

# **Staffordshire Pension Fund**

## **Pensions Administration Strategy**

**1 April 2025**

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## **2. Introduction**

This is the Pensions Administration Strategy (the 'Strategy') for the Staffordshire Pension Fund (the 'Fund'). Staffordshire County Council (SCC) is the administering authority for the Fund, as defined in the LGPS regulations.

## **3. Background**

This Strategy sets out the requirements for Scheme employers which will enable them and the Fund to meet their legal obligations in respect of the Local Government Pension Scheme (LGPS) Regulations and regulatory standards required by the Pensions Regulator (TPR).

## **4. Compliance**

Developed in consultation with Scheme employers within the Fund, this Strategy seeks to promote good working relationships, improve efficiency and ensure agreed standards of quality in delivery of the pension's administration service amongst the Scheme employers and the Fund.

A copy of this Strategy can be found on the Fund's website at:

<https://www.staffspf.org.uk/Governance/Policies.aspx>

In no circumstances does this Strategy override any provision or requirements of the LGPS Regulations.

## **5. Review**

The Fund will review this Strategy every three years or sooner subject to regulatory change and make revisions as appropriate following a material change in policy in relation to any matters contained in the Strategy.

Where there are significant revisions made to the Strategy and/or the changes will have implications to Scheme employers, the Fund will consult more widely with Scheme employers, the Employer Focus Peer Group and other persons it considers appropriate. The Pensions Committee must approve the Strategy before it is published (except where there are minor or corrective amendments only).

A copy of this Strategy will be published on the Fund's website and a link circulated to Scheme employers in the monthly Employer Focus newsletter.

## **6. Legislation**

The Local Government Pension Scheme Regulations require the Fund to prepare a written statement of its policies in relation to the following:

- Procedures for liaison and communication with participating Scheme employers;
- The establishment of levels of performance which the Fund and its participating Scheme employers are expected to achieve in carrying out their Scheme functions;
- Procedures which aim to ensure that the Fund and its participating Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
- Procedures for improving communication of information relating to those functions by the Fund and its participating Scheme employers;
- The circumstances in which the Fund may consider giving notice to any of its participating Scheme employers because of that employer's unsatisfactory performance in carrying out its Scheme functions; and
- Such other matters that appear to the Fund to be suitable for inclusion in the Strategy.

## **7. Aims and Objectives**

The aim of this Strategy is to detail requirements for liaison and communication between Scheme employers and the Fund thus ensuring regulatory compliance is achieved and best value service standards are delivered to Scheme members and other parties to meet their statutory obligations.

This is achieved by:

- Clearly defining the respective roles of the Fund and Scheme employers as set out in the LGPS Regulations and other relevant legislation;
- Setting clear service standards and service levels to be delivered by respective parties, to enable efficient administration of functions;
- Clarifying procedures for effective communications and information exchange between Scheme employers and the Fund;
- Establishing a basis for monitoring service delivery and identifying opportunities for improvement and added value; and
- Providing a framework for monitoring compliance with regulatory requirements and where necessary, for formal reporting of breaches of the law, in accordance with the Pensions Regulator's General Code of Practice ("the Code").

## **8. Monitoring Service Standards and Managing Compliance**

The Treasury and Pensions Team at the Fund will monitor the performance of Scheme employers against the targets and standards set out in this Strategy and will share monitoring outcomes and any issues arising with:

- The Pensions Committee;
- The Local Pensions Board;
- The Employer Focus Peer Group;
- Individual Scheme employers; and
- The Pensions Regulator (where appropriate).

The Fund will monitor performance in the following ways:

- By recording monthly contributions received from each Scheme employer on a "Contributions Control Spreadsheet";
- Through monthly 'Service Standards' reporting (shared in the Fund's Annual Report and Accounts);
- By sharing an Annual Outturn Report and Business Plan with the Pensions Committee, highlighting performance levels;
- By comparing performance against other LGPS pension funds, benchmarking key data and workloads;
- By regularly reviewing internal processes and controls;
- By reviewing the Breaches Log each quarter; and
- By consulting with the Employer Focus Peer Group and obtaining feedback when appropriate.

