

# North Yorkshire Pension Fund



## Pensions Administration Strategy

April 20210



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## Pensions Administration Strategy

### 1.0 Purpose of Strategy

This Strategy sets out the administration protocols between employers and the North Yorkshire Pension Fund (NYPF). The protocols aim to ensure the cost effective running of the Local Government Pension Scheme (LGPS) and the best service possible for LGPS members. The protocols ensure that the statutory requirements and timescales imposed upon both employers and the NYPF can be met and therefore must be followed at all times.

For the purpose of this Strategy no practical distinction is drawn between the statutory role of North Yorkshire County Council ([NYCC](#)) as the Administering Authority for the NYPF, its Pension Fund Committee, the Pension Administration Section or other sections of the Central Services Directorate all of whom play a role in the administration of the NYPF. The term NYPF is used collectively to reflect all of the above roles within NYCC. The Pension Board also exists to assist the Administering Authority in ensuring that the NYPF is managed and administered effectively and efficiently and complies with pensions' legislation and requirements imposed by the Pensions Regulator.

### 2.0 Regulatory Background

The protocols cannot override any provision or requirement in the regulations outlined below or in any other relevant legislation.

This Strategy is made under regulation 59 of the Local Government Pension Scheme Regulations 2013. The principal regulations underpinning this document are:

- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- the Local Government Pension Scheme Regulations 2013
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (and any amendments thereto)
- the Local Government Pension Scheme (Administration) Regulations 2007
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2007
- the Local Government Pension Scheme (Transitional Provisions) Regulations 1997 (and any amendments thereto)
- the Local Government Pension Scheme Regulations 1997 (and any amendments thereto)
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (and any amendments thereto)
- the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 (and any amendments thereto)
- the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991
- the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 ("the Disclosure Regulations")
- the Pensions Act 1995
- the Pensions Act 2004
- the Pensions Act 2008
- the General Data Protection Regulation 2018
- the Finance Act 2004
- the Automatic Enrolment (Miscellaneous Amendment) Regulations 2013
- the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 including amendments to any of these Regulations

### 3.0 Review of the Strategy

This Strategy will be kept under review by the NYPF.

Employers may ~~submit~~make suggestions to improve any aspect of this Strategy at any time.

The Pension Fund Committee and the Pension Board will be asked by the NYPF to formally review and approve the Strategy on an annual basis.

### 4.0 Performance Levels

Performance level agreements are set out in this document for both employers and the NYPF. These will be reviewed annually and employers will be consulted regarding any material changes.

This Strategy is the agreement between the NYPF and employers about the levels of performance and associated matters to ensure that the statutory requirements and timescales can be met at all times.

Performance is monitored and reported quarterly to the Pension Fund Committee. Performance of both employers and the NYPF will also be reported in the pension fund annual report and accounts.

### 5.0 Responsibilities and Duties of the Employer

#### 5.1 Contact Person

The employer will ~~nominate~~provide a person to act as the a primary contact ~~and will with the NYPF.~~ ~~The employer will~~ notify the NYPF management team who that person is. ~~The employer will promptly notify the NYPF of any~~ ~~is and ensure that~~ changes ~~of to~~ the nominated person. ~~person are notified to the NYPF immediately.~~

#### 5.2 Authorised Signatories

Each employer ~~is required to~~must provide a list of nominated ~~individuals~~officers to act as authorised signatories whose names and specimen signatures are held by the NYPF. In signing a document an authorised officer is certifying that the form comes from their ~~organisation~~employer stated ~~and also that~~ the information being provided has been ~~validated~~checked and is correct. Consequently, if an authorised ~~officer~~signatory is certifying information that someone else has completed, they should be satisfied that the correct validation process has been followed and the information is correct.

It is the employer's responsibility to ensure that details of the nominated contact and authorised signatories are correct ~~and Any changes must be to not~~notified to the NYPF ~~of any changes~~ immediately. Failure to update authorised signatories will delay payment of pension benefits.

#### 5.3 Disclosure and The Pensions Regulator's Requirements

The Pensions Regulator details specific requirements for public sector pension schemes set out in the 'Code of Practice No.14'. Paragraphs 128 – 130 refer to the need for employers to understand and comply with the scheme manager's processes to ensure that the statutory requirements and timescales can be met at all times.

From time to ~~time~~time, the NYPF's auditors may request member data. They may also request an employer site visit to carry out audits such as ensuring that correct and accurate pay calculations have been carried out. Employers are asked to co-operate with these requests.

