



The London Borough of Southwark Pension Fund

Pension Administration Strategy

PRE-CONSULTATION VERSION

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1. Introduction and Background

This is the Pension Administration Strategy Statement for the London Borough of Southwark Pension Fund (the **Fund**), which has been developed following consultation with all employers participating in the Fund. The aim of the strategy is to ensure both the Administering Authority along with its Admitted and Scheduled body employers are fully aware of their role and responsibilities under the Fund, and to outline performance standards that they are, with best endeavours, expected to meet to ensure delivery of a high-quality and cost-effective pension administration service.

The principal objectives of this strategy document are summarised below:-

- Deliver efficient, accurate and timely administration ensuring benefits are paid on time.
- Clearly define roles and responsibilities of the Administering Authority and Employers.
- Maintain strong communication and engagement with Members and Employers.
- Ensure full compliance with the Local Government Pension Scheme Regulations, Regulatory bodies and governance standards.
- Set expectations and performance standards for Employers.
- Improve data quality and reduce administrative risk.
- Support sound financial planning and deliver value for money solutions.
- Drive continuous service improvement and digital efficiency.

Detailed Aims and Objectives of this strategy document are set out in Section 3.

The London Borough of Southwark (the **Administering Authority**) is responsible for the local administration of the Fund, which is part of the national Local Government Pension Scheme (the **LGPS**) and has assets of £2.3 billion making it one of the largest pension funds in London. As at 31 March 2025 the Fund comprised of 53 active employers with 9,596 contributing (active) members, and 27,584 members in total (including deferred and pensioner members). This includes academies and 56 local authority schools that operationally are part of the London Borough of Southwark but use their own outsourced payroll providers.

Unless specifically mentioned otherwise, all reference in this strategy to 'Employers' apply to those local authority schools, and they are required to provide information as if they are separate employers.

Delivery of a high quality, accessible, cost effective, Local Government pensions administration service is not the sole responsibility of the Administering Authority, but rather a combination of different parties working collaboratively together with other stakeholders, who between them take responsibility for safeguarding benefits and ensure members receive the appropriate level of service, payment of benefits in accordance with the LGPS Regulations, and service that is compliant with statutory requirements.

The strategy sets out the relationship and segregation of roles and responsibilities between Administering Authority and Admitted and Scheduled body employers, with an aim of removing misunderstanding and conflict of duties between relevant parties.

2. Implementation

This strategy statement was approved on 9 December 2025 by the Strategic Director of Resources, whilst carefully considering the views of the Pensions Advisory Panel and participating employers of the Fund.

It is effective from **TBC**

The strategy applies to all existing employers who participate in the Fund, and all new employers joining the Fund after the effective date above. The statement sets out the expected levels of performance of both the Administering Authority and all other employers within the Fund, and how performance levels will be monitored and the action that will be taken where persistent failures occur.

In preparing this strategy we have consulted with relevant employers and other persons and/or stakeholders considered appropriate.

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

The strategy will be included within the Fund's Annual Report and Accounts and is available on the dedicated pension fund website at www.southwarkpensions.co.uk

Any enquiries in relation to the day-to-day administration of the Fund should be directed to:-

Barry Berkengoff
Head of Pensions Operations - Resources
The London Borough of Southwark Pension Fund
160 Tooley Street
London
SE1 2QH

✉ Barry.Berkengoff@southwark.gov.uk

Should you have any enquiries about the overall financial aspects, principles or content of this strategy, please contact:-

Caroline Watson
Chief Investment Officer - Resources
The London Borough of Southwark Pension Fund

160 Tooley Street
London
SE1 2QH

✉ Caroline.Watson@southwark.gov.uk

3. Policy Statement

Pension Administration Strategy Policy Statement

At a glance strategic aims and objectives

This strategy statement sets out the overall aims and objectives of the Pension Administration Strategy and references other important pension fund documents which together make up the overall pensions administration management system.

Delivering Value For Money

At a glance how the pension fund measures success

The pension fund measures the value of services it delivers in several ways, as set out below:

Operational and financial metrics

- Time taken to process new joiners, retirements, death benefits, transfers and leavers.
- Per member admin costs relative to scheme membership size and complexity.

Compliance and accuracy

- Error rates in benefit calculations or payments leading to formal Ombudsman complaints and the results of internal/external audits.
- Compliance with statutory deadlines such as Pensions Regulator returns and issue of Annual Benefit Statements.

Member and employer outcomes

- Member complaints/compliments/surveys, website traffic metrics and overall digital engagement take up.
- Timeliness and quality of employer data submissions and feedback.

Financial stewardship

- Cost benchmarking and cost comparison to similar sized pension funds via national benchmarking clubs.

- Managing admin costs within budget whilst maintaining service quality, and efficiency savings through leaner processes such as reducing paper communication.

Regulatory Basis

At a glance regulations and rules the pension fund must follow

The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 (as amended) provide the conditions and regulatory guidance surrounding the production and implementation of an Administration Strategy.

3.2. In carrying out their roles and responsibilities in relation to the administration of the LGPS, the Administering Authority and employers will, as a minimum, comply with overriding legislation, including:

- | | | |
|---|---|---|
| • LGPS Regulations ; | • Freedom of Information Act 2000 ; | • Finance Act 2013 ; |
| • Pensions Act 2011 and associated disclosure legislation ; | • Equality Act 2010 ; | • Relevant Health and Safety legislation; and |
| | • Data Protection Act 1998 ; | • GDPR |

In particular, Regulations 72, 73, 74, 75 and 80 of LGPS Regulations 2013 require the following:-

Regulation 59(1) enables an LGPS Administering Authority to prepare a written statement (“the Pension Administration Strategy”) to assist in delivering a high-quality pensions administration service to members of the Fund and other interested parties, by setting out local standards which often go beyond the minimum requirements set out in overriding legislation as outlined above, and which the Administering Authority and employers should comply with. The statement can contain such of the matters mentioned below as they consider appropriate:

- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the Administering Authority and employers 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 employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving communication and engagement by the Administering Authority and the employers to each other of information relating to those functions.
- The circumstances in which the Administering Authority may consider giving written notice to an employer on account of that employer's unsatisfactory performance in carrying out its functions under the LGPS Regulations when measured against the desired levels of performance.
- The publication by the Administering Authority of an Annual Report dealing with:
 - (i) the extent to which the Administering Authority and the employers have achieved the desired levels of performance;
 - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and
 - (iii) such other matters as appear to the Administering Authority to be suitable for inclusion in that strategy.

