

Nottinghamshire Local Government Pension Fund

Joint Administration Strategy and Service Level Agreement

1. Introduction

An administration strategy as allowed for by the Local Government Pension Scheme (LGPS), is seen as one of the tools which can help in delivering a high-quality administration service to the scheme member and other interested parties. Delivery of a high-quality administration service is not the responsibility of one person or organisation but is the joint working of a number of different parties.

The following is the Pension Administration Strategy of the Nottinghamshire Fund, administered by Nottinghamshire County Council (the administering authority).

The aim of this strategy statement is to set out the quality and performance standards expected of:

1. Nottinghamshire County Council in its role of administering authority and scheme employer
2. All other scheme employers within the Nottinghamshire Pension Fund.

It seeks to promote good working relationships, improve efficiency, and enforce quality amongst the scheme employers and the administering authority.

From 1 April 2015 the Pensions Regulator (TPR) took responsibility for setting the standards of administration and governance requirements on all administrative aspects of the Local Government Pension Scheme (LGPS).

In addition, the Nottinghamshire Local Pensions Board has been established to provide an independent scrutiny role which will assist the Nottinghamshire Pension Fund in achieving regulatory compliance, effective and efficient administration, and governance of the pension fund.

2. Background

The LGPS represents a significant benefit to scheme members. Much of the success in promoting the scheme to members and ensuring a high-quality service depends upon the relationship between the administering authority and scheme employers in the day-to-day administration of the scheme.

The administering authority also reminds or alerts employers to the value of the LGPS, thereby helping with recruitment, retention, and motivation of employees.

The fund comprises over 280 scheme employers with active members, and approximately 170,000 scheme members in relation to the Local Government Pension Scheme (LGPS).

The efficient delivery of the benefits of the LGPS is dependent on having sound administrative procedures in place between the administering authority and scheme employers.

3. Strategic aims

The aim of this strategy is to continue progress towards a seamless, automated pension service, employing appropriate technologies and best practice which both significantly improve the quality of information overall and the speed with which it is processed to provide better information for scheme employers and stakeholders and a more efficient service to members. It outlines, in conjunction with the Pension Administration Service Level Agreement (**Appendix A**), the quality and required performance standards of all funds, scheme employers and admission bodies within the fund.

This strategy is designed to move towards the highest standards of administration through the most efficient and cost-effective practices, thereby ensuring a consistent approach to pension administration across all scheme employers in partnership with the fund so that all scheme members ultimately receive the highest standard of service in the most efficient and effective way possible.

4. Regulatory framework

The development and implementation of an Administration Strategy is part of the regulatory framework of the Local Government Pension Scheme Regulations 2013. These provide the conditions and regulatory guidance surrounding the production and implementation of an Administration Strategy.

Regulation 59 (1) enables an LGPS administering authority to prepare a document (“the Pension Administration Strategy”) which contains the following:

- procedures for liaison and communication with their relevant employing authorities
- the establishment of levels of performance which the administering authority and the relevant employing authorities are expected to achieve in carrying out their functions under the LGPS by:
 - setting performance targets
 - making agreements about levels of performance and associated matters
 - such other means as the administering authority considers appropriate
- procedures which aim to secure that the administering authority and the relevant employers comply with the statutory requirements in respect of those functions and with any agreement about levels of performance
- procedures for improving the communication of information by the administering authority and the relevant employing authorities
- the circumstances in which the administering authority may consider giving written notice to a relevant employing authority on account of that employer’s unsatisfactory performance in carrying out its functions under these regulations when measured against levels of performance
- such other matters as appear to the administering authority to be suitable for inclusion in that strategy.

In addition, Regulation 59(6) of the administration regulations also requires that where a Pension Administration Strategy is produced, a copy is issued to each of the relevant employing authorities

as well as to the Secretary of State. Similarly, when the strategy is revised at any future time the administering authority (following a material change to any policies contained within the strategy) must notify all of its relevant employing authorities and also the Secretary of State.

It is a requirement that, in preparing or revising any Pension Administration Strategy, the administering authority must consult its relevant employing authorities and such other persons as it considers appropriate.

In addition, Regulation 70 of the Administration Regulations allows an administering authority to recover additional costs from a scheme employer where, in its opinion, the costs are directly related to the poor performance of that scheme 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 the additional costs should be recovered, and the amount of the additional costs, together with the basis on which the additional amount has been calculated.

The following strategy statement and the Service Level Agreement, sets out the requirements of regulation 59(1). They form the basis of the day-to-day relationship between the Nottinghamshire Pension Fund and scheme employers. They also set out the circumstances under Regulation 70 where additional costs are incurred as a result of the poor performance of a scheme employer, together with the steps that would be followed before any such action is taken.

5. Nottinghamshire Local Pensions Board

The Nottinghamshire Local Pensions Board was established in April 2015 to assist Nottinghamshire County Council, as administering authority, in securing compliance with legislation and any requirements imposed by the Pensions Regulator. The Board also assists in ensuring effective and efficient governance and administration of the scheme are achieved.

