

APPENDIX



# Leicestershire Local Government Pension Scheme

## Joint Administration and Communication Strategy

Final Version – February 2016

## **Sections**

- 1. Administration Strategy**
- 2. Communication Strategy**
- 3. Performance Targets**
- 4. Service Level Agreements**

This document details two strategies, the administration and communication strategies for Leicestershire Local Government Pension Scheme.

It also details the Pension Section performance targets and service level agreement for the Scheme's employers.

## **SECTION 1**

### **ADMINISTRATION STRATEGY**

#### **INTRODUCTION**

An administration strategy, as allowed for by the Local Government Pension Scheme, is seen as one of the tools which can help in delivering a high quality administration service to the scheme member and other interested parties. Delivery of a high quality administration service is not the responsibility of one person or organisation, but is rather the joint working of a number of different parties.

This is the pension administration strategy statement of the Leicestershire County Council Pension Fund (LCCPF), administered by Leicestershire County Council (the administering authority). Employers in the Leicestershire Pension Fund have been consulted on regarding this document.

The aim of this strategy statement is to set out the quality and performance standards expected of Leicestershire County Council in its role of administering authority and scheme employer, as well as all other scheme employers within the Leicestershire Fund. It seeks to promote good working relationships, improve efficiency and enforce quality amongst the scheme employers and the administering authority.

#### **BACKGROUND**

The LGPS represents a significant benefit to scheme members. Much of the success in promoting the scheme amongst scheme members and ensuring a high quality service delivery depends upon the relationship between the administering authority and scheme employers in the day to day administration of the scheme. Good quality administration can also help in the overall promotion of the scheme and remind or alert employees to the value of the LGPS, thereby helping with recruitment, retention and motivation of employees.

The Fund comprises over 200 scheme employers with active members, and approximately 84,000 scheme members in relation to the Local Government Pension Scheme (LGPS). The efficient delivery of the benefits of the LGPS is dependent on sound administrative procedures being in place between a number of interested parties, including the administering authority and scheme employers.

#### **IMPLEMENTATION**

The Pension Section proposes for this strategy to apply to all employers to the LCCPF from 1 April 2016. This strategy statement sets out the expected levels of performance of both the administering authority and the scheme employers within the Leicestershire Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.

Any enquiries in relation to this pension administration strategy statement should be sent to:

Ian Howe - Pension Manager

Leicestershire County Council Pension Fund

County Hall

Glenfield

Leicester LE3 8RB

[ian.howe@leics.gov.uk](mailto:ian.howe@leics.gov.uk)

Telephone: 0116 305 6945

## **REGULATORY FRAMEWORK**

The implementation of an Administration Strategy has regulatory backing in the form of the Local Government Pension Scheme Regulations 2013. These provide the conditions and regulatory guidance surrounding the production and implementation of an Administration Strategy.

Regulation 59(1) enables an LGPS administering authority to prepare a document ("the pension administration strategy") which contains such of the matters mentioned below as they consider appropriate:-

- Procedures for liaison and communication with their relevant employing authorities.
- The establishment of levels of performance which the administering authority and the relevant employing authorities are expected to achieve in carrying out their functions under the LGPS by-
  - (i) the setting of performance targets;
  - (ii) the making of agreements about levels of performance and associated matters;  
or
  - (iii) such other means as the administering authority consider appropriate;
- Procedures which aim to secure that the administering authority and the relevant employing authorities comply with the statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the administering authority and the relevant employing authorities to each other of information relating to those functions.
- The circumstances in which the administering authority may consider giving written notice to a relevant employing authority on account of that employer's unsatisfactory performance in carrying out its functions under these Regulations when measured against levels of performance.
- Such other matters as appear to the administering authority to be suitable for inclusion in that strategy.

In addition, regulation 59(6) of the Administration Regulations also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employing authorities as well as to the Secretary of State. Similarly, when the strategy is revised at any future time the administering authority (after say a material change to any policies contained within the strategy) must notify all of its relevant employing authorities and also the Secretary of State.

It is a requirement that, in preparing or revising any pension administration strategy, that the administering authority must consult its relevant employing authorities and such other persons

as it considers appropriate. A consultation took place with the Fund's employers and following the feedback received, changes have been incorporated. Regard must be had by both the administering authority and employing authorities to the current version of any pension administration strategy when carrying out their functions under the LGPS Regulations.

In addition, regulation 70 of the Administration Regulations allows an administering authority to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer. Where this situation arises the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

The following strategy statement, therefore, sets out the information required in accordance with regulation 59(1) and forms the basis of the day to day relationship between Leicestershire County Council as the administering authority and the employing authorities of the Leicestershire Pension Fund. It also sets out the circumstances under regulation 70 where additional costs are incurred as a result of the poor performance of a scheme employer, together with the steps that would be taken before any such action were taken.

