

# Agenda Item 7

<b>Report to:</b>	<b>Pension Board</b>
<b>Date of meeting:</b>	<b>7 September 2020</b>
<b>By:</b>	<b>Chief Operating Officer</b>
<b>Title:</b>	<b>Good Governance Review</b>
<b>Purpose:</b>	<b>To provide an update on the Good Governance review</b>

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## **RECOMMENDATIONS**

**The Board is recommended to:**

**1) Note the deliverables as set out in paragraph 2.1.**

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### **1 Background**

1.1 At the meetings of the Pension Committee on 22 June 2020 and 25 November 2019, the Committee considered an item providing an update on the governance review.

1.2 The Pension Fund Team had previously commissioned a review from Aon in January 2019 which considered the evolution of the scheme and the interaction with the Fund's management. This review had been used to inform the Pension Fund Team restructure discussed later in this meeting.

### **2. Progress**

2.1 Since the last meeting, the Good Governance working group had a follow up meeting on 28<sup>th</sup> August to consider the final draft review findings and to confirm the products of the Good Governance Review for presentation to the Pension Board and Pension Committee in September 2020, these include:

- Pension Fund Team structure and resourcing proposal (set out in Agenda item 18)
- Pension Administration Strategy
- Conflicts of interest policy and log (which will be presented at a later meeting)
- Pension administration Service Standard Agreement (Appendix B to the Administration Strategy)
- Responsibilities and relationship map for Scheme Employers (Appendix C to the Administration Strategy)

2.2 The review is identifying areas where principles need to be established and clarified in order to ensure all areas of the Pension Fund are managed. It is also identifying areas of best practice which will enable the Pension Fund to build on work and ways of working that are already established. In the Pension Administration report at item 9 Appendix 2 of this agenda there is a proposal for an overview of the proposed all-encompassing high-level insight of the administration service. This proposal will be reviewed with the Chair of the Pension Board and a proposed final version in a presentational format will be brought to the next meeting of the Pension Board.

### **3. Conclusion**

3.1 The working group agreed that the recommendations from this phase of the Good Governance Review can be taken forward to Pension Committee on the 21 September 2020. The Board is recommended to note the progress, deliverables and timetable of the Good Governance review.

**KEVIN FOSTER**

**Chief Operating Officer**

Contact Officer: Kevin Foster

Tel. No. 01273 481412

Email: [kevin.foster@eastsussex.gov.uk](mailto:kevin.foster@eastsussex.gov.uk)

# East Sussex Pension Fund Pensions Administration Strategy 2020

## **Introduction**

East Sussex County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the scheme employers participating in the LGPS through the East Sussex Pension Fund (the Fund). The LGPS is governed by statutory regulations.

This is the Pension Administration Strategy ("The Strategy") of the Fund in relation to the LGPS. The Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. The employers of the Fund are consulted when any substantial changes are proposed to this Strategy.

The aim of this Pension Administration Strategy is to set out the quality and performance standards expected of the Fund and its employers and to further ensure that both the Administering Authority and the scheme employers are fully aware of their responsibilities under the Scheme, and to outline the key performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service.

As at 31 March 2020 the Fund comprised 128 scheme employers with approximately 76,792 scheme members in relation to the LGPS. At the last assessment the value of the Fund was over £3.6bn

Setting out the expectations of the Administering Authorities and Employing authorities will help to ensure that:

- Administration standards improve and are maintained at a high standard;
- Set out the quality and performance standards expected of the administering authority and its scheme employers in relation to each other; and,
- Promote good working relationships and improve efficiency between the administering authority and its scheme employers for the benefit of Fund members.

This document therefore sets out a framework by way of outlining the policies and performance standards to be achieved when providing a cost-effective inclusive and high-quality pensions administration.

Delivery of a high standard of administration is not the responsibility of one person or organisation, but rather of a number of different parties, who between them are responsible for meeting the diverse needs of the membership. In recognition of these principles, this Strategy sets out:

- The roles and responsibilities of both the Fund and the scheme employers within the Fund;
- The level of service the Fund and scheme employers will provide to each other; and
- The performance measures used to evaluate the level of service.

This Strategy is an agreement between the Fund and its Scheme Employers and is effective from 1 January 2021.

## **Regulatory Provisions**

The LGPS is a statutory scheme, principally governed by The Local Government Pension Scheme Regulations 2013 (the Regulations).

The Strategy has been created pursuant to Regulation 59 of the Local Government Pension Scheme Regulations 2013 and shall be reviewed at least every three years.

## **Our Aims and Objectives**

The purpose of this Strategy is to set out the quality and performance standards expected of East Sussex County Council in its role of Administering Authority and Scheme Employer, as well as all other scheme employers within the East Sussex Pension Fund, and the Pension Administration Service.

The Fund has a number of specific administration objectives, these are to:

- provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders;
- administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money;
- ensure the Fund's Scheme Employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of their administration obligations;
- ensure the correct benefits are paid to, and the correct income collected from, the correct members at the correct time;
- maintain accurate records and ensure data is protected and has authorised use only; and,
- ensure the roles and responsibilities for all stakeholders are clearly set out and understood so that they work seamlessly together in the delivery of the Fund's administration.

## **Administration of the East Sussex Pension Fund**

The East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, taking into consideration advice from the Pensions Board. The Pension Committee monitors the implementation of this Strategy on an annual basis.

This strategy will ensure that Employers have a common understanding of their obligations under the Local Government Pension Scheme and that administrative processes are designed to maximise efficiency and manage risk.

The success of the Fund largely depends on the strength of the relationship between the administering authority and the employers that participate in it. Employers have a range of responsibilities within the LGPS and have an obligation to ensure that these duties are effectively delivered. The Fund will provide free training for Employers to build up and maintain a level of professional expertise which will enable Employers to deliver information required by the Fund to efficiently manage the scheme. This will ensure employers have a sound understanding of:

- Employer discretion policies;
- The role of the appointed person and the Internal dispute resolution procedure;
- Their responsibilities for starters, leavers and changes to membership as set out in the Fund's administration strategy;
- Their responsibilities for collecting and remitting contributions (and, additional contributions);
- The reasons for leaving under the LGPS regulations;

- Providing information requested by the Fund at year end or as required; and,
- Their responsibilities with respect to outsourcing, staff transfers and reorganisations.

## Communications

The Fund has a published Communication Strategy Statement in June 2020 which describes the way the Fund communicates with its scheme members, scheme employers and other stakeholders and interested parties. The latest version of the Communication Strategy Statement can be obtained from the Fund's website:- <https://www.eastsussex.gov.uk/yourcouncil/pensions/members/>.

The Fund aims to communicate to scheme employers on an ongoing basis in respect of developments relating to the LGPS including training opportunities as well as ensuring that employers are notified of changes to either professional practice, administration procedures, legislation, notifications from the Pension Regulator, and/or changes to pension scheme regulations as these arise. The Fund holds at least one Employer Forum annually in November, to provide opportunities for networking, meet and greet opportunities as well as to provide information on developments in progress which may affect all scheme employers and scheme members.

## **Performance Standards**

The Administering Authority and Scheme employers have statutory obligations, functions and tasks in respect of the rights and entitlements of individual scheme members. These define a standard of performance and service delivery to individual scheme members, which constitute the agreed statutory minimum standards to which scheme employers must comply.

In instances where scheme employers use external service providers for functions relating to the administration of the LGPS, it is incumbent on all employers to ensure that their suppliers and service providers comply with applicable legislation and regulations which apply to the administration of the East Sussex LGPS.

## **Applicable legislation and regulations**

Scheme employers must comply with overriding Local Government Pension Scheme Regulations, including:

Pensions Act 2004 & 2011 and associated disclosure legislation  
Public Service Pensions Act 2013 and associated record keeping legislation  
Freedom of Information Act 2000  
Equality Act 2010  
Data Protection Act 2003/GDPR legislation effective from 25 May 2018  
Finance Act 2013  
Health and Safety Legislation  
Any other legislation that may apply at the current time  
The Pension Regulator Codes of Practice

## **Roles and Responsibilities**

### **Scheme Manager**

The East Sussex County Council as Administering Authority, has delegated responsibility for the management of the Pension Fund to the East Sussex Pension Committee, to oversee the management of the Pension Fund. The Pension Board provides assistance to the Administering Authority in ensuring compliance with the regulations and in particular as this affects the administration of the Pension Fund and will therefore review the effectiveness of the Fund's Pension Administration Strategy on an annual basis. Details of roles and responsibilities of the Scheme Manager is set out in Appendix A.