6. Key objectives

The key objectives of this strategy are to ensure that:

- the Nottinghamshire Pension Fund and Scheme employers are aware of and understand their respective roles and responsibilities under the LGPS Regulations and in the delivery of administrative functions (largely defined in the Pensions Administration Service Level Agreement attached at **Appendix A**)
- the Nottinghamshire Pension Fund operates in accordance with LGPS Regulations and is aligned with the Pensions Regulator's requirements by demonstrating compliance and scheme governance
- communication processes are in place to enable both the fund and scheme employers to engage with each other proactively and responsively through the new website and the Employer Support and Compliance Team
- accurate records are maintained for the purpose of calculating pensions entitlements and scheme employer liabilities, ensuring all information and data is communicated accurately, on a timely basis and in a secure and compliant manner
- the fund and scheme employers have appropriate skills, and that training is in place to deliver a quality service and advise scheme employers on the changing pensions agenda

- standards are set and monitored for the delivery of specified activities in accordance with LGPS Regulations standards as set out in the Pension Administration Service Level Agreement attached as **Appendix A** to this strategy.

7. Establishing levels of performance

Performance standards

The LGPS prescribes that certain decisions are taken by either the administering authority or the scheme employer, in relation to the rights and entitlements of individual scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Nottinghamshire Pension Fund should agree levels of performance between itself and the scheme employers. These are set out in the Service Level Agreement at **Appendix A**.

8. Quality

Legislation

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

- Pension Act 1995 and associated disclosure legislation
- Freedom of information Act 2000
- Age Discrimination Act 2006
- Data Protection Act 1998
- Equality Act 2010
- Finance Act 2004and
- Health and Safety legislation.
- General Data Protection Regulations (GDPR) 2018

Where agreed, the administering authority and scheme employers will comply with local standards which go beyond the minimum requirements set out in overriding legislation. Such best practice standards are outlined in the following sections.

9. General Data Protection Regulations

On 25 May 2018 the EU's General Data Protection Regulations (GDPR) came into force replacing the Data Protection Act 1998. It contained new standards for protecting individuals' personal data in the European Economic Area. It applies to organisations that handle the personal data of EU residents and affects the way pensions schemes can lawfully collect, use, retain and share information.

10. Administration standards

Both the administering authority and scheme employers will ensure that all tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the information provided on the LGPS website
- work is to be completed in the required format, using the appropriate forms contained on the LGPS website
- information to be legible, accurate and in the required format
- communications to be easy to read and understand
- information provided to be checked for accuracy
- information to be authorised by an agreed signatory in line with the scheme employers audit requirements
- actions are carried out, or information is provided, within the timescales set out in this strategy and Service Level Agreement document.

11. Performance standards

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. The scheme sets out a number of requirements for the administering authority and scheme employers to provide information to each other, regarding scheme members and prospective scheme members, their dependents, and/ or other regulatory bodies. Within the Service Level Agreement performance standards have been set which cover all aspects of the administration of the scheme, and where appropriate go beyond the overriding legislative requirements.

For the avoidance of doubt “accuracy” in this strategy is defined as when the administering authority has received a fully completed form with no gaps in mandatory areas and with no information which is either contradictory within the document or which requires clarification.

The timeliness relates to a date of event being either the date the member started or left the Nottinghamshire Pension Fund, or any other material change that affects a scheme member’s pension record.

12. Procedures for compliance

Compliance is the responsibility of the administering authority and scheme employers. The Nottinghamshire Pension Fund, Employer Support and Compliance Team will work closely with all scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this administration strategy. The Pensions Administration Team will also work with employers to ensure that overall quality and timeliness is continually improved. Various methods will be employed, in order to ensure such compliance and service improvement, these will include:

- audit
- performance monitoring

In addition, where there is a failure of statutory compliance the Pensions Manager is required to update and inform the Pensions Regulator.

13. Liaison and communication

Authorised contact for employers

Each employer will nominate a contact to administer the five main areas of employer responsibilities within the LGPS as follows:

- a strategic contact for valuation, scheme consultation and, discretionary statements
- an internal disputes resolution procedure lead officer for stage 1
- an administration contact for day-to-day administration of the Nottinghamshire Pension Fund, undertaking the completing of forms and responding to day-to-day queries
- a year end activity lead officer.
- a finance contact for completion and submission of the monthly postings and co-ordination of exception reports.

All nominated officers will have access to the employer's area of the Nottinghamshire Pension Fund website and as services change access to an online Employer Hub.

It is the responsibility of the scheme employer to ensure that the nominated officers are trained appropriately in their responsibilities.

Liaison and communication with employers

Nottinghamshire Pension Fund will provide the following contact information for employers and their members:

- a contact point for regulatory advice, guidance, and administration queries
- an Employer Support and Compliance Team for advice and guidance
- a helpline for members at certain points in the year e.g., helpline for Annual Benefit Statement (ABS) queries
- an e-mail address (generic)
- pension fund access 8:00am to 5:00pm Monday to Thursday and 4:30pm Friday (face to face, telephone, and e-mail for both scheme members and employers)
- website availability with employers' and members' areas
- employer and member information and forms available on the website
- annual year end briefing for year-end activities
- Pension Fund Annual General Meeting.