Regulation 59(2)(e) allows an Administering Authority to recover additional costs from an employer where, in its opinion, they are directly related to the poor performance of that employer. Where this situation arises, the Administering Authority is required to give written notice to the employer, setting out the reasons for why additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

In addition, Regulation 59(6) also requires that, where a Pension Administration Strategy is produced, a copy is issued to each of the Fund's employers as well as to the Secretary of State. It is a requirement that, in preparing or revising any Pension Administration Strategy, the Administering Authority must consult the employers and such other persons as it considers appropriate.

Both the Administering Authority and employers must have regard to the current version of the Pension Administration Strategy when carrying out their functions under the LGPS Regulations.

This statement, therefore, sets out the information required in accordance with Regulation 59 and forms the basis of the day-to-day relationship between the London Borough of Southwark as the Administering Authority and all employers of the Fund. It also sets out the circumstances where additional costs will be incurred as a result of poor performance of an employer, together with the steps that would be taken before any such costs arose.

Employer Responsibilities

At a glance an employer's role in running the pension fund

Key responsibilities:

- To decide who is eligible to become a member of the Fund, in accordance with LGPS eligibility and “worker” definitions as defined by the Employment Rights Act.
- Compliance with Auto Enrolment legislation (and Auto Re-Enrolment duties every three years) as determined by the Pensions Regulator.
- To appoint an appropriate person or persons to work alongside the Administering Authority on all pension fund matters.
- To ensure all changes or proposed changes to key employer systems (Payroll and HR) are notified to the Administering Authority to ensure no loss of service delivery to pension fund members.

Main responsibilities:

- To decide any rights or liabilities of any person under the Fund (i.e. what rate of member contribution a person pays and whether or not a person is entitled to any benefits under the Fund) as soon as is reasonably practicable.
- To formally notify that person of the decision in relation to any rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to benefits under the Fund and why not), including information about the Internal Dispute Resolution Procedure (**IDRP**) which can be found on www.southwarkpensions.co.uk.
- To inform the Administering Authority of all such decisions made affecting pension benefits, particularly legal Settlement Agreements, Flexible Retirement and Ill-Health Early Retirement applications.
- To provide the Administering Authority with such data it requires so it can carry out its functions including as a **minimum by the end of May each year** the following information in relation to any person who has been an active member of the Fund in the previous year:-

(i) name and gender

(ii) date of birth and national insurance number

(iii) a unique reference number relating to each employment in which the employee has been an active member

In respect of each individual employment during that year:-

- (i) dates during which they were a member of the Fund, including any dates of approved authorised absences
 - (ii) normal pensionable pay received and employee contributions paid
 - (iii) pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
 - (iv) normal employer contributions paid
 - (v) any additional employee or employer contributions paid
 - (vi) any Additional Voluntary/Additional Pension Contributions paid by the employee or employer
- To decide whether a person is employed in a full-time, part-time, variable time or casual capacity. If the employee is part time the employer must determine the proportion which the employees' contractual hours relate to the hours of a comparable full-time employee.
 - To determine the pensionable pay of employees for the purposes of calculating employee and employer pension contributions, in accordance with LGPS Regulations.
 - To determine final pay for the purposes of calculating benefits due from the Fund, in accordance with the LGPS Regulations.
 - To issue a notification to any employee who cannot become a member of the Fund, explaining the reason(s) why.
 - Where, after reasonable efforts, an employee fails to provide information relating to previous service, to provide basic information to the Administering Authority as required by the Administering Authority.
 - At cessation of membership of the Fund, to determine the reason for leaving and entitlement to benefit, and to notify the Administering Authority and the Fund member of the decision.
 - As referenced earlier, to supply timely, accurate and validated data each month (and at year-end) to the Administering Authority (or during any other additional periods as may be required by the Administering Authority) to ensure the correct calculation of benefits payable from the Fund. The submission format(s) will be via UPM Employer Hub and submission date(s) of such data must meet the requirements of the Administering Authority.

- To deduct Additional Voluntary/Additional Pension Contributions (AVCs/APCs) from a member's pay and to pay over to the Administering Authority by the 19th of the following month to pay AVC providers within statutory deadlines.
- To be responsible for exercising the discretionary powers given to Employers by the LGPS Regulations. These regulations also require the Employer to publish its policy in respect of the key discretions and review its discretions every three years.
- To provide a notice, drawing the employee's attention to their right of appeal under the Fund, with any statement issued to an employee relating to any decision made about the Fund.
- To use an Independent Registered Medical Practitioner qualified in Occupational Health medicine that has been approved by the Administering Authority in determining Ill Health Early Retirement recommendations.
- To repay to the Fund member any incorrectly deducted employee contributions.
- To provide the Administering Authority with an audited copy of the final annual statement for the financial year, which shall also contain the name and pensionable pay of each employee who is an active member, the amounts which represent pension deductions from pay for each of those employees and the periods covered by the deductions and any other information requested by the Administering Authority. The information should also distinguish those amounts representing deductions for additional voluntary and additional pension contributions and the employees paying those additional contributions.
- To be responsible for complying with the requirements for funding early retirement for whatever reason as set out in the rates and adjustments certificate issued by the Actuary following the triennial valuation of the Fund, or any other interim valuation of the Fund by the Actuary (as agreed by the S151 Officer).
- Pay the Administering Authority interest on payments due from the Employer which are overdue by more than one month.
- Pay the Administering Authority additional contributions when granting additional member benefits:
 - Awards of additional pension
 - Retirement before normal retirement age on unreduced benefits (eg on redundancy)
- Where a member leaves the Fund and full contributions have not been deducted for whatever reason, immediately make payment of any outstanding member and employer contributions to the Administering Authority.

- To ensure compliance with Data Protection Act 2018/GDPR.
- To appoint appropriate adjudicators to consider complaints under stage 1 of the IDRP relating to employer decisions (or a lack of a decision).
- To participate in relevant Government consultations where employer data and policy decisions might be needed, for example, 'Access and Fairness' to the LGPS and the need for employers to collect regular Opt-Out data to better understand underlying reasons, pay and reward, trends and EDI statistics.

Responsibilities of Admitted Bodies:

The pensions risk of a number of admission bodies is underwritten by London Borough of Southwark, and in return the employer's contribution is fixed at the rate set at the employer's initial entry to the Fund. This fixed rate may be subject to certain provisos in the Admission Agreement or separate risk sharing agreement. Such employers will be required to sign an agreement with London Borough of Southwark which will set out the contributions to be paid. Where an employer has this "pass-through" arrangement in place with the London Borough of Southwark, no exit credit or payment will be made, and all assets and liabilities will be subsumed by the London Borough of Southwark upon exit.

Admitted bodies who are in a pass-through agreement will remain liable for funding the cost of additional pension and early retirement costs, as well as any other discretionary benefits they award to employees.