### **Leicestershire Local Pension Board**

Pension governance rules introduced Pension Boards from April 2015.

The Leicestershire Local Pension Board is a statutory committee of the County Council appointed to assist the County Council, as administering authority, in securing compliance with legislation and any requirements imposed by The Pensions Regulator. It also assists in ensuring effective and efficient governance and administration of the scheme.

## **RESPONSIBILITIES AND PROCEDURES**

### **Procedures for liaison and communication with employers**

The delivery of a high quality administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure scheme members, and other interested parties, receive the appropriate level of service or ensure that statutory requirements are met.

Where new employers join the Fund or existing employers require assistance understanding their role and responsibilities guidance will be provided.

This strategy statement has been developed following consultation with scheme employers and other interested parties. It takes account of scheme employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the level of service can be delivered to the required standard.

### **Establishing levels of performance**

Performance standards

The LGPS prescribes that certain decisions be taken by either the administering authority or the scheme employer, in relation to the rights and entitlements of individual scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Leicestershire Pension Fund should agree levels of performance between itself and the scheme employers which are set out in the service level agreement included in this strategy statement.

### **Quality**

Overriding legislation

In carrying out their roles and responsibilities in relation to the administration of the Local Government Pension Scheme the administering authority and scheme employers will, as a minimum, comply with overriding legislation, including:

- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Age Discrimination Act 2006;
- Data Protection Act 1998;
- Disability Discrimination Act 1995;
- Finance Act 2004; and
- Health and Safety legislation.

Where agreed, the administering authority and scheme employers will comply with local standards which go beyond the minimum requirements set out in overriding legislation. Such best practice standards are outlined in the section on timeliness set out below.

### **Internal standards**

The administering authority and scheme employers will ensure that all functions/tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the on line employer procedural guide;

- work to be completed in the required format and/or on the appropriate forms contained within the on line employer procedural guide;
- information to be legible and accurate;
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately trained member of staff;
- information provided to be authorised by an agreed signatory; and
- actions carried out, or information provided, within the timescales set out in this strategy document.

### **Timeliness and accuracy**

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. The scheme itself sets out a number of requirements for the administering authority or scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies. Locally agreed performance standards have been proposed which cover all aspects of the administration of the scheme, where appropriate going beyond the overriding legislative requirements. These locally agreed standards for the Leicestershire Pension Fund are attached to this strategy.

For the avoidance of doubt "accuracy" in this Strategy is defined as when we have received a completed form with no gaps in mandatory areas and with no information which is either contradictory within the document or which we need to query.

The timeliness relates to a date of event being either the date the member started or left the LCCPF or any other material change that affects a scheme member's pension record.

### **Procedures for ensuring compliance with statutory requirements and levels of performance**

Ensuring compliance is the responsibility of the administering authority and scheme employers. We will work closely with all scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. We will also work with employers to ensure that overall quality and timeliness is continually improved. Various means will be employed, in order to ensure such compliance and service improvement, seeking views from as wide an audience as possible. These include:



## **Audit**

The Leicestershire Pension Fund will be subject to annual audit of its processes and internal controls. The Leicestershire Pension Fund and scheme employers will be expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by Leicestershire County Council and where appropriate duly implemented (following discussions with scheme employers where necessary).

## **Performance monitoring**

The Employing Authority may monitor performance against specific tasks set out in the service level agreement and return the information to the Leicestershire County Council Pension Section on an agreed basis.

Leicestershire County Council will monitor its own performance of the administering authority in carrying out its responsibilities in relation to the scheme.

## **Improving employer performance (where necessary)**

The Pension Section will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance, provide the opportunity for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

Where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and /or unwillingness is shown by the employer to resolve the identified issue, the following sets out the steps we will take in dealing with the situation in the first instance;

- LCC Pensions will contact and/or meet with the employer to discuss the area(s) of poor performance and how they can be addressed.
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the employer, LCC Pensions will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified, the steps taken to resolve those area(s) and giving notice that the additional costs may now be reclaimed.
- LCC Pensions will clearly set out the calculations of any loss or additional costs resulting to the LCCPF/Administering authority, taking account of time and resources in resolving the specific area of poor performance; and

- LCCPF make a claim against the scheme employer, setting out the reasons for doing so, in accordance with the Regulations.