Where performance issues arise, the aim in the first instance will be to resolve issues informally between parties, and to identify appropriate action to address any underlying issues, through training, coaching, process improvements or better communications. This is covered in more detail on page 18.

## **9. Breaches**

Please note, where there is a clear breach of LGPS Regulations or agreed performance, for instance, where a Scheme employer fails to pay the monthly contribution income to the Fund in line with regulatory guidelines or where the Fund fails to issue the statutory communications (such as the Annual Benefit Statements) to members within statutory deadlines, the Fund is duty bound to capture this on its Breaches Log. All such breaches will be investigated and if deemed material will be reported to the Pensions Regulator.

A copy of the Fund's Breaches of the Law Policy can be found on our website:

<https://www.staffspf.org.uk/Governance/Policies/Breaches-of-the-law-policy/Breaches-of-the-Law-Policy.aspx>

## **10. Scheme employer Designated Pensions Contacts**

To ensure that joint working is effective, it is important for Scheme employers to keep the Fund updated with any changes to staff responsible for sending and signing off pensions data and telling us who we can contact with any queries (authorised contacts).

Key Scheme employer contacts include:

- Director of Finance
- Head of Human Resources
- Head of Payroll

In addition, Scheme employers are expected to nominate authorised officers for day-to-day pensions matters, including appropriate contacts if using an external payroll provider.

Key Scheme employer responsibilities will be:

- To ensure that the standards and level of service set out in the Pensions Administration Strategy are delivered and regulatory responsibility is complied with;
- To act as a conduit for communications to appropriate staff within the Scheme employer, for example Human Resources, Payroll Departments, Director of Finance;
- To inform the Fund of any outsourcing, TUPE transfers or alternative service delivery arrangements that may be under consideration;
- Day-to-day administration such as new starters, leavers, amendments and other pension enquires; and
- To liaise with and assist the Fund in the identification explanation, reporting and resolution of statutory breaches, as required by the Pensions Regulator's General Code of Practice.

## **11. Scheme employer Responsibilities**

This section outlines the role and responsibilities of all Scheme employers in the Fund and the performance standards Scheme employers are expected to meet, to enable the Fund to deliver an efficient, quality and value for money service. The Scheme employer role is divided into two key areas:

- Scheme Governance and Administration
- Scheme Membership and Employer Administration

The Fund offers the opportunity for new and existing Scheme employers to book a Welcome and Information call to discuss their roles and responsibilities. These sessions provide an overview of the Fund including contacts for each team and descriptions of their duties, the Scheme employers' area of the Fund's website and information about valuation, accounting, i-Connect and outsourcing.

## 12. Scheme Governance and Administration

| <b>Scheme Employer Responsibility</b>                     | <b>Action Required by Scheme Employer</b>                                                                                                                                                    | <b>Timescale for Scheme Employer to Act Service Level Agreement</b>                                                                                                                    |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pensions Discretions                                      | Formulate and publish policies in relation to all areas where the Scheme employer may exercise a discretion within the LGPS (including providing a copy of the policy document to the Fund). | To be kept under regular review and a revised statement published within one month of any changes and no later than 6 months after being informed by the Fund of any relevant changes. |
| Scheme employee and Scheme employer Pension Contributions | Remit Scheme employer and Scheme member contributions to the Fund and provide schedule of payments in the format stipulated by the Fund.                                                     | Cleared funds to be received by 19th calendar day of the month after deduction.                                                                                                        |
| Scheme employer Contribution Rate                         | Implement changes to Scheme employer contribution rate as instructed by the Fund.                                                                                                            | At date specified on the actuarial advice received by the Fund.                                                                                                                        |
| Year-end Information                                      | Provide accurate year-end information required by the Fund in the format stipulated in the instructions issued by the Fund.                                                                  | By 19th April following the year-end or earlier date specified by the Fund e.g. earlier submission in a valuation year.                                                                |
| Website                                                   | Refer new /prospective Scheme members to the Fund's website.                                                                                                                                 | Within 10 days of commencement of employment or change in contractual conditions.                                                                                                      |
| Contracting Services                                      | Notify the Fund if contracting out services which will involve a TUPE transfer of staff to another organisation.                                                                             | At the time of deciding to tender so that pension costs can be included in the tender decision-making process.                                                                         |