Administering Authority Responsibilities

At a glance the administrator's role in managing the pension fund

- To monitor employer compliance with their responsibilities under the LGPS Regulations and other areas such as auto enrolment.
- To decide how previous service or the employment of an employee is counted towards pension purposes, and whether such service is classed as a period of membership.
- To notify each member of the Fund regarding pension fund membership.
- To set up and maintain an electronic record for each member of the Fund, containing all necessary information to produce accurate (both regular and annually) pension benefit calculations following all employers providing useable, accurate, validated and timely pension fund data each month.
- To calculate and pay appropriate pension benefits at the correct time, based on membership details held at the departure/transaction date, and based on final

pay data provided by the employer when an employee leaves employment or ceases membership of the Fund.

- To supply beneficiaries with details of their entitlements under the Fund including, if needed, method of calculation.
- To set up and maintain an electronic record for each pensioner member of the Fund (including child pension benefits).
- To pay UK and overseas pensions each month and produce payslips and P60s at the appropriate times.
- To increase pensions periodically in accordance with the provisions of the Pensions Increase Acts and Orders.
- To pay benefits to the correct beneficiaries only, taking steps to reduce the possibility of fraud or pensions liberation.
- To ensure that sufficient information is issued to satisfy the requirements of Regulation 61 of the LGPS 2013 (statements of policy concerning communication with members and Fund employers).
- To appoint an Actuary for the purposes of the triennial valuation of the Fund and to provide periodic actuarial advice on any interim valuations when required.
- To arrange and manage the triennial valuation of the Fund.
- To ensure compliance with the Data Protection Act 2018 and GDPR.
- To appoint an adjudicator(s) to consider complaints under stage 1 of the IDRP relating to Administering Authority decisions (or a lack of a decision).
- To appoint a suitable decision maker to consider appeals under stage 2 of the IDRP (which covers both employer and Administering Authority decisions or lack of decisions).
- To provide referral rights to the Office of the Pensions Ombudsman when the IDRP becomes exhausted.
- To provide on request, any information to an employer about a complaint under the IDRP that may be required by an employer.

Our Administration Aims and Objectives

At a glance performance standards expected by all relevant parties

The purpose of this strategy statement is to set out the quality and performance standards expected by the London Borough of Southwark in its role of Administering Authority and employer, as well as all other employers who participate within the Fund.

It seeks to promote good working relationships, reduce conflict of duties, improve efficiency and enforce quality assurance amongst all employers and the Administering Authority.

Key objectives relating to administration are as follows:-

- Ensuring the Fund's employers are aware of and understand their role and responsibilities under the LGPS Regulations, and in the overall delivery of the administration functions of the Fund.
- Administer the Fund in a cost effective and efficient manner, utilising technology appropriately, with the focus on a digital first approach.
- Assisting employers to provide effective provision of timely and accurate data using secure systems.
- Ensuring benefits are paid on time, and income is collected from the right people, at the right time, and at the right amount.
- Maintain accurate electronic records and ensure sensitive data is protected and has authorised use only.
- Be accountable and take responsibility for our actions.
- Our separate Communication Strategy has a number of specific objectives relating to how we communicate and engage with our stakeholders.

To support these aims this strategy document covers:-

- The expected standards of service between the Administering Authority and participating employers in the Fund; monitoring those standards and continuously developing and improving them.
- Charges that may apply when service standards fall below expectations and put service delivery at risk.
- A strategy to continually develop digital first services for both employers and members of the Fund.

Other documents making up the overall strategy

At a glance other relevant LGPS guides and documents

- London Borough of Southwark Communication Strategy

- Data Management Strategy
- LGPS HR Guide <https://lgpslibrary.org/assets/gas/ew/HRv4.6c.pdf>
- LGPS Payroll Guide <https://lgpslibrary.org/assets/gas/ew/Pv4.6c.pdf>
- LGPS Auto Enrolment <https://www.lgpslibrary.org/assets/gas/uk/AEBv9.0c.pdf>



AELv2.1c (1) template
letters.pdf

- Auto Enrolment template letters
- Employer Discretions Policy
<https://www.lgpslibrary.org/assets/gas/ew/DISCLv1.10c.doc.pdf>
- Investment Strategy Statement
- Funding Strategy Statement
- Governance Compliance Statement

4. Liaison, engagement and communication

The Adminstrating Authority will issue and review their Communications Policy at least every three years. The policy will include a strategy for communicating with:

- Members of the Fund
- Members representatives
- Prospective members
- Employers participating in the Fund, and
- Union Reps

The Adminstrating Authority may issue an annual Engagement Plan to include events for employers, members and prospective members of the Fund, and more critically, mandatory employer training on monthly member data and contribution collection.

The Senior Officer responsible for engagement is Barry Berkengoff, Head of Pensions Operations, and can be contacted at ✉ Barry.Berkengoff@southwark.gov.uk

Good communication reminds, or alerts, employees to the benefits and value of the LGPS which aids in recruitment, retention and motivation of the workforce, and negates misleading media information, particularly around investments. Effective

engagement and communication between the Administering Authority and its employers reduces errors and complaints, improves efficiency and leads to good working relationships. In this context, good communication also includes publication of the annual report and accounts, pensions advisory panel and local pension board meeting papers, and ensuring that up-to-date versions of all Fund policies are published on the pension fund website.

The Fund is committed in providing a positive customer experience and believes all its members should expect to receive a consistent level of service when contacting the Fund as would be expected when contacting any other Council department.

In this regard the Fund sets out its customer/member promise as follows:

1. when you contact the Fund, by any channel, we should let you know what you should expect to happen and by when
2. we will strive to keep up to date on the progress of your request, so you don't have to contact us again
3. wherever possible, where the Fund cannot help you with your request (for example where someone else is responsible for providing what you need), we will signpost you to someone who can help
4. whenever you contact the Fund and for whatever reason, you should find us welcoming, courteous and respectful
5. we will be empathetic and understanding of your personal situation – especially when you are contacting us at a moment of crisis
6. we will be clear on how to contact us about an issue and what the Fund can and cannot do to help
7. we will make it easier for you to provide feedback after you contact us for any reason or by any channel
8. where we fail to live up to our standards we should apologise and put things right quickly

Occasionally, when areas of improvement are identified from monthly benchmarking or performance monitoring, the Administering Authority will appoint a Senior Officer to work closely with those employers to help improve their performance. We ask all employers to be mindful of their legal responsibilities and the 'duty of care' they have towards their own staff when it comes to playing their own role in helping to manage the pension fund.