### **Pension Administrator**

The Pension Administration is delivered as an in-house service and the performance standards that scheme employers and scheme members should expect is outlined in the Service Standards Agreement at Appendix B. The Service Standards Agreement is focused on the key activities which scheme employers and scheme members are involved in and should not be viewed as a complete list of all activities. It includes the performance standards that the Administering Authority has agreed for itself as an internal pension administration service.

### **Scheme Employer Responsibilities**

The roles and responsibilities of Scheme Employers are set out in Appendix C. The appendix defines the main responsibilities of Scheme Employers which in working in partnership with the Pension Administration Service ensures an efficient, accurate and high-quality pension service to scheme members.

## Improving Performance

The Fund's Pension Administration Service provide the administrative support to ensure that the administration functions are delivered in compliance with the requirements of the law. If scheme employers do not provide the requested data correctly, in the correct format and within the timescales requested by the Administrator, the Fund cannot meet its legal obligations and may be liable to penalty fines imposed by the Pension Regulator.

This Strategy is therefore focussed on good partnership working between Administrator and the Fund's scheme employers. However, it is recognised there may be circumstances where employers are unable to meet the required standards. The Administering Authority will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

It is expected that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, we set out below the steps the Fund will take in dealing with the situation in the first instance:

- The Administering Authority will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.
- The Administering Authority will request a meeting with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how this improvement plan will be monitored.
- The Administering Authority will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed.
- A copy of this communication will be sent to:
  - The Head of Pensions at East Sussex County Council
  - The Director of Finance or other senior officer at the relevant employer.
- The Administering Authority will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the person nominated by the employer, with copies being provided to the Head of Pensions and the Director of Finance (or alternative senior officer) at that employer.
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the matter will be escalated the Head of Pensions who will determine the next steps that should be taken. This may include (but is not limited to):
  - Meetings with more senior officers at the employer
  - Escalating to the Pension Committee and/or Pension Board, including as part of the Fund's Procedure for Recording and Reporting Breaches of the Law
  - Reporting to the Pensions Regulator or Scheme Advisory Board, as part of the Fund's Procedure for Recording and Reporting Breaches of the Law.

*Circumstances where the Administering Authority may levy costs associated with the Employers poor performance*

The Fund will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Strategy. The Fund will work with each employer to ensure that overall quality and timeliness is continually improved. The 2013 LGPS Regulations provide that an administering authority may recover from an employer, any additional costs including interest associated with the administration of the scheme, incurred as a result of the unsatisfactory level of performance of that employer.

Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the employer's level of performance contributed to the additional cost.
- The amount the Administering Authority has determined the employer should pay.
- The basis on which this amount was calculated.
- The provisions of the Strategy relevant to the decision to give notice.

The Administering Authority will generally not recharge to an employer any additional costs incurred by the Fund in the administration of the LGPS as a direct result of such unsatisfactory performance. However, in instances where the performance of the employer results in:

- fines being levied against the Administering Authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater than the amount of that fine will be recharged to that employer.
- the improvement plan as outlined later in this statement is not being adhered to, the Pension Committee may determine that any other additional costs will be recharged. In these circumstances, the Pension Committee will determine the amount to be recharged and how this is to be calculated. The employer in question will be provided with a copy of that report and will be entitled to attend the Pension Committee when this matter is being considered.

Employers may also be required to pay for additional work that is outside of business as usual, such as:

- Requesting the Fund undertake non-standard work
- Requesting work to be completed earlier than the normal service standards.

The employer's agreement to the charge will be obtained prior to the work being carried out. All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise.

### Fees for additional administration

The table below sets out the fees which the Fund will levy on a scheme employer whose performance falls short of the standards set out in this document. Charging is a last resort and the approach outlined in the section above will be followed before a fee is levied.

1. Multiple payments/LGPS31 forms received for a single employer, per month		£20.00 administration charge per additional payment
2. Change Notifications failure to notify the administrators of any change to a member's - working hours - leave of absence with permission (maternity, paternity, career break) or - leave of absence without permission (strike, absent without permission) - within 20 days of the change in circumstance	1st instance  2nd instance	Warning  £50 fine per member
3. Year End Data - Failure to provide year end data by 30th April following the year end or the non-provision of year end information or the accuracy/quality of the year end data is poor requiring additional data cleansing		Late receipt - initial fee of £300 then a fee of £150 for every month the information remains outstanding  Quality/format of data – fee of £150 should data provided not be in the correct format and/or the quality is poor
4. New Starter(s) Failure to notify the administrators of new starter(s) and the late or non-provision of starter form(s) – within 15 days of employee joining the scheme	1st instance  2nd instance	Warning  £50 fine per member
5. Leaver(s) Failure to notify the administrators of any leaver(s) and the late or non-provision of leaver form(s) including an accurate assessment of final pay – within 15 days of employee leaving the scheme or employment	1st instance  2nd instance	Warning  £50 fine per member

Warnings for non-compliance will operate on a rolling 12-month basis, for example, should a warning have been issued and 10 months later there is a 2<sup>nd</sup> instance, a fine will apply. However, if it is 13 months later, another warning will be issued.

If an issue has not been resolved within 10 working days of a warning being issued, a fine will apply and the Fund may take further action as appropriate regarding the failure to comply with the statutory requirements.

In addition to the above interest may be charged at 1% above base rate on any sum remaining unpaid for more than one month beyond the date on which it became due.

## **Key Risks**

The key risks to the delivery of this Strategy are outlined below. The Head of Pensions and other officers will work with the Pension Committee and the Pension Board in monitoring these and other key risks and consider how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies causes strain on day to day delivery
- Inadequate performance against service standards
- Significant external factors, such as national change, impacting on workload
- Incorrect calculation of members' benefits, resulting in inaccurate costs
- Employer's failure to provide accurate and timely information resulting in incomplete and inaccurate records. This leads to incorrect valuation results and incorrect benefit payment.
- Failure to administer the scheme in line with regulations as listed under 'Regulatory Basis' in this Statement. This may relate to delays in enhancement to software or regulation guidance.
- Failure to maintain records adequately resulting in inaccurate data.
- Use of external printers/distributors resulting in possible data mismatch errors
- Unable to deliver an efficient service to pension members due to system unavailability or failure
- Failure to maintain employer contact database leading to information being sent to incorrect person

## **Consultation and review process**

This Strategy was approved in September 2020 by the East Sussex Pension Committee. It is effective from 1 October 2020. It will be formally reviewed annually and updated at least every three years, if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

In preparing the original Strategy the Fund is consulting with its scheme employers, the scheme member and employer representatives on the East Sussex Pension Board and other persons considered appropriate. The employers of the Fund will also be consulted should any substantial changes be proposed to this Strategy following consultation.

The latest version of this Strategy will always be available on the ESCC website: <https://www.eastsussex.gov.uk/yourcouncil/pension-fund-policies/> and the ESPF website: <http://www.eastsussexpensionfund.org/east-sussex-pension-fund/about-us/forms-andpublications/>

## **Contact details**

Sian Kunert – Head of Pension Fund  
Telephone: 01273 853017  
Email: [sian.kunert@eastsussex.gov.uk](mailto:sian.kunert@eastsussex.gov.uk)

Pensions Administration Team  
Telephone: 01273 337450

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## Appendix A

### Scheme Manager Responsibilities

Administering Authority responsibilities	Timeframes / Deadlines (where applicable)
<b>Governance</b>	
<b>General responsibilities</b>	
Review the Fund's pension administration strategy and consult with all scheme employers.	The Pensions Administration Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's funding strategy statement at each triennial valuation, following consultation with scheme employers and the Fund actuary.	Every three years in line with Fund valuation cycle.
Review the Fund's Communications Strategy	The Communications Strategy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the Fund's governance compliance statement.	The Governance Policy Statement will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Publish the Fund's annual report and financial statement.	To be published annually.
<b>Transfers</b>	
<b>Bulk transfers</b>	
Share information as appropriate with the Employing Authority regarding the timescales, negotiations, and where material, the financial consequences, and where possible, reach agreement with the Employing Authority on the stance adopted on any negotiations with the receiving Fund.	The Administering Authority will in these cases engage with all parties as early as possible. The Fund will look treat each case on its own merits and consider in line with the principals detailed in the Fund's Funding Strategy Statement.
Ensure the provision of the Regulations are met, including the rights of the transferring members	N/A
<b>Complaints, errors and breaches</b>	
<b>Complaints</b>	

