

North Yorkshire Pension Fund



Pensions Administration Strategy

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Index

| Section | Content |
|---------|--|
| 1 | <u>Purpose of Strategy</u> |
| 2 | <u>Regulatory Background</u> |
| 3 | <u>Review of the Strategy</u> |
| 4 | <u>Performance Levels</u> |
| 5 | <u>Responsibilities and Duties of the Employer</u> |
| 6 | <u>Responsibilities and Duties of NYPF</u> |
| 7 | <u>Contribution Rates and Administration Costs</u> |
| 8 | <u>Communications</u> |
| 9 | <u>Notifying Employers of a Change in Policy</u> |

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 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 provide a primary contact and will notify the NYPF management team who that person is. The employer will promptly notify the NYPF of any changes to the nominated person.

5.2 Authorised Signatories

Each employer must provide a list of nominated 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 and the information being provided has been checked and is correct. Consequently, if an authorised officer 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. Any changes must be notified to the NYPF 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, 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. 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 guide must be given within one month of the date that information was received.
- Where you have not received jobholder information, the 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 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 notifications to the NYPF as follows:

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

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.

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.

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 for all pension contributions to be cleared in the NYPF bank account is 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 in advance of their payment. The monthly return is in a prescribed format and is provided by the Integrated Finance team. The return must include the following information:

- employer's name and reference number
- pay period
- total pensionable pay
- total amount of employee contributions
- total amount of employer future service contributions
- total amount of employer past service deficit contributions (if applicable)
- added years contributions, additional regular contributions, additional pension contributions (if applicable)
- any other payroll related adjustments

The following charges will apply for any employer who fails 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 daily 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.

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 if contributions are not received by the 19th of the month following the month the contributions relate to. The employer will submit the schedule of AVCs in an agreed format directly to Prudential ahead of the actual remittance.

Any fines imposed by the Pensions Regulator will be passed on to the employer where that employer's actions caused the fine.

5.10 **Discretionary Powers**

It is a mandatory requirement that each employer has a published discretionary 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 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 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 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. payroll provider or HR 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**

Any fines imposed by the Pensions Regulator, the Pensions Ombudsman, HMRC or other organisation, 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](#).

5.18 Notifiable Events

The fund monitors employer covenant to ensure the Fund and its employers are not exposed to unnecessary risk. Employers must therefore notify the Fund of any events which could materially affect their liabilities of their ability to meet those liabilities. These include, but are not limited to, the following:

- A decision which will restrict the employer's active membership in the Fund in the future
- A material change in membership of the Fund which would significantly reduce the LGPS pensionable pay
- A change in the employer's legal status or constitution which may change the qualification as a Scheme employer under the LGPS Regulations
- Any restructuring or other event that could materially affect the employer's membership.
- Confirmation of involvement in wrongful trading
- Conviction of senior personnel, particularly where the conviction is in relation to the employer's business
- A decision to cease business
- Breach of banking covenant
- Details of any improvement notice (or equivalent) served by an appropriate body or regulator

Employers should provide this information in advance of the event occurring (where possible) or as soon as possible after.

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
- 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 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 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 considers these costs when assessing the employer contribution rate.

If the NYPF undertakes work specifically on behalf of 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. The Pensions Administration Strategy will be shared with the key contacts when any material changes are made.