<p>Employer key contact officers and meetings</p> <p>Each employer in the Fund must appoint a 'Key Contact Officer'; this individual will be the main day-to-day contact regarding any aspect of administering the Fund, and the employer will ensure they keep the Administering Authority aware of the contact details for that person.</p> <p>The Head of Pensions Operations and/or Chief Investment Officer will contact the Key Contact Officer to discuss any issues relating to the Fund and/or raise any issues around performance of the employer or services provided by the Administering Authority. Meetings will be arranged if necessary (particularly where specific issues around the performance of the employer arise).</p> <p>Contact details of the Fund's Senior Officer are shown on page 4.</p>	<p>Employer Guidance</p> <p>Employer Guidance is maintained on the Southwark Pension Fund website</p> <p>www.southwarkpensions.co.uk</p> <p>It will outline all the key responsibilities and processes that must be carried out by each employer as well as specifying the format of all information to be provided.</p> <p>An email will be issued to all employers when this guidance is updated, and all new employers will be provided with a link to this guidance when they join the Fund.</p> <p>Updates</p> <p>Other information and procedural requirements, such as the annual procedures for FRS102/IAS19, will be disseminated by email.</p>
<p>Employer Reports</p> <p>In addition to employer guidance, the Fund will prepare a bi-annual report for the Local Pension Board and Strategic Director of Resources, then share with the appropriate Head of Service, bringing to their attention performance or quality issues where improvements are required and next steps to address them. Reports will also include information relating to any changes to LGPS Regulations and employer procedures or responsibilities associated with them.</p>	<p>Employer Forums</p> <p>The Fund may host an employer forum periodically to which all employers will be invited. The forum will include updates on recent developments within the LGPS or pensions generally, as well as reporting on the performance of the Fund.</p>
<p>UPM Employer Hub</p> <p>UPM is the current software that all employers (including local authority schools) will be required to use to submit information to Pension Services (the pensions administration team). UPM provides for secure, efficient and timely data submission.</p> <p>Any employer not providing data using UPM may be charged additional administration costs due to the fact that other methods can result in additional time spent validating data and hence</p>	<p>Website</p> <p>The Fund is re-developing its existing website for the London Borough of Southwark Pension Fund at www.southwarkpensions.co.uk</p> <p>Detailed metrics are obtained monthly of visitor numbers and their activity on the website that allows website content to be tailored to what membership and users want to see.</p> <p>The employer section contains all the information that existing and new employers need and an interactive forms</p>

<p>significant delays in processing, which in turn impact on the quality and timeliness of information passed to Fund members or other stakeholders such as HR/Payroll.</p> <p>The Data Systems Manager monitors all data received using UPM and monitors systems to draw in data from a large number of employers and populates individual member records. In addition, on request, training will be provided by the Data Systems Manager to ensure all employer Key Contact Officers understand how to use the system.</p>	<p>section for employers to report information on their members directly to the pensions team. The next phase of the website will be employer and pension fund staff training using advanced web training techniques to ensure information is disseminated in a clear and effective way.</p> <p>Employer specific events</p> <p>The Pensions Technical Team can attend employer specific events including the annual schools conference to assist employers in understanding their roles and responsibilities around pensions best practice.</p>
<p>Training Sessions</p> <p>The Fund will provide training to employers as and when required, or on request from employers (for example, due to changes in employer personnel responsible for pension matters). All new employers in the Fund will also be provided with training.</p> <p>Employers will be expected to attend any such training, particularly where significant performance issues have been identified. Pensions training will be delivered by the Training Officer, and all modules of training will be listed on the website.</p> <p>www.southwarkpensions.co.uk</p>	<p>Member Self Service</p> <p>Members can access information about their own benefits via our online self-service facility. Members can register or sign in via the homepage of the pensions website (www.southwarkpensions.co.uk). The self-service facility gives members access to their own pension records, and this 'digital first' initiative results in fewer enquiries being dealt with by Pension Services, as members resolve many issues themselves. There is a commitment from all parties to actively promote this.</p>
<p>Newsletters</p> <p>The Fund also issues a periodic newsletter to members, bringing to their attention information such as changes to LGPS Regulations. These are usually issued to employers to distribute to their Fund members.</p>	<p>Individual member meetings</p> <p>One-to-one MS Team meetings are available with Pension Services on an appointment only basis, by emailing</p> <p>lbspensions@southwark.gov.uk</p>
<p>Pension Presentations</p> <p>Presentations can be given to staff, managers, new employees etc. on pension-related matters, including as part of induction and pre-retirement sessions.</p>	<p>E-mail and Helpline</p> <p>The Fund has its own First Contact Resource Centre which is an initial point of contact for all pension fund enquiries.</p> <p>Using the latest CRM software to be able to create detailed metrics for management information, the resource centre will deal with</p>

	<p>all phone calls and emails that come into Pension Services from members of the Fund, employers, and other stakeholders.</p> <p>Pension Services can be contacted as follows:</p> <p>✉ lb pensions@southwark.gov.uk</p> <p>☎ 0207 525 4924</p>
<p>Annual Benefit Statements</p> <p>These statements are sent annually to all active and deferred members of the Fund.</p> <p>These are emailed to members where Southwark Council holds a valid work email address, otherwise they will be posted or sent to employers to distribute to their pension fund members.</p>	

5. Delivery of Administration

The London Borough of Southwark has delegated responsibility for the management of the Fund to the Strategic Director of Resources, taking into consideration advice from the Pensions Advisory Panel, who will monitor the implementation of this strategy.

Operationally, the administration of the Fund is undertaken 'in-house' within the London Borough of Southwark. These responsibilities span a number of Council teams as illustrated below.

Most Administering Authorities provide administration services from internal teams, whilst some outsource (or partially outsource) their administration, and some utilise shared service administration arrangements across more than one Fund. At this point in time, the London Borough of Southwark believes an in-house administration is the most appropriate method for ensuring the future objectives of the Fund are met.

6. Performance standards and responsibilities

Quality

Local Standards

Legislative and regulatory standards are set out in Section 3. On top of these, the Administering Authority and employers will ensure that all functions and tasks are carried out to agreed local quality standards. In this respect the standards to be met are:

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

Secure Data Transfer

The Administering Authority and employers will follow the London Borough of Southwark's data security guidelines when sending all personal data. This means that if data is sent by email, it should be sent using a secure system such as Egress and if that is not possible, data should be sent encrypted using WinZip or equivalent, with the password supplied separately.

One of the key methods of data transfer relating to the Fund's administration is the receipt of information from employers in relation to Fund members. In order to meet the requirements as set out in this document in a secure and efficient way (for both employers and the Administering Authority) the London Borough of Southwark provides a secure data transmission system described in section 4 (**UPM Employer Hub**). Employers not submitting data in this manner may risk compromising data integrity and security. Employers must ensure that any contracts with outsourced payroll providers includes provision for submitting data electronically via this prescribed system.

UPM Employer Hub

Southwark's current method of receiving employee data is via UPM Employer Hub, provided by Civica Software.