14. Improving employer performance

The Employer Support and Compliance Team will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance and provide the opportunity for necessary training and appropriate advice.

A summary of employer responsibilities is attached as **Appendix C** to this document.

Where persistent and ongoing failure has been identified and no improvement is demonstrated by an employer, the following sets out the steps that will be taken to address the situation in the first instance:

- the Pensions Team will contact and / or meet with the employer to discuss the area(s) of concern and how they can be addressed
- where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the employer, the Pensions Team will issue a formal notification to the employer setting out area(s) of poor performance that have been identified, and the steps taken to resolve it. The notification will detail the additional costs to be reclaimed
- Nottinghamshire Pension Fund will clearly set out the calculations of any loss or additional costs, taking account of time and resources in resolving the specific area of poor performance
- Nottinghamshire Pension Fund will make a claim against the scheme employer, setting out the reasons for doing so, in accordance with the regulations.

15. Circumstances where the Administering Authority may levy costs associated with the Employing Authority's poor performance

Regulation 70 of the Local Government Pension Scheme Regulations 2013 provides that an administering authority may recover from an employing authority any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employing authority. Where an administering authority wishes to recover any such additional costs, they must give written notice stating:

- the reasons in their opinion why the scheme employer's poor performance has contributed to the additional cost
- the amount of the additional cost incurred
- the basis on how the additional cost was calculated and
- the provisions of the Pension Administration Strategy relevant to the decision to give notice.

16. Circumstances where costs might be recovered

Any additional costs to the Nottinghamshire Pension Fund in the administration of the LGPS that are incurred as a direct result of poor performance will be recovered from the scheme employer. The circumstances where such additional costs will be recovered from the scheme employer:

- persistent failure to provide relevant information to the administering authority, scheme member or other interested party in accordance with specified performance targets (either as a result of timeliness of delivery or quality of information)
- failure to pass relevant information to the scheme member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets
- failure to deduct and pay over correct employee and employer contributions to the Nottinghamshire Pension fund within stated timescales

- instances where the performance of the scheme employer results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman, or other regulatory body.

17. Calculation of costs incurred

For a persistent failure to resolve an isolated case satisfactorily the Fund will recharge costs from the point in time at which a formal notification is issued to the scheme employer until the case is resolved, at a rate of £43 for each hour an officer spends trying to resolve the matter.

For persistent and ongoing failure to meet targets, following the intervention to assist the employer concerned, the Fund will recharge the additional costs due to the employer's poor performance at the rate of £43 for each hour. **Appendix B** sets out a schedule of charges and identifies the main employer activities where a charge may be made for poor performance.

Where the under performance of the scheme employer results in fines and/or additional costs being levied against the Fund, the Fund will recharge the full costs it has incurred to the relevant employer.

18. Disputes

The Nottinghamshire Pension Fund has a clear Internal Dispute Resolution Procedure (IDRP) set out for members of the LGPS which can be found on the pension fund's website. Scheme employers are, however, required to nominate an adjudicator to deal with disputes at stage 1 of the process. Scheme employers are asked to supply the details of their stage 1 adjudicators together with details of their stage 1 Adjudicators as identified in their Discretionary Policy Statements. They should advise the fund immediately of changes made in this regard.

19. Consultation

This document and associated SLA have been consulted upon with Nottinghamshire Pension Fund Employers.

20. Review process

The Nottinghamshire Pension Fund will review the Administration Strategy to ensure it remains up to date and meets the necessary regulatory requirements at least every two years.

Appendix A: Service Level Agreement

Administering Authority duties and responsibilities

The Nottinghamshire Pension Fund Administration Team will ensure the following functions are carried out:

- provide a helpdesk facility for enquiries, available during normal office hours providing a single point of access for information relating to the LGPS along with a helpline at certain times of the year e.g., Annual Benefit Statement time
- create a member record for all new starters admitted to the LGPS, based on the information provided by the scheme employer
- collect and reconcile employer and employee contributions
- maintain and update members' records for any changes received by the administration team
- at each actuarial valuation the fund will provide the required data in respect of each member and provide statistical information over the valuation period to the fund actuary so that they can determine the assets and liabilities for each employer
- communicate the results of the actuarial valuation of the fund to each employer
- provide every active, deferred and pension credit member with a benefit statement each year
- provide estimates of retirement benefits on request by the employer
- calculate and pay retirement benefits, deferred benefits, and death in service benefits in accordance with LGPS rules, members' options, and statutory limits on request by the employer
- comply with His Majesty's Revenue and Customs (HMRC) legislation.

Discretionary powers

The Nottinghamshire Pension Fund will ensure the appropriate Administration Authority policies are formulated, reviewed, and publicised in accordance with scheme regulations.

Internal Dispute Resolution Procedure (IDRP)

The fund will nominate an adjudicator to deal with appeals at stage one where the appeal is against a decision the Pension Fund has made or is responsible for making.