<b>Administering Authority responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
Appoint a nominated person to consider disputes under stage 1 of the IDRP process for disputes for any decisions/lack of decisions which need to be made by the administering authority.	Stage 1 complaints to be determined by the Administering Authority will be considered by the Head of Pensions.
Appoint a nominated person to consider disputes under stage 2 of the IDRP process.	Stage 2 complaints to be determined by the Administering Authority will be considered by the Solicitor and Monitoring Officer.
Consider and respond to disputes made under stage 1 and/or stage 2 of the IDRP within statutory timeframes as set out in the LGPS Regulations 2013.	Response to disputes under stage 1 and 2 of the IDRP will be provided within the statutory deadline of two months and monitored by the Head of Pensions.
<b>Breaches</b>	
Prepare and maintain a Policy showing how to identify, record and report breaches of the Law.	The Fund Breaches Policy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Maintain a Breaches Log detailing all known breaches of the law, whether these are considered immaterial and hence only recordable or whether they are considered material and reported to the Pensions Regulator.	This will be maintained on an ongoing basis.
Present the Breaches Log to the Pension Committee and the Pension Board at each meeting	To be presented at each meeting of the Board and Committee.
<b>Finance and accounting</b>	
<b>General responsibilities</b>	
Consult with employing authorities on the outcomes of the triennial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Carry out termination valuations on admitted bodies or employing authorities who cease their participation in the Fund.	To be carried out as and when required.
<b>Accounting and financial reporting</b>	

<b>Administering Authority responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<p>Carry out accounting and financial reporting on behalf of the administering authority, including liaison with any third-parties, including:</p> <ul style="list-style-type: none"> <li>○ Management, preparation and presentation of the Fund's annual report and accounts.</li> <li>○ Further accounting and cash-flow reporting throughout the scheme year.</li> <li>○ Cashflow forecasting and reporting.</li> <li>○ Liaising with internal and external auditors.</li> <li>○ Quarterly management accounts.</li> <li>○ Raising invoices on behalf of the Fund.</li> <li>○ Recording and maintaining all accounting records in line with record retention policies.</li> </ul>	To be carried out as and when required.
<b>Contributions</b>	
Notify employing authorities of their contribution requirements for three years effective from the April following each actuarial valuation.	To be carried out every three years in line with the Fund valuation timetable.
Notify new employing authorities of their contribution requirements.	To be carried out as and when required.
<b>Employer services</b>	
<b>General responsibilities</b>	
Provide support to employing authorities through a dedicated employer website, technical notes, employer bulletins and day to day contact.	Web content available to employers will be reviewed on no less than an annual basis. Employer newsletters will be issued in line with the Communications Strategy.
Provide training sessions on employing authorities' roles and responsibilities.	To be delivered as and when required.
<b>Employer monitoring</b>	
Monitoring of employers, including reporting of key metrics. This may include monitoring employers who have a very small number of active members remaining and may therefore cease participation or highlighting significant changes in membership numbers indicating a restructuring exercise or other event that requires the attention of the administering authority.	Ongoing basis

<b>Administering Authority responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<p>Monitor the existence of indemnity bond cover for employers, including highlighting to the administering authority where bond cover is either outdated, soon to expire or needs to be reviewed in line with administering authority policies. This may involve further communication with the Fund actuary or other party to obtain updated levels of recommended bond cover where appropriate.</p>	<p>Bond's in place for admission body employers will be reviewed on an annual basis in line with the Fund's Funding Strategy Statement.</p>
<p>Maintain an updated record of further information relating to employers, for example, whether another employer has agreed to act as a guarantor for that employer, or any other information determined by the administering authority to be relevant.</p>	<p>Ongoing basis</p>
<b>New and ceasing employers</b>	
<p>Assist in the preparation and communication of admission agreements to new employers in the Fund, including liaising with the administering authority or Fund actuary, as required, to prepare the necessary documentation.</p>	<p>Potential new employers in the Fund should engage with the administering authority at the earliest opportunity to allow adequate time for an assessment of the employer contribution rate and bond (where necessary). Where this is a result of an outsourcing of employees under TUPE from an existing scheme employer, engagement with the Administering Authority should be sufficiently early to allow pensions information to be included in the tender documentation.</p>
<p>Obtain a signed agreement and/or keep these on record on behalf of the administering authority.</p>	<p>The Admission Agreement must be completed no later than one month after the date of admission.</p>
<p>Provide technical advice, guidance or support in relation to new or existing admission agreements and the operation of these with employers.</p>	<p>To be provided as and when required.</p>
<p>Assist in managing the cessation of an employer, including liaising with them in relation to any cessation debt due to the Fund.</p>	<p>Any deficit or surplus due at the point an employer exists the Fund will be communicated to the former scheme employer in line with the requirements of regulation 64 of The Local Government Pension Scheme Regulations 2013.</p>
<b>Administering authority support and training</b>	
<b>Policy development</b>	
<p>Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities and the Administrator as required.</p> <ul style="list-style-type: none"> <li>○ Communications strategy.</li> <li>○ Administration strategy.</li> </ul>	<p>Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.</p>

<b>Administrator's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<b>Governance</b>	
<b>General responsibilities</b>	
Formulate, publish and keep under review policies in relation to all areas where the administering authority may exercise a discretion within the scheme regulations.	The Administering Authority Discretionary Policy will be formally reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
Review the IRMPs appointed and used by Employing Authorities meet legislative requirements to advise on ill health retirement applications	To be reviewed no less than every three years.
<b>Additional contributions</b>	
<b>General information</b>	
Agree that any requests to pay additional contributions satisfy the administering authorities' discretionary policy in respect of additional contributions (e.g. whether a member is required to undertake a medical before entering into an additional contributions contract and determining whether the request is impractical)	To be agreed with the scheme administrator.
<b>Additional voluntary contributions (AVCs)</b>	
Ensure a process is in place to periodically review AVC providers/fund options.	A review of the AVC provider to the Fund will take place no less than every 5 years.
Ensure that the member receives an annual statement, and that this statement meets statutory requirements.	Annual statements received from the AVC provider are redistributed to individual contributors on an annual basis.
<b>Additional pension contributions (APCs)</b>	
Agree that any requests to pay additional contributions satisfy the administering authorities' discretionary policy in respect of additional contributions (e.g. whether a member is required to undertake a medical before entering into an additional contributions contract and determining whether the request is impractical)	To be agreed with the scheme administrator.
<b>Transfers</b>	
<b>Transfers-in</b>	

<b>Administrator's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
Ensure that the Administering Authority has in place an appropriate discretionary policy setting out their policy on whether they choose to extend the 12-month time limit for accepting transfers in, where the decision falls to them.	This is contained within the Discretionary Policy of the Administering Authority.
<b>Transfers-out</b>	
To determine necessary action on how to proceed with transfer cases that have been flagged as at risk of being a pension liberation case. This may include, but not be restricted to, indicating whether the transfer is to be paid or whether legal advice is sought.	Any transfer cases referred to the Administering Authority by the scheme administrator for suspected pension liberation scams will be thoroughly investigated and secondary assurance sought from the scheme member. This should include all transfers to Qualifying Recognised Overseas Pension Scheme's (QROP'S).
<b>Retirements</b>	
<b>Other responsibilities</b>	
<p>Where a deferred member requesting early payment of their pension benefits and requesting that their Rule of 85 is to be applied and/or whether their reductions are to be waived, whose former employer no longer contributes within the East Sussex Pension Fund:</p> <ul style="list-style-type: none"> <li>○ Consider the application and confirm to the decision to the member. Notify the administrator whether the Ro85 is to apply/reductions are to be waived or not.</li> </ul>	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.
<p>Where a deferred member requesting early payment of their pension benefits due to ill health, whose former employer no longer contributes within the East Sussex Pension Fund:</p> <ul style="list-style-type: none"> <li>○ arrange for the member to be assessed by an IRMP, provide confirmation to the administrator that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, and confirm the retirement date and a complete and correct ill-health certificate completed by the IRMP</li> </ul>	Applications will be considered by the Section 151 Officer on behalf of the Administering Authority and confirmed to the scheme administrator.
Where the member is in receipt of an ill health pension made under Tier 3, and the former employer has subsequently ceased to be a contributing employer within the ESPR, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Arrangements for reassessment will be made by the Section 151 Officer on behalf of the Administering Authority.
<b>Deaths</b>	