Employer Hub allows employers to submit monthly pensions data returns securely. Employers must adhere to the technical specifications of Employer Hub when submitting their data.

Southwark on-boards any new employers to UPM Employer Hub when they join the Fund, except if the employer uses an outsourced payroll provider already on-boarded and submitting data on behalf of other employers, in which case the employer is added to that payroll provider's existing UPM account.

Verifying Monthly Contributions from Employers

The following processes are in relation to the current financial procedures.

Remittance advice for payments to the Fund Payment by BACS

In addition to uploading monthly data onto UPM Employer Hub, a copy of the upload should be emailed to lbscontributions@southwark.gov.uk. The latest this information should be received is the 19th of the following month of account, however early submissions are encouraged.

If the employer chooses an alternative presentation of data, the schedule should include:

- National Insurance Number
- Name
- Contribution band percentage rate
- Additional contribution percentage rate (where applicable) and contribution amount
- Pensionable pay (Assumed Pensionable Pay where applicable)
- Monthly Scheme member contribution
- Monthly employer contribution
- Total Scheme member and employer's contribution to date
- Total pensionable pay to date
- Date joined or left LGPS (if in current year)
- Part time hours

Note: Employer contributions are expressed as a percentage of pensionable pay and are payable at such rate(s) as may be advised by London Borough of Southwark Pension Fund following the completion of each triennial actuarial valuation of the pension fund. Employers will need to supply reasoning where employer contribution rates differ from the ones set by the actuary.

All sums to which the schedule relates shall be paid over no later than the 19th day of the month following the month of account. Payment of Interest will be charged by the Council where contributions have been received late. Contributions deducted from weekly wages should be accumulated for 4 or 5 weeks and paid over at the appropriate month end.

Late payment of pension contributions by Scheme employers is a serious offence and the Pensions Regulator or the Pensions Ombudsman has significant powers of sanction. The Pensions Regulator can impose fines. Recent changes to the Pensions Act have made it easier to prosecute employers for late payment of contributions.

Note: AVC and LPFA payments should be included on a separate schedule and should be paid directly to the council bank account. Reference to the type of scheme will need to be supplied when making payment to ensure correct allocation within the ledger. A copy of the Schedule should be forwarded to the Pensions Team

(lbspensions@southwark.gov.uk) along with any new applications to pay AVC's or any notifications to cease.

Oversight of compliance and quality

Ensuring compliance is the responsibility of the Administering Authority and all participating employers in the Fund. However, there are ways in which they will be subject to elements of scrutiny or oversight:

Audit

The Fund will be subject to a regular annual audit of its processes and internal controls. The Administering Authority and all employers will be expected to fully comply with any reasonable requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by the London Borough of Southwark and where appropriate, duly implemented (following discussions with employers where necessary).

Local Pension Board, National Scheme Advisory Board and the Pensions Regulator

The Public Service Pensions Act 2013 introduced greater oversight through these entities. As a result, the Local Pension Board of the London Borough of Southwark Pension Fund was established from 1 April 2015.

In addition, the Pensions Regulator's remit was extended to include public sector schemes, and a national Scheme Advisory Board was created. The Administering Authority and employers are expected to fully comply with any guidance produced by the Scheme Advisory Board and the Pensions Regulator. Any recommendations made by any of these entities will be considered by the Administering Authority, and where appropriate duly implemented (following discussions with employers where necessary).

The Pensions Regulator – and General Code of Practice

The Pensions Regulator (**tPR**) is a public body that protects UK workplace pensions. Its main purpose is to ensure members' pensions are fully protected and that pension schemes are run lawfully, well-governed, and are in members' best financial interests.

The Fund is fully compliant with tPR which demonstrates the scheme manager and Board members are fulfilling their statutory obligations around record-keeping, data, reporting breaches, member communication and contributions collection.

tPR's new General Code of Practice took effect from 28 March 2024, and amongst other things, sets out clear expectations in relation to scheme Administration, which is summarised below: -

- Processing financial transactions – including payment/collection of member and employer contributions and transfers out
- Data monitoring and improvements – including record keeping and regular data reviews
- Maintenance of IT systems – having internal controls in place to ensure systems meet legal requirements, including regular back-ups, system security, segregation of duties, and development ability
- Data Protection and Cyber controls – having processes in place to protect personal data, how to address breaches, and cyber plans
- Knowledge and Understanding – in particular, Board members around general admin and cyber risk and data protection law

Timeliness and accuracy

Overriding legislation dictates minimum standards that all Local Government pension funds should endeavour to meet in providing certain pieces of information to the various parties associated with the Fund. The LGPS itself sets out a number of requirements for Administering Authorities and employers to provide information to each other, to Fund members, prospective Fund members, dependants, other pension arrangements or other regulatory bodies. Locally agreed performance standards have been agreed which cover all aspects of the administration of the Fund.

For the avoidance of doubt “accuracy” in this PAS is defined as when the Administering Authority has received completed paperwork, or transfer of electronic information where **no** mandatory data gaps exist, and with no missing information which is either contradictory or needs to be queried.

The service standards below relate to the date of an event being either the date the member started or left the Fund, or when relevant details changed such as commencing a period of long-term absence.

However, where information is required in order to carry out that responsibility, the target service standard is from the date of receipt of all relevant information (i.e. paperwork and / or data).

These locally agreed performance standards for the Fund are set out in the following tables. This table isn't an exhaustive list of the Administering Authority's and employers' responsibilities.

Employers' responsibilities are provided in more detail in LGPS Employer Guides as set out by the Local Government Association and cover areas such as HR and Payroll.

Performance Targets will be monitored and reported on.

7. Standard of expected service between the Administering Authority and Fund employers

- **AA** = Administering Authority; **E** = Employer
- Performance Targets assume all correct and relevant data has been supplied
- AA performance targets are benchmarked in line with guidance from the Scheme Advisory Board

	Administration Description	Performance Targets	Body Responsible
	<u>New Starters and Transfers In</u>		
	New starters: Employer to give potential new Fund members a pensions pack/guide as part of recruitment and/or induction process.	Within 20 working days before the new employee's first day of employment with Southwark/new employer.	E
	Auto Enrolment: Employer to assess worker status and ensure new starter is automatically enrolled into the Fund, in line with legislation.	Within 20 working days (working around payroll cut off dates)	E
	Ensure correct employee contribution rate is applied. Send member notification of joining the Fund along with contribution rate appeals process.	Immediately, in line with employer's policy and each April thereafter Within 10 working days	E
	New Fund members: Employer to send to Administering Authority details of new members and Transfer in paperwork so process can begin.	Within 20 working days after the Fund membership start date.	E
	New Fund members: Administering Authority to create new pension Fund record on pensions admin system	Within 10 working days of receipt of clean employer data	AA
	New Fund members: Administering Authority to send notification of joining the LGPS to new Fund member	Within 10 working days of receipt of clean employer data	AA