Fund performance levels

A description of the performance activity and performance action and level of performance is identified in the following table:

Action	Timescale
Publish and review the administration strategy	Within one month of any agreed changes with employers, the Nottinghamshire Pension Fund Committee, and the Local Pensions Board
Website	Continual process of updating the members and employers' information
Issue and keep up to date all current forms for completion by either scheme members, prospective scheme members or scheme employers	30 working days of any changes
Issue and update administering authority's discretions within the scheme	Within 30 working days of policy being agreed by the Nottinghamshire Pension Fund Committee and the Local Pensions Board
Notify scheme employers and scheme members of changes to the scheme rules	Within 30 working days of the change(s) coming into effect. Subject to receipt of statutory guidance
Notify scheme employer of issues relating to scheme employer's poor performance	Within 30 working days of performance issue becoming apparent
Notify scheme employer of the decision to recover additional costs associated with the scheme employer's poor performance	Within 10 working days of scheme employer failure to improve performance, as agreed
Issue annual benefit statements to active members as of 31 March each year	By the following 31 August subject to receipt of full and correct information from employers
Issue annual benefit statements to deferred benefit members as of 31 March each year	By the following 31 August. Subject to full and correct information from employers
Issue pension saving statements to active members who breach the Annual Allowance threshold as of 5 April and to members who request such	By the following 6 October
Provide a helpline and telephone service to support members enquiries and questions	Ongoing and additional specific helpline at certain times of the year

Fund administration task	Timescale
Make available formal valuation results (including individual employer details)	10 working days from receipt of final certified results from fund actuary
Carry out interim valuation exercise on cessation of admission agreements or scheme employer ceasing participation in the fund	Referral to the fund actuary within one month from receipt of all required data from the scheme employer
Arrange for the setting up of separate admission agreement, where required (including the allocation of assets and notification to the Secretary of State as necessary)	Within three months of agreement to set up such funds
All new admitted bodies to be required to undertake a financial risk assessment based on the pension liabilities relating to members and to put in place a bond or alternative security as required to protect other scheme employers participating in the pension fund	To be completed before the body can be admitted to the Fund
All admitted bodies to undertake a review of the level of bond or indemnity required to protect the other scheme employers participating in the pension fund	Annually, or such other period as may be agreed with the scheme employer and / or administering authority

Scheme administration task	Timeline
New Starters – make all administration decisions in relation to a new scheme member	Within two months from receipt of all necessary information.
General enquiries - provide a response	10 days from receipt of all necessary information.
Provide transfer in quote to scheme member	Two months from receipt of all the necessary information
Confirm receipt of transfer in payment and update pension record	One month from receipt of all necessary information. Scheme member responsibility to chase the transfer.
Arrange for the transfer of scheme member additional voluntary contributions into in-house arrangement	Two months from receipt of all necessary information.
Provide requested estimates of benefits to employees/employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy, or business efficiency	Two months from receipt of all necessary information subject to the demands of the service, prioritisation and statutory requirements to provide information.
Notify leavers of deferred benefit entitlements	Within two months of receipt of all necessary information.
Details of transfers out quotation	Within two months of receipt of all necessary information
Payment of transfers out	One month from receipt of all necessary information
Notify retiring employees of options following request from member (as per retirement pack)	One month of receipt of all necessary information
Payment of retirement lump sum and pension	Lump sum paid within 30 days of retirement subject to receipt of necessary information. Pension to be paid in the next available pay run into the member's bank account

Scheme administration task	Timeline
Death notifications – issue initial information, requesting certificates	Within 10 working days following notification of death
Notification of survivor benefits	10 working days following receipt of all necessary information
Undertake Life Certificates checks with the Department of Work and Pensions (DWP) Operate the Tell us Once service	Periodic

Scheme employer duties and responsibilities

Employers are responsible for ensuring that member and employer contributions are deducted at the correct rate, including additional contributions.

The Nottinghamshire Pension Fund 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. That responsibility rests with the employer.

Any over-payment as a result of inaccurate information being supplied by the employer shall be recovered from that employer at the discretion of the Administering Authority.

In the event of the Nottinghamshire Pension Fund being fined by the Pensions Regulator, this fine will be passed onto the relevant employer where that employer's actions or inaction caused the fine.

Discretionary powers

The employer is responsible for exercising the discretionary powers given to employers by the regulations. The employer is also responsible for compiling, reviewing and publishing its policy in respect of the key discretions as required by the regulations to its employees and must provide a copy to the Administering Authority.

Member contribution bands

Employers are responsible for assessing and reassessing the contribution band that is allocated to a member. The employer must also inform the member of the band that they have been allocated on joining the scheme and when they have been reallocated to a different band.

Payments and charges

Payments by employing authorities

Employing authorities will make all payments required under the LGPS regulations, and any related legislation, promptly to Nottinghamshire Pension Fund and/or its Additional Voluntary Contribution (AVC) providers (Prudential/Scottish Widows) as appropriate.

Paying contributions

Member and employer contributions can be paid over at any time and should be accompanied by a monthly postings submission. The latest date contributions can be paid is the 17th day of the month following the month in which the deductions were made.

AVC deductions

Employers will pay AVCs to the relevant provider by the 17th of the following month of them being deducted.

Payment method

Contributions (but not AVCs) should be paid to Nottinghamshire Pension Fund by BACS payment to the Nottinghamshire Pension Fund bank account.