Any fines imposed by the Pensions Regulator will be passed on to the employer where that employer's actions caused the fine. ~~In the event of the NYPF being fined by the Pensions Regulator,~~

~~this fine will be passed on to the employer where that employer's actions caused the fine.~~ Examples of this would be, failure to provide leaver details on time or failure to provide sufficient and accurate year end information leading to delays in issuing Annual Benefit Statements and Pensions Saving Statements.

#### 5.4 Employee's Guide

Under the Occupational Pension Schemes (Disclosure of Information) Regulations 2013 the employer must ensure that all new employees eligible to join the LGPS receive a copy of the Employees' Guide to the scheme as follows:

- Where you have received jobholder information, the ~~g~~Guide must be given within one month of the date that information was received.
- Where you have not received jobholder information, the ~~g~~Guide must be given within two months of the date the person became an active member of the scheme.

The guide is available on the NYPF website at [www.nypf.org.uk](http://www.nypf.org.uk) where you can signpost new members to view and/or download it. Email and paper communications are also acceptable.

#### 5.5 Member details – Employer performance levels

~~The NYPF expects all employers to fully utilise i-Connect for the provision of member information on a monthly basis. Failure to do so will result in charges being applied as detailed in the NYPF Employer Charging Policy.~~

The employer **must** ~~submit~~~~forward~~ notifications to the NYPF ~~using the forms on the employer pages of the NYPF website~~ as follows:

Event	Timescale for employer notifying the NYPF
<b>New starters</b> <del>(Employer Pen11 form)</del>	<b>Within one month <del>of the employee of</del> <del>joining</del>starting employment</b>
<b>Change in member's details</b> <del>(Change of Members Personal Details form)</del>	Within <del>six</del> <b>6</b> weeks of the event
<b>Leavers</b> <del>(SU5 form)</del>	Within <del>six</del> <b>6</b> weeks of the <del>employee date of</del> <b>leaving</b>
<b>Advanced Notification of Retirement</b> (ADNOT form)	<b>As early as possible but at least 30 days before the last day of employment</b>
<b>Retirements</b> <del>(SU5 form)</del>	<b>No later than one month following retirement</b> Disclosure <del>r</del> Regulations require that when a retirement takes place before Normal Pension Age (NPA) the NYPF receives the <del>SU5</del> <del>no</del> <del>later</del> <del>leaver information no later</del> than one month after the date of retirement.  Where a retirement takes place on or after NPA, the NYPF receives the <del>SU5</del> <del>leaver information</del> no more than 20 days after the date of retirement.
<b>Death in Service</b>	<b>Within <del>three</del><b>3</b> working days of the employer being notified of the death of the member</b>

#### 5.6 Year ~~end~~ information

The employer (or their payroll contractor/agency for which the employer is responsible) shall provide the NYPF with final salary (where applicable) and Career Average Revalued Earnings (CARE) year ~~end~~ information as at 31 March each year in a notified format (provided by the NYPF) no later than 30

April or the next working day. The employer will certify that the appropriate checks for accuracy and completeness have been carried out before submitting to the NYPF.

~~The Council's~~ NYCC's Integrated Finance team also requires separate information. After completion of the March contribution sheets, employers are required to review their full year contribution summary (contained within the same Excel document). All contributions for the year should be reconciled back to the organisational payroll and the relevant declaration is to be signed and dated before being returned to [pension.contributions@northyorks.gov.uk](mailto:pension.contributions@northyorks.gov.uk).

5.7 **Contribution deductions**

The employer will ensure that member and employer contributions are deducted at the correct rate. This includes contributions due on leave of absence with reduced or no pay, maternity, paternity and adoption leave and any additional contributions that the NYPF request the employer to collect.

5.8 **Payment of contributions to the NYPF**

Contributions (but not Prudential Additional Voluntary Contributions) should be paid by BACS each month to the NYPF.

