

Service Standards Agreement for East Sussex Pension Administration

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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 st 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"> • Short service refund lump sum charges • Lifetime allowance charges • Special lump sum death benefit charges • Serious ill-health lump sum charges • Authorised surplus payments charges • Annual allowance charges • Overseas transfer charges 	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 nd of each month.
Notify members of material scheme changes.	Within three months of the date the change takes effect.
Respond to an IDRPs 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.

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

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

<p>Transfer-in – actual</p> <p>Calculate the additional benefits that the transfer value has awarded and send a confirmation letter to the member.</p>	<p>Within 10 working days of receiving confirmation of payment from the member's previous pension provider.</p>
<p>Transfer-out – estimate</p> <p>Calculate a transfer value and send an information pack and all option forms to the member.</p>	<p>Within 15 working days of receiving a complete and correct CETV request form from the member</p>
<p>Transfer-out – actual</p> <p>Calculate and make payment of the CETV or interfund transfer and send confirmation to the member and the receiving scheme.</p>	<p>Within 25 working days of receiving all the required information, including complete and correct forms from the member and the receiving scheme.</p>
<p>Aggregation within ESPF (in fund transfer) - quotation</p> <p>Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.</p>	<p>Within 15 working days of receiving a complete and correct starter form from the scheme employer.</p>
<p>Aggregation within ESPF - settlement</p> <p>Update member record in accordance with the election made.</p>	<p>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.</p>
<p>Aggregation from another LGPS fund – request for information</p> <p>Request details of estimated transfer payable from the member's previous pension provider.</p>	<p>Within 5 days of receiving confirmation of previous LGPS service with another Fund.</p>
<p>Aggregation from another LGPS fund - estimate</p> <p>Notify the member of their rights and options, or confirm automatic aggregation, if appropriate.</p>	<p>Within 10 working days of receiving all the required information from the previous fund.</p>
<p>Aggregation from another LGPS fund – request payment</p> <p>Request payment of the transfer value from the member's previous pension provider</p>	<p>Within 5 working days of receiving all complete and correct forms from the member.</p>
<p>Aggregation from another LGPS fund – settlement</p> <p>Update member record in accordance with the election made.</p>	<p>Within 10 working days of receiving all complete and correct forms from the member (request payment and pend until)</p>

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

<p>Deferred retirement (from early, normal, late or ill health – quote 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>Payment of lump sum and notification 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>Strain payment 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>Trivial commutation upon retirement or from pensioner status – Quote 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>Trivial commutation upon retirement or from pensioner status – Settlement 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>

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

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

Breaches and complaints

The management of breaches are in full compliance with the ESPF Breaches Policy agreed on 22nd 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 IDRPs 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 IDRPs 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 IDRPs 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 22nd June 2020

Communication	Administration standards
Notify all pensioner and dependant members of the annual increase to their pension.	By 30th April following the end of each tax year.
Employer satisfaction survey Issue a satisfaction survey to all employers in the fund.	Issue annually by 30 th November and achieve an overall satisfaction score that is above 70.
Member satisfaction survey Issue a satisfaction survey to a sample of members in the fund.	Issue annually by 30 th and achieve an overall satisfaction score that is above 70.
Pensioner newsletter Produce and distribute a newsletter to all members in receipt of a pension.	Issue annually by 30 th April after the year end of 31 st March and accompanying the notification of annual pensions increase.
Member newsletter Produce and distribute a newsletter to all active and deferred members.	Issue annually by 31 st August for each year ending 31 st March.
Annual Benefits Statements	By 31 st August
Website	Reviewed on a monthly basis and requests for update provided to the Compliance & Local Improvement Partner.
Valuation or data extract(s) for Hymans	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
<p>Total number of cases created during the period.</p> <p>Total number of cases completed during the period.</p> <p>Total number of cases outstanding at the end of the period.</p>
<p>Scheme membership numbers at the beginning and end of the period.</p> <ul style="list-style-type: none"> • Active members • Undecided leavers • Deferred members • Pensioners • Dependants
<p>Number of employers in the fund at the beginning and end of the period.</p> <p>Breakdown of the types of employers at the beginning and end of the period.</p>
Part 2: Caseload performance
<p>Name of each administration process and brief description.</p> <p>Administration target for each process.</p> <p>Legal timescale for each process, where appropriate.</p> <p>Number of cases created during the period.</p> <p>Number of cases completed during the period.</p> <p>Number and percentage of cases completed within the administration target and legal timescale categorised using RAG ratings.</p> <p>Average number of days taken to complete cases.</p> <p>Number of cases outstanding at the end of the period.</p>
Part 3: Qualitative standards
<p>Total number of benefit calculations issued to members during the period.</p> <p>Administration target for all benefit calculations issued to members.</p> <p>Number of benefit calculations issued to members that did contain an error.</p> <p>Percentage of benefit calculations issued to members that did not contain an error.</p>
<p>Number of pension payments made during the period</p> <p>Administration target for accurate pension payments</p> <p>Number and percentage of pension payments made during the period that were found to contain an error.</p>

Part 4: Breaches and complaints	
<p>Number of breaches logged during the period.</p> <p>Number of breaches reported to TPR during the period.</p>	
<p>Number of member complaints received during the period.</p> <p>Number of IDRPs logged during the period.</p> <p>Number of IDRPs upheld/partially upheld during the period.</p>	
Part 5: Communications	
<p>ABSs for active members</p> <p>Legal timescale for issuing active ABSs.</p> <p>Date that active ABSs were issued.</p> <p>Number and percentage of active members who received an ABS.</p>	<p>ABSs for deferred members</p> <p>Legal timescale for issuing deferred ABSs.</p> <p>Date that deferred ABSs were issued.</p> <p>Number and percentage of deferred members who received an ABS.</p>
<p>Employer satisfaction survey</p> <p>Date that survey was issued.</p> <p>Target satisfaction rating.</p> <p>Actual satisfaction rating.</p>	<p>Member satisfaction survey</p> <p>Date that survey was issued.</p> <p>Target satisfaction rating.</p> <p>Actual satisfaction rating.</p>
<p>Pensioner newsletter</p> <p>Date that newsletter was issued.</p>	<p>Member newsletter</p> <p>Date that member newsletter was issued.</p>
<p>Employer meeting</p> <p>Date that meeting was held.</p>	<p>Pension fund annual meeting</p> <p>Date that meeting was held.</p>
Part 6: Data quality	
<p>Common data</p> <p>Last reported common data score.</p> <p>Target common data score.</p> <p>Scheme-specific data</p> <p>Last reported scheme-specific data score.</p> <p>Target scheme-specific data score.</p> <p>Data improvement plan</p> <p>Summary of any actions taken to improve data quality</p>	

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