Early retirement and augmentation costs

Employers are required to pay the full early retirement costs within one month of request.

Interest on late payment

In accordance with the LGPS regulations, the Nottinghamshire Pension Fund reserves the right to charge interest on any amount overdue from an employer by more than one month depending on circumstances.

Employer contributions

Employers' contribution rates are not fixed, and employers are required to pay whatever is necessary to ensure that the portion of the fund relating to their organisation is sufficient to meet its liabilities.

Actuarial valuation

An actuarial valuation of the fund is undertaken every three years by the fund's actuary. The actuary balances the fund's assets and liabilities in respect of each employer and assesses the appropriate contribution rate and deficit payment, if appropriate, for each employer for the subsequent three years.

Administration charge

The cost of running the Nottinghamshire Pension Fund is charged directly to the fund, the actuary takes these costs into account in assessing employers' contribution rates.

Employer activities

Communication requirements – task	Timescale
Provide and publish policies in relation to all areas where the employing authority may exercise discretion within the scheme. A copy of the policy to be provided to the administering authority	Within 30 working days of policy being formally agreed by the employer. To be reviewed annually
Provide details of employer and employee contributions	17th of the month following deduction
Respond to enquiries from administering authority	Within 10 working days
Provide year end information for the purposes of annual benefit statements, annual allowance, and lifetime allowance calculations	By 30 April, or such later as confirmed by the Administering Authority.
Provide year end information in a valuation year	By 30 April, or such later as confirmed by the Administering Authority.
Distribute information provided by the Admin Authority to scheme members/potential scheme members which is provided either direct from the Pensions Office or where notified through the website	Within 20 days of receipt or notification
Provide new scheme members with scheme information and new joiner forms	At appointment of employee or change in contractual conditions
Inform the Pension Fund of all cases where prospective new employer or admitted body may join the fund	Notify the Pension Fund at least three months before the date of transfer
Payment of additional fund payments in relation to early payment of benefits	Within 30 working days of receipt of invoice from the pension fund/within timescales specified in each case

Employer responsibilities-task	Timescale
New starters must be notified to the Pensions Office.	10 working days of the scheme member joining.
Arrange for the correct deduction of employee contributions from scheme members pensionable pay on becoming a scheme member	Immediately upon commencing scheme membership either through auto enrolment opting in or change in circumstances.
Reassessment of employee contribution rate in line with employer's policy	Immediately following change of circumstances.
Ensure correct deduction of pension contributions during any period of child-related leave, trade union dispute or other forms of leave of absence from duty	Immediately, following receipt of election from scheme member to make the necessary pension contributions.
Commence/amend/cease deductions of additional pension contributions	Commence/ amend in month following election to pay contributions or notification received from administering authority, cease immediately following receipt of election from scheme member.
Employers are responsible for assessing and reassessing the contribution band that is allocated to an employee	The employer must inform the employee of the band have been allocated on joining the scheme and when they have been reallocated to a different band
Arrange for the deduction of AVCs and payment over of contributions to AVC provider(s)	Commence deduction of AVCs upon receipt of notification of provider. Pay over contributions to the AVC provider(s) by the 17th of the month following deduction.
Refund any employee contributions when employees opt out of the pension scheme before three months	Month following month of opt out.
Cease deduction of employee contributions where a scheme member opts to leave the scheme	Month following month of election, or such later date specified by the scheme member.
Send a completed end of year contribution return to enable the production of annual benefit statements, annual allowance, and lifetime allowance calculations	By 30th April each year, or such later date as confirmed by the Administering Authority.

Employer responsibilities-task	Timescale
Provide the administering authority with all material (personal and contract) changes in employee's details	Within 10 days of the change
Provide scheme leavers details to administering authority	Within 10 days of leaving
Provide retirement notification and pay details. Following the issue of retirement pack to retiring member.	No later than 10 days prior to the date of retirement. In order that all information is in place to allow the processing of retirement benefits.
Provide member estimate details	At the point of request from the member
To have access to an independent medical practitioner qualified in occupational health medicine, in order to consider all ill health retirement applications as an employer	Within one month of commencing participation in the scheme, and having arrangements in place on an ongoing basis
Appoint a nominated person for stage 1 of the pension dispute process and provide full details to the administering authority	Within 10 working days following the resignation of the current/new employer to the fund "appointed person"

Measuring performance

Both employer and administering authority performance will be measured and reported to the Nottinghamshire Pension Fund Committee and the Local Pensions Board at regular intervals.

Unsatisfactory performance

Where an employer materially fails to operate in accordance with standards described in this service level agreement, which leads to extra costs being incurred by the administering authority, the administering authority may issue a written notice to the employer requiring that this extra cost be met by the employer.