<b>Administrator's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<b>General responsibilities</b>	
Review where necessary information provided by the administrator in relation to potential death grant lump sums and dependant pensions and provide written agreement for payments to be made, where necessary.	The determination of death grant beneficiaries will be in line with the Fund policy. The decision is delegated to the scheme administrator but for more complicated cases that will be referred to the Administering Authority for determination on a case by case basis.
Review the Administrator's policy annually in relation to the payment of death grant lump sums and ensure this is regularly reviewed and updated if necessary.	The policy on payment of death grant lump sums will be reviewed on an annual basis.
<b>Communications</b>	
<b>Newsletters and periodic communications</b>	
Liaise with Administrator to agree on newsletter (and other communication) content	This will be done and timetabled in line with the Communications Strategy of the Fund.
<b>Member and employer surveys</b>	
Liaise with Administrator to agree on content of surveys	This will be done and timetabled in line with the Communications Strategy of the Fund.
<b>Member presentations and workshops</b>	
Liaise with Administrator to agree on structure / content of presentations / workshops	This will be done and timetabled in line with the Communications Strategy of the Fund.
<b>Administering authority support and training</b>	
<b>Policy development</b>	
Draft, maintain and publish all the policies and strategies that govern the pension fund, liaising with Employing Authorities and the Administrator as required. <ul style="list-style-type: none"> <li>○ Administering or employing authority discretionary policies.</li> </ul>	Policies will be reviewed no less frequently than every three years. A review may take place at any time where in the view of the Administering Authority it is necessary to do so.
<b>Administration performance reports and CIPFA benchmarking</b>	
<b>CIPFA benchmarking</b>	
Provide additional information to assist in the completion of the annual CIPFA benchmarking questionnaire, if required by the administrator.	Where required information will be provided within 10 working days of the request.



## **Appendix B**

# **Service Standards Agreement for East Sussex Pension Administration**

## **Contents**

1. Overview and purpose of this agreement
2. General administration overview
3. Legal timescales
4. Administration performance targets
  - a. General member administration
  - b. Leavers not entitled to immediate payment of benefits
  - c. Transfers and aggregation
  - d. Retirements
  - e. Deaths and dependant pensions
  - f. Pensions Sharing and Earmarking Orders
5. Administration quality standards
6. Complaints and breaches
7. Scrutiny and audit
8. Data quality
  - a. Common data
  - b. Scheme-specific data
  - c. Data improvement plan
9. Communications
  - a. Annual benefit statements
  - b. Satisfaction surveys
  - c. Newsletters
  - d. Meetings
10. CIPFA benchmarking
11. Project reports
12. Administration forward plan
13. Administration performance report

## Overview and purpose of this agreement

Under the Local Government Pension Scheme (LGPS) (Administration) Regulations 2013, East Sussex County Council has a statutory responsibility to administer and manage the East Sussex Pension Fund (ESPF) on behalf of all employers participating in the fund and all past and present members, including their dependants.

The purpose of this agreement is to outline the administrative functions and clearly define the service standards in relation to those functions. In meeting these standards, the Fund will ensure that it meets its statutory responsibilities and that members and employers receive a cost-effective and high-quality service.

This Service Standards Agreement also outlines the Fund to produce an administration performance report on a quarterly basis, which can be reviewed at ESPF Pension Committee and Pension Board meetings.

As well as demonstrating compliance with the legal timescales and key performance indicators (KPIs) outlined in this agreement, the administration performance report will provide a full overview of the administration function, including work completed and work in hand, complaints, communications, breaches of the law, data quality, and updates on projects and plans.

A detailed breakdown of the administration performance report is included in section 12 of this report.

## General administration overview

The main services provided include maintenance of scheme members' records, calculation and payment of retirement benefits including premature retirement compensation, transfers of pension rights, calculation of annual pension increases and the provision of information to scheme members, employers and the Fund's actuary.

- **Pensions Administration**
- **Projects**
- **Technical & Compliance**
- **System Support**
- **Training & Development**
- **Help Desk**

## Legal timescales

The table below contains a list of processes and the legal timescales in which they must be met. The Fund will monitor its performance against these timescales, which are subject to an achievement target and include the results in the quarterly administration performance report.

Process	Legal requirement
To process new member information – i.e. create a new pension record and provide basic scheme information to the member.	Within one month of the date of receiving jobholder information from the scheme employer, extended to two months where correct jobholder information has not been received.

Provide a Cash Equivalent Transfer Value (CETV) to the member, including for divorce purposes.	Within three months of the date that the request is made by the member. Or, in divorce cases, such shorter deadline as specified in a valid court order where reasonable.
Pay a CETV following a member's election to transfer.	Within six months of the guarantee date, or within six months of the member's request if CETV not guaranteed.
Notify HMRC when a transfer payment is made to a QROPS.	Within 60 days of the date the transfer payment is made.
Notify members who re-join the scheme and have previous LGPS benefits of their rights and options.	In sufficient time to allow the member to make an election within 12 months of re-joining.
Notify members of the transfer credits available in respect of a CETV or transfer payment from a previous pension arrangement (TV-in).	Within two months of the date of the member's request, unless already provided within the previous 12 months. This includes obtaining the transfer value from the previous provider and informing member of transfer options.
Provide information for divorce purposes which does not include a CETV.	Within one month of the date the request is made by the member, their spouse/partner, or the Court.
Implement a Pension Sharing Order.	Within four months of the effective date of the Order, or the date on which all the relevant information is received.
Inform members who leave the scheme before their normal pension age of their rights and options.	Within two months of the date of initial notification from the scheme employer, or the request from the member.
Notify the member of the amount of retirement benefits.	Within one month of the date of retirement, if retiring on or after normal pension age. Within two months of the date of retirement, if retiring before normal pension age.
Notify the dependant(s) of the amount of death benefits payable.	Within two months of the date of becoming aware of the member's death, or of the date of request for information from a third party.
Make payment of any death grant.	Within two years of the date of becoming aware of the member's death.

Provide annual benefit statements to all active, deferred, pension credit and deferred pensioner members.	By 31 <sup>st</sup> August of each year.
Provide pensions savings statements to all members who exceed the annual allowance.	By 6 October following the end of each tax year.
Notify members (or dependants) of the percentage of the standard lifetime allowance used up by a Benefit Crystallisation Event (BCE).	Within three months of the BCE date.
Submit the annual event report to HMRC.	By 31 January following the end of each tax year.
Submit quarterly accounting for tax returns to HMRC, including details of all: <ul style="list-style-type: none"> <li>• Short service refund lump sum charges</li> <li>• Lifetime allowance charges</li> <li>• Special lump sum death benefit charges</li> <li>• Serious ill-health lump sum charges</li> <li>• Authorised surplus payments charges</li> <li>• Annual allowance charges</li> <li>• Overseas transfer charges</li> </ul>	By 15 May, 14 August, 15 November and 14 February each year.
Issue P60s to all pensioner members.	By 31 May following the end of each tax year.
Issue P14/P35 to HMRC.	By 19 May following the end of each tax year.
Submit full payment submission (FPS) to HMRC.	On or before each monthly pay date.
Pay tax owed to HMRC.	By the 22 <sup>nd</sup> of each month.
Notify members of material scheme changes.	Within three months of the date the change takes effect.
Respond to an IDRP Complaint.	Within two months of receiving the Stage One complaint or Stage Two appeal.

## Administration performance standards

The table below contains a list of pensions administration processes, and the performance standard for each of them. The Fund Administration will monitor its performance against the targets stated and include the results in the quarterly administration performance report.

