

**Agenda Item No. 4 (b)**

**DERBYSHIRE COUNTY COUNCIL  
PENSIONS AND INVESTMENTS COMMITTEE**

**31 July 2019**

**Report of the Director of Finance and ICT**

**PENSION ADMINISTRATION STRATEGY**

**1 Purpose of the Report**

To seek approval for the draft Pension Administration Strategy 2019 attached as Appendix 1.

**2 Background**

Derbyshire Pension Fund (the Fund) is committed to working efficiently and effectively with its employing authorities to provide a high quality pension administration service to all the contributing Local Government Pension Scheme (LGPS) members in Derbyshire.

To support this aim, the Fund maintains a Pension Administration Strategy (the Strategy), in line with Regulation 59 of the LGPS Regulations 2013, which is reviewed and revised annually. The Strategy sets out the roles and the service standards to be achieved by Derbyshire County Council, as the administering authority of the Fund, and by the participating employers to enable the efficient administration of Fund members' records. It also includes details of how administrative underperformance by employers will be monitored and managed.

The Strategy was last approved by the Pensions and Investments Committee in January 2018. Minor amendments have been made to the previous version, and are wholly concerned with updating the document to reflect recent developments such as the implementation of the Altair pension administration system.

There are no revisions this year to the substantive aspects of the Strategy, which are the employing authority and administering authority performance targets, and the arrangements for the management of employer underperformance. The necessary reports for measuring certain of the administering authority performance targets are currently being developed on

the new pension administration system. The administering authority performance targets will be reviewed once the new system is fully established.

As no material changes to the Strategy are proposed, it is not intended that employers will be consulted on this update. The Pension Administration Strategy will be circulated to all participating employers and posted on the Fund's website.

### **3. Financial Considerations**

None.

### **4. Other Considerations**

In preparing this report the relevance of the following further factors has been considered: legal, human rights, human resources, equality and diversity, health, environmental, transport, property and prevention of crime and disorder.

### **5. Officer's Recommendation**

That the Committee:-

Approves the draft Pension Administration Strategy 2019 attached as Appendix 1.

**Peter Handford**  
**Director of Finance and ICT**

**DERBYSHIRE  
PENSION  
FUND**

**PENSION  
ADMINISTRATION  
STRATEGY  
2019**

# Introduction

This is the **Pension Administration Strategy** (the Strategy) of Derbyshire Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by Derbyshire County Council (the administering authority).

The LGPS is a statutory scheme and governed by regulations. The current regulations relating to administration are The Local Government Pension Scheme Regulations 2013 (as amended).

In discharging their roles and responsibilities under these regulations, the administering authority and the Fund's employers are required to comply with any relevant overriding legislation and recognise any regulatory guidance or Code of Practice issued by The Pensions Regulator.

The legal context for this Strategy is **Regulation 59 of The Local Government Pension Scheme Regulations 2013** which allows administering authorities the opportunity to prepare a Pension Administration Strategy.

The Strategy sets out the standards of performance and best practice that the administering authority and its employers should aim to meet when carrying out their scheme functions.

The Pensions Administration Strategy is reviewed annually and will be revised to reflect changes to LGPS regulations, policies determined by the administering authority, or administrative practices executed by the Fund and its employers in fulfilling its functions.

A copy of this strategy is issued to each of the relevant employers as well as to the Secretary of State and it is published on the Pension Fund's website [www.derbyshirepensionfund.org.uk](http://www.derbyshirepensionfund.org.uk).

## Aims of the Strategy

The aims of this Pension Administration Strategy are to:

- Support the provision of a high quality pension service to Fund members
- Clearly set out the respective roles and responsibilities of the administering authority and scheme employers
- Ensure that the Fund operates in accordance with LGPS regulations and Codes of Practice issued by The Pensions Regulator
- Set out the quality and performance standards expected of the administering authority and its scheme employers in relation to each other
- Promote good working relationships and improve efficiency between the administering authority and its scheme employers for the benefit of Fund members
- Provide a framework to enable administration costs relating to significant employer underperformance to be met directly by the employer responsible, rather than shared across all the employers in the Fund\*

*(\* Regulation 70 of the 2013 LGPS Regulations permits the recovery of additional costs from an employer where its level of performance has caused additional costs to the Fund.)*

The efficient delivery of the benefits of the scheme is dependent upon effective administrative procedures being in place between the administering authority and scheme employers, principally the timely exchange of accurate information in relation to scheme members.

This strategy sets out the expected levels of performance of the administering authority and the scheme employers and provides details about the monitoring of performance levels.

The strategy will be kept under review and updated as required to reflect changes in scheme regulations and Fund working practices.

## **Record keeping**

Record-keeping is a fundamental part of running a scheme such as the LGPS, and Funds and their employers have a legal obligation to collate and maintain certain data which is key to managing the scheme.

Derbyshire Pension Fund must be able to demonstrate that it keeps accurate, up-to-date and long-term records, within the parameters of data protection legislation, so it can govern and administer the pension scheme efficiently for all scheme members.

Employers provide the core data needed by the Fund and must ensure that they are meeting their legal obligations to the scheme.