	Administration Description	Performance Targets	Body Responsible
	New Fund member: Administering Authority to request transfer value details from previous LGPS fund or scheme	Within 10 working days of receipt of request	AA
	New Fund member: Administering Authority credits member record with pension benefits due from transfer of previous pension entitlements.	Within 10 working days of receipt of payment from previous pension LGPS fund or scheme.	AA
	New Fund member: Notification of pension benefits purchased by an incoming transfer to be provided to the new Fund member.	Within 10 working days of receipt of the all the information.	AA
	Changes in circumstances		
	Arrange for reassessment of employee contribution rate in line with employer's policy	If applicable, as per employer's policy	E
	Notify the Administering Authority of any eligible employees who opt out of the Fund within three months of appointment.	Within 10 working days of receipt of opt-out form	E
	Send a Notification of Change (or equivalent) if legally required to a fund member	Within 15 working days of change	E
	Notify the Administering Authority of all other relevant changes in the circumstances of employees	Within 1 month of change	E
	Refund any employee contributions deducted in error, or where the member opts out in writing within 3 months with no previous LGPS membership	Month following the month of election	E
	Notify the Fund of any periods of authorised unpaid leave and contact member with buy back options	Within 1 month of the member returning to work	E
	To accurately record and update member records on the pension administration system	Within 15 working days of receipt of clean employer data	AA

	Administration Description	Performance Targets	Body Responsible
	To send a Notification of Change (or equivalent) if legally required	Within 15 working days of receipt of clean employer data	AA
	Retirement estimates (inc. ill-health and flexible retirement)		
	Notify the Fund when a member is due to retire, including as accurate assessment of final pay as possible and reason for retirement (and authorisation where appropriate)	As early as possible and no later than 15 working days before date of retirement	E
	Providing quotations on request for retirements	Within 10 working days of request	AA
	Providing provisional statement of retirement benefits for both active and deferred members	3 months before normal retirement date for deferred members. Within 10 working days from date notified of an active member leaving	AA
	Actual retirements (inc. ill-health and flexible retirement)		
	Notify the Fund when a member leaves employment, including an accurate assessment of final pay	Within 5 working days of leaving	E
	Agree business case with HR / Head of Service for flexible retirement and inform the Fund of changes to pension provision.	1 month before change to member terms and conditions	E
	Send a Notification of Entitlement to Benefit if legally required to a fund member (including determining tier of ill-health retirement if applicable)	No later than 5 working days before date of retirement	E
	To accurately record and update member records on the pension administration system	Within 5 working days of receipt of clean data	AA
	Notification of amount of retirement benefits and payment of tax-free cash sum	Within 5 working days of receipt of fully completed claim forms from member	AA
	Notification of amount of recalculated retirement benefits and payment of any balance tax	Within 7 working days of receipt of updated information	AA

	Administration Description	Performance Targets	Body Responsible
	free cash sum following updated information		
	Additional ill health retirement responsibilities		
	Appoint a qualified Independent Registered Medical Practitioner in order to consider all ill-health retirement applications, and agree this appointment with the Fund.	Within one month of becoming an employer within the Fund	E
	To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	Review all tier 3 cases two months prior to the member reaching 18 months since their last day of service	E
	Notify the Fund of the results of any review of Tier 3 ill-health cases with appropriate information to allow the Fund to recalculate benefits if necessary	Within 5 working days of receiving results of review	E
	Send a Notification of Entitlement to Benefit (or change in benefit) to a Fund member following the review of his/her Tier 3 ill-health benefits	Within 5 working days of receiving results of review	E
	To notify employers prior to scheduled discontinuation of benefit payments, and before updating the member records to "pensioner with deferred benefits".	3 months prior to scheduled discontinuation date	AA
	Notify employers of pension fund strain costs	Invoices issued the month following each quarter that the retirement occurred	AA

To qualify for ill-health benefits a member must have met the two-year vesting period in the scheme and their employer, based on an opinion from an independent occupational health physician appointed by them, must be satisfied that the member will be permanently unable to do their own job until they reach their Normal Pension Age (NPA) and that they are not immediately capable of undertaking gainful employment.

The NPA in the LGPS is linked to your State Pension Age (with a minimum of 65).

Ill-health benefits can be paid at any age and are not reduced on account of early payment.

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

The different levels of benefit are:

- **Tier 1** - if a member is unlikely to be capable of gainful employment before their Normal Pension Age, ill-health benefits are based on the pension the member has already built up in their pension account at the date of leaving the scheme plus the pension they would have built up, calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA;
 - **Tier 2** - if a member is unlikely to be capable of gainful employment within three years of leaving, but are likely to be capable of undertaking such employment before their NPA, ill-health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus 25% of the pension they would have built up calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA; or
 - **Tier 3** – if a member is likely to be capable of gainful employment within three years of leaving, or before their NPA if earlier, ill-health benefits are based on the pension they have already built up in their pension account at leaving. Payment of these benefits will be stopped after three years, or earlier if they are in gainful employment or become capable of such employment, provided they have not reached their NPA by then.
- A strain/capital cost will normally be generated on an ill-health retirement and more details are in the strain cost policy.

	Members leaving before retirement		
	Employer to notify the Fund of the member's date of (and reason for) cessation of membership, and all other relevant information	Within 10 working days of leave date	E
	To accurately record and update member records on the pension administration system	Within 10 working days of receipt of clean data	AA
	To inform members who leave the Fund (and are not eligible for immediate benefits) of their options and their deferred benefit or refund entitlement as applicable	Within 20 working days of receipt of clean data	AA

	Provide a refund of contributions where requested	Within 10 working days of receipt of request	AA
	Provide a statement of current value of deferred benefits on request	Within 10 working days of receipt of request	AA
	Death Benefits		
	Notify the Fund, HR / Schools HR / Payroll provider of the death in service of a member, and provide details of Next of Kin (NoK) where available	Within 2 working days of notification	E
	Write to NoK or other contact requesting information following the death of a pension fund member	Within 1 working day of notification	AA
	Notify NoK of any over or under payment of pension made	Within 5 working days of confirmation received from payroll	AA
	Calculate and notify dependant(s) of amount of death benefits	Within 5 working days of receipt of all relevant information	AA
	Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed	Within 5 working days of receipt of all relevant information	AA
	Transfers		
	Notify the Fund if the employer intends to outsource services that will involve TUPE transfers of staff, and work with the Fund to ensure an admission agreement is put in place and complied with or a bulk transfer arranged	Initial notification within 2 working days of becoming aware of potential outsourcing	E
	Obtain transfer details for transfer in, and calculate and provide quotation to member	Within 10 working days of receipt of information	AA
	Request transfer value upon acceptance of transfer in	Within 5 working days of receipt of acceptance	AA