| <b>Scheme Employer Responsibility</b>        | <b>Action Required by Scheme Employer</b>                                                                                                                                                                                 | <b>Timescale for Scheme Employer to Act Service Level Agreement</b>                                                                        |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Admission Agreement                          | Work with the Fund to arrange for an Admission Agreement to be put in place when contracting out a service and assist in ensuring it is complied with.                                                                    | Admission Agreement to be put in place no later than two weeks after the date the contract commenced.                                      |
| Admission Agreement (potential cessation)    | Notify the Fund as soon as you are aware of a cessation event (i.e. last active Scheme member leaving, termination of contract).                                                                                          | As soon as the decision is made, so that the Fund can assess the impact and instruct the Actuary to carry out calculations, if applicable. |
| Retirement Costs (strain)                    | Make additional Fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a Scheme member retires early with Scheme employers' consent.      | Within 28 days of receipt of invoice from the Fund.                                                                                        |
| Additional Costs / Sanctions                 | Pay any fines / costs incurred because of non-performance / non-compliance with this Pensions Administration Strategy or those charged by the Pensions Regulator, as a result of a direct breach of the LGPS Regulations. | Within 28 days of receipt of invoice from the Fund.                                                                                        |
| Payment of Invoices                          | Prompt payment of invoices issued by the Fund for specific services provided.                                                                                                                                             | Within 28 days of the invoice date                                                                                                         |
| Breaches                                     | Respond to enquiries from the Fund relating to a material Breach of the Law.                                                                                                                                              | Within 5 days of the request.                                                                                                              |
| Internal Dispute Resolution Procedure (IDRP) | Appoint person for Stage 1 appeals made under the IDRP process.                                                                                                                                                           | Within 28 days of becoming a Scheme employer or following the resignation of the current adjudicator.                                      |

### 13. Scheme Membership and Scheme employer Administration

The Fund's preferred method for the submission of data is through our data portal known as i-Connect. Scheme employers simply submit a monthly employee payroll data file and i-Connect processes the file and identifies the data to be uploaded to the pension administration scheme – Altair. This makes the administration of the Scheme less complicated for both the Scheme employer and the Fund.

The Fund mandates that any new Scheme employer must start using the i-Connect system from the point of conversion. Further information on i-Connect, including user specification guide, can be found on the Fund's website:

<https://www.staffspf.org.uk/Employers/i-Connect/i-Connect.aspx>

| <b>Scheme employer Responsibility</b> | <b>Action Required by Scheme employer</b>                                                                                                                     | <b>Timescale for Scheme employer to Act Service Level Agreement</b>                                                                                               |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Starter                           | Notify the Fund of new starters to the LGPS.                                                                                                                  | By the 19th of the following month which the Scheme member joined.                                                                                                |
| Scheme member Contributions           | Arrange for the correct deduction of contributions from a Scheme member's pensionable pay.                                                                    | Immediately on joining the scheme, opting in or a change in circumstances.                                                                                        |
| Scheme member Contribution Rate       | Ensure the correct Scheme member contribution rate is applied.                                                                                                | Immediately on commencing scheme membership and in line with the Scheme employers' policy on banding changes and, as a minimum, in each April payroll thereafter. |
| Change of Personal Circumstances      | Notify the Fund of any material changes in Scheme members' circumstances (e.g. payroll/contract change, address change, marital or civil partnership status). | By the 19th of the following month which the material change occurred.                                                                                            |

