



# PENSIONS ADMINISTRATION STRATEGY MAY 2021



West Midlands Pension Fund

# CONTENTS

<b>1</b>	<b>INTRODUCTION AND REGULATORY CONTEXT</b>	<b>3</b>
<b>2</b>	<b>AIMS</b>	<b>3</b>
<b>3</b>	<b>ROLES AND RESPONSIBILITIES</b>	<b>5</b>
	3.1 Scheme Employer	5
	3.1.1 Duties, Responsibilities and Measurements	5
	3.2 West Midlands Pension Fund	16
	3.2.1 Duties, Responsibilities and Measurements	16
<b>4</b>	<b>MONITORING PERFORMANCE</b>	<b>24</b>
	4.1 Working with our Employers	24
	4.2 Approach to Managing Performance	24
	4.3 Policy on Charging Employers for Poor Performance	25
	4.4 Penalties for Sub-Standard Performance	26
	4.5 Charging Scales for Administration	27
<b>5</b>	<b>FEEDBACK FROM EMPLOYERS</b>	<b>29</b>

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## 1 INTRODUCTION AND REGULATORY CONTEXT

This is the Pension Administration Strategy (PAS) of West Midlands Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by the City of Wolverhampton Council (the administering authority). The West Midlands Integrated Transport Authority (WMITA) merged with the Fund with effect from 1st April 2019 and the roles, responsibilities and performance standards/measurements set out in this strategy apply equally to the WMITA employers.

The PAS is kept under review and revised to reflect changes to LGPS regulations and Fund policies and working practices. This document sets out a framework outlining the policies and performance standards to be achieved by the Fund and employers and is developed through a consultation process, to enable provision of a cost-effective and high quality pension administration service.

The LGPS is a statutory scheme and governed by regulations. The current regulations appertaining to administration are the LGPS Regulations 2013 (As Amended). In discharging their roles and responsibilities under these regulations, the Fund and employers are also required to comply with any pertinent overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pension Regulator.

An efficient and effective scheme administration service requires the following:

- Clear point of contact, roles and responsibility
- Timely exchange of information and payment of contributions
- Complete and accurate notifications and communications
- Early notification of material changes
- Clear and timely responses to requests and queries

This strategy outlines the performance expected and the monitoring in place to support service delivery

## 2 AIMS

In line with the Fund's objectives, the aim of the PAS is to partner with our employers to provide a high quality service to our members delivered through efficient working practices.

We do that through detailing the expected performance of the Fund and its employers in meeting both the legal and regulatory duty of scheme administration as set out in the Pension Regulator's Code of Practice.

The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably the timely exchange of accurate information in relation to scheme members.

The primary method of exchange is via the employer hub providing a secure link which can be tracked for audit purposes.

This PAS sets out the expected levels of performance of the Fund and the scheme employers. The strategy provides details about the monitoring of performance levels and the action(s) that could be taken where standards are not met by employers and/or when persistent non-compliance occurs.

The PAS, of which this iteration is effective from July 2021, was introduced in April 2015, with revisions since that date captured in this document. The Fund will continue to keep the strategy and policy document under review and update as required to reflect changes in scheme regulations and Fund working practices.

### **3 ROLES AND RESPONSIBILITIES**

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the LGPS.

In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependents, other pension arrangements or other regulatory bodies.

#### **3.1 Scheme Employer**

##### **31.1 Duties, Responsibilities and Measurements**

The tables below set out the function and tasks scheme employers are required to carry out in order to aid the administration of the scheme. Where appropriate, for those tasks which will be routinely measured the method of that measurement is also confirmed.

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#### 3.1 Scheme Employer

##### 31.1 Duties, Responsibilities and Measurements

The tables below set out the function and tasks scheme employers are required to carry out in order to aid the administration of the scheme. Where appropriate, for those tasks which will be routinely measured the method of that measurement is also confirmed.