<b>General member administration</b>	<b>Administration standards</b>
<b>New starter</b> Create a new pension record and provide basic scheme information to new members.	Within 20 working days of receiving details of the new member from the scheme employer.
<b>50/50 membership</b> Update administration software (Altair) when commences or finishes.	Within 20 working days of receiving confirmation from the scheme employer.
<b>Additional Pension Contributions or Additional Voluntary Contributions information</b> Provide information to the member on paying or amending additional contributions.	Within 10 working days of receiving the request from the member.
<b>Absence contributions</b> Provide information to the member and/or scheme employer on paying additional contributions to cover absence.	Within 10 working days of receiving confirmation from the scheme employer that the member has returned from absence.
<b>Payment of additional contributions in respect of absence, APC or AVC</b> Action any request to pay additional contributions.	Within 10 working days of receiving the request to pay additional contributions from the member.
<b>Estimate of benefits</b> Provide the member, employer or other stakeholder with an estimate of benefits in respect of increasing or reducing benefits, possibly through additional contributions.	Within 15 working days of receiving the request from the member, employer or other stakeholder.
<b>Annual Allowance and Lifetime Allowance</b> Provide the member with individual calculations, including projections, of benefits and possible tax charges in relation to the Annual Allowance and Lifetime Allowance	Within 10 working days of receiving the request from the member (excluding the annual project cycle relating to issuing Pensions Savings Statements by 6 October).

<b>General Enquiries</b> If not about a specific task, a catch all other type task.	Within 10 working days of receiving the request from whomever.
<b>Data Amendments</b> Includes tasks like change of name, address or bank account.	Within 10 working days of receiving the request from the member or the scheme employer.
<b>Leavers not entitled to immediate payment of benefits</b>	<b>Administration standards</b>
<b>Refund of contributions</b>  Calculate refund of contributions and issue letter including reference to possible CETV to the member.	Within 10 working days of receiving a completed leaver form.
<b>Unclaimed refunds</b>  Contact the member to arrange for payment of an unclaimed refund to be made, in line with regulations which require this to happen after a specific time.	Within 10 working days of the date that is two months prior to the date that payment must be made.
<b>Payment of refund of contributions</b>  Make payment of refund of contributions and send notification letter to the member.	Within 5 working days of receiving a complete and correct payment form from the member.
<b>Deferred benefits</b>  Calculate deferred benefit entitlement and send notification letter and statements to the member.	Within 15 working days of receiving all the required complete and accurate information from the scheme employer.
<b>Transfers and aggregation</b>	<b>Administration standards</b>
<b>Transfer-in – request for information</b>  Request details of the estimated transfer payable from the member's previous pension provider.	Within 5 working days of receiving the member's initial request to investigate a transfer-in.
<b>Transfer-in – estimate</b>  Calculate the estimated additional benefits that the transfer value would award and send a letter and all option forms to the member.	Within 10 working days of receiving the transfer value from the member or their previous pension provider.
<b>Transfer-in – request payment</b>  Request payment of the transfer value from the member's previous pension provider.	Within 5 working days of receiving all complete and correct forms from the member.

<b>Transfer-in – actual</b>  Calculate the additional benefits that the transfer value has awarded and send a confirmation letter to the member.	Within 10 working days of receiving confirmation of payment from the member's previous pension provider.
<b>Transfer-out – estimate</b>  Calculate a transfer value and send an information pack and all option forms to the member.	Within 15 working days of receiving a complete and correct CETV request form from the member
<b>Transfer-out – actual</b>  Calculate and make payment of the CETV or interfund transfer and send confirmation to the member and the receiving scheme.	Within 25 working days of receiving all the required information, including complete and correct forms from the member and the receiving scheme.
<b>Aggregation within ESPF (in fund transfer) - quotation</b>  Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.	Within 15 working days of receiving a complete and correct starter form from the scheme employer.
<b>Aggregation within ESPF - settlement</b>  Update member record in accordance with the election made.	Within 10 working days of receiving a member's election (to aggregate or not to aggregate), or at the expiration of the 12 period in which a member may elect other than for automatic aggregation.
<b>Aggregation from another LGPS fund – request for information</b>  Request details of estimated transfer payable from the member's previous pension provider.	Within 5 days of receiving confirmation of previous LGPS service with another Fund.
<b>Aggregation from another LGPS fund - estimate</b>  Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.	Within 10 working days of receiving all the required information from the previous fund.
<b>Aggregation from another LGPS fund – request payment</b>  Request payment of the transfer value from the member's previous pension provider	Within 5 working days of receiving all complete and correct forms from the member.
<b>Aggregation from another LGPS fund – settlement</b>  Update member record in accordance with the election made.	Within 10 working days of receiving all complete and correct forms from the member (request payment and pend until)

	payment from previous Administering Authority.
<b>Aggregation to another LGPS fund – quote</b> Send all the required information to the member's new fund.	Within 15 working days of receiving the request for information from the new fund.
<b>Aggregation to another LGPS fund – settlement</b> Calculate and make payment of the transfer value and send confirmation to the member and the receiving scheme.	Within 25 working days of receiving all the required information, including complete and correct forms from the member and the appropriate Administering Authority.
Retirements	Administration standards
<b>Active retirement (early, normal, late, incapacity or redundancy) – quote</b> Calculate the value of the standard retirement benefits and send a letter, statements and all option forms to the member.	Within 7 working days of receiving both a complete and correct leaver form.

<p><b>Deferred retirement (from early, normal, late or ill health – quote</b></p> <p>Calculate the value of the standard retirement benefits and send a letter, statements and all option forms to the member.</p>	<p>Early – within 10 working days of a request from a member.</p> <p>Normal – Within 7 days of the date two months prior to prospective payable date.</p> <p>Ill Health – Within 7 working days of receiving both a complete and correct ill-health certificate and written agreement from the scheme employer.</p>
<p><b>Payment of lump sum and notification</b></p> <p>Calculate the final retirement benefits, make payment of any tax-free lump sum, and send notification to the member.</p>	<p>Within 5 working days of the later of the date of retirement or receiving all complete and correct retirement forms from the member.</p>
<p><b>Strain payment</b></p> <p>Issue an invoice for the strain payment to the scheme employer.</p>	<p>Within 30 working days of making payment of the lump sum or sending notification to the member.</p>
<p><b>Trivial commutation upon retirement or from pensioner status – Quote</b></p> <p>Calculate and inform the member of the trivial commutation sum together with the appropriate claim forms.</p>	<p>Within 10 working days of receiving a member request.</p>
<p><b>Trivial commutation upon retirement or from pensioner status – Settlement</b></p> <p>Calculate and make payment of the trivial commutation payment and send notification to the member.</p>	<p>Within 10 working days of receiving all the information required to make payment.</p>

<b>Deaths</b>	<b>Administration standards</b>
<b>Death of an active, deferred or pensioner member – quote</b>  Send a letter of condolence and claim forms to the member's next of kin or personal representatives.	Within 2 working days of having been informed of the member's death by next of kin, scheme employer or personal representative.
<b>Dependant's pension – settlement</b>  Calculate and process the benefits due to the member's dependant(s) and send notification.	Within 5 working days of receiving all required information and documents from the dependant(s).
<b>Trivial commutation of dependent pension – Quote</b>  Calculate and inform the dependent of the trivial commutation sum together with the appropriate claim forms.	Within 10 working days of receiving a member request.
<b>Trivial commutation of dependent pension – Settlement</b>  Calculate and make payment of the trivial commutation payment and send notification to the dependent.	Within 10 working days of receiving all the information required to make payment.
<b>Balance of pension</b>  Make payment of the balance of pension due to the estate.	Within 7 working days of receiving all the information required to make payment.
<b>Death grant – approval</b>  Submit recommendation for payment of death grant to Administering Authority for decision.	Within 5 working days of receiving all the information required to make recommendation.
<b>Death grant – payment</b>  Make payment of the death grant to the <u>determined</u> beneficiary(s).	Within 5 working days of receiving all the information required to make payment.
<b>Pension Sharing and Earmarking Orders</b>	<b>Administration standards</b>
<b>Schedule &amp; Invoice for charges</b>  Provide the member and/or their solicitor or other representative with a schedule of charges that will apply and provide the required information including any invoice to the member for any charges that are due.	Within 5 working days of receiving a request for information from the member.

<b>Provide PSO information - quote</b> Calculate a transfer value and send an information pack and forms to the member and/or their solicitor.	Within 15 working days of receiving a complete and correct CETV request form from the member.
<b>Pension debit and credit - settlement</b> Calculate the final pension debit and credit amounts and send notification to the member and their former partner.	Within 25 working days of receiving a Pension Sharing or Earmarking Order and payment for implementation.