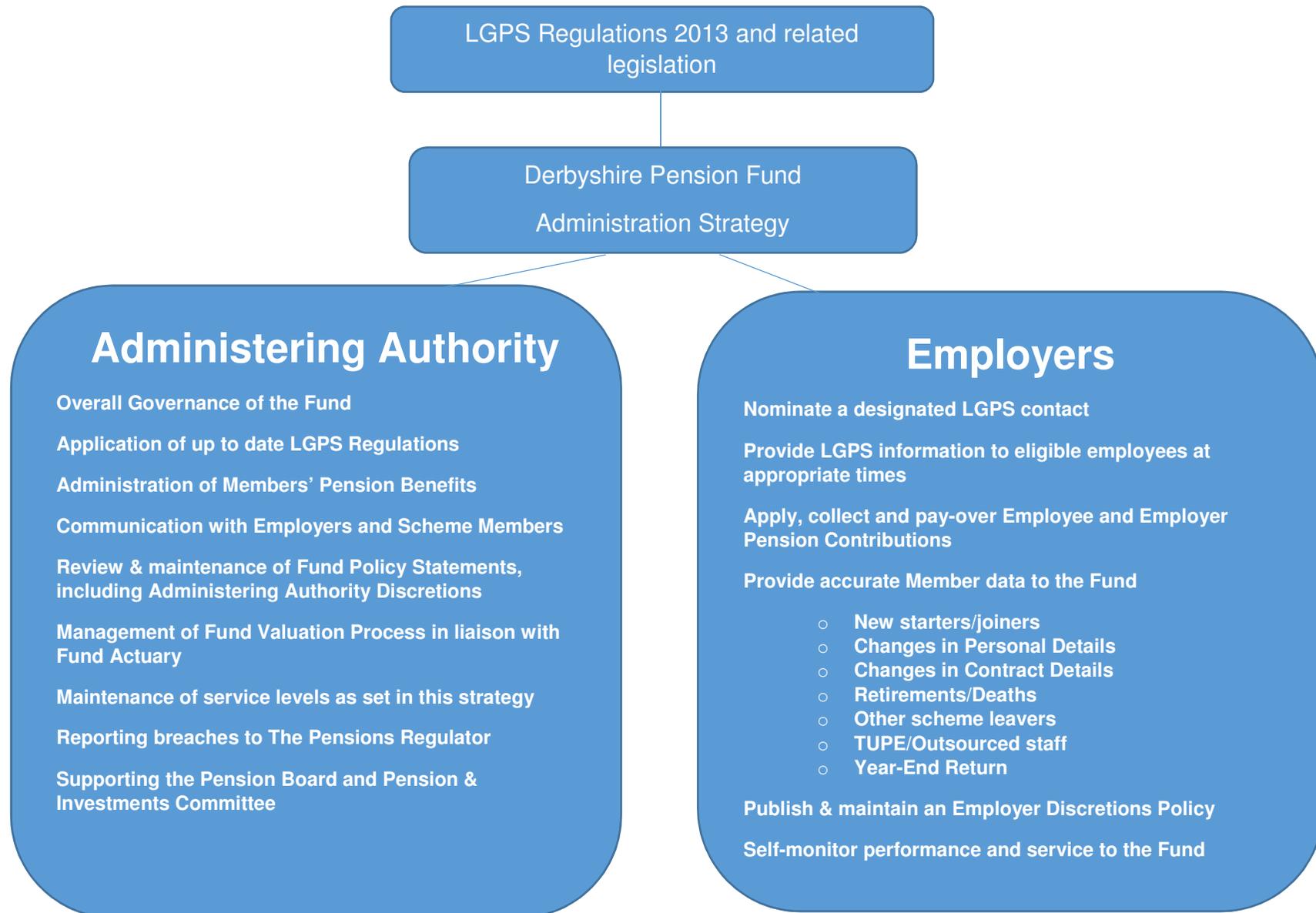
The Fund has a legal duty to provide its members with accurate and timely information about their benefits, which it cannot do without the core data from employers.

Consequently, the working partnership between the Fund and employers is key in the successful ongoing administration of the scheme. This document describes how the Fund supports employers in meeting their responsibilities, and also how the cost of underperformance on the part of one employer is to be charged to that employer, rather than borne by all.

If employers have concerns about the data they provide, they should contact the Fund without delay. This will allow the Fund to work with employers to resolve any issues and enable both parties to meet their requirements for the benefit of scheme members.

Where an employer declines to work with the Fund to resolve problems and consistently fails to meet its responsibilities under the LGPS Regulations, the Fund (or stakeholders such as the Pensions Board) has a duty to report that employer to The Pensions Regulator, who has the power to tackle such breaches.

