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## Introduction and background

This is the Pension Administration Strategy (the "**Strategy**") of London Borough of Tower Hamlets Pension Fund (the "**Fund**") in relation to the Local Government Pension Scheme (LGPS), which is administered by the London Borough of Tower Hamlets (the "**Administering Authority**").

This Strategy sets out a framework by way of outlining the policies and performance standards to be achieved in providing a cost-effective, inclusive and high-quality pension administration service. The aim of the Strategy is to ensure both the Administering Authority and the employers are fully aware of their responsibilities under the LGPS, and to outline the performance standards they are expected to meet to ensure the delivery of a high-quality, timely and professional administration service. The Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies. It has been developed in consultation with the employers who participate in the Fund.

As at January 2020, the Fund comprises 34 employers and approximately 22,000 members. The efficient delivery of the benefits of the LGPS is dependent on reliable administrative procedures being in place between the Administering Authority and the employers who participate in the Fund.

## Implementation

This Strategy is effective from 1 April 2020 and is kept under review and revised to reflect changes in scheme and Fund regulations.

This Strategy is being implemented during a time which continues to present a number of challenges, not least:

- recent high court judgements resulting in legislative retrospective changes to member benefits
- the need to complete a major scheme reconciliation exercise as a result of the introduction of the new State Pension
- continuing pressure on resources and budgets for employers and the Administering Authority
- the implementation of other expected national changes.

As part of the pensions administration remediation, progress has already been made in implementing improvements in the Fund's Administration including:

- Preparation for the use of Western Union to pay Overseas pensions – this is due to start in April 2020
- A project to utilise Altair work flow to ensure processes are consistent – go live end of April 2020
- Consolidate the number of scheme member letters from over 400 to 30 core and standard letters via Altair document generation.

The 2020/21 business plan includes further improvements to help deliver this Strategy including:

- the full implementation and roll out of i-Connect to all remaining employers (i-Connect is software that allows employer data to be loaded directly, and therefore more efficiently, into the pension administration software) – due to be completed by September 2020.
- the launch of the new Altair hosted Member Self Service ("MSS") to scheme members – this is due to go live by July 2020.

## Regulatory context

The LGPS is a statutory scheme, established by an Act of Parliament. The LGPS Regulations 2013 provide the conditions and regulatory guidance surrounding the production and implementation of administration strategies.

Regulation 59(1) of the Regulations 2013 covers the requirement for an Administering Authority to prepare a written statement of policies as it considers appropriate in the form of a pension administration strategy. This regulation outlines the primary matters which should be covered, to include:

- administration standards
- performance measures
- communication with scheme employers

In addition, Regulation 70 of the Regulations 2013 covers the ability of an Administering Authority to recover additional costs arising from an employer's level of performance. Other relevant regulations may be referenced in the relevant sections of this Strategy.

The Administering Authority and employers must have regard to this Strategy when carrying out their roles and responsibilities under the LGPS Regulations. In addition, they will, as a minimum, comply with overriding legislation, including:

- Local Government Pension Scheme Regulations
- Pensions Acts 2004, 2011 and associated disclosure legislation
- Public Service Pensions Act 2000
- Age Discrimination Act 2006
- Equality Act 2010
- Disability Discrimination Act 1995
- Finance Act 2004
- Data Protection Act 2018
- Health and safety legislation, and General Data Protection Regulations 2018 ("GDPR").

The Public Service Pensions Act 2013 gave the Pensions Regulator (the "**Regulator**") responsibility for oversight of several elements of the governance and administration of public sector pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings caused by the Administering Authority and where employers in the Fund fail to provide correct or timely information to the Administering Authority. Should this

happen, the Administering Authority would recharge any costs back to employers as set out later in this Strategy.

The Administering Authority and employers will comply with locally agreed standards which go beyond the minimum requirements set out in overriding legislation. Such best practice standards are outlined in the Performance Standards section below.

## **Aims and objectives**

The aim of this Strategy is to set out the quality and performance standards expected of the London Borough of Tower Hamlets, in its role as Administering Authority, and all employers who participate in the Fund. It seeks to promote good working relationships and improve efficiency between the Fund and employers.

The efficient delivery of the benefits of the scheme is reliant upon sound administrative procedures being in place between stakeholders, including the Administering Authority and employers. This Strategy sets out the expected levels of performance of the Administering Authority and employers and provides details about the monitoring of performance levels and the action that might be taken where persistent non-compliance occurs.