## Breaches and complaints

The management of breaches are in full compliance with the ESPF Breaches Policy agreed on 22<sup>nd</sup> June 2020.

The Fund will maintain a record of all complaints received (verbally and in writing) and operate a local complaints resolution procedure that all staff will be aware of. All complaints received will be reported to ESPF and the number of complaints received will be included in the administration performance report.

The Fund will produce and communicate an IDRP procedure in accordance with LGPS regulations and will pass any stage 1 and stage 2 cases to the relevant nominated person as soon as possible. All IDRP cases received will be included in the administration performance report.

Process	Standard	Administration standards
Breaches	Logged within 1 working day	Reported to Head of Pension Fund within 2 working days of breach occurring.
Complaint	Logged within 2 working days	
Error & Omission	Logged within 2 working days	
IDRP cases	Logged within 1 working day	Reported to Head of Pension Fund within 1 working day of receipt of IDRP case

## **Communications**

The table below shows a list of communications not covered by legal timescales that the administration team will produce and distribute and the timescales in which this will be done.

Communications with employers are under the guidance of the Communications Strategy agreed by the Pensions Committee on 22<sup>nd</sup> June 2020

<b>Communication</b>	<b>Administration standards</b>
Notify all pensioner and dependant members of the annual increase to their pension.	By 30th April following the end of each tax year.
<b>Employer satisfaction survey</b> Issue a satisfaction survey to all employers in the fund.	Issue annually by 30 <sup>th</sup> November and achieve an overall satisfaction score that is above 70.
<b>Member satisfaction survey</b> Issue a satisfaction survey to a sample of members in the fund.	Issue annually by 30th and achieve an overall satisfaction score that is above 70.
<b>Pensioner newsletter</b> Produce and distribute a newsletter to all members in receipt of a pension.	Issue annually by 30 <sup>th</sup> April after the year end of 31 <sup>st</sup> March and accompanying the notification of annual pensions increase.
<b>Member newsletter</b> Produce and distribute a newsletter to all active and deferred members.	Issue annually by 31 <sup>st</sup> August for each year ending 31 <sup>st</sup> March.
<b>Annual Benefits Statements</b>	By 31 <sup>st</sup> August
<b>Website</b>	Reviewed on a monthly basis and requests for update provided to the Compliance & Local Improvement Partner.
<b>Valuation or data extract(s) for Hymans</b>	All interactions with the Fund actuary are subject to the governance of the actuarial SLA with the administrator.

## **Administration performance report**

To demonstrate its performance against the service standards outlined in this agreement, the administration team will produce an administration performance report on a quarterly basis, which can be reviewed at Pension Board and Pension Committee meetings, as required.

As well as demonstrating compliance with the legal timescales and key performance indicators (KPIs) outlined in this agreement, the administration performance report will provide a full overview of the administration function, including work completed and work in hand, updates on projects, and future administration plans. The report will include a full comparison between the latest quarter and the previous one and a chart showing overall workloads over the previous 18 months.

A breakdown of the administration performance report is provided in the table below:

## **Part 1: Overview of workloads**

Total number of cases created during the period.

Total number of cases completed during the period.

Total number of cases outstanding at the end of the period.

Scheme membership numbers at the beginning and end of the period.

- Active members
- Undecided leavers
- Deferred members
- Pensioners
- Dependents

Number of employers in the fund at the beginning and end of the period.

Breakdown of the types of employers at the beginning and end of the period.

## **Part 2: Caseload performance**

Name of each administration process and brief description.

Administration target for each process.

Legal timescale for each process, where appropriate.

Number of cases created during the period.

Number of cases completed during the period.

Number and percentage of cases completed within the administration target and legal timescale categorised using RAG ratings.

Average number of days taken to complete cases.

Number of cases outstanding at the end of the period.

## **Part 3: Qualitative standards**

Total number of benefit calculations issued to members during the period.

Administration target for all benefit calculations issued to members.

Number of benefit calculations issued to members that did contain an error.

Percentage of benefit calculations issued to members that did not contain an error.

Number of pension payments made during the period

Administration target for accurate pension payments

Number and percentage of pension payments made during the period that were found to contain an error.

## **Part 4: Breaches and complaints**

Number of breaches logged during the period.

Number of breaches reported to TPR during the period.

Number of member complaints received during the period.

Number of IDRP cases logged during the period.

Number of IDRP cases upheld/partially upheld during the period.

## **Part 5: Communications**

### **ABSs for active members**

Legal timescale for issuing active ABSs.

Date that active ABSs were issued.

Number and percentage of active members who received an ABS.

### **ABSs for deferred members**

Legal timescale for issuing deferred ABSs.

Date that deferred ABSs were issued.

Number and percentage of deferred members who received an ABS.

### **Employer satisfaction survey**

Date that survey was issued.

Target satisfaction rating.

Actual satisfaction rating.

### **Member satisfaction survey**

Date that survey was issued.

Target satisfaction rating.

Actual satisfaction rating.

### **Pensioner newsletter**

Date that newsletter was issued.

### **Member newsletter**

Date that member newsletter was issued.

### **Employer meeting**

Date that meeting was held.

### **Pension fund annual meeting**

Date that meeting was held.

## **Part 6: Data quality**

### **Common data**

Last reported common data score.

Target common data score.

### **Scheme-specific data**

Last reported scheme-specific data score.

Target scheme-specific data score.

### **Data improvement plan**

Summary of any actions taken to improve data quality

<b>Part 7: Scrutiny and audit</b>	
<b>Internal audit</b>	<b>External audit</b>
Audit report target.	Audit report target.
Audit report results.	Audit report results.
Date of audit report.	Date of audit report.
<b>TPR annual return</b>	
Target for providing data for the TPR annual return.	
Date of completion.	
Performance against the target.	
<b>Part 8: CIPFA benchmarking</b>	
Name of each relevant CIPFA benchmark and brief description.	
Administration target for each benchmark.	
Performance against each benchmark.	
Date of benchmarking.	
<b>Part 9: Project reports</b>	
A list of ongoing and new administration projects and plans.	
Targets for completing these projects.	
Performance against the project targets.	
Dates projects were completed, if appropriate.	

## Appendix C

### Scheme Employer Responsibilities

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
<b>Governance</b>	
<b>General responsibilities</b>	
Designate a named individual as Pensions Liaison Officer, to be the main point of contact for the administrator or administering authority.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Complete authorised signatory forms to provide the administrator and administering authority with contact information for officers authorised to perform key administrative roles.	Within 30 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 30 days from date of request by the Scheme Administrator or Administering Authority.
Appoint an independent registered medical practitioner (IRMP) qualified in occupational health medicine to consider all ill-health retirement applications and agree the appointment with the administering authority.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.
Formulate, publish and keep under review policies in relation to all areas where the employer may exercise discretion within the scheme regulations.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Scheme Administrator or Administering Authority.
<b>New employers and TUPE transfers</b>	
Notify the administering authority of any contracting out of services that will involve a TUPE transfer of employees to another organisation before the TUPE transfer takes place.	Employers should inform the Administering Authority as soon as possible within the tender process, enabling pension information to form part of the tender documentation.
Provide the administering authority with contact details for lead decision-making and operational officers where a prospective new employer or admitted body may request to join the Fund as a result of re-organisation or TUPE transfer.	Employers should inform the Administering Authority as soon as possible within the tender process, enabling pension information to form part of the tender documentation.
Work with the administering authority to establish an admission agreement.	Potential Admission Body Employer's, together with the letting employer should work closely with the Administering Authority, to ensure that Admission Agreements are completed no later than one month following the contracting out of the service.