# Roles and Responsibilities – Overview



# Roles and Responsibilities

The aims of the strategy set out above will be achieved by:

- Clearly defining the respective roles of scheme employers and the administering authority
- Setting clear and achievable standards of service levels for the functions carried out by scheme employers and the administering authority
- Setting out clear procedural guidance for the secure and effective exchange of information between scheme employers and the administering authority
- Monitoring service delivery, identifying poor performance and establishing a platform for the provision of support to improve performance where required
- Applying additional charges where an employer consistently fails to meet deadlines to ensure the resulting additional administrative strain is not a burden on all employers

## The Employer's Roles and Responsibilities

The key responsibilities for the employer are to:

- **Communicate** the LGPS to eligible staff
- **Apply** the scheme via the collection and payment of the correct levels of pension contributions
- **Report** information and data to the Pension Fund as set out in this Strategy

A guide to the employer's roles and responsibilities is set out in **Appendix 1**. The guide includes a summary of duties which defines the main functions of the employer role which, in turn, enables the Pension Fund to deliver an efficient, accurate and high quality pension service to scheme members.

## The Administering Authority's Roles and Responsibilities

The key responsibilities for the administering authority are to:

- Administer the LGPS in respect of all scheme members (Active, Deferred and Pensioner members) in accordance with this Strategy
- Maintain and review the Fund's Statements, Policies and Reports and all other matters relating to the governance of the scheme
- Communicate and engage with employers on LGPS matters
- Provide support/training to scheme employers
- Maintain and develop an effective web presence for the benefit of members and scheme employers

A guide to the administering authority's main roles and responsibilities are set out in **Appendix 2**.

The list of functions, which concentrates on the main roles, rather than being an exhaustive list, sets out the key areas which involve interaction and liaison with scheme employers and/or scheme members.

## **New Pension Administration System**

The administering authority implemented a new Pension Administration System in March 2019 following a review of the effectiveness of the previous system.

The move to a new system will support the authority's goals of:

- achieving prompt and accurate delivery of benefits to Fund members
- providing on-line services to Fund members
- improving the efficiency and security of data transmission from employer

## **Performance Monitoring**

### **Approach to managing performance**

The responsibility for ensuring compliance with the LGPS regulations and this Pension Administration Strategy sits with the administering authority and the scheme employers. This section describes the ways in which performance and compliance will be monitored, how the costs of underperformance will be addressed, and the scale of the potential charges.

The Fund and scheme employers must aim to ensure that all functions and tasks are carried out to the agreed quality standards set out in this Strategy. The Fund will, on a regular basis, monitor, measure and report on the Fund's and scheme employers' compliance with the agreed service standards outlined in this document.

The Fund will undertake a formal review of performance against this strategy on an annual basis and liaise with employers in relation to any concerns on performance.

The Fund monitors its own performance against internal key performance indicators. Monitoring is carried out on a monthly basis and is reported to the Pensions and Investments Committee (the Committee) and Derbyshire Pension Board (the Board) on a quarterly basis.

The performance of scheme employers against the standards set out in this document are incorporated into the reporting to the Committee and Board, as appropriate, including data quality.

The Fund will also regularly report back to employers about their individual performance, identifying any areas for improvement including outstanding data items.

### **Policy on charging for employer underperformance**

The LGPS regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the underperformance of that scheme employer.

The Fund has worked to support employers to be able to deal with the increased complexity of the data that they are required to provide. This has included site visits, training events, electronic newsletters, and guidance and information on the Fund's website. In addition, all employers were invited to respond to a questionnaire in 2017 which asked for views on the charging of underperforming employers.

The overwhelming response from employers was that the additional administration costs generated by the underperformance of one employer should be met directly by that employer, rather than shared across all employers in the fund.

As a result the Fund's Administration Team now monitors any additional costs incurred in the administration of the scheme as a direct result of underperformance in respect of the following measurable indicators.

- Late, poor quality or non-submission of the Year-End Return
- Late, poor quality or non-submission of monthly contributions and/or Form CR1 (Contributions Return)
- Late, poor quality or non-reporting of information relating to in-service deaths

Further to this, in the area of day- to- day administration, such as the notification of starters and leavers to and from the Fund, cost monitoring will be applied where it becomes apparent that employer underperformance may be an issue.

The potential underperformance charge to a relevant employer would be:

<p><b>Payment of Monthly contributions and Form CR1</b></p>	<p>Where an employer submits a third late payment or Form CR1 within a 12 month period,</p> <ul style="list-style-type: none"> <li>- 3<sup>rd</sup> late payment – £250</li> <li>- 4<sup>th</sup> late payment - £500</li> <li>- 5<sup>th</sup> and subsequent late payments - £750 each time</li> </ul>
<p><b>Submission of Year-End Return</b></p>	<p>Where an employer submits a late Year-End Return, the administrative cost for each working day that the return is late is £5 per member. So, an employer with 30 scheme members to report that submits their Year-End Return 2 weeks late may incur an administrative charge of £1,500.</p>
<p><b>Reporting of in-service deaths</b></p>	<p>Where an employer does not report the death in service of an active member to the Pension Fund, the extra administration cost increases the longer the delay, as follows;</p> <ul style="list-style-type: none"> <li>- More than 30 days following death - £100</li> <li>- 31 to 99 days - £250</li> <li>- 100 to 199 days - £500</li> <li>- More than 199 days – £1,000</li> </ul>

Where underperformance occurs in relation to administration requirements and no improvement is demonstrated by an employer, and/or willingness is shown by the employer to work with the Fund's Administration Team to resolve the identified issue(s) the Fund will:

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards, offer support and, where applicable, request attendance at a training/coaching session.
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the scheme employer, or no response is received to the initial letter, the scheme employer will be asked to attend a meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an

action plan to address them. Where appropriate in respect of Admission Bodies, the originating employer will be informed and expected to work with the Fund to resolve the issues.