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.1	Confirm nominated representative(s) to receive information from the Fund	<p>Change in contacts to be notified to the Fund immediately</p> <p>Contacts to be verified via the Annual Employer Health Check</p> <p>Multi Academy Trusts to provide contact details for Head Office in addition to specific function contacts</p>	Reviewed annually and as required
1.2	Attendance at Employer Coaching and or virtual webinars	<p>On admittance to the Fund, new employers are expected to attend coaching sessions as relevant to their specific role.</p> <p>Attendance may also be requested by a Fund officer based on performance/ compliance levels.</p>	Employer performance to be continually reviewed

1			
General Information			
	Function / Task	Expectation	Measurement / Review
1.3	Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute process (IDRP) and provide full up-to-date contact details to the Fund	Notify the Fund within 30 days of becoming a scheme employer or following the resignation of the current adjudicator	Reviewed annually as part of the Employer Health Check
1.4	Notify the Fund of any change to payroll provision	Inform the Fund one month in advance of a change in payroll provider	Reviewed annually as part of Employer Health Check
1.5	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS <sup>1</sup>	A copy of the policy document is to be submitted to the Fund within one month of the change in policy or within 30 days of becoming a scheme employer	To be reviewed by the Fund as appropriate
1.6	Distribute any information provided by the Fund to scheme members/potential scheme members (e.g., Scheme guides, pension portal promotions, benefit statement production)	Ensure members have access to all material as circulated by the Fund	In a timely manner, as required
1.7	Notify the Fund in advance of any employer initiatives, such as (but not limited to) employer mergers, bulk transfers or change of Academy Trust, policy decisions or practices which could have an impact on LGPS member benefits	Early contact with the Fund is preferable to enable the Fund to discuss and understand the implications	As a minimum, as soon as possible once the decision has been made or initiative/practice has been finalized.

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.8	<p>Inform the Fund regarding a notifiable event which may trigger the requirements for a contribution review between triennial valuations.</p> <p>Such triggers may include (though not limited to):</p> <ul style="list-style-type: none"> <li>• A material change to LGPS membership</li> <li>• A material change in total employer payroll and LGPS pensionable Pay</li> <li>• A change in employer legal status or constitution</li> <li>• Restructuring where there is a significant impact on LGPS membership</li> <li>• A decision to cease business</li> <li>• A decision that will restrict future active membership of the LGPS</li> </ul>	Inform the fund in advance of the event taking place.	Where advance notice is not possible, at least immediately after it is known

<sup>1</sup> For further information on which regulations require a policy, please see Regulation 60 in The Local Government Regulations 2013 ([www.lgpsregs.org](http://www.lgpsregs.org))

2 Contributions			
	Function / Task	Expectation	Measurement / Review
2.1	Remit employer and employee contributions to the Fund due each month	<p>By 19th of the following month</p> <p>Preferred method of payment is BACS or CHAPS, to include meaningful narrative where possible</p> <p>Payments with respect to Multi Academy Trusts to be aggregated prior to making payment to the Fund</p>	<p>Payment of monthly employee and employer contributions are due under the Pensions Act 2004 and the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014. The Pensions Regulator may be notified if the above requirement is not met</p> <p>In the case of a backdated admission agreement the employer must make payment in full of all contributions due to date once the required legal documents are in place. Payments must then be made as above</p>
2.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates Adjustment Certificate issued by the actuary following each triennial valuation or following review in line with the LGPS regulations or on commencement as a scheme employer within the Fund as notified in writing	Monthly reconciliations undertaken by the Fund with respect to payments expected vs those received
2.3	Provide a breakdown of monthly employer and AVC contributions for reconciliation against payment <sup>2</sup>	By no later than 19th of the following month but preferably at the time of making the payment.	Receipt of breakdown by 19th of the following month

<sup>2</sup> Breakdown needs to be provided on an individual employer basis where payment is made in respect of more than one participating employer, e.g. where responsible for client payroll)

2 Contributions			
	Function / Task	Expectation	Measurement / Review
2.4	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly  Eligible members only to be admitted to the LGPS.	Monthly
2.5	Manage the deduction of all additional contributions or amend such deductions, as appropriate	As required	Monthly
2.6	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly	Monthly
2.7	Make additional Fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent and a funding strain cost arises	Within 30 days of receipt of invoice from the Fund  Where possible, a remittance advice to be issued to: <b>WMPFAccountReceivable</b> <b>@wolverhampton.gov.uk</b>	To be reviewed by the Fund as appropriate
2.8	Respond to Fund queries regarding payments received	Respond to queries raised by the Fund regarding payments in order for these to be allocated.  Where the query is relating to a rejected or aborted monthly submission file, resubmission of the file to occur within 10 working days of receipt of the query to prevent delays to allocation	Within 10 working days of receipt of query