~~The deadline All funds due to the NYPF in respect of for all employees and employers pension contributions to must be cleared in the NYPF bank account by the 19th of the month (or the last working day before, where the 19th is not a working day) following the month the contributions relate to. This is in line with the requirements of the Pensions Act 1995. Any employers who currently pay by cheque must therefore ensure the cheque is received by the NYPF by the 14th of the month (or the last working day before, where the 14th is not a working day).~~

The employer must email a monthly return to [pension.contributions@northyorks.gov.uk](mailto:pension.contributions@northyorks.gov.uk) in advance of their payment. The monthly return is in a prescribed format and is provided by the Integrated Finance team. ~~The form return must include the following information:~~

~~must state the~~

- ~~• employer's name and reference number,~~
- ~~• the pay period~~
- ~~• total pensionable pay~~
- ~~• and total he amount of the payment split between employee and employer contributions~~
- ~~• total amount of employer future service contributions~~
- ~~• total amount of employer past service deficit contributions (if applicable)-~~
- ~~• The employer's contributions should be split between future service rate and where applicable, past service deficit. In addition, it should include the total pensionable pay, details of added-years contributions, Additional regular contributions, additional pension contributions (if applicable)~~
- ~~• and any other payroll related adjustments.~~

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The following charges will apply for any employer whos fail~~ing~~ to meet the deadlines above.

Late payment of contributions	Late submission of monthly return
£100 will be charged for each full month a payment is delayed beyond its due date	£100 will be charged for each full month a monthly return is delayed beyond its due date
Plus	
A <b>daily</b> interest charge of 1% above the bank base rate for each day the payment is overdue. This charge will only be triggered when payment is overdue by one month or more	

For persistent breaches the employer will, as a matter of last resort, be reported to the Pensions Regulator. Any fines imposed by the Pensions Regulator will be passed on to the employer where that employer's actions caused the fine.  
~~In the event of the NYPF being fined by the Pensions Regulator, this fine will be passed on to the employer where that employer's actions caused the fine.~~

5.9 **Additional Voluntary Contributions (AVCs)**

The employer will pay additional voluntary contributions to the AVC Provider, Prudential, within one week of them being deducted. Under the Pensions Act 2004, we can notify the Pensions Regulator ~~may be notified~~ if contributions are not received by the 19th of the month following the month the

~~contributions relate to, following that in which they were deducted.~~ The employer will submit the schedule of AVCs in an agreed format directly to Prudential ahead of the actual remittance.

~~Any in the event of the NYPF being fines imposed~~ by the Pensions Regulator, ~~this fine~~ will be passed on to the employer where that employer's actions caused ~~the fine, the fine.~~



5.10 **Discretionary Powers**

It is a mandatory requirement that each employer ~~is required to has formulate and a published a~~ published a discretions policy to enable them to exercise the discretionary powers given to them by the regulations. The regulations also require that a copy of the policy is lodged with the NYPF. Any subsequent changes to the policy must be published and copied to the NYPF within one month of the change.

Employers will be responsible for responding to member complaints where a failure to maintain relevant employer policies results in a dispute case. This will include complying with the Internal Dispute Resolution procedure, where appropriate, and paying the associated fees for appointing a specified person.

5.11 **Employer Decisions**

Certain aspects of the regulations require an employer decision. The employer is responsible for implementing such areas correctly, (e.g. deduction of contributions at the correct rate, notifying the ~~employee member~~ when the rate changes and their right to appeal).

5.12 **Independent Registered Medical Practitioner**

The employer is responsible for determining and employing their own appropriately qualified independent registered medical practitioner (IRMP) and providing details of those practitioners to the NYPF (see also **paragraph 6.4**). See the Pensions Ombudsman Service [newsletter](#) for useful information on the role of the IRMP.

5.13 **Employer responsibility for information provided to the NYPF**

The NYPF is not responsible for verifying the accuracy of any information provided by the employer (including year end data) for the purpose of calculating benefits under the provisions of the LGPS and the Discretionary Payments Regulations. The employer is solely responsible for ensuring that information has been ~~checked validated~~ and is correct. Failure to provide accurate and up to date information will delay payment of pension benefits.

Any over payment made by the NYPF resulting from inaccurate information supplied by the employer ~~shall will~~ be recovered by the NYPF from the employer.

The employer is responsible for any work carried out on its behalf by another section of their organisation or by a contractor appointed by them (e.g. ~~pPayroll provider -or HRuman Resource sections team~~).

5.14 **General Data Protection Regulation**

Under the General Data Protection Regulation (GDPR), the employer will protect from improper disclosure any information about a member included (where applicable) on any item sent from the NYPF. It will also only use information supplied or made available by the NYPF for the operation of the LGPS. Any data the employer shares with the NYPF must be adequately protected in line with the requirements of the GDPR.

5.15 **Internal Dispute Resolution Procedure**

The employer must identify a 'specified person' for any instances where an Internal Dispute Resolution Procedure (IDRP) application is submitted against the employer and meet the associated costs. The NYPF has an independent specified person who is available for employers to refer cases to.

