



# Pension Administration Strategy

March 2023

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# 1. Introduction and Regulatory Context

- 1.1 The Local Government Pension Scheme (LGPS) Regulations 2013 allow Pension Fund Administering Authorities to prepare a Pension Administration Strategy ("the Strategy") for improving the administrative processes within their LGPS Fund (Regulation 59). In carrying out their roles and responsibilities under these regulations, Pension Funds and Scheme employers are also required to comply with any relevant overriding legislation and recognise any regulatory guidance or Codes of Practice issued by the Pension Regulator (tPR).
- 1.2 This document sets out a framework for the Administration Strategy by outlining the policies and expected performance standards of both Employers ("employers" or "employer") and Bedfordshire Pension Fund ("the Fund"), in order to provide a cost-effective and high quality pension administration service. The strategy is reviewed at least every three years and will be revised to reflect changes to LGPS regulations and Fund policies.
- 1.3 From April 2015, the Pensions Regulator assumed responsibility for setting standards of administration and governance on all administrative aspects of the scheme. Local Pension Boards provide an independent scrutiny role to assist the Fund with its 'regulatory compliance, effective and efficient administration and governance'.
- 1.4 This strategy has been developed in consultation with employers and adopted to improve the overall administration of the Fund. It is intended to apply in a spirit of partnership and co-operation, where assistance and support will be provided to improve administration performance and meet the requirements of the strategy.
- 1.5 This policy introduces the principles of recovering costs from employers. Regulation 70 of the LGPS Regulations 2013 allows a Fund to recover costs from an employer where costs have been incurred because of that employer's level of performance in carrying out its functions under these Regulations. A schedule of penalty charges is set out in section Appendix 1. If an employer is struggling to meet its obligations and is at risk of incurring a penalty, the Fund will contact the employer to discuss the cause of the poor performance and the employer will be given the opportunity to make the necessary improvements to their performance before a penalty is enforced. The employer will need to demonstrate that efforts are being made to improve performance.

## 2. Aims and objectives

- 2.1 To ensure that we are administering the scheme correctly and we continue to improve and enhance the service we offer, the Fund has set the following administration objectives:
- deliver a high-quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers
  - ensure benefits are paid to, and income collected from, the right people at the right time at the right amount
  - ensure data is protected to guarantee security and authorised use only.
- 2.2 The aims of this strategy are to:
- support delivery of a high-quality pension service for members
  - set out and deliver the quality and performance standards expected of the Fund and its employers; and
  - promote good working relationships and improve efficiency between the Fund and its employers.
- 2.3 The efficient payment of the benefits of the scheme relies upon effective administrative procedures between the Fund and employers, most notably for the timely exchange of accurate information in relation to scheme members.
- 2.4 This strategy sets out the expected levels of performance of the Fund and the employers and provides details about the monitoring of performance levels and the action(s) that might be taken where standards are not met by employers and/or when persistent non-compliance occurs.
- 2.5 The objectives of this strategy are to ensure that:
- the Fund and employers are aware of, and understand, their respective roles and responsibilities under the LGPS Regulations
  - the Fund operates in accordance with LGPS Regulations and the Pensions Regulator's guidance in demonstrating compliance and scheme governance.
  - communication processes are in place to enable both the Fund and employers to proactively and responsively engage with each other and other partners.

- accurate records are maintained for the purpose of calculating pension entitlements and employer liabilities, ensuring all information and data is communicated satisfactorily, securely and in a timely manner
- the Fund and employers have appropriate skills, and guidance/training is in place, to deliver a high-quality service and effectively contribute to the changing pensions agenda
- administrative services are developed and delivered digitally where possible in order to streamline processes and maximise efficient use of resources.

### 3. Roles and responsibilities – the Fund

#### 3.1 Fund responsibilities

3.1.1 This section outlines the key responsibilities of the Fund, what the Fund will do and by when. It focusses on the key activities that employers and members are involved in and should not be viewed as an exhaustive list. See section 3.2 for a list of key tasks that are benchmarked annually against other LGPS Funds and are reported to the Local Pension Board and Pension Fund Committee.