<b>3 Contracting out of service</b>			
	<b>Function / Task</b>	<b>Expectation</b>	<b>Measurement / Review</b>
3.1	Notify the Fund of the contracting out of services which will involve a TUPE transfer of staff to another organisation so that information can be provided to assist in the decision	Where possible, three months prior but at the latest the point of deciding to tender.	Three months prior to the contract commencement date
3.2	Work with the Fund to arrange for an agreement or other such contract and documentation as required, to be put in place when contracting out a service, and assist in ensuring it is complied with	Three months in advance of the date of admission	Three months prior to the contract commencement date
3.3	Notify the Fund if the employer ceases to admit new scheme members or is considering closing membership of The Fund	Inform the Fund of any decision made regarding admittance  (Early discussion with the Fund by a terminating employer is encouraged)	Immediately once decision is made

4	General administration and change notifications in relation to active members		
	Function / Task	Expectation	Measurement / Review
4.1	<p>Provide the Fund with the following member information on one monthly file monthly (via the employer hub) and ensure optimum accuracy of monthly data files received:</p> <ul style="list-style-type: none"> <li>• New joiners</li> <li>• Changes in employees' circumstances which may impact Fund benefits (eg. Movement in and out of the 50/50 scheme, marital or civil partnership status, maternity, paternity, career break, etc).</li> <li>• Employee and employer contributions and earnings</li> </ul>	<p>On a monthly basis, by the 19th of the following month, as part of the submission upload via the employer hub.</p> <p>Where any payment of contributions due is made prior to the 19th of the following month it would be preferable for the data to be submitted at the time of making payment</p>	<p>Monthly data file to be received by the 19th of the following month.</p> <p>Less than 5% of the active member count as at 1 April to error on import into the pension administration system</p>
4.2	Employers must ask members for a statement in writing listing all previous periods of employment	Members must be issued with a form A1 within three months from the date the person becomes a member	
4.3	Rectify monthly data errors	The rectification of a monthly data file where it has been necessary to return the file due to data inaccuracies	Within 20 days of receipt of the returned file/feedback

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.4	Produce an estimate of member benefits prior to approving retirements on the grounds of redundancy to establish any associated costs	Early Retirement Costings to be calculated using the online facility or by contacting employer services where the functionality is unavailable	Prior to the redundancy being approved by the employer to avoid any subsequent dispute with the Fund over associated costs
4.5	Notify the Fund (via employer hub) when a member is due to retire including an accurate assessment of final pay details and authorisation of the reason for retirement	<p>Notify the Fund when a member is due to retire: up to one month following the date of retirement if the date of retirement is before normal pension age (NPA)</p> <p>or;</p> <p>ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA)<sup>3</sup></p>	<p>Notify the Fund when a member is due to retire: up to one month following the date of retirement if the date of retirement is before normal pension age (NPA)</p> <p>or;</p> <p>ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA)</p> <p>S4 form to be submitted via employer hub</p>
4.6	Notify the Fund (via employer hub) when a member leaves employment including an accurate assessment of final pay details using the method stipulated by the Fund	<p>Within 30 days of month end of date of leaving, S4 early leaver form (S4EL/OPT) to be submitted via employer hub<sup>4</sup></p> <p>Where the member is subject to TUPE this should be not be confirmed via an S4</p>	Within 30 days of month end of date of leaving S4 form to be submitted via employer hub

<sup>3</sup> Notification should not be given prior to the final earnings being known to avoid recalculation of member benefits

<sup>4</sup> On receipt of the appropriate S4 notification, where data is incomplete or inaccurate this may lead to delays in processing by the Fund should queries need to be raised

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.7	Provide responses to enquiries regarding submitted member notifications	Respond to enquiries from the Fund in regard to member notifications and submitted forms (i.e S15, N15 etc via email or via the webtray functionality)	Within 10 days of receipt of enquiry
4.8	Notify the Fund (via employer hub) of the death of a scheme member	As soon as practicable, but within a maximum of ten days of the employer being notified, S4 retirement/ death in service form (S4RB) to be submitted via employer hub <sup>4</sup>	Within 10 days of notification
4.9	Review payment of Tier 3 ill-health benefits	After benefits have been in payment for 18 months	After benefits have been in payment for 18 months
4.10	Completion of the Annual Employer Health Check	Respond to the Funds communication with any changes and amendments within one month of receipt of the request (to include but not limited to a review of employer hub users, contact details and active member lists)	Annually

