Regulations require an employer decision. The employer is responsible for implementing such areas correctly, (e.g. deduction of contributions at the correct rate, notification to employee and within the correct timescales).</p>	<p>Capita will write to all employers within <b>10 working days</b> of the notification from Government to ensure that any changes to the contribution rates are communicated.</p>
<p><b>Employee Guide</b></p>	<p>The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 require the employer to ensure that all new employees eligible to join the LGPS receive a copy of the Employee Guide to the</p>	<p>If applicable, Capita will review the Fund’s website on a regular basis to ensure information is accurate and fit for purpose.</p>

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Scheme within **2 months** of becoming employed.

**IAS19 / FRS17 Reports  
(Provision of Data to  
Actuary and follow-ups)**

The employer to confirm that they want a report by the date specified in the email request from Capita.

At the same time the employer is to confirm if they do not wish for LBB to use the contribution amounts, as detailed in their monthly contribution return.

The Fund Actuary will provide reports within **20 working days** from the date of receipt of clean data.

Capita will distribute all reports within **one week** of receipt.

**Any costs incurred by the Pension Fund in respect of this work will be chargeable to the Employer commissioning the work.** All queries will be chargeable to the employer. Additional costs will be incurred relating to merged employers, valuation of unfunded benefits, creation of opening positions, new employer / full valuation, splits for LGPS and teachers liabilities and additional work.

**Independent Medical  
Practitioner**

The employer is responsible for determining and employing their own appropriately qualified independent medical practitioner and providing details of those practitioners to the London Borough of Barnet Pension Fund. This should be done **before admission** and within **10 working days** of a new IQMP being commissioned.

Capita will verify the employers nominated independent medical practitioners is appropriately qualified to deal with ill health retirement cases, as set out in the Regulations **within 10 working days** of notification.

Capita will seek confirmation at the point of **an employer being admitted** to the Scheme and confirm the information **at the time** of an ill health retirement.

**Individual Transfer in**

The employer to direct an employee to the appropriate documentation upon **commencement** of their employment.

Update pension record and issue member with statutory notification with relevant details within **10 working days** of receipt of notification of payment from other pension scheme and confirmation that income has been allocated to the pension fund.

**Individual Transfer Out**

Form to be provided within **10 working days** of employee providing their notice of leaving but by no later than the end of the month in which they left.

Capita will make payment of the transfer value within **10 working days** of receipt of all necessary information

**New Starter**

Form to be provided within **10 working days** of employee joining but by no later than the end of the month in which they joined.

Capita will update the Hartlink member record created within **10 working days** of receipt of the new starter form. This allows member to access their Hartlink member record via the online portal, once they have registered.

**Payment of Contributions**

**All** member and employer contributions must be deducted at the correct rate and cleared in the Pension Fund's bank account by **19th of the month** (or the last working day before where the 19th is not a working day) following the month the contributions relate to.

All employers must submit their bespoke advice form, preferably in an

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electronic format, in advance of their payment and a quarterly submission.

PLEASE NOTE: The Fund's preference is that all payments are made by BACS. However any employer wishing to pay by cheque must ensure the cheque is received by the Pension Fund by the 14th of the month (or the last working day before where the 14th is not a working day). All cheques must be made payable to "London Borough of Barnet Pension Fund".

The Fund reserves the right to charge employers for late payment, in line with the Administering Authority Discretions. The Administering Authority will charge employers interest as defined in regulation 71 on late payments, except in exceptional circumstances.

#### Retirement Benefits

Due to the Regulations that govern the operation of the LGPS certain decisions on the nature of benefits to be taken have to be made prior to retirement. To enable this to happen, retirement notifications should be received by Capita at least **30 days prior to last day of employment.**

When the forms are not provided prior to retirement, it should be forwarded no later than two days following notification.

Capita will pay lump sum within **10 working days** of receipt of all necessary paperwork to be able to make the payment.

Retirement pension will be sent by Capita to pensioner payroll for the **next available pensioner payroll run.**

If early retirement incurs a fund strain cost, any strain cost invoice will be raised by Capita within **10 working days** of the retirement being processed

#### Retirement Estimates

Estimated pensionable pay details should be sent to Capita within **5 working days** to enable Capita to provide the retirement estimate within their agreed timescales. Employers to ascertain whether a previous years pay may be more beneficial and provide such information if necessary.

Any delays in receiving accurate data may be escalated to the Administering Authority, and the Pensions Regulator.

Capita will request pensionable pay details from employers upon request from members or employers. Capita will provide the retirement estimate within **10 working days** of receipt of accurate pensionable pay details from employers.

#### Statutory Requests (to include but not exhaustive of DCLG, Home Office and GAD)

Capita will respond within timescales set out and agreed with London Borough of Barnet.

#### Year End Information

The employer (or their payroll contractor / agency for whom the employer is responsible) shall provide Capita with year-end information as at 31 March each year in the notified format no later than **30 April** or the next working day.

The information should distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary

Capita will request information and provide specification to employers not later than the **end of the first week in March.** A reminder will be sent out 10 working days before the due date of **30<sup>th</sup> April.**

This information will be used for member Annual Benefit Statements.

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contributions.

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The principal Regulations underpinning this document are:

- The Local Government Pension Scheme Regulations 2013 (and any amendments thereto)
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (and any amendments thereto)
- The Local Government Pension Scheme (Administration) Regulations 2007 (and any amendments thereto)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (and any amendments thereto)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2007 (and any amendments thereto)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 (and any amendments thereto)
- The Local Government Pension Scheme Regulations 1997 (and any amendments thereto)
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (and any amendments thereto)
- The Local Government Pension Scheme (Miscellaneous) Regulations 2012
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (and any amendments thereto)