- If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out:
  - the area(s) of non-compliance with performance standards that have been identified,
  - the steps taken to resolve those area(s);
  - how the underperformance contributed to the additional cost,
  - the amount of the additional cost incurred, and
  - provide notice that the additional costs incurred by the Fund as a direct result of the employer's poor performance will now be reclaimed.
- An invoice will then be issued to the scheme employer clearly setting out the calculations of any loss resulting to the Fund, or additional cost, taking account of time and resources in resolving the specific area(s) of poor performance, in accordance with the charging scale set out in this document.
- A report will be presented to the Pensions and Investments Committee and the Pension Board meeting detailing charges levied against scheme employers and outstanding payments.
- If poor performance continues, and impacts the Fund's ability to perform statutory functions and/or measures are not being taken by the employer to address this, the Fund will consider reporting the employer to The Pension Regulator.
- Where it is necessary to ensure that Fund members' benefits are not delayed unduly as a result of employer underperformance in providing the required information, the Fund reserves the right to calculate and pay benefits based on the best information available. The basis of the calculation will be explained to the Fund member and employer in each case, and further to completing the process above, the costs of additional administration caused by the need for a subsequent revision of benefits will be charged to the employer.

Where an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged accordingly.

This includes charges and recharges levied in respect of cost recovery.

### **Feedback from Employers**

Employers who wish to provide feedback on the performance of the Fund against the standards in this administration strategy, as set out in Appendix B, should send their comments to:

[pensions.regs@derbyshire.gov.uk](mailto:pensions.regs@derbyshire.gov.uk)

Any feedback received will be incorporated into the quarterly reports provided to the Pensions and Investments Committee and the Pension Board.

# Appendix 1: The Employer's Role

The delivery of an efficient and cost effective administration is dependent upon a successful joint working partnership between the Pension Fund and key individuals within or representing the scheme employer.

To support and nurture the joint working partnership with the Fund, each Employer is asked to designate a primary contact for liaison with the Pension Fund with regard to their employer responsibilities in the administration of the scheme.

The key employer responsibilities are to:

- Ensure that the standards and levels of service set out in this Administration Strategy are delivered and regulatory responsibility is complied with.  
In brief summary, the main elements are:
  - Monthly Payment of Contributions and **Form CR1**
  - Accurate submission of **Year-End Return**
  - New Starter/Joiner Information (**Form S1** or spreadsheet submission arranged with the Fund)
  - Changes to Personal Details (**Form C1**)
  - Changes to Employment Details (**Form C2**)
  - Unpaid absence details (**Form C3**)
  - Leaver Notifications (**Form L1**)
  - Provision of evidence supporting employer's pension-related decisions (eg Ill-Health Retirements, Flexible Retirement, Redundancy, the early release of benefits to deferred members on compassionate or ill-health grounds etc)
- Channel communications to appropriate staff within the employer - for example, Human Resources, Payroll teams, Directors of Finance.
- Arrange distribution of communications literature to scheme members as and when required.
- Assist and liaise with the Fund on promotional activities.
- Inform the Fund of any outsourcings of service which involve TUPE transfers as soon as possible to ensure that appropriate pensions information can be included in tender documentation.
- Inform the Fund of changes to service delivery arrangements (eg changing payroll provider)
- Liaise with, and assist the Administering Authority in the identification, explanation, reporting and resolution of statutory breaches, as required by the Pensions Regulator's Code of Practice for public sector pension scheme (code of practice 14)

# Performance Standards

This section outlines the detailed responsibilities of each scheme employer in the Fund and the performance standards employers are expected to achieve to enable the Fund to deliver an efficient service.

**The performance standards expected are expressed as targets i.e. the level of performance expected in normal circumstances. It is accepted that, on an exception basis, it may not be possible to achieve the target indicated and a pragmatic approach will be adopted, subject to employers using their best endeavours to meet expected standards wherever possible.**

## A. Scheme Governance and Administration

This section details the functions which relate to overall governance and administration, rather than functions that relate to individual scheme members' benefits.

### 1. Employer contacts

Function / Role	Performance Target
<b>Main Contact</b>	
Nominate a named primary contact to liaise with the Fund.	Within <b>1 month</b> of employer joining fund or change to nominated representative.
<b>All Authorised Contacts</b>	
Designate and confirm other nominated representative(s) (e.g. Payroll, HR, Finance) to act on behalf of the employer in respect of administering the LGPS by submitting the Fund's Authorised Signatory (AS) form. (AS forms available from the Fund)	Within <b>1 month</b> of becoming a scheme employer or within <b>1 month</b> of a change in nominated representative(s).
<b>Appeals Adjudicator</b>	
Appoint a person to consider appeals under Stage 1 of the Applications for the Adjudication of Disagreements Procedure (AADP) and provide full, up to date contact details to the Fund.	Within <b>1 month</b> of becoming a scheme employer or within <b>1 month</b> of a change in adjudicator.
<b>Independent Registered Medical Practitioner</b>	
Appoint an Independent Registered Medical Practitioner(s) (IRMP) qualified in occupational health medicine, or arrange with a third party, and seek approval of the appointment from the Fund, for the consideration of all ill-health retirement applications from active and deferred members.	Within <b>1 month</b> of becoming a scheme employer or within <b>1 month</b> of a change in IRMP(s).