Schedule of charges

Employer Activities	Reason for Charge	Basis of Charge
Any overpayment made to a member due to inaccurate information provided by an employer will be recovered from employee, if the total overpaid is more than £50.		Actual amount overpaid (could include Lump Sum and Pension) + admin charge based on the following: £43.00 total per hour spent. This may also include the cost of other recovery actions (court and legal fees)
Contributions to be paid anytime but latest date by 17 th month. (Weekends and bank holidays on the last working day before 17 th).	Due by 17 th month-late receipt of funds, plus cost of additional time spent chasing payment	Number of days late interest charged at base rate plus 1%.
Monthly scheme employer contribution return provided at the latest by 17 th , errors on the return i.e., employer/employee rate deducted incorrectly, exception reporting errors to be resolved within 2 months	Due by 17 th month, any additional work caused by late receipt of information, incorrect information, incorrect contributions.	Failure to provide appropriate information, resulting in significant work will result in an admin fee charged at £43.00 per hour + VAT.
Change in member details to be notified as per the administration strategy for example: - a. New Starters b. Leavers c. Material changes in pension records		Failure to provide appropriate information, resulting in significant work will result in an admin charge at £43.00 per hour + VAT
Early leaver's information to be notified as per the administration strategy.		Failure to provide correct information on the appropriate pension admin form, resulting in significant work will result in an admin charge at £43.00 per hour + VAT

Employer Activities	Reason for Charge	Basis of Charge
Retirement notifications	Due 10 working days before last day of employment unless the reason for retirement is ill health or redundancy – additional work caused by late receipt of information.	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £43.00 per hour + VAT
Death in Service Payment	Due within 7 working days of the notification – additional work caused by late receipt of information from employer	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £43.00 per hour + VAT
AVC deducted from pay to be paid anytime but latest date by 17 th of the month.	Additional investigative work caused through lack of compliance by employer.	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £43.00 per hour + VAT
Re-issue of invoices	Charge based on number of requests	Failure to provide appropriate information, resulting in significant work will result in an admin charge at £43.00 per hour + VAT
Member requests estimate	The first estimate provided in each financial year is free, then subsequent estimates are chargeable	1 st request in each financial year is free. Additional request is charged at a notional charge of £57 + VAT is made.
Pension sharing order	For pension sharing order work, each party will be charged according to the instruction in the court order	The charge is £690 including VAT. Total payment to be received prior to work being completed.



Employer Activities	Reason for Charge	Basis of Charge
Miscellaneous items: <ul style="list-style-type: none">• Benefit recalculation.• Members file search and record prints.• Supplementary information requests.	Where information is requested by members that is in addition to routine	£43.00 per hour + VAT.



Employer responsibilities

Summary

As an employer you have a range of responsibilities under the Local Government Pension Scheme (LGPS). This document provides a summary of those responsibilities split into the following broad headings:

- general responsibilities
- member administration
- contributions and returns
- benefit estimates
- service changes



General responsibilities		
Action	Explanation	Employer duties / timing (where applicable)
Provide employer contacts	From time to time we will contact you about scheme administration matters. To ensure we provide targeted communications you are required to keep the Fund informed of the appropriate first point of contact with responsibility for scheme administration in a number of key areas.	<p>Complete a contacts proforma on request and inform us of any subsequent changes. Recorded contacts are:</p> <p>General – for day-to-day scheme administration actions.</p> <p>Strategic – overarching responsibilities for LGPS.</p> <p>Disputes – to consider any issues or areas of contention. This contact should be the adjudicator to consider disputes under Stage 1 of the Internal Dispute Resolution Procedure (IDRP).</p> <p>Finance – any issues relating to costs or contribution rates.</p> <p>Year-end – actions associated with the year-end reconciliation exercise.</p>



<p>Develop Discretions policy</p>	<p>The employer is responsible for exercising the discretionary powers given to employers by the regulations. The employer is also responsible for compiling, reviewing and publishing its policy in respect of the key discretions as required by the regulations.</p>	<p>There are mandatory discretions that Scheme employers must publish and send to the Pension Fund. Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations. This statement is applicable to all employees who are eligible to be members of the LGPS.</p> <p>There are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013. Whilst there is no regulatory requirement to have a written policy on these areas, it is recommended that you document your position so there is clarity for scheme members in the event of an enquiry. There is a template available for your completion which includes an explanation of each discretion. A copy of the employer discretion policy should be provided to the Pension Office within 30 working days of policy being formally agreed and should be reviewed annually thereafter.</p>
<p>Ill health</p>	<p>To have access to an independent medical practitioner qualified in occupational health medicine to advise on occupational health matters and consider ill health retirement applications.</p>	<p>On commencing participation in the scheme, ensuring arrangements are in place on an ongoing basis.</p>



<p>Publicise the scheme</p>	<p>Sources of information.</p> <p>Distribute information provided by the Admin Authority to scheme members/potential scheme members which is provided either directly from the Pensions Office or where notified through the website.</p>	<p>Signpost staff who are eligible to join the LGPS to information on the Nottinghamshire Pension Fund website – https://www.nottspf.org.uk/. All member documents can be found via the ‘Resources’ link from the home page.</p> <p>As the LGPS is a national scheme administered locally there is also a national website for members accessible at https://www.lgpsmember.org/index.php.</p> <p>Within 20 days of receipt or notification.</p>
<p>Member support</p>	<p>Support members with general LGPS issues.</p>	<p>Recognise that occupational pensions are a contractual requirement and an important aspect of the employer/employee relationship.</p> <p>Act as the first point of contact for the member in the event of queries and provide support and guidance on the scheme as necessary.</p>
<p>Retention of data</p>	<p>Retain membership data so you can respond to enquiries.</p>	<p>Retain membership data, including payroll records, so you can respond to enquiries from the Pensions Office. This includes retaining pay data for 13 years in cases where a member’s pay has been reduced or restricted.</p>
<p>Requests from the Fund</p>	<p>Respond to enquiries from the Pensions Office.</p>	<p>Within 10 working days.</p>