The Administration Strategy has a number of specific objectives, as follows;

- Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
- Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money
- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund
- Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
- Maintain accurate records and ensure data is protected and has authorised use only.

## **Delivery of pension administration**

### **Responsibility**

The London Borough of Tower Hamlets, as Administering Authority, is responsible for administering the Council's LGPS fund. The Administering Authority has delegated this responsibility to the Pensions Committee (the "**Committee**"), taking into consideration advice from the Pension Board. The Committee monitors the activity and performance of the administration function on a quarterly basis. The Committee will monitor and review this administration strategy on a regular basis as outlined in this document.

Operationally, the administration of the Fund is carried out by staff employed by the Administering Authority.

## **Performance standards**

Administration of the LGPS is maintained at a local level by regional pension funds and, as such, certain decisions must be made by either the Administering Authority or employer, in relation to the rights and entitlements of individual members. To meet these obligations in a timely and accurate manner, and to comply with overriding disclosure requirements, the Administering Authority has service level agreements between itself and employers which are set out below.

## **Internal quality standards**

In addition to the legislative and regulatory requirements set out previously, the Administering Authority and employers will ensure that all functions and tasks are carried out to agreed quality standards. In this respect, the standards to be met are:

- information to be provided in the required format and 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
- information provided to be authorised by an appropriate officer who is an authorised signatory
- actions carried out, or information provided, within the timescales set out in this Strategy
- compliance with all requirements set out in this Strategy.

\* Accuracy means all required areas are complete and include no information that will need to be queried.

## **Secure data transfer**

The Fund and its employers follow London Borough of Tower Hamlets Council's data security guidelines when sending any personal data. London Borough of Tower Hamlets Council uses Egress Switch to securely send data when required, which offers a combination of policy based gateway and desktop email encryption software to secure and control information sent to third parties. Egress Switch also uses;

- an authentication process
- password protection, and
- confirmation of receipt

to prevent any sensitive information from being accidentally sent to unauthorised recipients.

A key method of data transfer relating to the Fund's administration, is the receipt of information from employers in relation to scheme members. In order to meet the requirements set out in this document in a secure and efficient way (for both employers and the Administering Authority), the Fund is introducing a secure data system known as i-Connect for its employers.

Any employers not submitting data using this data system, once it is made available to them, may risk compromising data security and quality. Consequently, use of this system is compulsory to all employers in the Fund (it is expected to be rolled out to all employers by September 2020).

### **Timeliness**

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the LGPS. The LGPS itself sets out several requirements for the Administering Authority and scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension providers and regulatory bodies. In addition, local performance standards have been agreed which cover all aspects of the administration of the Fund, which often go beyond the overriding legal requirements.

The locally agreed performance standards which will be monitored on an ongoing basis by the administering authority are set out in the Appendix, and the key standards which will be publicly reported on are extracted and shown in the table below.

These elements are measured against:

1. any legal timescale that should be met ("Legal requirement")
2. the overall locally agreed target time ("Overall case target")
3. the locally agreed target time for the administration provider to complete that task ("Administration element target")

Generally, the Administration element target will be a shorter procedure within the overall case which is being measured by the Legal requirement and Overall case targets. This is because the Legal requirements and Overall case targets will generally include periods of time when the Fund is waiting for information to be provided by a scheme employer or scheme member. The Administration element target then measures the period of time it takes the Fund to carry out their element of work once the accurate information has been received.