### 2. Preparing an Employer Discretions Policy

Function / Role	Performance Target
Formulate and publish policies in relation to all areas where the employer may exercise a discretion within the LGPS	To be kept under review and a revised statement published within <b>1 month</b> of any changes and no later than 6 months after being

(including providing a copy of the policy document to the Fund).	informed by the Fund of any relevant change in regulations.
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### 3. Pension Contributions

Function / Role	Performance Target
<b>The Employer's Rate</b>	
Apply the employer contribution rate agreed with the Fund on becoming a scheme employer and adjust as instructed by the Fund from a date determined by the Fund.	Immediately on receipt of information from the Fund effective from a date determined by the Fund following advice from the scheme actuary.
<b>The Employee's Rate</b>	
Calculate and review the correct employee contribution rate band for all members at commencement and on 1 <sup>st</sup> April each year. Also to be reviewed at intervals during the year at the employer's discretion.	Immediately on commencement, on <b>1<sup>st</sup> April</b> each year and as per the employer's discretionary policy on adjusting the employee's contribution rate at intervals during the year.
<b>Assumed Pensionable Pay</b>	
Ensure the correct application of Assumed Pensionable Pay (APP) during periods of reduced/nil pay in accordance with the LGA's HR & Payroll Guides.	Review of eligibility for APP immediately upon a member moving to reduced/nil pay.
<b>Payment to the Fund</b>	
Remit Employee, Employer and any Additional contributions <u>and</u> submit the Contributions Report Form (CR1) to the Fund.	By the <b>19<sup>th</sup></b> of the month after collection from pay.
<b>Payment of AVCs</b>	
Remit Additional Voluntary Contributions (AVCs) <b>to the AVC provider(s)</b> .	By the <b>19<sup>th</sup></b> of the month following the collection from pay.

### 4. Year-End Return

Function / Role	Performance Target
<b>Completing the Year-End Return</b>	
Provide a fully reconciled and completed Year-End Return to the Fund in the format stipulated in the instructions issued each February.	By <b>19<sup>th</sup> April</b> following the year-end unless employers are notified of an alternative date by the Fund.
To ensure optimum accuracy of year-end information.	With no less than 90% accuracy across all members.
<b>Queries from the Year-End Return</b>	
To resolve all queries returned from the Year-End Return.	To respond fully to all queries from the Fund within <b>3 weeks</b> of receipt of the query. In circumstances where an employer submits a late year-end return limiting the Fund's time to complete its duties, the timescales may be reduced, as advised by the Fund.

## 5. Communications

Function / Role	Advised Performance Target
<b>LGPS content in Contracts</b>	
Ensure Fund- approved LGPS content is included in all contract/appointment/adjustment communications for LGPS-eligible positions including direction to the Fund's web presence.	Review LGPS content annually or within <b>2 weeks</b> of receipt of information about adjustment to Fund approved wording.
<b>Fund Communications to Scheme Members</b>	
Distribute any information provided by the Fund to scheme members/potential scheme members.	Within <b>2 weeks</b> of its receipt.
Refer new/prospective scheme members to the Fund's website.	Within <b>2 weeks</b> of commencement of employment or change in contractual conditions.

## 6. Appeals

Function / Role	Performance Target
<b>AADP Stage 1 Appeals</b>	
The Employer's Adjudicator to notify the Fund of the receipt of a Stage 1 appeal via AADP.	Within <b>1 week</b> of receipt of the appeal.
The Employer's Adjudicator to notify the Fund of the decision in respect of an appeal at Stage 1 of AADP.	Within <b>1 week</b> of the decision.

## 7. Outsourcing/TUPE arrangements

Function / Role	Performance Target
Notify the Fund of contracting out of services which will involve a TUPE transfer of LGPS eligible staff to another organisation to enable LGPS information to be provided to potential contractors.	At the point of deciding to tender.
Notify the Fund of lead strategic and operational officers in respect of outsourcing of service provision where a prospective contractor may request to join the Fund as a result of re-organisation or TUPE transfer.	At commencement of the review.
Work with Fund Officers to arrange for the admission of a contractor as a new employer in the Fund	A minimum of <b>2 months</b> in advance of the date of contract
Notify the Fund of changes/extension/cessation of arrangements with a contractor	As soon as decision is agreed
Assist the Pension Fund in ensuring that the terms of the contractor's admission as a scheme employer (Admission Agreement) are complied with	Notify the Pension Fund if the terms of the Admission Agreement have been breached

## 8. Strain/Shortfall Payments to the Pension Fund

Function / Role	Performance Target
Make strain/shortfall payments to the Fund in respect of early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent.	<b>Immediate</b> payment upon receipt of invoice from the Fund.
Remit recharge payments in respect of pension members – e.g Discretionary Compensation/Enhancement	<b>Immediate</b> payment upon receipt of invoice from the Fund.