**Fund responsibilities table 1: General information**

Reference number	General information - fund function/task	Expected timeframe
1.1	Regularly review the Fund's pensions administration strategy and consult with all employers	In advance of the policy being adopted
1.2	Review the Fund's funding strategy statement at each triennial valuation, following consultation with employers and the Fund's actuary	Publish by 31 March following the valuation date or as otherwise required
1.3	Regularly review the Fund's communication policy	Review every three years
1.4	Regularly review the Fund's governance and compliance statement	Review annually

Reference number	General information - fund function/task	Expected timeframe
1.5	Publish the Fund's annual report and accounts	By 1 December, following the year-end
1.6	Publish the Fund's final audited and approved accounts	By 31 July following the year-end

### Fund responsibilities table 2: Contribution requirements

Reference number	Contribution requirements - fund function/task	Expected timeframe
2.1	Consult with employers on the outcomes of the triennial valuation	At least two months in advance of the signing of the final rates and adjustment certificate
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	On or before 1 <sup>st</sup> April following final issue of rates and adjustments certificate by the actuary
2.3	Notify new employers of their contribution requirements	Within six weeks of receipt of the notification of admission application or commencement as an employer

### Fund responsibilities table 3: Support for employers

Reference number	Support for employers - fund function/task	Expected timeframe
3.1	<p>Provide support for employers through:</p> <ul style="list-style-type: none"> <li>written guidance and communications; and</li> <li>face to face meetings</li> </ul>	<p>Written communication as per the Fund's communication policy.</p> <p>Employer forum held at least annually.</p>

Reference number	Support for employers - fund function/task	Expected timeframe
3.2	Notify employers and scheme members of changes to the scheme rules	As per disclosure requirements
3.3	Production and maintenance of an IDRPs employer guide	On an ongoing basis
3.4	Assist employers with the implementation of i-Connect	Commencing in 2023

**Fund responsibilities table 4: Member information and general administration**

Reference number	Member information and general administration - fund function/task	Expected timeframe
4.1	Produce annual benefit statements for active members as at 31 March	By 31 August following the year-end
4.2	Produce annual benefit statements for deferred members as at pensions increase date in April	By 31 August following pensions increase date
4.3	Produce and issue pension savings statements each year to members who have exceeded their standard annual allowance	By 6 October following the end of the tax year (assuming receipt of all relevant information from the employer)
4.4	Issue P60s to pensioners and beneficiaries	By 31 May following the year-end
4.5	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision
4.6	Letters/e-mails from members (or member's representatives)	Answer or acknowledge within 10 working days

## 3.2 Performance measurement and key tasks

3.2.1 The Fund monitors its performance against the following tasks and a number of the key tasks are also benchmarked annually against industry standard performance indicators. The Fund's performance against these key tasks, and its performance in comparison with other Funds, is reported to the Local Pension Board, Pension Fund Committee and is included in the Fund's annual report.

The table below sets out the Fund's performance indicators in relation to processing scheme member records and benefits.

**Fund performance table 1: New joiners and changes**

Reference number	New joiners and changes - performance area	Measurement
1.1	Set up a new starter and provide statutory notification	Within 10 working days of receipt of correct data from employer
1.2	Changes to a member's details	Within 10 working days of receipt of notification from employer

**Fund performance table 2: Transfers**

Reference number	Transfers - performance area	Measurement
2.1	Transfer-in quotations processed	Within 10 working days of receipt of all necessary information
2.2	Transfer notification of transferred-in membership to be notified to the scheme member	Within 10 working days of receipt of payment
2.3	Transfer-out quotations processed	Within 10 working days of receipt of all necessary information
2.4	Transfer-out payments processed	Within 10 working days of receipt of all necessary information
2.5	Provision of estimate for divorce purposes	Within 10 working days of receipt of all necessary information

### Fund performance table 3: Additional Contributions

Reference number	Additional contributions - performance area	Measurement
3.1	Notify the employer of any scheme member's election to pay additional pension contributions (APCs), including all required information to enable deductions to commence	Within 10 working days of receipt of all necessary information