| <b>Scheme employer Responsibility</b>    | <b>Action Required by Scheme employer</b>                                                                                                                                                                                                                                                                                             | <b>Timescale for Scheme employer to Act Service Level Agreement</b>                                |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Scheme members Leave of Absence          | <p>Notify Scheme member of options regarding any unpaid authorised absence (Additional Pensions Contributions (APC) to cover breaks). Inform the Fund of APP for relevant periods of absence.</p> <p>Notify the Fund of leaves of absence (industrial dispute, child related leave, authorised absence and unauthorised absence).</p> | Monthly submissions / notifications should be reported to the Fund by 19th of the following month. |
| Additional Pension Contributions (APC's) | <p>Election from Scheme member to buy extra pension:</p> <p>Commence / Cease deduction of APC; or amend such deductions, as appropriate.</p>                                                                                                                                                                                          | Month following election to pay additional pension contributions.                                  |

| <b>Scheme employer Responsibility</b>                                | <b>Action Required by Scheme employer</b>                                                                                                                                                                                                                                                                                                                                                | <b>Timescale for Scheme employer to Act Service Level Agreement</b>                                                                                                                                                                                                   |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shared Cost Additional Pension Contributions (SCAPC's)               | <p>Election from Scheme member to buy back lost pension if away from work with no pay.</p> <p>If employee elects within 30 days of returning to work, Scheme employer will meet two thirds of the cost (except for industrial action - strike).</p> <p>Commence / Cease deduction of APC; or amend such deductions, as appropriate.</p> <p>Pay across Scheme employer share to Fund.</p> | Month following election to pay additional pension contributions.                                                                                                                                                                                                     |
| Additional Voluntary Contributions (AVC's)                           | Arrange for deduction of AVC's and payment over of contributions to AVC provider(s).                                                                                                                                                                                                                                                                                                     | <p>Commence deduction of AVC's in the next month's payroll run following the receipt of election.</p> <p>Pay over contributions to the AVC provider (s) by the 19th of the month following the deduction.</p> <p>Upload the relevant schedule to AVC provider(s).</p> |
| Scheme member Leaves Employment (voluntary resignation under age 60) | Notify the Fund when the Scheme member leaves employment using the method stipulated by the Fund.                                                                                                                                                                                                                                                                                        | By the 19th of the following month after the date of leaving.                                                                                                                                                                                                         |

| <b>Scheme employer Responsibility</b> | <b>Action Required by Scheme employer</b>                                                                                                                                                                                                                                                                                                                                | <b>Timescale for Scheme employer to Act Service Level Agreement</b>                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Final Pay calculation                 | For Scheme members with pre-1 April 2014 membership (final salary arrangement), to provide average FTE pensionable pay for last 365 days of employment.                                                                                                                                                                                                                  | Within 10 working days of data being requested by the Fund.                                                      |
| Scheme member due to Retire           | <p>Notify the Fund when a Scheme member is due to retire including an accurate assessment of pay and confirmation of reason for leaving using the method stipulated by the Fund.</p> <p>Note: where Scheme member has attained their Normal Pension Age (State Pension age, but with a minimum of age 65), notification of benefits must be provided within 1 month.</p> | As soon as practicable, but no later than 19th of following month following the Scheme members' retirement date. |
| Ill-Health                            | <p>The Scheme employer to determine eligibility and notify the Fund of Ill-Health award and the Tier granted.</p> <p>To submit completed Medical Certificate from approved independent registered medical practitioner (IRMP).</p>                                                                                                                                       | Within 10 working days of decision being made                                                                    |

| <b>Scheme employer Responsibility</b>                | <b>Action Required by Scheme employer</b>                                                                                   | <b>Timescale for Scheme employer to Act Service Level Agreement</b>                                                                                 |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Tier 3 Review                                        | Scheme employer to review Tier 3 Ill- Health pension at 18 months and, if required at the 3rd year after payment commenced. | In line with regulations and advice of Independent Registered Medical Practitioner (IRMP).<br><br>Notify the Fund within 10 days of decision taken. |
| Ill-Health Deferred Pensioner (former Scheme member) | The Scheme employer to notify the Fund of Ill-Health award.                                                                 | Within 10 working days of decision being made.                                                                                                      |
| Death of a Scheme member (Death in Service)          | Notify the Fund of the death of a Scheme member including an accurate assessment of pensionable pay.                        | As soon as practicable, but within 10 working days of being notified of the death.                                                                  |
| Scheme member Enquiries                              | Respond to enquiries from the Fund.                                                                                         | Within 10 days from receipt of enquiry.                                                                                                             |