## **CIRCUMSTANCES WHERE THE ADMINISTERING AUTHORITY MAY LEVY COSTS ASSOCIATED WITH THE EMPLOYING AUTHORITIES POOR PERFORMANCE**

Regulation 70 of the Local Government Pension Scheme Regulations 2013 provides that an administering authority may recover from an employing authority any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employing authority. Where an administering authority wishes to recover any such additional costs they must give written notice stating:-

- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost;
- The amount of the additional cost incurred;
- The basis on how the additional cost was calculated; and
- The provisions of the pension administration strategy relevant to the decision to give notice.

## **CIRCUMSTANCES WHERE COSTS MIGHT BE RECOVERED**

Any additional costs to the Leicestershire Pension Fund in the administration of the LGPS that are incurred as a direct result of poor performance will be recovered from the scheme employer or third party service provider, depending on the party which is responsible. The circumstances where such additional costs will be recovered from the employing authority are:

- persistent failure to provide relevant information to the administering authority, scheme member or other interested party in accordance with specified performance targets (either as a result of timeliness of delivery or quality of information);
- failure to pass relevant information to the scheme member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets;
- failure to deduct and pay over correct employee and employer contributions to the Leicestershire Fund within the stated timescales;

- instances where the performance of the scheme employer results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body.

## **CALCULATION OF COSTS INCURRED**

For a persistent failure to resolve an isolated case satisfactorily the Fund will recharge costs from the point in time at which we write a formal letter to the scheme employer until the case is resolved, at a rate of £50 for each hour an officer spends trying to resolve the matter.

For persistent and ongoing failure to meet targets, following the intervention to assist the employer concerned, the Fund will recharge the additional costs due to the employer's poor performance at the rate of £50 per hour spent, from the point in time that the formal letter was sent, until performance improves.

Where the performance of the scheme employer results in fines or additional costs being levied against the Fund will recharge the full costs it has incurred to the relevant employer.

## **REVIEW PROCESS**

We will review our administration strategy to ensure it remains up to date and meets the necessary regulatory requirements at least every two years.

## **CONSULTATION**

In preparing this pension administration strategy we have consulted with the relevant employing authorities and other persons considered appropriate. Where it is necessary to revise the pension administration strategy the relevant employing authorities will be notified in writing of the final changes and where a copy of the revised strategy may be obtained.

## **SECTION 2**

### **COMMUNICATION STRATEGY**

#### **INTRODUCTION**

This is the Communications Policy Statement of the Leicestershire County Council Pension Fund.

The Fund liaises with over 200 employers and approximately 84,000 scheme members in relation to the Local Government Pension Scheme. The delivery of the benefits involves communication with a number of other interested parties. This statement provides an overview of how we communicate and how we intend to measure whether our communications are successful.

It's planned to become effective from April 2016. Any enquiries in relation to this Communication Policy Statement should be sent to:

Pensions Manager  
Leicestershire County Council  
County Hall  
Glenfield  
Leicester, LE3 8RB

#### **REGULATORY FRAMEWORK**

This policy statement is required by the provisions of Regulation 61 of the Local Government Pension Scheme Regulations 2013. The provision requires us to:

*"...prepare, maintain and publish a written statement setting out their policy concerning communications with:*

- (a) members;*
- (b) representatives of Members;*
- (c) prospective Members;*
- (d) employing Authorities."*

*In addition it specifies that the statement must include information relating to:*

- "(a) the provision of information and publicity about the Scheme to members, representatives of members and employing authorities;*
- (b) the format, frequency and method of distributing such information or publicity; and*

*(c) the promotion of the Scheme to prospective members and their employing authorities."*

## **Responsibilities and Resources**

Within the County Council's Pensions Section the responsibility for communication material is performed by the Pension Manager with the assistance of one or more senior pension officers.

The team write and design all communications including any web based or electronic material. They are also responsible for arranging all forums, workshops and meetings covered within this statement. Though we write all communication within the section, all design work is carried out by the Council's publications team. We also carry out all the arrangements for forums, workshops and meetings covered within this statement.

Printing is carried out internally by the Council's printing department or externally where this is more cost effective.

## **COMMUNICATION WITH KEY AUDIENCE GROUPS**

Our audience

We communicate with a number of stakeholders. For the purposes of this communication policy statement, we are considering our communications with the following audience groups:

- active members;
- deferred members;
- pensioner members;
- prospective members;
- employing authorities (scheme employers and admission bodies);
- union representatives;
- elected members/the Local Pension Committee/Local Pensions Board;
- media, and
- other stakeholders.