### Fund performance table 4: Leavers

Reference number	Leavers - performance area	Measurement
4.1	Notify members of their deferred options	Within 10 working days of receipt of all necessary information
4.2	Deferred benefits calculated	Within 10 working days of receipt of all necessary information
4.3	Deferred benefits processed for payment following receipt of election	Within 10 working days from receipt of all necessary information
4.4	Refund payments	Within 10 working days from receipt of all necessary information

### Fund performance table 5: Retirements

Reference number	Retirements - performance area	Measurement
5.1	Provision of retirement options to members	Within working 10 days of the later of (i) the member's leaving date or (ii) receipt of all necessary documentation

Reference number	Retirements - performance area	Measurement
5.2	New retirement benefits processed for payment following receipt of election	Lump-sum payment within 10 working days of receipt of all necessary documentation First pension payment on next available payroll run
5.3	Changes to bank details made	By next payroll cut-off date

#### Fund performance table 6: Deaths

Reference number	Deaths - performance area	Measurement
6.1	Acknowledgement of a death	Within 10 working days of receiving the notification.
6.2	Notification of benefits payable to dependents will be issued	Within 10 working days of receiving the necessary information
6.3	Payment of death lump-sum	Within 10 working days of receipt of all necessary information

#### Fund performance table 7: Customer service

Reference number	Customer service - performance area	Measurement
7.1	Provide an answer or acknowledgement to scheme members / employers / personal representatives / dependents and other authorised persons	Within 10 working days from receipt of enquiry

## 4. Roles and responsibilities – employers

### 4.1 Employer responsibilities

- 4.1.1 Each employer shall nominate a person who will act as the Fund's primary contact. There may be additional contacts for finance, contributions, payroll etc.
- 4.1.2 It is the employer's responsibility to ensure that the primary contact and contact details held by the Fund are correct, and to notify the Fund of any changes immediately.
- 4.1.3 The employer must ensure the nominated primary contact and other key staff are aware of their employer duties and keeps up to date with guidance issued by the Fund.
- 4.1.4 The employer must ensure it retains a good level of LGPS knowledge and has a succession plan in place should the nominated primary contact leave or is expected to be absent for a prolonged period of time.
- 4.1.5 During the year, the employer should provide the required data and notifications to the Fund, in a timely manner. Persistent failure by an employer to meet the required performance standards could result in any additional costs to the Fund being recovered from the employer – see section 6 and Appendix A.
- 4.1.6 The employer must comply with its obligations under Data Protection Law including the secure transfer of members' personal data.

#### 4.1.7 Key Employer responsibilities

This section outlines the key responsibilities of employers, what employers are required to do and by when. It should not be viewed as an exhaustive list; employers have a statutory duty to provide the Fund with all information necessary to enable the Fund to administer the scheme.

Employer responsibilities table 1: General tasks

Reference number	General - employer function/task	Expected timeframe
1.1	<b>Confirm nominated representative(s)</b> to receive information from the Fund via the submission of a completed contacts form	Within 30 days of change or becoming an employer in the Fund
1.2	<b>Appoint a person (the adjudicator) to consider disputes</b> under stage 1 of the pension internal dispute process (IDRP) and provide full up to date contact details to the Fund	Within 30 days of becoming an employer in the fund, or following the resignation of the current adjudicator
1.3	<b>Formulate, publish and keep under review policies</b> in relation to all areas where the employer may exercise a discretion within the LGPS	A copy of the policy document is to be submitted to the Fund within 60 days of the change in policy
1.4	<b>Distribute any information</b> provided by the Fund to scheme members/potential scheme members (e.g. scheme benefits or benefit statement production)	In a timely manner as required

Employer responsibilities table 2: New starters

Reference number	New starters - employer function/task	Expected timeframe
2.1	<b>Decide who is eligible</b> for LGPS membership (and the date from which membership of the LGPS starts).	On joining (or at point becomes eligible if later)
2.2	<b>Determine rate of employee contributions</b>	From the first pay period in which the employee joins the LGPS