<sup>5</sup> Please refer to the **Fund's website** for more detailed guidance for requirements relating to the McCloud judgement

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.11	Self-review of performance and data quality via the employer hub	Regularly utilise the WMPF active member function and review the Employer dashboard via the employer hub	At least annually, where active member count is less than 1,000  Quarterly where active member count is over 1,000
4.12	Provision of data appropriate to the McCloud ruling 3	Submission of all data required to enable the necessary checks to be carried out to enable an underpin check to be carried out with respect the McCloud judgement	By 31st October for all data up to 31st March 2021  By 31st May 2022 for all data required for the period 1st April 2021 to 31st March 2022

5 IDRPs			
	Function / Task	Expectation	Measurement / Review
5.1	Notify the Funds Compliance team of the receipt of a complaint under the IDRPs process	Notify the Fund on receipt	Within two days of receiving the complaint
5.2	Notify the Funds compliance team that the first stage decision has been issued	Notify the Fund once issued	Within five days of issuing the decision
5.3	Timeframe for resolution of IDRPs within two months	Notify the fund if timeframe is not going to be met	Notify the Fund immediately when known the original time frame will not be met
5.4	Respond to Fund enquiries	Assist with enquiries where the Fund is dealing with stage 2 IDRPs	Within five days of receipt of enquiry

6 Employer Hub User Access			
	Function / Task	Expectation	Measurement / Review
6.1	Creation of new employer hub users by superusers	Superusers to assist with the set-up of new users within their organisation	As required
6.2	Maintenance and modification of existing employer hub users	Superusers to assist other users with maintenance of web accounts (e.g. Change access level, reset passwords)	As required
6.3	Verification of employer hub users by superusers	Employer hub superusers to regularly review user access lists using self-serve functionality (WMPF Managed User report)	At least annually via the Employer Health Check but also periodically by the employer to ensure accurate access is held
6.4	Revocation of employer hub users no longer required and/or employed	The fund to be notified immediately when access is no longer required by a user	Immediately on occurrence
6.5	Employer hub usage policy	Regular use of the employer hub in order to perform administration duties relevant to WMPF	At least annually.  Where account remains dormant for 12 months, access may be automatically revoked by the Fund following written warning being issued

## 3.2 WEST MIDLANDS PENSION FUND

### 3.2.1 DUTIES, RESPONSIBILITIES AND MEASUREMENTS

In setting the expectation of employers, the Fund recognises that the relationship and delivery of services, is also reliant on the Fund's performance and duties to its employers.

The table below outlines the key responsibilities of the Fund, what actions it will take and the timescales of its own performance in delivering the service to members and employers. It is focused on the key activities that scheme employers and scheme members are involved in and should not be viewed as an exhaustive list.

The Fund routinely reviews performance across all areas including the PAS, which is monitored and reviewed by the Pensions Committee and Local Pensions Board. Regular reporting is undertaken, and performance is also reported annually in the Fund's annual report and accounts. Where the function is routinely measured using the Funds key performance indicators the method of that measurement is also confirmed below.

1	General Information		
	Function / Task	Expectation	Measurement / Review
1.1	Regularly review the Fund's PAS and consult with all scheme employers	In advance of the policy being adopted and following consultation taking place during the year of the revision	Annual review
1.2	Regularly review the Fund's Funding Strategy Statement as required, not least with each triennial valuation, following consultation with scheme employers and the Fund's actuary	Publish by 31 March following the valuation date or as required	Annual review
1.3	Regularly review the Fund's Communication Policy Statement	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee	Annual review

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.4	Regularly review the Funds termination policy statement and publish as appended to the Funding Strategy Statement	Within 30 days of any changes being made to the policy	Annual review
1.5	Review and communicate the Funds publications listed below: <ul style="list-style-type: none"> <li>• Annual report</li> <li>• Annual Statement of accounts</li> <li>• Governance and compliance statement</li> </ul>	By 31 October following the year-end	Annually, no later than 31 October