In addition there are a number of other stakeholders with whom we communicate on a regular basis, such as Her Majesty's Revenues and Customs, the Department for Communities

and Local Government, the Pensions Advisory Service, and other pension providers. We also consider as part of this policy how we communicate with these interested parties.

### *General communication*

General day to day communication will continue to be paper based. However, we will complement this by use of electronic means such as e-mail and our information website: [www.leics.gov.uk/pensions](http://www.leics.gov.uk/pensions). However in accordance with County Council policy, large scale communications, such as annual statements, P60s and pension payslips will be provided electronically whenever possible. Members and pensioners can request exemption from this upon written/telephone request, and give instruction that communications continue to be paper based. It is therefore the default that annual benefit statements can be found on-line with a modeller for scheme members to run their own estimates. The Pensions Online system can be found at: [www.leicestershirepensionfund.org](http://www.leicestershirepensionfund.org)

### *Branding*

As the Pension Fund is administered by Leicestershire County Council, literature and communications will conform with the branding of the Council.

### *Accessibility*

We recognise that individuals may have specific needs in relation to the format of our information or the language in which it is provided. Demand for alternative formats/languages is not high enough to allow us to prepare alternative format/language material automatically.

## **POLICY ON COMMUNICATION WITH ACTIVE, DEFERRED AND PENSIONER MEMBERS**

Our objectives with regard to communication with members are:

- for the LGPS to be used as a tool in the attraction and retention of employees.
- to better educate and explain to members the benefits of the LGPS.
- to provide more opportunities for face to face communication.
- as a result of improved communication, for queries and complaints to be reduced.
- for our employers to be employers of choice.
- to improve the take up of the LGPS by employees.
- to reassure stakeholders.

Our objectives will be met by providing the following communications, which are over and above individual communications with members (for example, the notifications of scheme benefits or responses to individual queries). The communications are explained in more detail beneath the table:

<b>Type</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group (Active, Deferred, Pensioner or All)</b>
Membership Form with cover letter "F" (Auto enrolment compliant)	Paper based	On commencing employment	Issued via employer	New employees
Pension Fund Report and Accounts	Paper and on Pensions website	Annually	Paper copies can be requested	All
Annual Benefit Illustrations	Generally on-line but paper still available	Annually	On-line or posted to home address.	Active and Deferred
Information about the Scheme	On Pensions website	n/a	n/a	All
Face to face education sessions and presentations	Face to face	On request by employers/member group (subject to available resource)	On request	Actives and employers

#### *Explanation of communications*

Membership form – Introductory guidance providing an overview of the LGPS. Including how much it costs, the retirement and death benefits and how to access further information from the website. Letter F provides details that are compliant with auto-enrolment disclosure and also how a member can obtain an opt out form.

Pension Fund Report and Accounts – Details of the value of the Pension Fund during the financial year, income and expenditure as well as other related details, for example, the current employing authorities and scheme membership numbers.

Annual Benefit Illustrations – For active members these include the current value of benefits. The associated death benefits are also shown and whether the member has nominated person(s) to receive the lump sum death grant. In relation to deferred members, the benefit statement includes the current value of the benefit.

Website – The LCC has a designated Leicestershire County Council Pensions information website [www.leics.gov.uk/pensions](http://www.leics.gov.uk/pensions) this is complemented by a national Local Government Pension Scheme website freely available [www.lgps.org.uk](http://www.lgps.org.uk) which will provide scheme specific information, frequently asked questions and answers, links to related sites etc.

Pensions Online – Members and pensioners have access to online pension accounts to view and print annual statements, P60s, payslips. Members can also run their own estimates on-line. This can be found at [www.leicestershirepensionfund.org](http://www.leicestershirepensionfund.org)

Face to face education sessions and presentations – These are sessions that are available on request for groups of members. For example, where an employer is going through a restructuring or review, it may be beneficial for the employees to understand the impact any pay reduction may have on their pension rights or a general overview of the scheme is requested.

**POLICY ON PROMOTION OF THE SCHEME TO PROSPECTIVE MEMBERS AND THEIR EMPLOYING AUTHORITIES**

Our objectives with regard to communication with prospective members are:

- to improve take up of the LGPS.
- for the LGPS to be used as a tool in the attraction of employees.

As we, in the County Council's Pension Section, do not have direct access to prospective members, we will work in partnership with the employing authorities in the Fund to meet these objectives. We will do this by providing the following communications:

<b>Method</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group</b>
Membership Form with cover letter "F" (Auto enrolment compliant)	Paper based	On commencing employment	Issued via employer	New employees



## POLICY ON COMMUNICATION WITH EMPLOYING AUTHORITIES

Our objectives with regard to communication with employers are:

- to strengthen relationships.
- to assist employers understand their role and responsibilities.
- to assist employers in understanding costs/funding issues.
- to work together to maintain accurate data.
- to ensure smooth transfers of staff.
- to ensure they understand the benefits of being an LGPS employer.
- to assist them in making the most of the discretionary areas within the LGPS.