## 14. Staffordshire Pension Fund Responsibilities

This section outlines the key responsibilities of the Fund, and the performance standards Scheme employers and Scheme members should expect. It is focused on the key activities which involve interaction with Scheme employers and /or Scheme members and should not be viewed as an exhaustive list.

## 15. Scheme Governance

| <b>Fund Responsibility</b>       | <b>Action Required by the Fund</b>                                                                                                          | <b>Timescale for the Fund to Act<br/>Service Level Agreement</b>                                  |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Forms                            | Publish and keep up to date all forms required for completion by Scheme members, prospective Scheme members or Scheme employers.            | Within 30 days of any revision                                                                    |
| Scheme Rules                     | Notify Scheme employers and Scheme members of material changes to the Scheme rules.                                                         | Within three months of the changes coming into effect.                                            |
| Scheme employer / Fund Meetings  | Host an Annual General Meeting (AGM) which all Scheme employers are invited to attend. Plus, ad - hoc Scheme employer meetings as required. | Once per year (or as required).                                                                   |
| New Scheme employer Pack         | Provide Welcome Pack to new Scheme employers.                                                                                               | All new Scheme employers to be provided with information pack within 2 weeks of joining the Fund. |
| Scheme employer Training         | Provide rolling program of refresher or 'hot topic' training for Scheme employers.                                                          | At least once per year.                                                                           |
| Scheme employer Focus Newsletter | Provision of a newsletter / briefing note to Scheme employers.                                                                              | Monthly or less frequent if no pensions news to report.                                           |
| Performance Monitoring           | Notify a Scheme employer of material issues relating to the any non-compliance with performance standards.                                  | Within 28 days of a performance issue becoming apparent.                                          |

| <b>Fund Responsibility</b>      | <b>Action Required by the Fund</b>                                                                                                                                                          | <b>Timescale for the Fund to Act Service Level Agreement</b>                                                                                                            |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Costs                           | Notify a Scheme employer of decisions to recover additional costs associated with any poor performance (including any interest that may be due).                                            | Within 28 days of Scheme employer's failure to improve performance, as agreed.                                                                                          |
| Annual Benefit Statements (ABS) | Issue annual benefit statements to active and deferred Scheme members.                                                                                                                      | By 31 August following the year-end.                                                                                                                                    |
| Triennial Valuation Results     | Issue formal valuation results (including individual Scheme employer details).                                                                                                              | No later than the 1 March following the valuation date.                                                                                                                 |
| Cessation Valuations            | Carry out valuation assessment on cessation of admission agreements or Scheme employer ceasing participation in the Fund.                                                                   | Within 12 months of agreed timescales.                                                                                                                                  |
| New Scheme employer Admissions  | Process admissions into the Fund including signed Admission Agreement (where required). Notification of contribution rate, allocation of assets and notification to the Secretary of State. | Within two weeks of date joining the Fund provided prospective Scheme employer provides full data requirements within prescribed timescales.                            |
| Governance Compliance Statement | Publish and keep under review, the Fund's Governance Compliance Statement.                                                                                                                  | By 1 December following the year-end as part of the Fund's Annual Report and Accounts or within 30 days of the policy being agreed / amended by the Pensions Committee. |