2 Contribution Requirements			
	Function / Task	Expectation	Measurement / Review
2.1	Consult with employers on the outcomes of the triennial valuation	At least three months in advance of the signing of the final rates and adjustment certificate	As part of the triennial valuation consultation period.
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	At least six weeks before the actuary signs off the rates and adjustment certificate	As part of the triennial valuation cycle.
2.3	Notify new scheme employers of their contribution requirements	The latter of within six weeks of receipt of the notification of admission application or commencement as a scheme employer	To be reviewed by the Fund as appropriate

3 Support for Employers			
	Function / Task	Expectation	Measurement / Review
3.1	Employer Helpline	Dedicated helpline: <b>Monday – Thursday</b> 8.30 am – 5.00 pm <b>Friday</b> 8.30 am – 4.30 pm	>85% of calls received to the employer helpline to be answered
3.2	Email/Web enquiry support	Fund to support with general employer queries	10 working days from receipt of enquiry
3.3	Employer Peer Group	Quarterly meetings to be held each year between employer representatives and at least 2 Fund officers	Quarterly
3.4	Employer Newsletters	Quarterly briefing notes to be issued plus bespoke editions as required focusing on topical issues	Quarterly and, as required
3.5	Face-to-face meetings	Whole employer meetings to be held twice yearly  One-to-one engagement with employers to discuss feedback and performance as required and appropriate	As required but with all employers invited to at least 2 meetings each year
3.6	Online support	Online support to be reviewed and maintained in order to remain accurate and relevant	Continual review
3.7	Member services presentations and roadshows	Regular presentations to be made available for employers to facilitate for members.	Largest 35 employers (based on active member count) plus at least 15% of all other employers annually

<b>3 Support for Employers</b>			
	<b>Function / Task</b>	<b>Expectation</b>	<b>Measurement / Review</b>
3.8	Organise and provide webinars on the roles and responsibilities of an employer in the Fund	Monthly webinars to be scheduled. Bespoke sessions can also be made available on request	At least two employer webinars to be scheduled each month
3.9	Notify scheme employers and scheme members of changes to the scheme rules	As per disclosure requirements with inclusion of an overview in the Employer Brief	Continual review
3.10	Provide a facility (via employer hub) for employers to calculate estimates and early retirement costs for active members	Functionality to be available to enable employer self-service at all times with periods of downtime to be monitored by WMPF systems support and any issues addressed immediately	Continual review
3.11	Production and maintenance of an IDRPs employer guide	On an ongoing basis	Annual review

<b>4 General administration and member communications</b>			
	<b>Function / Task</b>	<b>Expectation</b>	<b>Measurement / Review</b>
4.1	Produce annual benefit statements for active members as at 31 March and deferred members as at pensions increase date in April	By 31 August following the year-end	Annually
4.2	Produce and issue pension savings statements each year to members who have exceeded their annual allowance	By 6 October (provided receipt of all relevant information from scheme employer) following the year-end	Annually

4 General administration and member communications			
	Function / Task	Expectation	Measurement / Review
4.3	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision	As required
4.4	Provide feedback on errors contained in monthly data submission files	Within 20 working days of the later of the 19th of each month or the date the file is received by the Fund	Quarterly review of KPI reported Pension Committee and/or Pension Board

5 Processing Scheme member records and benefits			
	Function / Task	Expectation	Measurement / Review
5.1 New Joiners			
	Set up a new starter and provide statutory notification to the member	Member Record created and confirmed	Within 20 days of receipt of correct data file from a scheme employer
5.2 Transfers			
	Transfer in quotations processed	Quotation and paperwork issued	Within ten days of receipt of all the required information
	Transfer notification of transferred in membership to be notified to the scheme member Transfer out quotations processed	Member notified of completion of transfer in Quotation and paperwork issued	Within ten days of receipt of payment Within 20 days
	Transfer out payments processed	Payment made	Within ten days