Our objectives will be met by providing the following communications:

<b>Method</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group</b>
Employers' Guide	Pensions website	At joining and updated as necessary	<a href="http://www.leics.gov.uk/pensions">www.leics.gov.uk/pensions</a>	Main contact for all employers
Bulletins	Electronic (e-mail)	When required	E-mail	All contacts for all employers
Valuation meeting	Face to face	Tri- Annually	Invitations by e-mail/post	All contacts for all employers
Pension Fund Report and Accounts	Paper based and on Pensions website	Annually	Post	Main contact for all employers
Meeting with Managers	Face to face	On request	Invitations by post or email	Senior management involved in funding and HR issues.

### *Explanation of communications*

Employers' Guide - A detailed guide that provides guidance on the employer responsibilities including the forms and other necessary communications with the Pension Section and scheme members.

Bulletins – A technical briefing that will include recent changes to the scheme, the way the Pension Section is run and other relevant information so as to keep employers fully up to date.

Valuation meeting – A formal seminar style event with a number of speakers covering topical LGPS issues.

Pension Fund Report and Accounts – Details of the value of the Pension Fund during the financial year, income and expenditure as well as other related details, for example, the current employing authorities and scheme membership numbers.

Manager meeting – Gives employers the opportunity to discuss their involvement in the scheme with Pension staff.

### **POLICY ON COMMUNICATION WITH UNION REPRESENTATIVES**

Union representatives sit on the Local Pension Board.

Our objectives with regard to communication with union representatives are:

- to foster close working relationships in communicating the benefits of the scheme to their members
- to ensure they are aware of the Pension Scheme regulations
- to engage in discussions over the future of the scheme
- to provide opportunities to educate union representatives on the provisions of the scheme benefits

Our objectives will be met by providing the following communications:

<b>Method</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group</b>
Face to face education sessions	Face to face	When Local Pension Board meetings and as and when required	Face to face or via the Local Government Employers organisation	All members of the Local Pension Board

Local Pension Board meetings	Meeting	Quarterly or as required	Attendees of the Board	All
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### *Explanation of communications*

Face to face education sessions – these are education sessions that are available on request for union representatives on the Local Pension Board, for example to improve their understanding of the basic principles of the scheme, or to explain possible changes to policies.

Local Pension Board meetings – a formal committee of the County Council, consisting of elected members and employee representatives, attended by senior managers, at which pension administration issues are discussed.

### **POLICY ON COMMUNICATION WITH ELECTED MEMBERS**

Elected Members sit on both the Local Pension Board and Local Pension Committee.

Our objectives with regard to communication with elected members:

- to ensure they are aware of their responsibilities in relation to the scheme
- to seek their approval to the development or amendment of discretionary policies, where required
- to seek their approval to formal responses to government consultation in relation to the scheme

Our objectives will be met by providing the following communications:

<b>Method</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group</b>
Face to face education sessions	Face to face	When Local Pension Board and Local Pension Committee meet and as and when required	Face to face or via the Local Government Employers organisation	All members of the Pension Boards

Local Pension Board and Local Pension Committee Meetings	Meeting	Quarterly or as required	Attendees of the Boards	All
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*Explanation of communications*

Training Sessions – that provide a broad overview of the main provisions of the LGPS, and elected member's responsibilities within it.

Local Pension Board and Local Pension Committee meetings - formal meetings of the County Council, consisting of elected members, union representatives [Local Pension Board], attended by senior managers.

**POLICY ON COMMUNICATION WITH OTHER STAKEHOLDERS/INTERESTED PARTIES**

Our objectives with regard to communication with other stakeholder/interested parties are:

- to meet our obligations under various legislative requirements
- to ensure the proper administration of the scheme
- to deal with the resolution of pension disputes
- to administer the Fund's AVC scheme

Our objectives will be met by providing the following communications:

<b>Method</b>	<b>Media</b>	<b>Frequency</b>	<b>Method of Distribution</b>	<b>Audience Group</b>
Pension Fund valuation reports	Hard copy	Every three years	Post	Department for Communities and Local Government (DCLG)/Her Majesty's Revenues and Customs (HMRC)/all scheme employers
Formal resolution of pension disputes	Hard copy or electronic	As and when a dispute requires resolution	Via email or post	Scheme member or their representatives, the Pensions Advisory Service/the Pensions Ombudsman
Completion of questionnaires	Electronic or hard copy	As and when required	Via email or post	DCLG/HMRC/the Pensions Regulator