Reference number	New starters - employer function/task	Expected timeframe
2.3	<b>Notify BPF</b> of new joiner	Within the first two weeks of the month following the month in which the employee joined (e.g. if employee joined in April, we need notification in the first two weeks in May)
2.4	<b>Provide new employees, who are eligible for the LGPS, with details about the LGPS</b> This may be in the form of directing them to the Fund's website	Within 30 days of commencing eligible employment

### Employer responsibilities table 3: Contributions

Reference number	Contributions - employer function/task	Expected timeframe
3.1	<b>Pay employer and employee contributions</b> to the Fund and complete monthly contributions form containing detail of the contributions payment.	By the 7 <sup>th</sup> working day following the month end, but no later than the legal timeframe of the 19 <sup>th</sup> of the month following (both payment and relevant accompanying paperwork) if payment by cheque or 21 <sup>st</sup> if payment is electronic
3.2	<b>Implement changes to employer contribution rates</b> as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates & Adjustment Certificate as per the valuation or on commencement as an employer in the fund
3.3	<b>Manage the correct deduction of employee contributions</b> from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly

Reference number	Contributions - employer function/task	Expected timeframe
3.4	<b>Manage the deduction of all additional contributions</b> or amend such deductions, as appropriate	As required
3.5	Arrange for the <b>deduction of AVCs</b> and payment over of contributions to the AVC provider(s)	As required, typically monthly
3.6	<p><b>Make additional fund payments</b> in relation to:</p> <ul style="list-style-type: none"> <li>• an early payment of benefits from flexible, redundancy or business efficiency retirement, or</li> <li>• a member retiring early with employer's consent, or</li> <li>• the employer 'switching on' the 85 year rule</li> </ul> <p>which has resulted in an actuarial <b>strain cost</b></p>	Within 30 days of receipt of invoice from the Fund
3.7	<b>Refund contributions through the payroll</b> to any employee who <b>opts out</b> of the scheme <b>with less than 3 months'</b> membership.	From the next available pay period after receiving the employee's request to opt out

**Employer responsibilities table 4: Responsibilities during an employee's membership of the scheme**

Reference number	During an employee's membership of the scheme - employer function/task	Expected timeframe
4.1	Move employees into the <b>50:50 section</b> or Main section	From the next available pay period after receiving the employee's election

Reference number	During an employee's membership of the scheme - employer function/task	Expected timeframe
4.2	Move employee back into the <b>Main section</b>	<p>If the employee</p> <ul style="list-style-type: none"> <li>• is in the 50/50 section and goes onto no pay due to sickness or injury and is still on nil pay at the beginning of the next pay period or</li> <li>• or is in the 50/50 section at the time of the employer's re-enrolment date</li> </ul> <p>then the employee must be moved into the main section from the beginning of the next available pay period.</p>
4.3	Notify members of the scheme of their right to buy back pension 'lost' during any period of unpaid leave (including unpaid additional maternity leave) and tell them that if they do so within 30 days of their return to work then the employer contributes 2/3 <sup>rds</sup> of the cost	When member applies for unpaid leave, or as soon as possible on the member's return to work.
4.3	<b>Notify BPF of changes</b> affecting pension entitlement via Notification of Changes form	Within the first two weeks of the month following the month in which the change took place (e.g. if change happened in April, we need notification in the first two weeks in May)

## Employer responsibilities table 5: Early leavers

Reference number	Early leavers - employer function/task	Expected timeframe
5.1	<p><b>Early leavers (non-retirement)</b>            Notify BPF via form TERM2014 or TERM5050</p>	<p>Within the first two weeks of the month following the month in which the employee left (e.g. if the member left in April we would expect notification within the first two weeks of May). If the reason for leaving is not 'retirement' we will preserve benefits with the scheme, or calculate a refund if membership of the scheme is under two years.</p>