### **Key performance indicators**

<b>Process</b>	<b>Legal requirement</b>	<b>Overall case target</b>	<b>Administration element target</b>
Joiners – Send notification of joining the LGPS to scheme member	2 months from date of joining (assuming notification received from the scheme employer), or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled <sup>1</sup>	46 working days from date of joining (i.e. 2 months)	95% within 20 working days of receiving details of the new member from the scheme employer.  100% within 40 working days
Refund – Process and pay a refund	On request, within 5 years of the member leaving the scheme, or the day before attaining age 75, whichever is sooner.  Whilst not a legal requirement CIPFA guidance states that payment should be within 2 months	46 working days from date of leaving (i.e. 2 months)	95% within 5 working days of receiving a complete and correct payment form from the member.  100% within 10 working days.
Retirements – Providing quotations on request for retirements	As soon as is practicable, but no more than 2 months from date of request unless there has already been a request in the last 12 months.	46 working days from date request (i.e. 2 months)	95% within 10 working days of receiving a complete and correct leaver form from the scheme employer.  100% within 15 working days.
Retirements – Process and pay lump sum retirement grant (for all types of retirement)	1 month from date of retirement if on or after Normal Pension Age  2 months from date of retirement if before Normal Pension Age	23 working days from Normal Pension Age (i.e. 1 month) or 46 working days (i.e. 2 months) if before Normal Pension Age	95% within 10 working days of the date of retirement.  100% within 15 working days.
Deferment – Calculate and notify member of deferred benefits	Legal requirement is to give member their rights and options within 2 months.	46 working days from date of leaving (i.e. 2 months)	95% within 15 working days of receiving all the required complete and accurate information from the scheme employer.  100% within 30 working days.
Obtain transfer details for transfer in, and calculate and provide quotation to member	2 months from the date of request, unless already provided within the previous 12 months	46 working days from date of request (i.e. 2 months)	95% within 5 working days of receiving the transfer value from the member or their previous pension provider.  100% within 10 working days.
Provide details of transfer value for transfer out, on request	3 months from date of request (CETV estimate) or within a reasonable period (cash transfer sum) unless already provided within the previous 12 months	69 working days (i.e. 3 months)	95% within 5 working days of receiving all the required information, including complete and correct forms from the member and the

			receiving scheme. 100% within 10 working days.
Annual Benefit Statements	Provide annual benefit statements to all active members by 31st August each year Provide annual benefit statements to all deferred, pension credit and deferred pensioner members	100% within legal timeframe	100% within legal timeframe
Divorce quote – Letter detailing cash equivalent value and other benefits	Within 3 months of the member's request (or such shorter deadline as specified in a court order)	69 working days (i.e. 3 months) (or such shorter deadline as specified in a court order)	Within 3 months of the member's request (or such shorter deadline as specified in a court order)
Divorce settlement – Letter detailing implementation of cash equivalent value and application of pension sharing order	Within 3 months of the effective date of the order, or the date on which you have all the relevant information if later	92 working days (i.e. 3 months)	Within 3 months of the effective date of the order, or the date on which you have all the relevant information if later
Deaths – initial letter acknowledging death of member or pensioner	No legal timeframe required for letter but CIPFA do suggest 5 days.	5 working days from date of notification of death	95% within 1 working day of receiving a completed leaver form from the scheme employer. 100% within 5 working days.
Deaths – Letter notifying amount of dependants benefits	As soon as possible but in any event no more than 2 months to beneficiary from date of becoming aware of death, or from a date of request by a third party (e.g. personal representative)	46 working days from date of death (i.e. 2 months)	95% within 5 working days of the date of death. 100% within 10 working days.

## Monitoring performance and compliance

Ensuring compliance with the LGPS regulations and this Strategy is the responsibility of the Administering Authority and employers. This section describes the ways in which performance and compliance will be monitored. The Administering Authority has a range of internal controls in place to assist with ensuring compliance and which are articulated in the Fund's risk register. However, there are ways in which they are subject to elements of scrutiny or oversight:

### *External providers*

The Administering Authority and employers will ensure that any external service providers (such as payroll and HR providers) with responsibility for carrying out any functions relating to the administration of the LGPS are aware of the standards to be met. They will also be responsible for ensuring that these standards are met.

### ***Audit***

The Fund is subject to internal audits by the London Borough of Tower Hamlets internal auditors of its processes and internal controls. Any subsequent recommendations made are considered by the Fund and, where appropriate, duly implemented. Both the administering authority and employers will be expected to comply with requests for information from internal and external audit in a timely manner.

### ***Local Pension Board, Scheme Advisory Board and the Pensions Regulator***

The Public Service Pensions Act 2013 introduced greater oversight through local Pension Boards, the national Scheme Advisory Board and the Pensions Regulator. As a result, the Fund's Pension Board was established from 1 April 2015. In addition, the Pensions Regulator's remit was extended to include the public sector, 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 these bodies will be considered by the Administering Authority and, where appropriate, implemented following discussions with employers where necessary.

### ***Performance monitoring***

Overriding legislation, including the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended), dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. Further, the LGPS itself sets out a number of requirements for the Administering Authority or employers to provide information to each other, to scheme members and to prospective scheme members, dependants, other pension arrangements or other regulatory bodies. In addition to these legal requirements, local performance standards have been agreed which cover all aspects of the administration of the Fund. In many cases these go beyond the overriding legislative requirements.