### *Explanation of communications*

Pension Fund Valuation Reports – a report issued every three years setting out the estimated assets and liabilities of the Fund as a whole, as well as setting out individual employer contribution rates for a three year period commencing one year from the valuation date

Resolution of pension disputes – a formal notification of pension dispute resolution, together with any additional correspondence relating to the dispute

Completion of questionnaires – various questionnaires that may be received, requesting specific information in relation to the structure of the LGPS or the make up of the Fund

## SECTION 3

### PERFORMANCE TARGETS

So as to measure the success of our communications with active, deferred and pensioner members, we will use the following key performance indicators:

#### **Timeliness**

We will aim to meet the following target delivery timescales:

<b>Communication</b>	<b>Audience</b>	<b>Target delivery period</b>
Benefit Statements as at 31 March	Active members	31 August each year
Pension Saving Statements as at 31 March	Active members who breach the Annual Allowance pension growth tax threshold	6 October each year
Issue of retirement benefits	Active members retiring	92% of retirement benefits to be issued within 10 working days of receiving all the necessary information.
Payment of pension benefits	Active members retiring	92% paid within five working days of receiving election.
Notification of death related benefits	Dependants of scheme members	90% within 10 days of death notification paperwork.

## Customer experience

Feedback media	Perspective	Target
Paper questionnaire issued	Establish members understanding of information provided – rated at least mainly ok or clear	95%
Paper questionnaire issued	Experience of dealing with Section – rated at least good or excellent	92%
Paper questionnaire issued	Establish members thoughts on the amount of info provided – rated as about right	92%
Paper questionnaire issued	Establish the way members are treated – rated as polite or extremely polite	97%
Email survey	Rated as understandable (good or above)	95%
Email survey	Detail of content (good or above)	92%
Email survey	Timeliness of response (good or above)	92%

## Results

We will publish an overview of how we are performing within our annual report and accounts. Full details will be reported to our Local Pension Board and will be available for viewing on our website.

## REVIEW PROCESS

We will review the performance targets annually.

## SECTION 4

### SERVICE LEVEL AGREEMENTS

#### BY THE ADMINISTERING AUTHORITY

Function / Task	Performance target
<b>LIAISON AND COMMUNICATION</b>	
Publish and keep under review the Leicestershire Pension Fund administration strategy	Within one month of any changes being agreed with scheme employers
Keep up to date the web based Employer's guide	Continual process
Issue and keep up to date all forms required for completion by either scheme members, prospective scheme members or scheme employers	30 working days from admission of new employer or date of change/amendment
Formulate and publish policies in relation to all areas where the administering authority may exercise a discretion within the scheme	Within 30 working days of policy being agreed by the related Board
Deliver training sessions for scheme employers	Upon request from scheme employers, or as required
Notify scheme employers and scheme members of changes to the scheme rules	Within 30 working days of the change(s) coming into effect
Notify scheme employer of issues relating to scheme employer's poor performance (including arranging meeting if required)	Within 10 working days of performance issue becoming apparent
Notify scheme employer of decision to recover additional costs associated with the scheme employer's poor performance (including any interest that may be due)	Within 10 working days of scheme employer failure to improve performance, as agreed
Issue annual benefit statements to active members as at 31 March each year	By the following 31 August
Issue pension saving statements to active members who breach the Annual Allowance pension growth tax threshold as at 31 March each year	By the following 6 October
Issue annual benefit statements to deferred benefit members as at 31 March each year	By the following 31 August



<b>FUND ADMINISTRATION</b>	
Issue formal valuation results (including individual employer details)	10 working days from receipt of results from fund actuary (but in any event no later than 31 March following the valuation date)
Carry out interim valuation exercise on cessation of admission agreements or scheme employer ceasing participation in the Leicestershire Pension Fund	Upon each cessation or occasion where a scheme employer ceases participation on the Leicestershire Pension Fund
Arrange for the setting up of separate admission agreement funds, where required (including the allocation of assets and notification to the Secretary of State)	Within 3 months of agreement to set up such funds
All new prospective admitted bodies to undertake, to the satisfaction of the Leicestershire Pension Fund, a risk assessment of the level of bond required in order to protect other scheme employers participating in the pension fund	To be completed before the body can be admitted to the Leicestershire Pension Fund
All admitted bodies to undertake a review of the level of bond or indemnity required to protect the other scheme employers participating in the fund	Annually, or such other period as may be agreed with the administering authority
Publish, and keep under review, the fund's governance policy statement	Within 30 working days of policy being agreed by the relevant Board
Publish and keep under review the Pension Fund's funding strategy statement	To be reviewed at each triennial valuation, following consultation with scheme employers and the fund's actuary. Revised statement to be issued with the final valuation report