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
Notify the administering authority where the employer ceases to admit new members or is considering ceasing participation in the Fund.	This should be done at the earliest opportunity, allowing the Administering Authority to liaise with the Fund actuary in order to achieve a well-managed employer exit from the Fund.
<b>General member administration</b>	
<b>New starters</b>	
Enrol all eligible new employees into the scheme in accordance with the relevant LGPS regulations.	From the first available pay period.
Determine and deduct the appropriate rate of employee contributions, based on the current contribution rate banding table.	Immediately upon commencing Scheme membership, in line with employer's policy and as a minimum in each April thereafter.
Notify the administrator of all new starters.	Provide the Pension Section with details of all new entrants to the LGPS, by the 10th of the month following entry.
Provide all eligible new employees with details about the scheme in the form of a copy of the key facts leaflet and/or directing them to the Fund's website.	To be provided to the employee within six weeks of the date on which the employee became a scheme member.
<b>Auto-enrolment</b>	
Enrol and re-enrol all eligible employees into the scheme in accordance with the auto-enrolment requirements of the Pensions Act 2008 and the relevant LGPS regulations.	This should be done for each pay period ensuring all non-members without a valid exclusion from auto-enrolment are enrolled or re-enrolled into the LGPS.
Replicate the same process as above in New Starters section for those employees enrolled or re-enrolled into the scheme	N/A
<b>50/50 membership</b>	
When an election to move into or out of the 50/50 section is received from an employee, adjust the contribution rate accordingly and confirm to the member that this has been actioned.	Within one month of the date of change following receipt of a valid election to either move from the Main Section to 50/50 Section of the Scheme, or to move from the 50/50 Section to Main Section of the Scheme. This may be in the form of a pay advice notice.
Where an employee either goes onto nil pay due to sickness or injury or passes the automatic re-enrolment date, move the employee back into the main section of the scheme.	This should be done from the date of the relevant event detailed, and communicated to the employee within one month of the change.

<b>Employing authority's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
Notify the administrator of all employees that move into and out of the 50/50 section via spreadsheet or online portal, at least monthly.	This should form part of the monthly submission to the Administering Authority.
<b>Additional contributions</b>	
<b>General information</b>	
Distribute general information on the options available for paying additional contributions to employees, if requested to do so by the administrator or administering authority, both electronically and in paper format.	This should be distributed within one month of having received the instruction and documentation from the Scheme Administrator or Administering Authority.
Make the appropriate deduction of additional contributions on receipt of an election from a member, and confirm this has been actioned to both the member and Administrator	The deduction should take effect from the first available pay period (or date specified if later). The member and Scheme Administrator should then be informed within one month of the change.
<b>Additional pension contributions (APCs)</b>	
Ensure and arrange for the correct deduction of APCs from pensionable pay throughout the length of the contract.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of the APCs to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.
Provide a monthly breakdown of all APCs to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS31 should be made to the Fund prior to the payment and no later than 18 <sup>th</sup> of the month following the deduction.
<b>Other additional contribution contracts</b>	
Ensure and arrange for the correct deduction of additional contributions from the member's pensionable pay.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Ensure deductions of additional contributions commence and cease from the appropriate dates.	The deduction should take effect from the first available pay period (or date specified if later) and continue at the prescribed rate until the termination date or date active membership of the Scheme ceases if earlier.
Make payment of all additional contributions (excluding AVC's) to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19th of the month following the deduction.

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
Provide a monthly breakdown of all other additional contributions to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS31 should be made to the Fund prior to the payment and no later than 18 <sup>th</sup> of the month following the deduction.
<b>Absence contributions</b> <ul style="list-style-type: none"> <li>▪ The requirements below apply to all absences, including, but not limited to:           <ul style="list-style-type: none"> <li>○ Child-related leave (e.g. maternity, paternity, adoption, parental leave);</li> <li>○ Authorised unpaid leave (e.g. unpaid child-related leave);</li> <li>○ Reserve forces leave;</li> <li>○ Industrial action;</li> <li>○ Jury service.</li> </ul> </li> </ul>	
Notify employees of the options available to pay additional contributions to cover benefits that have been reduced or lost due to periods of absence.	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 therefore provide details of the options available to employees, allowing sufficient time for an employee election to be made.
When an election to pay additional contributions to cover a period of absence has been received, arrange for the correct amounts to be deducted from the employee's pensionable pay.	Deduct the relevant contributions due within the first available pay period following receipt of a valid member election.
Make payment of all absence-related additional contributions to the administering authority within the timescales agreed.	Scheme employers must pay over contributions to the Fund by the 19 <sup>th</sup> of the month following the deduction.
Provide a monthly breakdown of all absence-related additional contributions to the administrator/administering authority for reconciliation against payments received.	Submission of a LGPS31 should be made to the Fund prior to the payment and no later than 18 <sup>th</sup> of the month following the deduction.
<b>Award of additional pension</b>	
Ensure the appropriate additional pension decisions are communicated promptly to Administrator by one of the employing authority's authorised signatories.	Notification should be provided to the administrator within 5 working days of the resolution to award additional pension having been made.
Ensure the appropriate additional costs invoiced in relation to any award of additional pension are paid to the administering authority within the agreed timescale.	Payment of the invoice should be made within the stated terms.

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
<b>Leavers not entitled to immediate payment of benefits</b>	
<b>General responsibilities</b>	
<p>Notify the administrator of all employees who leave the scheme before retirement, by providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <ul style="list-style-type: none"> <li>▪ Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</li> <li>▪ Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</li> <li>▪ Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> <li>▪ Where the member is entitled under the LGPS regulations to use a final pay that relates to a previous year, provide the previous two year's final pay figures or the best of the last 10 years' final pay figure, as required.</li> <li>▪ Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> </ul>	To be provided within one calendar month of the date of leaving, in a format approved by the Administering Authority.
<b>Refunds of contributions</b>	
Refund contributions through the payroll to any employee who opts out of the scheme with less than three months membership.	Within the first available pay period following receipt of a valid opt out. Provide the Scheme Administrator with details of all opt outs and a copy of the completed 'Opt out form' by the end of the calendar month following the last contribution deducted.
Provide additional information to assist in the accurate calculation of refunds of contributions, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.
<b>Deferred benefits</b>	
Provide additional information to assist in the accurate calculation of deferred benefits, if required by the administrator.	To be provided within 10 working days from receipt of the request from the administrator.

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
<b>Transfers</b>	
Ensure an appropriate discretionary policy is in place setting out policy on whether they choose to extend the 12 month time limit for accepting transfers in.	This should form part of the discretionary policies made within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.
<b>Bulk transfers</b>	
Work with the Administering Authority and the Fund Actuary in their negotiations to facilitate agreement on the terms for transfer.	By way of providing any additional information within 10 working days of receipt of the request.
<b>Retirements</b>	
<b>General responsibilities</b>	
<p>Notify the administrator of all employees who leave the scheme at a point where they are entitled to receive payment of their retirement benefits, whether voluntarily or because of a decision by the employing authority, by providing a complete and correct pensions leaver form, signed by one of the employing authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <ul style="list-style-type: none"> <li>▪ Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</li> <li>▪ Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</li> <li>▪ Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> <li>▪ Where required, provide details of the hours the member worked up until the date of leaving and, if required by the administrator, details of historical hours changes for the member.</li> <li>▪ Provide confirmation that the employing authority has received details of the potential retirement costs and wishes to proceed with the retirement.</li> <li>▪ Provide confirmation to the member about the employing authority's decision, with appropriate justification if required.</li> <li>▪ Understand, and pay where applicable, the associated costs to the Administering Authority that apply if a decision is made to retire a member on the grounds of redundancy, business efficiency or ill health.</li> </ul>	<p>Notify the administrator when a member is due to retire as soon as final earnings are known, typically 20 days prior to date of retirement and no later than 2 weeks after the date of leaving by the submission of a Leaver Notification.</p>

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
<b>Other responsibilities</b>	
Where the reason for leaving is voluntary early retirement, provide confirmation of whether the Rule of 85 is to be applied, whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any).	Confirmation should accompany the Leaver Notification if not previously submitted.
Where the reason for leaving is flexible retirement, provide confirmation of whether any reductions to protected benefits are to be waived, whether any reductions to unprotected benefits are to be waived, and the amount of the reductions that are to be waived (if any). Where the reason for leaving is redundancy or efficiency retirement, provide a copy of the employee's notice letter.	Confirmation should accompany the Leaver Notification if not previously submitted.
Where the reason for leaving is ill-health retirement, arrange for the member to be assessed by an IRMP that has been certified by the Administering authority, provide confirmation that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, provide confirmation of which tier of benefits is to be awarded, and enclose a copy of the notice letter and a complete and correct ill-health certificate completed by the IRMP.	Confirmation should accompany the Leaver Notification if not previously submitted.
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.
<b>Deaths</b>	
<b>General responsibilities</b>	
<p>Notify the administrator of all employees who die while an active member of the scheme, by providing a complete and correct pensions leaver form, signed by one of the Employing Authority's authorised signatories. This must include the member's personal details, date of leaving, reason for leaving, and pay details as outlined below.</p> <ul style="list-style-type: none"> <li>▪ Provide details of the contributions made by the employee and employer during the final scheme year and the previous scheme year, including any additional contributions.</li> <li>▪ Provide details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</li> <li>▪ Provide details of the member's Assumed Pensionable Pay (APP), as defined by the LGPS Regulations 2013 as at the date of death.</li> </ul>	Notify the administrator as soon as possible of the death and provide a Leaver Notification within 5 workings days of the death.