The Fund monitors its performance utilising its own internal key performance indicators. Monitoring will occur monthly and the key performance indicators will be reported to the Pensions Committee via a quarterly report on administration and also shared with the Pension Board. A high-level overview of performance will be provided to Committee on an annual basis via the annual report. The performance of employers against the standards set out in this document will be incorporated into the quarterly report, as appropriate, to the Pensions Committee and Pension Board including data quality.

### ***Annual report on the strategy***

The scheme regulations require the Fund to undertake a formal review of performance against the administration strategy on an annual basis. A report to this effect will be produced annually and incorporated within the annual report and accounts.

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

The Administering Authority will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this strategy. The Administering Authority will work with each employer to ensure that overall quality and timeliness is continually improved.

This Strategy is focussed on good working relationships between the Administering Authority and employers. However, it is recognised there may be instances where employers are unable to meet the required standards. The Pensions and Investment Manager will seek, at the earliest opportunity, to work closely with employers in identifying any areas of unsatisfactory performance or misunderstanding, provide opportunities for appropriate training and support and put processes in place to improve the level of performance in the future.

### ***Charging employers for unsatisfactory performance***

The LGPS Regulations 2013 provide the Administering Authority with the ability to recover from an employer any additional costs associated with the administration of the scheme incurred as a result of the unsatisfactory level of performance of that employer. Where the Administering Authority wishes to recover any such additional costs, they must give written notice stating:

- the reasons in their opinion that the employer's poor performance contributed to the additional cost;
- the amount the Administering Authority has determined the employer should pay;
- the basis on which the additional cost was calculated;
- the provisions of the Strategy relevant to the decision to give notice.

### **Circumstances where costs might be recovered**

It is the Fund's policy to recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any employer (including the Administering Authority). Circumstances where such additional costs will be recovered from the scheme employer include:

- Failure to provide relevant information to the Administering Authority, member or other relevant party in accordance with specified performance targets in this administration strategy (either through timeliness of delivery or quality of information).
- Failure to deduct and pay over correct employee and/or employer contributions to the Administering Authority within the stated timescales.
- Instances where the performance of the employer results in fines or other charges being levied against the Administering Authority by the Pension Regulator, Pensions Ombudsman or other regulatory body.

### ***Procedure to be followed in charging employers***

The Administering Authority will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance, provide the necessary support or training and put in place appropriate processes to improve the level of service delivery in the future. Therefore, employers will be afforded the time to address the causes of non-compliance with performance standards in order that they do not become persistent, before any fines are levied. Employers should be aware that in the case of late payment of contributions and non-submission of monthly contribution forms, penalties will be incurred for persistent instances of non-compliance with performance standards.

The process for engagement with scheme employers will be as follows:

- 1) Write to the scheme employer, setting out area(s) of non-compliance with performance standards and offer support and, where applicable, further training.
- 2) The Pensions and Investment Manager will meet with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how this improvement plan will be monitored.
- 3) The Pensions and Investment Manager will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed.
- 4) The Pensions and Investment Manager will monitor whether the improvement plan has been implemented but is not being delivered to the standards and/or timescales agreed, or the employer is unwilling to engage in resolving the issue, the Administering Authority will issue another formal written notice (copied to the Director of Finance (or alternative senior officer) at that employer), setting out the areas of unsatisfactory performance that have been identified, the steps taken to resolve those areas and notice that the additional costs will now be reclaimed. An invoice will then be issued to the employer clearly setting out the calculations of any losses or additional costs borne by the Administering Authority, taking account of time and resources in resolving the specific areas of unsatisfactory performance, in accordance with the charging schedule set out in this document.

A report will be presented to the quarterly Committee meeting detailing all charges levied against employers and all outstanding payments. This information will also be shared with the Pensions Board.

### ***Charging schedule for administration***

The table below sets out the charges which the Administering Authority will recover from an employer whose performance does not meet the standards set out in this document.

Item	Charge
Late payment of employee and/or employer contributions.	£50 plus interest*

Non-provision of the correct schedule accompanying the contributions.	£50 per occasion.
Underpayment of employee or employer contributions.	£50 plus interest*
Late or non-provision of year-end information or the poor quality of year-end information.	£250 plus £100 for every month the information is late.
Failure to use the notified process to provide member amendment and earnings information to the administration authority.	Recharge of the additional costs incurred by the Administering Authority.
Late or non-provision of starter forms.	£100 per month for forms not received or late.
Late or non-provision leaver forms.	£100 per month for forms not received or late.