## 9. Miscellaneous

Function / Role	Performance Target
Payments in respect of FRS102 and IAS19 work carried out on behalf of Employers by the Fund and the Fund Actuary	<b>Immediate</b> payment upon receipt of invoice from the Fund.
Payments in respect of all other work carried out on behalf of the Employer by the Fund's Actuary and connected data quality assurance undertaken by the Fund	<b>Immediate</b> payment upon receipt of invoice from the Fund.
Prompt payment of invoices issued by the Fund for specific services provided.	<b>Immediate</b> payment upon receipt of invoice from the Fund.
Respond to enquiries from the Fund.	Within <b>2 weeks</b> from receipt of the enquiry.
Make payment of additional costs to the Fund associated with non-compliance with performance standards of the scheme employer.	<b>Immediate</b> payment upon receipt of invoice from the Fund.
Respond to enquiries from the Fund relating to Breaches of the Law.	Within <b>1 week</b> of the request.

## A. Individual Member Administration

This section details the functions which relate to scheme member benefits from the LGPS.

### 1. New Starters

Function / Role	Performance Target
<b>Contract Wording</b>	
Ensure DPF approved content relating to pensions is included in all contract/appointment communications for LGPS-eligible positions including direction to the Fund's web presence.	As part of standard contract/appointment templates.
<b>Applying contributions</b>	
Ensure that the correct percentage and banding for employee's LGPS contributions is applied to the new joiners pay record.	From date of commencement or joining the scheme.
<b>Notifying the Fund</b>	

Notify the Fund of new scheme joiners via secure data transfer, new joiner spreadsheet or the individual <b>S1 Starter form</b> .	Within <b>1 month</b> of member's entry into the scheme via contractual enrolment, auto-enrolment, re-enrolment date or election to join.
Liaise with the Fund before any change in method of submitting starter details.	Prior to change.

## 2. Additional Pension Contributions (APCs)

Function / Role	Performance Target
<b>Notification to member of APC option</b>	
Ensure members are notified of the option to pay Additional Pension Contributions following absences not covered by APP.	Within <b>2 weeks</b> of the return to work.
<b>Application of Additional Contributions</b>	
Apply/adjust/cease the deduction of Additional Pension Contributions following an APC application from a scheme member.	In the month following receipt of election from scheme member or notification from the Fund.

## 3. Additional Voluntary Contributions (AVCs)

Function / Role	Performance Target
Arrange for the deduction of AVCs from scheme member's pay following election <i>Note: AVCs must be paid over to the AVC Provider by 19<sup>th</sup> of the following month as per Appendix A – Section 2 Part i (3)</i>	Commence deduction of AVCs in month following the month of election, as advised by Fund/AVC Provider

## 4. Changes to Personal Details

Function / Role	Performance Target
Notify the Fund of changes in employees' personal details via the individual <b>C1. Change of Personal Details Form</b> . <ul style="list-style-type: none"> <li>• Change of Name</li> <li>• Change of Address</li> <li>• Correction of Date of Birth/NI number</li> <li>• Change of Marital / Civil Partnership Status</li> </ul>	Within <b>1 month</b> of the event or receipt of information.

## 5. Changes to Employment Details

Function / Role	Performance Target
Notify the Fund of Changes in Employment Details via the individual <b>C2 Change of Employment Details Form</b> where required, including movement in and out of the 50/50 scheme, changes in hours etc.	Within <b>1 month</b> of the event or receipt of information.

## 6. Notification of Unpaid Absences

Function / Role	Performance Target
Notify the Fund of periods of unpaid absence not covered by Assumed Pensionable Pay (APP) via the <b>C3 Unpaid Absence Form</b> .	Within <b>2 months</b> of the event or receipt of information.

## 7. Opt-Outs

Function / Role	Performance Target
<b>Contributions</b>	
Apply an election to opt out of the LGPS to the member's payroll record.	From the 1 <sup>st</sup> of the month for the next available payroll. <i>Except...where an opt-out is made within 3 months of an employee joining the scheme. In such cases the opt-out is backdated to the joining date and all contributions refunded directly.</i>
<b>Notification to the Fund</b>	
Notify the Fund via the Scheme Leaver Notification <b>Form L1</b> .	Within <b>1 month</b> of the opt-out date. <i>Except...where the opt-out is made within 3 months and is backdated to the start date, an <b>L1 must still be submitted</b> showing the scheme leaving date as the first date of employment.</i>