5 Processing Scheme member records and benefits			
	Function / Task	Expectation	Measurement / Review
5.3	Additional contributions		
	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including required information to enable deductions to commence	Arrange deduction of member payments with employer	Within ten days of receipt of election from a scheme member
	Process scheme member requests to pay/ amend/ cease additional voluntary contributions (AVCs)	Arrange deduction/cessation of member payments with employer	Within five days of receipt of request from a scheme member
5.4	Leavers		
	Deferred benefits calculated and confirmed to member	Confirm member benefits	Within 15 days of receipt of all necessary information
	Refund details calculated and issued	Confirm member benefits	Within ten days of receipt of all necessary information
	Refund payments	Make payment to member	Within five days of receipt of all necessary information from member
5.5	Deferred into payment		
	Provision of deferred retirement options to member	Deferred retirement quotation issued to member	Within 30 days of the member's eligible payment date or receipt of request from a member
	Deferred retirement benefits processed for payment following receipt of election	Payment commences	Lump sum payment within five days of receipt of all necessary documentation  First pension payment on next available payment run

5 Processing Scheme member records and benefits			
	Function / Task	Expectation	Measurement / Review
5.6 Retirements			
	Provision of retirement options to members	Retirement quotation issued to member	Within 15 days of receipt of all necessary information
	New retirement benefits processed for payment following receipt of election	Payment commences	Lump-sum payment within five days of receipt of all necessary documentation  First pension payment on next available payroll run
5.7 Deaths			
	Acknowledgement of a death	Appropriate acknowledgement issued	Within five days of receiving the notification
	Notification of benefits payable to dependents	Confirm benefits payable	Within five days of receiving the required information
	Payment of death lump-sum will be made information	Payment made	Within ten days of receipt of all the required information
5.8 Customer service			
	Member Helpline	Dedicated helpline: <b>Monday – Thursday</b> 8.30 am – 5.00 pm  <b>Friday</b> 8.30 am – 4.30 pm	>85% of calls received to the customer helpline to be answered
	Provide an answer/ acknowledgement to an enquiry from a scheme member/ personal representatives/ dependents and other authorised persons	Appropriate response issued	Within ten days from receipt of enquiry

5	Processing Scheme member records and benefits		
	Function / Task	Expectation	Measurement / Review
5.8	Customer service		
	Acknowledge member complaints on initial receipt	Appropriate response issued	Within five days of receipt
	Issue full response to member complaints	Appropriate response issued	Within 20 days of receipt
	Monitor IDRPs cases and target completion of stage 1 and stage 2 reviews	Within two months. For further information, please see the Fund's IDRPs policy	Within two months
	Acknowledge employer complaints on initial receipt	Appropriate response issued	Within five days of receipt
	Issue full response to employer complaints	Appropriate response issued	Within 20 days of receipt

## **4 MONITORING PERFORMANCE**

### **4.1 WORKING WITH OUR EMPLOYERS**

The Fund recognises that engagement is key to helping us understand our employers' individual circumstances, their challenges and their outcomes. Engaging with employers helps to build positive working relationships and ensures processes create efficiencies and better outcomes for the Fund, our members, and employers. The consistent application of standards across all employers enables fair and value for money service.

The Fund will seek to work closely with employers when identifying areas of poor performance. At the earliest opportunity, the Fund will provide training and development to aid improvement of service levels in the future. Where performance issues are identified, in the first instance,

the Fund will work to resolve the issues informally. However, where this is not possible and persistent sub-standards occur (with no measurable improvement demonstrated by the employer), additional steps may be taken by the Fund in line with its powers under the LGPS Regulations 2013.

The Fund aims to meet the training and development needs of its employers using (but not limited to) its employer education programme, quarterly bulletins, website guidance and through day-to-day contact via email and telephone. There is also an open invite to request a meeting with a member of the Employer Services team, subject to notice, to discuss any aspect of co-operation, expectations and responsibilities.

### **4.2 APPROACH TO MANAGING PERFORMANCE**

Ensuring compliance with the LGPS regulations and this administration strategy is the responsibility of the Fund and scheme employers. This section describes the ways in which performance and compliance will be monitored.

The Fund and scheme employers are to ensure that all functions and tasks are carried out to the agreed quality standards. On a regular basis, the Fund will monitor, measure and report on both the Fund's and scheme employers' compliance with the agreed service standards outlined in this document. Employers are encouraged to review their own performance using the self-service tools and dashboards available via the employer hub.