| <b>Fund Responsibility</b>                  | <b>Action Required by the Fund</b>                                                                                                              | <b>Timescale for the Fund to Act Service Level Agreement</b>                                                                                                                                                                                                                                     |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding Strategy Statement (FSS)            | Publish and keep under review, the Fund's Funding Strategy Statement.                                                                           | To be reviewed at each triennial valuation (or whenever there is a material change to the FSS policy or the Statement of Investment Principles) following consultation with Scheme employers and the Fund's Actuary. Revised statement to be published by 31 March following the valuation date. |
| Annual Report and Accounts                  | Publish the Fund's Annual Report and Accounts.                                                                                                  | By 1 December following the financial year-end.                                                                                                                                                                                                                                                  |
| Communications Strategy Statement           | Publish and keep under review, the Fund's Communication Strategy.                                                                               | We continually review the ways in which we communicate with our stakeholders and this Communication Policy Statement will be revised following any material change.                                                                                                                              |
| Administering Authority Pension Discretions | Formulate and publish policies in relation to areas where the Fund may exercise a discretion within the LGPS regulations and keep under review. | To be reviewed every 4 years, or sooner if material legislative change.                                                                                                                                                                                                                          |

The following table details the Fund's functions which specifically relate to the administration and processing of Scheme member benefits from the LGPS.

The Fund's objective against which it will benchmark itself is to deliver 90% (or better) of its services within the published service standards timeframe. Any reference to a day is a working day.

## 16. Scheme Administration

| <b>Fund Responsibility</b>    | <b>Action Required by the Fund</b>                                                                                                                                                                                                                | <b>Timescale for the Fund to Act<br/>Service Level Agreement</b>                                                                                                                         |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Starter                   | Set up a new starter and provide statutory notification to the Scheme member.                                                                                                                                                                     | Within 40 working days from receipt of correctly completed starter form or monthly interface from Scheme employer.                                                                       |
| Transfer In                   | Communication issued to Scheme member with completion of transfer in.                                                                                                                                                                             | Within 15 working days of receipt of all necessary information.                                                                                                                          |
| Transfer Out                  | Communication issued to Scheme member with completion of transfer out.                                                                                                                                                                            | Within 15 working days of receipt of all necessary information.                                                                                                                          |
| Divorce Quotes                | Estimates for divorce quotes.                                                                                                                                                                                                                     | Within 45 working days of receipt of all necessary information.                                                                                                                          |
| Divorce Pension Sharing Order | Provision of information to Scheme member following implementation of Pension Sharing Order.                                                                                                                                                      | Within 15 working days of receipt of all necessary information.                                                                                                                          |
| Pensions Estimates            | Provide requested estimates of benefits to Scheme members/ Scheme employers including any additional retirement cost in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency retirement. | Within 15 working days from date of request.<br><br>Note: bulk requests of more than 10 estimates per month will be subject to prior agreement between the Fund and the Scheme employer. |
| Retirement Letters            | Provision of new retirement letters detailing Scheme member options.                                                                                                                                                                              | Within 15 working days from receipt of all necessary information.                                                                                                                        |
| Retirement Benefit Payments   | Process of retirement benefits for payment following receipt of election.                                                                                                                                                                         | Within 15 working days of receipt of all necessary documentation. First pension payment on next available run.                                                                           |
| Deferred Benefit Calculations | Deferred benefits calculated.                                                                                                                                                                                                                     | Within 30 working days from receipt of all necessary information.                                                                                                                        |

| <b>Fund Responsibility</b>                      | <b>Action Required by the Fund</b>                                                                                                          | <b>Timescale for the Fund to Act<br/>Service Level Agreement</b>                                                                                                                      |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refund Payments                                 | Process refund payments.                                                                                                                    | Within 10 working days from receipt of all necessary information.                                                                                                                     |
| Death Notifications                             | Notification of death of active, deferred, pensioner and dependent member acknowledged.                                                     | Within 5 working days of receipt of all information                                                                                                                                   |
| Death Grant Payments                            | Process of death grant lump sum for payment.                                                                                                | Within 10 working days of receipt of all information                                                                                                                                  |
| Dependents' Pensions                            | Process of dependants' pension for payment.                                                                                                 | Within 10 working days of receipt of all information                                                                                                                                  |
| Pensioner Payslip                               | Provide pensioner payslip to Scheme members in receipt of a pension.                                                                        | Once a year in paper format and if monthly pension changes by £1 net (Electronic copies of monthly payslips also available to view online via a secure portal on the Fund's website). |
| Independent Dispute Resolution Procedure (IDRP) | Process all Stage 1 (where applicable) and Stage 2 pension IDRP applications.                                                               | Within two months of receipt of the application or such longer time as is required to process the application where further information or clarification is required.                 |
| Scheme Enquiry                                  | Provide an answer or acknowledgement to Scheme member / Scheme employer / personal representative/ dependants and other authorised persons. | Within 10 working days of enquiry.                                                                                                                                                    |