## 8. Notification of Leaver

Function / Role	Performance Target
<b>Leaver Notification</b>	
Notify the Fund of all scheme leavers via the individual <b>L1 Leaver Notification Form</b> , <i>(including optants-out where the member remains in employment)</i> .	Within <b>1 month</b> of date of leaving/opt out date.
As part of the L1 Leaver Notification Form, accurately determine the Final Pensionable Pay for all cases where the member had LGPS membership before 1 <sup>st</sup> April 2014.	As part of the completion of the <b>L1</b> .
<b>Retirements</b>	
Notify the Fund via Form L1 when a member is due to retire including an accurate assessment of final pay and authorisation of reason for retirement <i>(including Flexible Retirements where the member remains in employment)</i> .	<ul style="list-style-type: none"> <li>For members in receipt of <b>regular</b> pay where the employer can accurately project pay to the date of retirement, up to <b>1 month</b> prior.</li> <li>For members in receipt of <b>variable</b> pay, within <b>1 week</b> of finalising the member's last contractual pay.</li> </ul>
<b>Terminal Illness/Deaths</b>	
Notify the Fund of the Death of an Employee and provide Next of Kin details via Leaver Notification Form L1.	Provide an initial notification within <b>3 working days</b> of the employer being informed of the death of the employee.
<b>Advisory Note</b>	<i>As soon as practicable following receipt of information about the terminal illness.</i>

Where an employee is suffering from a <b>Terminal Illness</b> and limited life expectancy, employers should contact the Fund for guidance without delay.	
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## 9. Appeals

Function / Role	Performance Target
The employer's adjudicator to acknowledge and determine appeals against the employer at Stage 1 of AADP in accordance with <i>The Local Government Pension Scheme Regulations 2013</i> (Regs 74 & 75).	Acknowledgment – Immediately Decision – Within 2 months of receipt of the appeal.

## Appendix 2: The Administering Authority's Role

This section outlines the key responsibilities of Derbyshire County Council as the administering authority for Derbyshire Pension Fund and the performance standards which scheme employers and scheme members should expect. It is focussed on the key activities which involve interaction with scheme employers and/or scheme members and should not be viewed as an exhaustive list.

### A. Scheme Governance and Administration

This section details the functions which relate to overall governance and administration of the whole Fund, rather than functions that relate to individual scheme members' benefits.

#### 1. Fund Policies and Strategies

Function/Task	Performance target
Publish and keep under review the <b>Pensions Administration Strategy</b> .	To review <b>annually</b> or earlier where material changes to regulation, policy or process impacts on the Strategy, and consult with employers prior to publication.
Publish, and keep under review, the Fund's <b>Governance Policy and Compliance Statement</b> .	By <b>30 September</b> , following the year-end as part of the Fund's annual report and accounts, or within 1 month of the policy being agreed/amended by the Pensions and Investments Committee
Publish, and keep under review, the Fund's <b>Funding Strategy Statement</b> .	To be reviewed at each <b>triennial</b> valuation (or whenever there is a material change in either the policy or the Investment Strategy Statement) following consultation with scheme employers and the Fund's actuary. Revised statement to be published by <b>31 March</b> following valuation date or as required.
Publish the Fund's <b>Annual Statement of Accounts</b> .	By <b>30 September</b> following the year-end as part of the Fund's annual report and accounts or following the issue of the auditor's opinion.
Publish the Fund's <b>Annual Report</b> .	By <b>30 September</b> following the year-end or following the issue of the auditor's opinion.
Publish, and keep under review, the Fund's <b>Communication Policy Statement</b> .	By <b>30 September</b> , following the year-end, as part of the Fund's annual report and accounts, or within 1 month of the policy being agreed by the Pensions and Investments Committee.
Formulate and publish policies in relation to areas where the Administering Authority may exercise a <b>discretion</b> within the scheme and keep under review.	Annual Review and publish within <b>1 month</b> of any changes being agreed by the Pensions and Investments Committee.

#### 2. Fund Communications - Employers

Function/Task	Performance target
Provide scheme employers with information and guidance for the Year-End Return (including where applicable, the annual spreadsheet).	No later than <b>28 February</b> before the year-end.
Publish and keep up to date all forms required for completion by scheme employers.	Within <b>1 month</b> of any revision.

Notify scheme employers of changes to key scheme rules.	Within <b>1 month</b> of the change(s) coming into effect.
Host meetings for all scheme employers.	At least <b>1 per year</b> .
Provide training for new scheme employers.	All new employers invited to a training session within <b>3 months</b> of becoming a scheme employer
Provide an ongoing programme of refresher or subject specific training or meetings with Scheme employers.	As required.
Provision of a newsletter/briefing note to scheme employers.	At least <b>quarterly</b> .
Notify a scheme employer of issues relating to its non-compliance with performance standards.	Within <b>1 month</b> of a performance issue becoming apparent.
Notify a scheme employer of decisions to recover additional costs associated with the scheme employer's poor performance (including any interest that may be due).	Within <b>1 month</b> of scheme employer failure to improve performance, as agreed.

### 3. Fund Communications – Scheme Members

Function/Task	Performance target
Publish and keep up to date all forms required for completion by scheme members or prospective scheme members.	Within <b>1 month</b> of any revision.
Issue Annual Benefit Statements to active and deferred members as at 31 March each year.	By <b>31 August</b> following the year-end.
Arrange information sessions for scheme members.	At least <b>1 programme</b> of sessions per year
Issue Pension Saving Statements each year to scheme members who have exceeded their Annual Allowance.	By <b>6<sup>th</sup> October</b> , subject to the scheme employer having provided all required information.