Publish the Pension Fund annual report and any report from the auditor	By 31 December following the year end
<b>SCHEME ADMINISTRATION</b>	
Make all necessary decisions in relation to a scheme member and issue combined statutory notification to new scheme member (including aggregation of previous LGPS membership)	1 month from receipt of all necessary information
Provide responses to scheme members/scheme employers/personal representatives/dependents and other authorised persons	10 days from receipt of all necessary information
Provide transfer-in quote to scheme member	1 month from receipt of all necessary information
Confirm transfer-in payment and membership change to scheme member	10 days from receipt of all necessary information
Arrange for the transfer of scheme member additional voluntary contributions into in-house arrangement	10 days from receipt of all necessary information
Calculate cost of additional pension contributions, and notify scheme member	1 month from receipt of all necessary information
Notify scheme employer of scheme member's election to pay/cease/amend additional pension contributions and/or additional voluntary contributions	10 days from receipt of all necessary information
Provide requested estimates of benefits to employees / employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	1 month from receipt of all necessary information
Notify leavers of deferred benefit entitlements	Within 2 months of receipt of all necessary information
Provide details of estimated Transfers Out	Within 1 month of receipt of all necessary information
Payment of Transfers Out	10 working days of receipt of all necessary information
Notify retiring employees of options, enclosing appropriate forms	10 working days of receipt of all necessary information <b>KPI</b>

Payment of retirement Lump Sum and pension	Lump sum-5 working days of receipt of all necessary information after retirement Pension – Paid in the next available pay run, thereafter the last banking day of each month <b>KPI</b>
Death notifications – issue initial letter requesting certificates	5 working days following notification of death
Notification of survivor benefits	10 working days of receipt of all necessary information <b>KPI</b>
Appoint stage 2 “appointed person” for the purposes of the pension dispute process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current “appointed person”
Process all stage 2 pension dispute 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.
Publish and keep under review the Leicestershire Pension Fund policy on the abatement of pension on re-employment	Notify scheme employers and publish policy within one month of any changes or revisions to the policy

## BY THE SCHEME EMPLOYER

Function / Task	Performance Target
<b>LIAISON AND COMMUNICATION</b>	
Formulate and publish policies in relation to all areas where the employing authority may exercise a discretion within the scheme (including providing a copy of the policy decision(s) to the Leicestershire Pension Fund	Within 30 working days of policy being formally agreed by the employer. Ideally review these annually by 30 June.
Remit and provide details of total employer/employee contributions	9 <sup>th</sup> working day of month after deduction
Respond to enquiries from administering authority	10 working days from receipt of enquiry
Provide year end information required by the Leicestershire Pension Fund for valuation purposes and for individual scheme members annual benefit statements, annual allowance and lifetime allowance calculations, in a format agreed with the Leicestershire Pension Fund	By 19 <sup>th</sup> May following the year end.  In valuation years – by 30 <sup>th</sup> April following the year end or, by 15 <sup>th</sup> April for certain larger employers.
Ensure payment of additional costs to the Leicestershire Pension Fund associated with the poor performance of the scheme employer	Within 30 working days of receipt of invoice from the Leicestershire fund
Distribute any information provided by Leicestershire Pension Fund to scheme members/potential scheme members	Within 15 days of its receipt
Notification to the Leicestershire Pension Fund (so they can liaise with actuary) of material changes to workforce/assumption related areas (e.g. restructurings/pay reviews/employer going to cease/ contracting out of services).	No later than 10 working days after material change / formal employer agreement on assumption related areas
Provide new/prospective scheme members with scheme information and new joiner forms	5 working days of commencement of employment or change in contractual conditions
Inform LCCPF of all cases where a prospective new employer or admitted body may join the fund	Notify LCCPF at least 3 months <b>before</b> the date of transfer

Function / Task	Performance Target
<b>FUND ADMINISTRATION</b>	
Payment of additional fund payments in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency retirement	Within 30 working days of receipt of invoice from the Leicestershire Pension fund / within timescales specified in each case