## Employer responsibilities table 6: Retirement

Reference number	Retirement - employer function/task	Expected timeframe
6.1	<p><b>Notification of retirement</b>            Notify BPF via form TERM2014 or TERM5050</p>	<p>As early as possible but no later than 10 working days after the member's final payroll has run.</p>
6.2	<p><b>Ill Health Retirement notification</b>            Notify BPF via form TERM2014 or TERM5050 and Employer Certificate</p>	<p>Form TERM2014 or TERM5050, Employer Certificate and the IRMP medical certificate to be sent to the Fund as soon as the possible and no later than 10 working days after the member's final payroll has run.</p>
6.3	<p><b>Redundancy or Business Efficiency with Early Retirement</b>            Notify BPF via form TERM2014 or TERM5050 and Employer Certificate</p>	<p>Form TERM2014 or TERM5050 and Employer Certificate should be sent to the Fund as soon as the possible and no later than 10 working days after the member's final payroll has run</p>

Reference number	Retirement - employer function/task	Expected timeframe
6.4	<p><b>Flexible retirement notification</b>  Notify BPF via form TERM2014 or TERM5050 and Employer Certificate</p>	<p>Form TERM2014 or TERM5050 and Employer Certificate should be sent to the Fund as soon as possible and no later than 10 working days after the member's final payroll has run. Even where a Discretionary Policy Statement allows it, the rule of 85 'switch on' will not be applied unless explicit instruction on a case by case basis is received.</p>

#### Employer responsibilities table 7: Contracting-out of services

Reference number	Contracting-out of services - employer function/task	Expected timeframe
7.1	<p><b>Contact the Fund to discuss the pension implications of contracting-out services</b> which will involve a TUPE transfer of staff to another organisation.</p>	<p>Immediately if contracting-out services is being considered as a possibility and before making any decisions to contract-out services</p>
7.2	<p><b>Notify the Fund of the intention to contract-out services</b> which will involve a TUPE transfer of staff to another organisation. See the 'Guide to outsourcing staff in the LGPS' available on the Bedfordshire Pension Fund website</p>	<p>At least 6 weeks <b>before</b> going out to tender.</p>
7.3	<p>Work with the Fund to <b>arrange for an admission agreement to be put in place</b> when contracting-out a service, and assist in ensuring it is complied with</p>	<p>In advance of the date of contract (admission agreement must be completed and signed before the contract signing)</p>

Reference number	Contracting-out of services - employer function/task	Expected timeframe
7.4	Notify the Fund if the employer ceases to admit new scheme members or is considering terminating membership of the Fund	During exploratory discussions or as soon as the decision is made

### Employer responsibilities table 8: Annual year end data return

Reference number	Annual year end data return - employer function/task	Expected timeframe
8.1	Provide the Fund with an annual return to 31 March each year. Due to the critical nature of this data for statutory reporting and annual benefit statement production, there is a separate charging policy for late and/or inaccurate returns – see Appendix 1	An accurate return to be submitted in the approved format no later than 30 April.

## 4.2 Payroll Services and Providers

4.2.1 All employers must ensure that they procure payroll services and systems that:

- securely store the personal and financial data of its scheme member employees as required by the Fund in order for the Fund to be able to maintain records and meet its duties and obligations as a pension fund
- are able to provide data extracts that meet the reporting requirements of the Fund and the Scheme and are in the appropriate format to interface with the Fund’s pensions administration system.

4.2.2 Where an employer takes its payroll services from a third party or from a payroll located in another part of the organisation or parent company then responsibility for providing timely, quality data from the payroll remains with the employer that is participating in the Fund.

4.2.3 Where an employer changes payroll providers then that employer must ensure that the new provider is able to:

- store the personal and financial data of its scheme member employees as required by the Fund in order for the Fund to maintain records and meet its duties and obligations as a pension fund
- provide data extracts that meet the reporting requirements of the Fund and the Scheme and are in the appropriate format to interface with the Fund's pensions administration system.

4.2.4 The employer must also ensure that the new service provider has advance knowledge of the requirements of the LGPS in terms of data supply and reporting. The new provider must have a system in place that is able to meet those requirements and needs sufficient notice of its duties and responsibilities to enable a seamless takeover to ensure that the provision of member data is maintained from the first month of the new provider's contract. Failure to ensure this will result in a financial penalty for the employer responsible, as outlined in Appendix A of this document.