### 4. Contributions

Function/Task	Performance target
Consult with employers on the outcome of the triennial Fund valuation.	At least <b>2 months</b> before the issue of the final Rates and Adjustments Certificate.
Issue formal valuation results to individual scheme employer following the triennial Fund Valuation.	No later than <b>1 month</b> before the issue of the final Rates and Adjustments Certificate

Notify new scheme employers of their contribution requirements.	Within <b>2 months</b> of joining the Fund (see Section 5 – Scheme Employer Admissions and Cessations)
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## 5. Scheme Employer Admissions and Cessations

Function/Task	Performance target
Process the admission of new scheme employers into the Fund including signed admission agreements where required, and issuing the scheme actuary's contribution rate / allocation of assets report.	Within <b>2 months</b> of date joining the Fund subject to the new scheme employer providing all relevant information upon request.
Arrange for all new prospective admitted bodies to undertake, to the satisfaction of the Fund, a risk assessment of the level of bond required in order to protect other scheme employers participating in the Fund.	To be completed before the body can be admitted to the Fund subject to the new scheme employer providing all relevant information upon request.
Undertake a review of the level of bond or indemnity required to protect other scheme employers participating in the Fund.	<b>Annually</b> , or 3 months prior to bond expiry as necessary.
Carry out valuation assessments on cessation of admission agreements or a scheme employer ceasing participation in the Fund.	Within <b>2 months</b> of a cessation subject to the new scheme employer providing all relevant information upon request.

## B. Individual Member Administration

This sections details the Administering Authority functions which specifically relate to the administration and processing of scheme member benefits from the LGPS.

### 1. General Enquiries

Function/Task	Performance target
Acknowledge or respond to written or verbal enquiries from scheme employers and scheme members or their representatives or dependents and other authorised persons.	Within 2 weeks from receipt of an enquiry.

## 2. New Scheme Joiners and 50/50 Elections

Function/Task	Performance target
Set up a new scheme joiner and provide the statutory notification to the member.	Within 1 month from receipt of correctly completed starter form from a scheme employer.
Set up a new 50/50 Membership.	Within 1 month from receipt of correctly completed 50/50 election from a scheme employer.

## 3. Aggregation, Transfers and Estimates

Function/Task	Performance target
Issue statement to scheme member relating to the aggregation of previous LGPS membership.	Within <b>2 months</b> of receipt of all necessary information
Commencement of Transfer-In requests.	Within <b>1 month</b> of receipt of request from scheme member.
Completion of Transfer-In applications.	Information provided within <b>2 months</b> of receipt of all required information.
Transfer-Out quotations issued.	Within <b>3 months</b> of the date of request or up to 6 months if the reason for a delay is outside the Fund's control.
Transfer out payments processed and notification to scheme member.	If Transfer-Out finalised within 3 month guarantee period, payment made within <b>1 month</b> of guarantee date.
CETV Estimates for divorce purposes.	Within <b>1 month</b> of receipt of request.
Provide requested estimates of benefits to employees/employers including any additional shortfall/strain costs in relation to the early payment of benefits.	<p>Within <b>2 months</b> of receiving all required information from the employer.            Note: bulk requests of more than 10 estimates per month will be subject to prior agreement between the Fund and the employer.</p> <p><i>Members may receive 1 estimate for a potential retirement date no later than 2 years ahead in any 12 month period</i></p>

## 4. Additional Contributions

Function/Task	Performance target
Notify the scheme employer of any scheme member's election to purchase additional pension contributions, including all required information to enable deductions to commence.	Within <b>2 weeks</b> of receipt of election from scheme member to meet the employer's next available payroll.

## 5. Deferred Benefits/Refunds

Function/Task	Performance target
Deferred benefits options letter to members.	Within <b>2 months</b> of the leaving date subject to the receipt of all necessary information.
Process Refund payments.	Within <b>2 months</b> from receipt of all necessary information.

## 6. Retirements/Deaths

Function/Task	Performance target
Provision of retirement options letters detailing member options.	Within <b>2 weeks</b> from receipt of all necessary information.
Process of retirement benefits, including deferred benefits, for payment following receipt of a request to access benefits.	Within <b>1 month</b> of retirement date or from the receipt of all necessary information with the first pension payment made on next available payroll run.
Notification of death.	Acknowledge within <b>1 week</b> of initial notification.
Process of death grant for payment.	Within <b>2 weeks</b> of receipt of all necessary documentation.
Processing of beneficiaries pensions for payment.	Within <b>2 weeks</b> of receipt of all necessary documentation.
Provide payslips to scheme members in receipt of a pension.	In March, April and May of each year and where the monthly pension amount changes by at least 1%.

## 7. Appeals

Function/Task	Performance target
Prepare a report for the Pensions and Investments Committee to consider an appeal at Stage 2 under the Applications for the Adjudication of Disagreements Procedure (AADP)	Within <b>2 months</b> of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.
Issue a formal letter to the appellant following the Committee considering the Stage 2 Application.	Within <b>1 week</b> of the publication of the minutes of the Committee.