5.16 **Fines imposed on the NYPF**

~~In the event of the NYPF being~~ Any ~~fined imposed~~ fined imposed by the Pensions Regulator, the Pensions Ombudsman, HMRC or other organisation, ~~this fine~~ will be passed on to the relevant employer where that employer's action or inaction (e.g. the failure to notify a retirement within the time limits described above), caused the fine.

5.17 **Charges to the employer**

The NYPF will, under certain circumstances, consider giving written notice to employers under regulation 70 on account of the employer's unsatisfactory performance in carrying out its scheme functions when measured against levels of performance established under **paragraph 5.5** above. The written notice may include charges imposed by the NYPF for chasing employers for outstanding information as detailed in the NYPF [Employer Charging Policy](#).

**6.0 Responsibilities and Duties of the NYPF**

6.1 **Regulatory Issues**

The NYPF will administer the Pension Fund in accordance with the LGPS regulations and any overriding legislation including employer discretions.

The NYPF will issue a membership certificate to new members; this provides notification to members that they have joined the NYPF.

The NYPF is responsible for exercising the discretionary powers given to it by the regulations. The NYPF is also responsible for publishing its policy in respect of the key discretions as required by the regulations.

6.2 **NYPF Performance Levels**

The NYPF agrees to meet the following performance targets in relation to the day to day administration of the fund:

Letter detailing transfer in	10 days
Letter detailing quote of transfer out value	10 days
Letter notifying estimated retirement benefit amount	10 days
Letter notifying actual retirement benefit amount	10 days

6.3 **Support to Employers**

The NYPF will support employers in running the LGPS by:

- providing a dedicated employer relationship manager
- providing information, advice and assistance on the scheme and its administration
- distributing regular technical information
- arranging North Yorkshire Pension Fund Officers Group (NYPFOG) meetings/training sessions as required
- delivering adhoc training sessions
- ~~attending pre-retirement seminars~~
- maintaining an up to date and comprehensive website

See the [Communications Policy](#) for full details.

6.4 **Independent Registered Medical Practitioner**

The NYPF will verify that the individuals nominated by the employer (in accordance with **paragraph 5.12**) as independent registered medical practitioners are appropriately qualified to deal with ill health retirement cases.

6.5 **Services to Members**

The NYPF will produce benefit statements for members each year where the employer has submitted useable and accurate year-end financial data.

The NYPF will provide a service to members that meets the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 2013.

In addition, the NYPF will communicate with members through appropriate media and encourage at all times the use of member self-service facilities. Full details are provided in the [Communications Policy](#).

#### 6.6 Multiple Language Literature

The process for providing multiple language literature has been established and all documents have been amended to include reference on how to obtain an alternative version.

#### 6.7 Data Protection Act 2018

Under the Data Protection Act 2018, the NYPF will protect from improper disclosure any information held about a member. Information held will only be used by the NYPF for the operation of the LGPS. Any data shared by the NYPF will be adequately protected in line with the requirements of the act.

#### 6.8 Internal Dispute Resolution

The NYPF has identified a 'specified person' for any Internal Dispute Resolution (IDRP) application that is submitted against the Administering Authority.

### 7.0 Contribution Rates and Administration Costs

The members' contribution rates are fixed within bands by the regulations. The NYPF will notify employers of these rates each year.

Employers' contribution rates are determined by a triennial valuation process. Employers are required to pay contributions to secure the solvency of their ~~part~~ of the Fund and meet their liabilities over an agreed term.

The NYPF is valued every ~~3~~-three years by the Fund actuary. The actuary balances the assets and liabilities in respect of each employer and assesses the contribution rate and, where applicable, the deficit amount for each employer. Employer contribution rates and, where applicable, the deficit amounts apply for ~~3~~-three years. Some admission agreements may determine that reassessment should take place on a more frequent basis.

The administrative costs of running the NYPF are charged by NYCC directly to the Fund and the actuary ~~takes these costs into account~~ considers these costs in-when assessing the employer contribution rate.

If the NYPF undertakes work specifically on behalf of ~~the~~-an employer, the employer will be charged directly for the cost of that work as detailed in the NYPF [Employer Charging Policy](#).

### 8.0 Communications

In accordance with the Fund's [Communications Policy](#), the NYPF will work with employers to communicate relevant information to members.

### 9.0 Notifying Employers of a Change in Policy

The NYPF maintains a list of key contacts at each employer. ~~this~~The Pensions Administration Strategy ~~document~~ will be shared with the key contacts ~~each time it is updated~~ when any material changes are made.