<b>Employing authority's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<ul style="list-style-type: none"> <li>▪ Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> <li>▪ Where required, provide details of the hours the member worked up until the date of death and, if required by the administrator, details of historical hours changes for the member.</li> <li>▪ Provide additional information to assist in the accurate calculation of death benefits, if required by the administrator.</li> </ul>	
<b>Pension sharing and earmarking orders</b>	
<b>General responsibilities</b>	
<p>Provide the administrator with information as requested to enable them to carry out the order. This may include, but is not restricted to:</p> <ul style="list-style-type: none"> <li>▪ Providing details of the member's pensionable pay, as defined by the LGPS Regulations 2013, for the scheme year up to the date of leaving and for the previous scheme year.</li> <li>▪ Where required, provide details of the member's final pay as defined by the LGPS (Benefits, Membership and Contributions) Regulations 2007.</li> </ul>	Details should be provided to the administrator within 10 working days of the request.
<b>Complaints, errors and breaches</b>	
<b>Complaints</b>	
Appoint a nominated person to consider disputes under stage 1 of the IDRP process and provide up to date contact details to the administering authority and administrator.	Within 90 days of becoming a scheme employer within the East Sussex Local Government Pension Fund or 90 days from date of request by the Administering Authority.
Notify the administering authority of the receipt of any complaint under the IDRP process.	Within 5 working days of receipt of the complaint.
Consider and respond to disputes made under stage 1 of the IDRP within statutory timeframes as set out in the LGPS Regulations 2013.	Where the complaint is in relation to an act or omission of the scheme employer, the appointed person to consider disputes under stage 1 of the IDRP process by the employer, should respond within the statutory deadline of 2 months beginning with the date on which the IDRP application was received.
Notify the administering authority when a stage 1 decision has been issued.	A copy of the response should be provided to both the complainant and the Administering Authority within the 2-month period.
Fully cooperate with all stages of any complaint investigation, including the provision of data, information or technical assistance to any relevant party (including external	By way of providing any additional information requested within 10 working days of receipt of the request.

<b>Employing authority's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
parties such as the Pensions Ombudsman) as required, to ensure the efficient resolution of any complaint.	
<b>Breaches</b>	
Be aware of the Fund's Breaches Policy and Reporting Procedures, and of each party's responsibilities in relation to this.	The East Sussex Pension Fund Breaches Policy was agreed by the Pensions Committee at its meeting on 22 June 2020. Employers should take time to familiarise themselves with this policy.
Liaise and cooperate appropriately with any investigation into any potential breaches, including with the Administering Authority and the Administrator, and provide such information as is requested.	By way of providing any additional information requested within 10 working days of receipt of the request.
<b>Data quality and record keeping</b>	
<b>Data quality</b>	
Ensure that robust controls are in place for collecting good quality data and, where a data improvement plan has been implemented, liaise with the Administrator and the Administering Authority as appropriate to meet key milestones and to ensure and demonstrate progress against that plan.	N/A
Ensure that pension related information is archived in such a way as to ensure it is accessible for as long as it may be needed.	N/A
Ensure the year end return, (1 April to 31 March) is provided to the administrator in the prescribed format, a template of which will be issued in advance of the year end.	The return must be submitted no later than 30 <sup>th</sup> April following the end of the preceding scheme year. A late or incorrect return will directly affect your employees, as until the year end data has been reconciled, an annual benefit statement may not be issued.
Provide a response to any queries raised in relation to the year end return.	Provided to the administrator / Administering Authority within 10 working days of receipt of the request.
<b>Communications</b>	
<b>General responsibilities</b>	
Distribute any information provided by the administering authority or administrator to members or potential members (e.g. scheme guides and newsletters).	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.

<b>Employing authority's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<b>Annual benefit statements</b>	
Ensure that the administrator is provided with requisite information to enable them to produce an ABS	Any additional data required by the administrator for the purpose of issuing an Annual Benefit Statement, should be provided within 10 working days of receipt of request.
<b>Pensioner payroll services</b>	
<b>Reviews of pension payments</b>	
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the administrator of the outcome of a Tier 3 Ill Health Review as within 5 working days of the determination.
<b>Overpayments and underpayments</b>	
To notify the administrator as soon as practically possible after identifying any irregularity that could contribute to the member being over or underpaid (e.g. an audit review of completed leaver forms may identify an incorrect pay value stated and issued to the administrator in respect of a pensioner)	Scheme employers should notify the administrator within 5 working days of having discovered the irregularity.
<b>Finance and accounting</b>	
<b>General responsibilities</b>	
Make payment of additional fund strain costs in relation to early payment of benefits from flexible retirements, redundancy or efficiency retirements, or early retirements with employer consent, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payment of recharge amounts in respect of compensatory added years, where appropriate.	Payments to be made on a monthly basis and detailed on the LGPS31 Form submitted to the Administering Authority.
Make payments in respect of accounting work carried out on behalf of the employing authority by the Fund actuary or the administering authority's accounting team, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.
Make payments in respect of any other work carried out by the administrator, administering authority or Fund actuary on behalf of the employing authority, upon receipt of an invoice from the administrator or administering authority.	Payment of the invoice should be made within the stated terms.

<b>Employing authority's responsibilities</b>	<b>Timeframes / Deadlines (where applicable)</b>
<b>Contributions</b>	
Ensure the correct employee contribution rate is determined each scheme year in line with the appropriate contribution banding table.	An assessment should be made by all scheme employers every April to ensure all employee contribution deductions are made in line with the revised employee contribution bandings issued.
Ensure the correct deduction of contributions from employees' pensionable pay, including any period of child-related leave, trade dispute, or other absence.	N/A
Apply changes to employer contribution rates as instructed by the administering authority at the date specified by the Fund actuary.	Apply from the first available pay period (retrospectively if required) or the date specified by the actuary if later, following receipt of an instruction from the Administering Authority.
Ensure employer and employee contributions are paid across in a timely manner and in the agreed format.	<p>Scheme employers must pay over contributions to the Fund by the 19<sup>th</sup> of the month following the deduction. Submission of a LGPS31 should also be made to the Fund prior to the payment and no later than 18<sup>th</sup> of the month following the deduction.</p> <p>Failure to pay contributions or submit the LGPS31 by the prescribed deadline may result in additional charges being levied against the employer. Where considered to be of material significance the Fund will consider a referral to The Pensions Regulator in line with their Code of Practice 14.</p>
<b>Employer services</b>	
<b>General responsibilities</b>	
Distribute all supporting material supplied by the administrator or administering authority to relevant staff and ensure attendance at employer training sessions.	All material provided to scheme employers should be distributed to the relevant employees with 15 working days of receipt.
<b>Pensions taxation</b>	
<b>Annual allowance</b>	
Ensure that the administrator is provided with any information required to enable them to calculate the Pension Input Amount and to produce a Pension Savings Statement within statutory timescales.	By way of providing any additional information requested within 10 working days of receipt of the request from the administrator or Administering Authority.

Employing authority's responsibilities	Timeframes / Deadlines (where applicable)
<b>Administration performance reports and CIPFA benchmarking</b>	
<b>CIPFA benchmarking</b>	
Provide additional information to assist in the completion of the annual CIPFA benchmarking questionnaire, if required by the administrator or the administering authority.	Within 10 working days of receipt of the request from the administrator or Administering Authority.
<b>Administration quality standards</b>	
<b>General responsibilities</b>	
Provide additional information to assist in the accurate calculation and payment of all benefits, if required by the administrator.	Within 10 working days of receipt of the request from the administrator or Administering Authority.