	Notify scheme member of benefits purchased by transfer in on receipt of payment	Within 10 working days of confirmation of payment receipt	AA
	Provide details of transfer value for transfer out, on request	Within 10 working days of receipt of request	AA
	Provide payment of transfer value to appropriate recipient	Within 10 working days of receipt of accurately completed discharge form and financial advice form (if applicable)	AA
	Additional pension benefits (AVC/APC)		
	Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In the month following election	E
	To provide generic information on APCs / AVCs on request to members and employers	Within 10 working days of request	AA
	Various financial obligations		
	Electronically pay the Fund all employee contributions deducted from payroll and all employer contributions	Immediately when deducted when paid but by the 19th day of the following month	E
	<p>Pay all rechargeable items to the Fund, including additional fund payments in relation to early payment of benefits. All employers must make payments in accordance with the strain cost policy.</p> <p>Pay IAS19 costs plus all other costs that are deemed bespoke and non-standard</p>	Within 20 working days from receiving invoice	E

	Pay all additional costs to the Fund associated with the unsatisfactory performance of the employer	Within 20 working days from receiving invoice	E
	Communication of valuation results for individual fund employers	Within 10 working days of receipt of results from the Fund's actuary (and in any event no later than 31 March following the valuation date)	AA
	To allocate received contributions to each employer's cost centre	Within 1 working day of receipt of accurate data via	AA
	Issue invoice in relation to additional fund payments in relation to early payment of benefits	Within 10 working days of retirement date (or information being received if later)	AA
	Inform employers of any new LGPS contribution bandings	5 working days after information is released from the LGA	AA
	Notify member of calculation and new value of pension following annual pensions increase	No later than 2 working days before payment of revised pension	AA
	Monthly and Annual Returns, Valuation, Annual Benefit Statements and Pensions Savings Statements		
	Provide the Fund with monthly pension data via its secure data system noted in 7.1.3.	Within 10 days of monthly payroll closure or by the 7th day of the following month, whichever is earlier	E
	Provide the Fund with year-end information to 31 March each year, and any other information		E

	Process employer year end contribution returns	Within 1 month of receipt	AA
	Produce Annual Benefit Statements for all active and deferred members	In line with LGPS Regulation timescales, by 31 August each year for active members	AA
	Provide information to the Actuary (or GAD as appropriate) for both the triennial valuation and for accounting purposes	As agreed between the Fund and the Actuary	AA
	Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising	Within 5 working days of receipt of report	AA
	Produce Pensions Savings Statements for all members of the Fund who have breached the Annual Allowance, and provide details of 'Scheme Pays'	In line with statutory and HMRC timeframes	AA
	General		
	Confirm a nominated representative to receive information from the Fund, and to take responsibility for disseminating it within the organisation	By effective date of admission to the Fund or within 5 working days of previous representative leaving	E
	Formulate and publish policies regarding all discretions that the employer may exercise, and provide a copy to the Fund	Within 2 months of sign off and review every 3 years	E
	Respond to admin enquiries from the Fund	Within 10 working days of receipt	E
	Respond to data enquiries from the Fund	Within 5 working days of receipt	E

	Distribute any information provided by the Fund to members / potential members	Within 5 working days of receipt	E
	Put in place a Stage 1 Internal Dispute Resolution Procedures	Within 2 months of joining the Fund and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)	E
	Arrange for the setting up of an admission agreement where required	Within 3 months of all information being provided. Admission agreements set up for scheduled bodies will be sealed within 5 working days by the Section 151 officer or their nominated delegates	AA
	Publish and keep up to date Fund Members' Guide and Employers' Procedural Guide	Updates made within 10 working days of any legislation changes but preferably before effective date	AA
	Publish and keep up to date all forms that members, prospective members and employers are required to complete	Updates made within 10 working days of any legislation changes but preferably before effective date	AA
	Publish the Fund's Annual Report	By 1 December following the year end to which it relates	AA
	Publish the Fund's Annual Accounts	By 31 July following the year end to which they relate	AA
	Publish the Investment Strategy Statement	Publish within 30 working days of policy being reviewed by pensions advisory panel	AA
	Publish the Funding Strategy Statement	Reviewed at each triennial valuation, following consultation with scheme employers and the Fund's actuary.	AA

		Revised statement to be published at same time as valuation report is issued.	
	Provision of other responses to general enquiries from fund members and employers	Within 10 working days of receipt	AA
	Put in place a Stage 1 Internal Dispute Resolution Procedure and publish on website	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)	AA
	Put in place a Stage 2 (appeal) Internal Dispute Resolution Procedure and publish on website	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)	AA
	Pension Payments		
	Issue pension payments to designated bank accounts	To arrive on payment due date for BACS payments, cheques to be posted a minimum of two working days before payment due date	AA
	Issue payslips for those members who have 'opted in' to receive a hard copy payslip	Posted so as to arrive on or around the payment due date	AA
	Investigate returned payments and action appropriately	Within 10 working days of payment being returned	AA
	Respond to pensioner queries	Within 10 working days of receipt	AA
	Implement any changes to pensions in payment	By next payroll period	AA
	Process the annual pension increase payment award	Annually and no later than each May	AA

For the avoidance of doubt:

- Date of receipt of anything by the Administering Authority is deemed to be the same day where receipt is before 5pm, and is deemed to be the following day if receipt is after 5pm.
- “Final” pension figures will only be provided on receipt of clean data. If gaps exist in member records the employer and their payroll provider are responsible for providing any missing data.

8. Improving Employer Performance

The Head of Pensions Operations and Chief Investment Officer (and other designated Senior Officers) will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary pension fund training and development, and put in place appropriate processes or internal controls to improve the level of service delivery in the future

In this context, “employer”, covers HR, Schools HR, School Business Managers, Head Teachers, Director of Education, Heads of Service and relevant Strategic Directors.

The Administering Authority will, where necessary (for example, before a legal breach needs to be reported to the relevant regulatory body), escalate matters beyond those identified above to the Local Pension Board and Pensions Advisory Panel.