Member administration		
Action	Explanation	Employer duties / timing (where applicable)
New starters	Issue membership form and scheme guidance. New starters must be notified to the Pensions Office.	A new member of staff who is eligible for LGPS membership must be issued with a Pension Membership Form (LGPEN1) and a brief guide to the Local Government Pension Scheme (LGPEN12) on appointment.
Additional employments	Each job role requires an equivalent pension record.	A member of staff who takes on an additional job role and who is eligible for LGPS membership must be issued with a Pension Membership Form (LGPEN1) and a brief guide (LGPEN12).
Change in a member's details	Provide the Pension Office with details of personal and contract changes relating to members.	You should inform the Pensions Office when a member has a change in details as soon as possible after the change. This may be a change in name, marital status, address, scheme section (main or 50/50), contracted hours or leave of absence by completing form LGPEN51. If you have multiple changes to communicate, please contact the Employer Support and Compliance Team which will supply you with a spreadsheet template to collect the details.
Leavers	Provide scheme leavers details to the Pension Office.	If a member is leaving (but not retiring) you should provide the member with a leaver guide (LGPEN16) and complete leaver forms (LGPEN52 and LGPEN53) as at the leaving date.

Retirement	<p>Provide scheme leavers details to the Pensions Office.</p> <p>Where the employer has exercised a discretion to release a member's benefit there is likely to be a charge to the employer.</p>	<p>If a member is retiring, you should provide the member with a retirement pack (LGPEN19 and LGPEN22A) and complete leaver forms (LGPEN54 and LGPEN53) as at the retirement date.</p> <p>Employers are required to pay the full early retirement costs within one month of request.</p>
Deferred benefits into payment	<p>An employer may exercise a discretion to allow deferred benefits to be put into payment.</p>	<p>Each application should be considered on its merits. Where an application from a former member is on ill health grounds you are advised to seek the views of an Independent Registered Medical Practitioner. You may also release benefits on compassionate grounds. You should notify the member and the Pension Office of your decision.</p>
Death in service	<p>Provide details to the Pensions Office.</p>	<p>Notify the Pensions Office immediately of the death of a member by completing forms (LGPEN50 and LGPEN53).</p>
Ill health – third tier reviews	<p>Review of members in receipt of tier 3 benefits.</p>	<p>Undertake an 18-month review following the award of tier 3 benefits.</p>
Opt out	<p>Cease deduction of employee contributions where a scheme member opts to leave the scheme.</p>	<p>Month following month of election, or such later date specified by the scheme member. If the member has opted out within three months of becoming a member in that employment, you should repay any contributions deducted via your payroll. If the member has opted out after three months membership, then complete leaver forms (LGPEN52 and LGPEN53) at the leaving date.</p>

Auto re-enrolment	Enrol all eligible employees into the scheme in accordance with the auto-enrolment requirements of the Pensions Act 2008.	Auto re-enrol on each subsequent third anniversary of staging date. It is your responsibility to ensure that you are adhering to the legislation.
Contributions and returns		
Action	Explanation	Employer duties / timing (where applicable)
Member contribution banding	Employers are responsible for assessing and reassessing the contribution band that is allocated to a member. The employer must inform the member of the assessed contribution band on joining the scheme and when they have been reallocated to a different band.	Apply a contribution rate applicable to the annual pensionable pay that member is receiving in the pay period in which 1st April falls for that employment (or in the case of an active member whose membership commences after 1st April in any year, on the annual pensionable pay the member receives at the commencement of that membership). Where there is a change in employment, or a material change which affects the member's pensionable pay the employer may determine that a contribution rate from a different band should be applied and inform the member accordingly.
Main section / 50/50 section	A member may pay into the Main section of the scheme (default position) or the 50/50 section of the scheme (on election).	A member may give notice to pay reduced contributions by entering the 50/50 section of the scheme or to revert to the main section of the scheme. Action the member's notice from the next payment period and inform the Pensions Office by completing form LGPEN51. <i>Note: if a member in the 50/50 section of the scheme goes onto nil pay due to sickness or injury or passes the automatic re-enrolment date they should be moved back into the main section of the scheme.</i>