The Fund will undertake a formal review of performance against the PAS on an annual basis and liaise with employers in relation to any concerns on performance. The Fund monitors its own performance against key performance indicators. Monitoring occurs on a monthly basis and is reported to the Fund's Pensions Committee on a quarterly basis. The performance of scheme employers against the standards set out in this document are incorporated into the reporting to the Committee, as appropriate, to include data quality. The Fund will also report back to employers, where appropriate about their individual performance, identifying any areas for improvement including outstanding data items.

Where persistent and ongoing failure occurs in relation to administration requirements and no improvement is demonstrated and/or willingness to resolve the identified issues is shown by an employer following the Fund taking any appropriate steps as set out in its Employer Engagement Roadmap,, the following sets out the steps that will be taken in dealing with this situation:

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards and offer support and, where applicable, request attendance at a training/coaching session
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the scheme employer, or no response is received to the initial letter, the scheme employer will be asked to attend a conference call/meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an action plan to address them. Where appropriate, the originating employer will be informed and expected to work with the Fund to resolve the issues.
- If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out:
  - the area(s) of non-compliance with performance standards that have been identified;
  - the steps taken to resolve those area(s); and
  - provide notice that the additional costs will now be reclaimed.
- An invoice will be issued detailing the additional cost incurred, taking account of time and resources in resolving the specific area(s) of poor performance and in accordance with the charging scale set out in this document. A report will be presented annually to the Pensions Committee detailing charges levied against scheme employers and outstanding payments.
- If poor performance continues and impacts the Fund's ability to perform statutory functions and/or measures are not being taken by the employer to address this, the Fund may need to report the employer to The Pensions Regulator.

### **4.3 POLICY ON CHARGING EMPLOYERS FOR POOR PERFORMANCE**

The LGPS regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that scheme employer. Where any such additional costs are to be recovered by the Fund, written notice will be provided stating:

- the reasons that the scheme employer's poor performance contributed to the additional cost;
- the amount of the additional cost incurred;
- the basis for calculation of the additional cost; and
- the provisions of the administration strategy relevant to the decision to give notice.

It is the policy of the Fund to recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any scheme employer (including the administering authority). With the objective of ensuring fairness across employers in avoiding other employers paying more to cover the higher administration costs incurred by others.

Please note that where an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged accordingly. This includes charges and recharges levied under this policy.

#### 4.4 POTENTIAL IMPACT OF SUB-STANDARD PERFORMANCE

Item	Impact
Failure to make payment of monthly contributions and/or provision of breakdown of contributions for reconciliation against payment	The Fund will be unable to prepare cashflow information to facilitate the provision of annual accounting standards (FRS102, IAS19) by the Fund actuary or any other actuarial firm Impact on contribution rates set at proceeding triennial valuation Report to be made to the Pensions Regulator
Failure to submit monthly data and leaver notifications and/or respond to Fund queries regarding associated data issues	Inability to produce member benefit statements Inaccurate data used in triennial valuation and subsequent impact of contribution rates set Delays in processing member requests for information and calculation of benefits on leaving
Failure to maintain up to date contact information	Communications and important messages regarding changes may not be received
Late notification of new contracts to the Fund by the employer and/or ceding authority	Potential Trade Union involvement Breach of law if contribution deducted and agreement not sealed Members not covered by Death in Service benefits Increased costs due to delay in application being received
Failure to comply with McCloud data provisions in line with Fund and regulatory requirements	Employer Liabilities may be understated Member benefits may be incorrect
Failure to notify the Fund of any Notifiable Events	Potential report to the Pension Regulator Liabilities are under/over stated resulting in an incorrect contributions being paid

#### 4.5 CHARGING SCALES FOR ADMINISTRATION

The table below sets out the charges which the Fund will levy on a scheme employer who fails to meet the standards required. Each item is referred to in the 'Scheme Employer Performance Measurement' section of this document

1	Payment of contributions	
<p><b>Payment of primary rate contributions</b></p> <p>Payment of monthly employee and employer contributions<sup>6</sup> in full by the 19th of the following month (but by the 22nd of the month where payment is made electronically)</p>	<p>£100 per occasion plus interest<sup>7</sup></p> <p>Thereafter for each working day the payment remains late an additional charge of £10 will be applied.</p>	
<p><b>Payment of secondary rate contributions</b></p> <p>Payment of deficit contributions either:</p> <ul style="list-style-type: none"> <li>• In advance at the commencement of each scheme year, or;</li> <li>• Monthly alongside primary rate contributions by the 19th of the following month (but by 22nd of the month where payment is made electronically)</li> <li>• In full by 31st October (academies only)</li> </ul> <p>An election should be made during the triennial valuation consultation period regarding the method of payment</p>	<p>Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent on a day to day basis from the due date to the date of payment and compounded with three monthly rests.</p>	