<b>EMPLOYER ADMINISTRATION</b>	
<b>New Starter</b> Make all necessary decisions in relation to new scheme members in the LGPS (whether full or part time, pensionable pay, appropriate contribution rate band, etc)	10 working days of scheme member joining
<b>New Starter</b> Provide administering authority with scheme member details on appropriate form/via electronic interface. Issue starter form to new employee.	10 working days of scheme member joining/from month end of joining
<b>Pension Contributions</b> Arrange for the correct deduction of employee contributions from a scheme members pensionable pay on becoming a scheme member	Immediately on joining the scheme, opting in or change in circumstances
<b>Pension Contributions</b> Ensure correct employee contribution rate is applied and arrange for reassessment of employee contribution rate in line with employer's policy	Immediately upon commencing scheme membership, reviewed as per policy
<b>Pension Contributions</b> Ensure correct rate of employer contribution is applied	Immediately following confirmation from the administering authority of appropriate employer contribution rate
<b>Pension Contributions</b> Ensure correct deduction of pension contributions during any period of child related leave, trade dispute or other forms of leave of absence from duty	Immediately, following receipt of election from scheme member to make the necessary pension contributions

<p><b>Pension Contributions</b> Commence/amend/cease deductions of additional regular contributions</p>	<p>Commence/amend in month following election to pay contributions or notification received from administering authority, cease immediately following receipt of election from scheme member</p>
<p><b>Pension Contributions</b> Arrange for the deduction of AVCs and payment over of contributions to AVC provider(s)</p>	<p>Commence deduction of AVCs in month following the month of election Pay over contributions to the AVC provider(s) by the 19<sup>th</sup> of the month following the month of election</p>
<p><b>Pension Contributions</b> Refund any employee contributions when employees opt out of the pension scheme before 3 months</p>	<p>Month following month of opt out</p>
<p><b>Pension Contributions</b> Cease deduction of employee contributions where a scheme member opts to leave the scheme</p>	<p>Month following month of election, or such later date specified by the scheme member</p>
<p><b>End of year</b> Send a completed end of year detailed contribution spreadsheet used for valuation purposes and for individual scheme members annual benefit statements, annual allowance and lifetime allowance calculations, in a format agreed with the Leicestershire Pension Fund</p>	<p>By the 19<sup>th</sup> May of each year  In valuation years – by 30<sup>th</sup> April following the year end or, by 15<sup>th</sup> April for certain larger employers.</p>
<p><b>Monthly Pensions Return</b> Provide administering authority with details of all material changes in employee's circumstances. Includes new starters, opt outs, absence, address changes  As processes change this could be developed to include additional details, e.g. pay, CARE pay etc.</p>	<p>By the 15<sup>th</sup> of the following month for most employers. As and when required for some employers with only a few members.</p>
<p><b>Leavers</b> Determine reason for leaving and provide notification to administering authority of scheme leavers</p>	<p>Within 30 days of leaving</p>

<p><b>Retirement</b> Determine reason for retirement and provide notification to administering authority of retiree</p>	<p>Within 10 working days of notification of intention to retire</p>
<p><b>Final Pay</b> Provide CARE and final pay information for each scheme member who requires an estimate, leaves/retires/dies and forward to Leicestershire Pension Fund on appropriate form/via electronic interface</p>	<p>Within 10 working days following date of estimate request/leaving/retirement/death</p>
<p><b>Employer appointments</b> Appoint an independent medical practitioner qualified in occupational health medicine, in order to consider all ill health retirement applications and agree appointment with Leicestershire Pension Fund</p>	<p>Within one month of commencing participation in the scheme or date of resignation of existing medical adviser</p>
<p><b>Employer appointments</b> Appoint person for stage 1 of the pension dispute process and provide full details to the administering authority</p>	<p>Within 30 working days following the resignation of the current "appointed person"</p>



**SERVICE LEVEL AGREEMENT  
PENSIONS ADMINISTRATION**

Following a consultation period, this service level agreement has been produced by the Leicestershire County Council as the administering authority for the Leicestershire County Council Pension Fund

It is an agreement between the Leicestershire County Council and participating bodies in the Leicestershire County Council Pension Fund.

It is understood that the Administering authority shall monitor the requirements of this agreement and report its findings to the Local Pension Board.

It is hereby agreed that each of the parties as defined in this agreement and the scheme regulations shall abide by the requirements of this agreement.

Signed by the parties hereto:

**Employer** .....

.....

**Name**

.....

**Signature**

**Date**

**Leicestershire County Council Pension Section**

.....

**Name**

.....

**Signature**

**Date**



Please return to:

By post: The Pensions Manager  
Leicestershire County Council, County Hall, Glenfield  
Leicester, LE3 8RB

By email: please scan to [carol.haywood@leics.gov.uk](mailto:carol.haywood@leics.gov.uk)

Your signed agreement will then be counter signed by The Pensions Manager and returned to you to add to your file.