<p>Assumed Pensionable Pay</p>	<p>Ensure correct deduction of pension contributions during any period of reduced pay or nil pay due to sickness or injury, during relevant child-related leave or during reserve forces special leave.</p>	<p>Apply the provisions of scheme regulation 21 https://www.lgpsregs.org/schemeregs/lgpsregs2013/timeline.php#r21.</p> <p>Guidance is contained within the LGA Payroll guide accessible at https://www.lgpsregs.org/employer-resources/guidesetc.php</p> <p>For the avoidance of doubt, the member pays contributions based on actual pensionable pay and the employer pays contributions on the assumed pensionable pay.</p>
<p>Employer contributions</p>	<p>Employers must pay the employer contribution at the rate certified by the Fund Actuary.</p>	<p>Employers' contribution rates will vary. An actuarial valuation of the fund is undertaken every three years by the Fund Actuary. The actuary reviews the fund's assets and liabilities and assesses the appropriate contribution rate and deficit payment (if applicable) for each employer for the subsequent three years. You must apply the employer contribution rate as certified by the Fund Actuary on joining the Fund and subsequently as stated within the Rates and Adjustment certificate as part of each subsequent triennial fund valuation and / or any inter-valuation assessment. The employer rate applies to the gross pensionable pay (for the avoidance of doubt, the employer pays full contributions irrespective of whether the member is in the main section or the 50/50 section of the scheme).</p>

<p>Contribution pay overs</p>	<p>Employers are responsible for paying over both employee and employer contributions each month. You may have an external provider who will do this on your behalf, however it is ultimately an employer responsibility to ensure deductions are made correctly and submitted in a timely and accurate manner.</p>	<p>Payment should be sent to the Fund’s bank account so that it reaches us by the 17th of the month following deduction.</p> <p>Payments should be sent via BACS using the narrative ‘cost centre – employer name’ (you will have been informed of your cost centre at the point employer access was confirmed).</p> <p>When you submit the contributions, you must also submit a LGPEN58 via email to our Income Team income@nottscc.gov.uk. This will ensure the payment is reconciled and coded correctly.</p> <p>In accordance with the LGPS regulations, the Nottinghamshire Pension Fund reserves the right to charge interest on any amount overdue from an employer.</p>
<p>Additional Pension contributions</p>	<p>Notify employees of the options available to pay additional contributions to cover benefits that have been reduced or lost due to periods of absence.</p> <p>Commence/amend/cease deductions.</p>	<p>Member elections to purchase lost pension during a period of authorised unpaid leave must be made within 30 days of returning to employment (or a longer period as permitted by the employer). Employers must provide details of the options available to employees, allowing sufficient time for an employee election to be made.</p> <p>Member elections, with supporting documents if necessary, should be sent to the Pensions Office for review in advance of deduction. The Pensions Office will instruct the employer when to start making deductions, or amend such deductions, as appropriate.</p>

Member AVC contributions	If a member elects to pay in-house Additional Voluntary Contributions the employer must deduct and handover the contributions to the in-house provider.	Pay over the AVC contributions direct to the AVC provider (in-house providers are currently the Prudential or Scottish Widows) in accordance with instructions you will have received at the point of set-up. If a member opts out of the LGPS you should cease deduction of the AVC.
Member historic contribution elections	Apply historic contribution elections.	Continue to deduct contributions relating to a member's historic election for the period of the election. The scheme regulations have changed over the years so the available options to increase benefits have also changed. These elections (which may include Additional Regular Contributions, Added Years Contributions and Part Time Buy Back elections) should be honoured for the duration of the contract period. Employers will have been informed of the contract period at the point the contract was entered into.
Year-end return	Provide scheme year-end data.	Send a completed end of year contribution return to enable the production of annual benefit statements, annual allowance and lifetime allowance calculations. Employer briefings are held in early March each year and written guidance and data templates are sent to each employer by the end of March each year.
Benefit estimates		
Action	Explanation	Employer duties / timing (where applicable)
Employee estimates	A member may request a benefit estimate for financial planning purposes.	A member may request an estimate of benefits by completing section A of form LGPEN103. The member should send the form to the employer for completion of section B.

Employer estimates	The employer may request an estimate for a member when considering the application of an employer discretion.	An employer may request an estimate of benefits by completing form LGPEN55.
Annual benefit statements	Benefit illustrations for members	The Fund will issue Annual Benefit Statements to active members by 31 st August in each scheme year. The statements contain pay information supplied by the employer within the year-end submission. Members will contact their employer in the event of any pay related queries.
Service changes		
Action	Explanation	Employer duties / timing (where applicable)
Re-organisations	<p>Inform the Pensions Office of any planned service provision changes or re-organisations at the earliest opportunity in advance of any change taking effect.</p> <p>Note: there may be financial risk management issues for the employer to consider as part of a service transfer.</p>	<p>Notify the Employer Support and Compliance Team of any service provision change or re-organisation planned – such changes may lead to a new employer requiring access to the Fund. This includes the transfer of staff (in or out), mergers with other employer bodies or any other organisation change that may affect the employer’s LGPS membership.</p> <p>Where the employer is planning to contract out a service function the employer must work with the Employer Support and Compliance Team to ensure appropriate pension protection is in place for transferring staff.</p>



Employer exits	Notify the Pensions Office where the number of active members is in irreversible decline or where the employer is considering ceasing participation in the Fund.	If the number of active members is in decline this may be a signpost to the future employer closure. Contact with the Employer Support and Compliance Team will enable appropriate planning to ease the transfer into non-employer status. If your final active member is to leave employment or opt out of the Fund, then please notify us at the earliest opportunity. In the absence of active members, a closure of the employer within the Fund may be triggered.
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