4.2.5 Additionally, for scheme management, accounting and data quality control, and to ensure continuity of service for members, data on the previous payroll up to the date of termination and change must remain available for extraction and provision to the Fund as appropriate and necessary for at least one year after the contract has ceased.

## 5. Achieving the Objectives

5.1 The Fund currently has more than 208 participating employers. The employers differ in size, structure and resources, which presents a significant logistical challenge to the management of information, processes and services within the Fund. The number of employers in the Fund continues to grow, as does the volume of accurate information required to administer the scheme effectively. We need to meet the expectations of scheme members and be able to demonstrate excellent data quality under increased scrutiny at a local and national level. In line with guidance issued by the Pensions Regulator, the Fund is required to evidence good governance and administrative efficiency.

5.2 There are four key elements necessary to achieving the Fund's administrative objectives:

### **(a) Communications**

The Fund aims to provide clear, relevant, accurate, accessible and timely information to all stakeholders. To this end, the Fund's communications strategy is already in place, providing a wide range of solutions for all parties. However, with growing membership numbers creating an increased need for information, the Fund is developing its communications strategy, embracing technology to enable member online access to pension records.

### **(b) Training and engagement**

The objectives of the Fund have always included keeping stakeholders informed of new developments and providing guidance and workshops for employers and Fund staff when new regulations are implemented or are under consideration.

Additionally, the Fund offers guidance and training on an ongoing basis to new employers or new HR/Payroll staff whose responsibilities include providing LGPS data. With this in mind, it is important that employers and the Fund ensure that their staff have the right skills to support any changes, starting with a sound foundation of knowledge of existing regulations and administrative processes.

Notwithstanding future changes, there is an ongoing need to maintain good quality data on member records and streamline administrative processes by improving the quality of information received from employers.

With this aim, the Fund's guidance and training aims are:

- to help and ensure each employer has staff with sufficient knowledge and skills to carry out administrative processes, by working with employers' Human Resources, Payroll and other staff to identify relevant skills and knowledge gaps and provide appropriate guidance and training;
- to ensure that employers are fully aware of the risks involved in poor administration and maintenance of member pension records and failure to discharge their discretionary functions;
- to continue to develop the technical skills and competencies of the Fund's staff and retain knowledge of historic regulations.

The Fund will provide guidance and training for employers' relevant staff, to build up and maintain a level of professional expertise, which, together with the employer's own systems and processes, will enable employers to deliver information required by the Fund.

The primary contact at the employer has an important role to play in ensuring both they and other relevant staff (or their successor) build up and retain sufficient knowledge and skills to enable the employer to comply with its statutory LGPS duties.

### **(c) Information & Communications Technology**

As part of its digital ambitions, the Fund is investing in upgraded software called i-Connect which has the facility to enable employers to submit data online, via a web portal.

This development allows employers to submit certain changes, notifications and requests online, including joiners, 50/50 switches, changes of address, changes of personal circumstances, changes of hours and breaks in service and early leaver notifications.

The long-term vision is to have all Fund employers submitting data electronically.

### **(d) Performance standards**

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain information to the various parties associated with the scheme. The scheme itself sets out a number of requirements for the Fund or employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies.

The locally agreed performance standards, covered in section 3.3 above, cover all aspects of the administration of the scheme and, where appropriate, go beyond the overriding legislative requirements.

The Fund and employers will ensure that all functions / tasks are carried out to agreed quality standards. The standards to be met are:

- work to be completed and submitted in the required format and/or on the appropriate forms;
- information to be legible and accurate;
- communications to be in a plain language style
- information provided to be checked for accuracy by an appropriately trained member of staff before submission
- information submitted to be appropriately authorised; and

- actions carried out, or information provided, within the timescales set out in this strategy document.

For the avoidance of doubt, “accuracy” in this Strategy means we have received a completed form/data with no gaps in mandatory areas and with no information which is either contradictory within the document or which we need to query.

Specific dates for timescales are determined by the date of an event, this being either the date the member joined or left the Fund or any other material change that affects a scheme member’s pension record.