## 17. Recovering Costs / Sanctions / Fines

Where persistent and on-going failure occurs, and no improvement is demonstrated by a Scheme employer (and / or an unwillingness is shown to resolve the issues identified) the Fund may under Regulation 70 (1) of the LGPS Regulations 2014 recover costs from a Scheme employer, where costs have been incurred because of that Scheme employer's level of performance in carrying out its functions under these Regulations.

Any costs, sanctions or fines imposed by the Fund will be recovered from the Scheme employer and not the third-party company appointed by the Scheme employer to provide pensions services e.g. a third-party payroll provider.

## **18. Circumstances where additional costs may be recovered**

The circumstances where additional costs may be recovered from the Scheme employer are:

- persistent failure to provide relevant information to the Fund, Scheme member, or any other interested party in accordance with specified performance targets (either relating to the timeliness of delivery or the quality of information);
- instances where performance by the Scheme employer results in a loss to the Pension Fund, e.g. any overpayment resulting from inaccurate information supplied by the Scheme employer, costs associated with the assessment of benefits, interest on late payment of benefits, scheme tax charges, etc;
- failure to deduct and pay over correct Scheme employee and Scheme employer contributions within the standard timescales;
- failure to pay any other amounts due to the Pension Fund, e.g., actuarial strain payments;
- instances where the performance of the Scheme employer results in fines being levied against the Fund by the courts, the Pensions Regulator, the Pensions Ombudsman or any other regulatory body.

## **19. Approach to seeking additional administration costs as a result of failure to meet performance targets or financial failure.**

The approach taken by the Fund in the case of circumstances outlined previously will be to consider seeking additional administration costs where persistent failure occurs and no improvement is demonstrated by a Scheme employer once all the opportunities to resolve any issues identified have been exhausted. In these circumstances the Fund would:

- write to the Scheme employer, setting out the area(s) of poor performance;
- meet with the Scheme employer to discuss area(s) of poor performance and how these can be addressed;
- issue formal written notice, where no improvement is demonstrated by the Scheme employer, setting out the areas of poor performance that have been identified, the steps taken to resolve the area(s) of poor performance, and that the additional costs will now be reclaimed;
- clearly set out the calculations of any loss resulting to the Fund, or additional costs, considering the time spent and resources used in resolving the specific

area of poor performance.

## 20. Penalties for Failure of Scheme employers to meet their Statutory Obligation

Administration fees shown below will be charged at the discretion of the Assistant Director for Treasury & Pensions and will only be invoked if a Scheme employer has consistently failed to meet its obligations and an **Improvement Notice** has been issued and not complied with. The Fund will apply the escalation process set out in Appendix 1 before determining what course of action is to be taken.