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 that will be taken in dealing with the situation:

Stage 1	<p>The Head of Pensions Operations will write to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance.</p> <p>A nominated representative will meet with the employer to discuss the area(s) of poor performance and how they can be addressed. The employer will produce a clear action plan following the meeting and provide this to the Administering Authority for agreement.</p>
Stage 2	<p>Where no improvement has been demonstrated by the employer, or where there has been a failure to follow the agreed action plan, the Head of Pensions Operations will issue a formal written notice to the employer setting out the area(s) of poor performance that has been identified and the action required to improve the performance, with appropriate deadlines.</p> <p>The Head of Pensions Operations will give notice that additional costs may now be reclaimed if performance is not improved, as detailed below.</p>
Stage 3	<p>The Head of Pensions Operations will set out the calculations of any loss or additional costs resulting to the Fund / Administering authority, taking account of time and resources in resolving the specific area of poor performance.</p>

	<p>The Fund will make a claim against the employer for the value calculated, setting out the reasons for doing so in accordance with the regulations.</p> <p>The Fund will consider whether a material breach has occurred which requires them to report the employer to The Pensions Regulator or the Stakeholder Team at the Pensions Ombudsman.</p>
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The Administering Authority has the right to recover from the Employer any additional costs that it may incur because of an Employer's poor performance in respect of its obligations to the LGPS, which includes the Employer's inability to provide data in an accurate and timely manner to the Administering Authority.

The Administering Authority will always have constructive dialogue with any employer that is failing to meet any of its obligations under the LGPS. The final decision on whether to impose costs or charges rests with the Administering Authority. **All Employers have a duty to seek advice from the Administering Authority if they are experiencing any difficulties in meeting their obligations.**

In accordance with the regulations the Administering Authority will give the reasons for imposing any charges or recovering any additional costs it incurs.

In addition, other circumstances could generate a charge:

- Instances where the performance of the Employer in respect of compliance with the LGPS Regulations has resulted in fines being levied against the Administering Authority by the Pensions Regulator, the Pensions Ombudsman, HMRC or other regulatory body.
- Additional cost incurred in providing specialist third party advice in administering the Fund on behalf of the Employer, including but not exclusive to actuarial services, occupational medical practitioner services and legal services.
- Persistent failure to resolve issues in a timely and satisfactory manner.

In these circumstances the Administering Authority will set out calculations of any loss or additional costs incurred, in writing, stating the reason for the cost(s) and the basis for the calculation.

The Administering Authority will monitor performance as administering authority in carrying out our responsibilities in relation to the Fund and will regularly monitor performance by benchmarking against other Administering Authorities, using benchmarking clubs and other comparators available.

Calculation of costs incurred

The Administering Authority will recharge costs from the point in time at which a formal letter is written to the employer until the issue is resolved, at a daily rate of £500 per day to resolve the matter, exclusive of VAT.

For persistent and ongoing failure to meet targets, following intervention to assist the employer concerned, we will recharge the additional costs due to the employer's unsatisfactory performance on a 'time spent' hourly basis (£70 per hour) or a maximum £500 daily rate).

Where the performance of the employer results in fines or additional costs being levied against the Fund it will recharge the full costs it has incurred to the relevant employer. Specific charges for routine work are detailed below.

	Administration description	Performance targets	Charge levied if Employer fails to comply with target
	New Fund Members		
	Employer to send to Administering Authority details of new members, uploaded via UPM Employer Hub	Within 25 working days of the pension fund start date	£50 per case
	Leavers and Retirements		
	Employer to notify the Fund of member's date of leaving (and final pay, reason for leaving) by completing leavers section in monthly return	By 10 th of the following month	£75 per case
	Notify the Fund when a member retires from employment, including an accurate assessment of final pay	Within 5 working days of leaving employment through retirement	£50 per case
	Deductions and data submissions		
	Monthly Employer to submit funds and a fully compliant remittance and monthly return of deductions from pay to Administering Authority	By 19 th day of the month following the month in which contributions were deducted from pay (noting that the funds must have fully cleared to the pension fund	£100 per instance of late receipt each month

	Employers to upload monthly data returns via UPM Employer Hub	bank account by the 19 th) Employer uploads by the 10 th of each month (to enable reconciliation and validation ahead of 19 th statutory deadline)	£100 per instance of failure to provide a fully compliant remittance and/or schedule
	Year-End Provide Administering Authority with a year-end schedule of all member deductions and any other required information for the financial year, in a format determined by the Administering Authority	By the 30 th of April each year for reconciliation purposes (and to aid Annual Benefit Statement process)	£100 per instance for late or non-compliant returns
	General		
	Repeat data format and compliance errors via UPM Employer Hub (dates, NI numbers, contribution percentages, pensionable pay)		£50 per re-submission
	Missing data (key fields include DOB, NI number, starter/leaver details, pensionable pay, job role, hours, and job title where applicable)		£50 per missing or incomplete data field requiring follow-up
	Employer response times (critical)	Within 5 working days	£50 per case unresolved within timeframe (before escalation process)
	Backdated leavers / new starters joining the Fund	Within 10 working days of event	£100 per leaver/starter notified more than 2 months late

9. Risks of non-compliance with Pension Administration Strategy

Legal & Regulatory Risks

Breach of statutory duties under:-

- LGPS Regulations (e.g. The Local Government Pension Scheme Regulations 2013).

- The Pensions Act 2004.
- The Public Service Pensions Act 2013.

Regulator intervention: The Pensions Regulator (TPR) can:

- Issue improvement notices.
- Impose fines for persistent failures (e.g., breaches of record-keeping or late submission of Annual Benefit Statements).
- Potential challenge from members for loss caused by maladministration.

Financial Risks

- Fines and penalties for failure to meet statutory deadlines (e.g. late or incorrect Annual Benefit Statements, Annual Allowance tax reporting).
- Increased administrative costs to fix errors and address backlogs.
- Compensation claims from members (e.g. where late or incorrect processing affects retirements or transfers).
- Reputational damage can lead to employer disengagement, affecting cashflow.

Operational Risks

- Backlogs in processing member benefits (retirements, transfers, deaths).
- Poor data quality due to late or inaccurate employer submissions (pay data, HR data, service breaks, etc.).
- Increased burden on administration teams trying to recover from non-compliance.
- Impact on actuarial valuations (if data quality is poor), potentially leading to incorrect employer contribution rates.

Reputational Risks

- Loss of trust and confidence from Fund members, employers, and stakeholders.
- Adverse publicity (especially as LGPS funds are public bodies and subject to FOI and media scrutiny).
- Risk of scrutiny from Local Pension Board, Audit Committees, and the Scheme Advisory Board.

Governance Risks

- Non-compliance can signal poor governance to External Auditors.
- Failure to meet standards undermines accountability and oversight roles.

- Weak employer engagement meaning future improvements are more difficult to implement.

Examples of Non-Compliance Consequences

Non-Compliance Area	Potential Consequences
Late submission of employer data	Additional charges to employer
Failure to issue Annual Benefit Statement by 31 August deadline	Reportable breach to TPR, potential fines
Poor data quality for valuation purposes	Incorrect funding positions, contribution rates
Delay in processing retirements or death benefits	Member complaints, financial hardship, claims and possible compensation