<sup>6</sup> Future service contributions including additional contributions, eg, APP and APCs

<sup>7</sup> Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent

2 Monthly data collection	
<p><b>Timeliness</b></p> <p>Comply with each of the following requirements:</p> <ul style="list-style-type: none"> <li>• Submission of the member data file by 22nd of the following month</li> <li>• Submission of the web remittance advice by 22nd of the following month</li> </ul>	<p>£50 for each month the data file and/or web remittance advice is received after 22nd (ie, both items must be received so as to incur no penalty). There after for each monthly data file the charge will increase as follows:</p> <ul style="list-style-type: none"> <li>• 5p per member<sup>8</sup> per working day late for the first month following the deadline</li> <li>• 10p per member<sup>8</sup> per working day late for the second month following the deadline</li> <li>• 15p per member<sup>8</sup> per working day late for the third month following the deadline and every month thereafter</li> </ul> <p>A minimum daily rate will be set at:</p> <ul style="list-style-type: none"> <li>• £5 per day for the first 30 days following the deadline</li> <li>• £10 per day for the second 30 days following the deadline</li> <li>• £15 per day for the third 30 days and thereafter following the deadline</li> </ul> <p>Assessment of the overall charge will be made in aggregate following year-end</p>
<p><b>Data quality<sup>9</sup></b></p> <p>Quality of the information provided to be below the acceptable tolerance level set at 5% of the employer active member count<sup>3</sup></p> <p>Errors include but not limited to missing members, missing new joiner flags, incorrectly flagged leavers/TUPE</p>	<p>The Fund will recover costs for the work involved to resolve these errors. Costs will be based on officer hourly rates and will be determined based on the resources required to address errors above the tolerance in aggregate over a 12-month period</p>

<sup>8</sup> For the purposes of monitoring and the application of charges the active member count will be set as at 1 April of the monitoring period (ie, based on the monthly data file for the 1 April in the monitoring period)

<sup>9</sup> A file will be rejected for one or more of the following reasons:

- Incorrect file layout
- Data formatting issues, eg, mandatory fields not populated, inclusion of incorrect characters, ie, speech marks, etc.
- The key financials in the data file do not balance with the final statement

<b>3 Other</b>	
<p><b>Bulk amendments</b></p> <p>Bulk member record corrections or amendments of member records en masse as a result of (but not limited to) employer changes, mergers, initiatives, policy decisions or prior incorrect notifications</p>	The Fund will recover the cost for the work involved based on officer hourly rates
<p><b>Incorrect Scheme Member cases</b></p> <p>Incorrect admission to the Fund where the member was eligible to join and should have been offered alternative pension scheme membership (eg, TPS, USS)</p>	A charge of £250 for each incorrectly admitted member plus recovery of the work involved based on officer time
<p><b>Leaver Rollbacks</b></p> <p>Incorrect submission of an S4 leaver notification where the member has either, not left or has been subject to TUPE</p>	A charge of £50 for each incorrectly submitted leaver notification plus recovery of the cost for the work involved based on officer hourly rates where there are additional effects on processing (such as the reversal of aggregations)
<p><b>Provision of Replacement member ABS</b></p> <p>Provision of replacement ABS due to submission of incorrect FTE resulting in inaccurate member ABS being produced as part of the annual cycle</p>	A charge of £250 for each occasion plus recovery of the cost for the work involved based on officer hourly rates.
<p><b>Other rectification work</b></p> <p>Any other significant work the Fund is required to carry out in order to rectify errors caused a result of employer error</p>	The Fund will recover the cost for the work involved based on officer hourly rates.

## **5 FEEDBACK FROM EMPLOYERS**

Employers who wish to provide feedback on the performance of the Fund against the standards in this administration strategy should email comments (noting PAS feedback in the email subject) to [wmpfemployerliaison2@wolverhampton.gov.uk](mailto:wmpfemployerliaison2@wolverhampton.gov.uk)

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