| Regulatory Task                                                                                                                                                                                 | Administration Fee / Charge                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Late payment of Scheme employer and / or Scheme member contributions. Plus, any statutory charges.                                                                                              | £150 per occurrence plus interest as defined in the LGPS Regulations.                                        |
| Late provision of year end contributions returns in prescribed format*.                                                                                                                         | £1,000 per occurrence plus £100 for each week plus part week of continued non-provision.                     |
| Late provision of starter information, per case.                                                                                                                                                | £50 initial charge plus £50 per month or part month of continued non-provision.                              |
| Late provision of leaver information, per case.                                                                                                                                                 | £50 initial charge plus £50 per month or part month of continued non-provision.                              |
| Charges for persistent incorrect and incomplete information provided by the Scheme employer to the Fund (where the case has to be returned for incorrect information on more than 2 occasions). | £50 per case                                                                                                 |
| Fine from the Pensions Regulator**.                                                                                                                                                             | Amount requested by the Pensions Regulator.                                                                  |
| Fine from the Pensions Ombudsman**.                                                                                                                                                             | Amount requested by the Pensions Ombudsman.                                                                  |
| Delay causing unauthorised payments**.                                                                                                                                                          | Cost of tax from the HMRC and or reimbursement of charges imposed by HMRC on the Staffordshire Pension Fund. |
| Fines from any other Statutory Body incurred as a result of the Scheme employers' actions.                                                                                                      | As levied.                                                                                                   |

\* Due to the serious impact of this requirement, a penalty charge will apply for late submission and will only be waived in exceptional circumstances, as agreed by the Assistant Director for Treasury & Pensions.

\*\* Fines or charges imposed by the Pensions Ombudsman, Pension Regulator and the HMRC for non-compliance will be recharged in full to the Scheme employer.

Apart from the requirement above, these fees and charges will only be made in exceptional circumstances and Staffordshire Pension Fund will do everything possible to support Scheme employers to avoid them.

## **21. To Contact Us For Further Information**

In writing or in person at:

Staffordshire Pension Fund  
Staffordshire County Council  
2 Staffordshire Place  
Tipping Street  
Stafford ST16 2DH

Email us: [pensions.enquires@staffordshire.gov.uk](mailto:pensions.enquires@staffordshire.gov.uk)

Telephone us: on 01785 278222.

You can also visit our website at: [www.staffspf.org.uk](http://www.staffspf.org.uk)

## 22. Appendix 1 - Escalation Process

### 1. Late payment of monthly pension contributions

Scheme employee and Scheme employer contributions must be paid to the Fund within 19 days beginning on the day after the deduction is made, or within 22 days if paid electronically.

| <b>Working Days Payment Due Late</b> | <b>Action</b>                                                                                                                              |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 0-5 working days                     | Email to be sent to the Scheme employer to alert them to the payment failure and to seek to resolve the overdue payment.                   |
| 5-10 working days                    | Further email to be sent to the Scheme employer to find out the cause and circumstances of the payment failure.                            |
| 10-15 working days                   | Telephone call and/or email to confirm Scheme employer is in breach and will be included on the Staffordshire Pension Fund's Breaches Log. |
| 15+ working days                     | Referred to the Breaches of the Law Officer Group to agree next steps, including whether financial penalties to be imposed.                |

### 2. Failure to send the monthly i-Connect data submission by the due date.

| <b>Working Days Late</b> | <b>Action</b>                                                                                                                              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 0-5 working days         | Reminder email to be sent to the Scheme employer to alert them to that submission is overdue.                                              |
| 5-10 working days        | Further email to be sent to the Scheme employer to find out the cause and circumstances of the overdue submission.                         |
| 10-15 working days       | Telephone call and/or email to confirm Scheme employer is in breach and will be included on the Staffordshire Pension Fund's Breaches Log. |
| 15+ working days         | Referred to the Breaches of the Law Officer Group to agree next steps, including whether financial penalties to be imposed.                |

3. Failure to submit all other documentation or respond to queries by the expected date.

| <b>Working Days Late</b> | <b>Action</b>                                                                                                                          |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 0-10 working days        | Email reminder to be sent to the Scheme employer.                                                                                      |
| 10-15 working days       | Further email to be sent to the Scheme employer to agree deadline for final response to be received.                                   |
| 15-20 working days       | Scheme employer to be contacted again with escalation to a senior contact. To record on the Staffordshire Pension Fund's Breaches Log. |
| 20+ working days         | Referred to the Breaches of the Law Officer Group to agree next steps, including whether financial penalties to be imposed.            |