## 6. Procedures for ensuring compliance

6.1 Compliance with the scheme’s regulatory requirements is the responsibility of the Fund and employers. We will work closely with all employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy.

6.2 We will also work with employers to ensure that overall quality and timeliness continues to be improved. Various means will be employed to ensure such compliance and service improvement, seeking views from as wide an audience as possible. These include:

### Performance monitoring

6.3 The employer should monitor its own performance against its employer duties and responsibilities and seek to improve its performance where it is not achieving the required level of performance.

6.4 The Fund will also monitor the employer’s performance against the agreed performance levels and will work with employers in identifying any areas of poor performance and will provide the opportunity for necessary training and development in order to assist with implementing appropriate processes to improve the level of service delivery in the future.

6.5 The Fund will also monitor its own performance against its Fund duties and responsibilities. The Fund participates each year in the SF3 benchmarking to measure its performance against other LGPS funds and performance against

key performance indicators is reported to the Local Pension Board, Pension Committee and is included in the Fund's annual report.

### Unsatisfactory performance

6.6 Where persistent and ongoing failure occurs and an employer does not demonstrate improvement, and willingness to resolve the identified issue(s), the Fund will take the following steps in dealing with the situation in the first instance:

- contact and/or meet with the employer to discuss the area(s) of poor performance and how it can be addressed.
- agree an improvement plan setting out the improvements required in liaison with the employer and a timescale for achieving those improvements.
- where no improvement has been demonstrated by the employer within the agreed timescale, or where there has been a failure to take agreed action by the employer, the Fund will issue a formal written notice to the employer setting out the area(s) of poor performance identified, the steps taken to resolve those area(s) and giving notice that the additional costs may now be reclaimed.
- set out the calculations of any loss or additional costs incurred by the Fund, taking account of time and resources in resolving the specific area of poor performance; and
- make a claim against the employer, setting out the reasons for doing so, in accordance with the Regulations

## 7. Work not included in the administration charge (and for which the Fund will make an additional charge)

7.1 The administration charge for the Fund's services is included in an employer's pension contribution rate.

Some items of work undertaken by the Fund or by third parties (for example, the Fund's actuary) may result in additional charges which are payable by employers over and above their standard administration charge. This may be because there is no statutory requirement for the Fund to undertake the work, or because not all employers will require the work.

Examples of work for which additional charges may be due include IAS19/FRS102 productions for accounts; admitted body applications; academy conversions; bond reviews; cessation valuations and non-standard actuarial work. This list is not exhaustive. Employers will be informed of additional costs before the work is undertaken.

## Appendix A

**Table 1: Penalties for late, incomplete or inaccurate submission of data**

Data item	Description of issue resulting in a penalty being paid	Penalty
Annual returns	Failure to submit a usable, balanced annual end of year return by the deadline of 30 April	A fixed penalty of £500 plus a further fixed penalty of £50 per working day for every further working day late following that deadline
Queries arising from the annual return	Bedfordshire Pension Fund being unable to reconcile year end information with the member record and necessitating a query	£5 per case per query
Further queries arising from the annual return	Responses to queries necessitating a re-query	£2 per case per query
Implementing i-Connect	Failure to engage and provide required data via i-Connect	A fixed penalty of £200 plus a further fixed penalty of £50 per working day for every further working day late following that deadline
Submission of monthly contributions	Failure to submit a balanced monthly return by the 19 <sup>th</sup> of the month following the month of the deduction	A fixed penalty of £500 plus a further fixed penalty of £50 per working day for every further working day late following that deadline
Discretionary policy statements	Failure to devise and publish any statement of policy on the use of discretionary powers under the LGPS regulations by any statutory deadline	A fixed penalty of £500 plus a further fixed penalty of £250 per working week for every further working week late following that deadline

Data item	Description of issue resulting in a penalty being paid	Penalty
Payroll provider service	Failure to ensure that any new Payroll Service Provider is able to maintain the continuity of i-Connect	Applicable from month 1 of the new contract - a fixed penalty of £1,000 for every monthly report that fails to be submitted by the standard monthly deadline, plus the standard penalty for late submission of returns