\*Interest will be charged in accordance with Regulation 71 of the LGPS Regulations 2013, which states interest should be charged at Bank of England base rate plus one per cent.

Employers may also be required to pay for additional work that is outside of business as usual, such as:

- Requesting that the Administering Authority undertake non-standard work.
- Providing estimates which are in addition to the agreed allocation.
- Requesting work to be completed earlier than the normal service standards.

The employer's agreement to the charge will be obtained prior to the work being carried out.

All other additional costs relating to this Strategy will be met directly by the Administering Authority, unless mentioned otherwise.

## **Measuring the Administering Authority against the Administration Objectives**

The Administering Authority will monitor its own performance in carrying out its responsibilities in relation to the LGPS and will regularly monitor performance by benchmarking against other LGPS funds, using benchmarking clubs and other comparators available. The Administering Authority's performance will be reported in the annual report based on the statistics available at that time.

In addition, the administering authority will monitor success against the administration objectives in the following ways:

Objective	Measurement
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Objective	Measurement
Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders.	<p>Key performance indicators achieved in 90% of cases (100% for legal requirements).</p> <p>Annual satisfaction surveys with employers and members achieving 90% of scores in positive responses in these areas.</p>
Administer the Fund in a cost-effective and efficient manner, utilising technology appropriately to obtain value for money.	Cost per member is not in upper or lower quartiles when benchmarked against all LGPS funds using national data (either via SF3 or Scheme Advisory Board).
Ensure employers are aware of and understand their roles and responsibilities under the LGPS Regulations and in the delivery of the administration functions of the Fund.	<p>Annual data checks (including ongoing reconciliations) resulting in few issues that are resolved within 2 months.</p> <p>Key performance indicators achieved in 90% of cases (100% for legal requirements).</p> <p>Issues included in formal improvement notices issued to employers resolved in accordance with plan.</p> <p>Annual satisfaction surveys with employers achieving 90% of scores in positive responses in these areas.</p>
Ensure the correct amounts are paid to, and collected from, the right people at the right time.	<p>Positive results in audit and other means of oversight/scrutiny.</p> <p>Key performance indicators achieved in 90% of cases (100% for legal requirements).</p> <p>Minimal issues against the Fund identified by Internal Dispute Resolution Procedures and complaints.</p>

Objective	Measurement
Maintain accurate records and ensure data is protected and has authorised use only.	<p>Annual data checks (including ongoing reconciliations) resulting in few issues that are all resolved within 2 months.</p> <p>No breaches of data security protocols.</p> <p>Positive results in audit and other means of oversight/scrutiny.</p>

An overview of the Fund’s performance against these objectives, in particular the target standards for turnaround times, will be reported within the Fund's annual report and accounts. It will also be reported, on an ongoing basis, to the Pension Committee and Pension Board. In addition, these will be reported to the Pensions Regulator (if deemed appropriate) under the Breaches Procedure Policy.

If performance is substantially below the relevant standard (whether by a large margin for a short period or a small margin for a longer period) the Administering Authority will formulate an improvement plan. This will be reported to the Pension Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

## Key risks to the administration strategy

The key risks to the delivery of this administration strategy are outlined below. The Pensions Manager and other officers will work with the Pensions Committee and the Pension Board in monitoring these and other key risks and consider how best to respond to them.

- Lack of or reduction to skilled resources, due to difficulty retaining and recruiting staff members or staff absence due to sickness.
- Significant increase in the number of employing bodies causing strain on day to day service delivery.
- Significant external factors, such as national change, impacting on workloads.
- Incorrect calculation of members' benefits, resulting in inaccurate costs.
- Failure by employers to provide accurate and timely information resulting in incomplete and inaccurate records, which in turn leads to incorrect valuation results and incorrect benefit payments.
- Failure to administer the scheme in line with regulations as listed under the ‘Regulatory basis’ section in this administration strategy (this may relate to delays in enhancement to software or regulation guidance).
- Failure to maintain records adequately, resulting in inaccurate data.
- Use of external printers or distributors, resulting in possible data mismatch errors.
- Inability to deliver an efficient service to members due to system unavailability or failure.
- Failure to maintain employer contact database leading to information being sent to incorrect persons.

## Service and communication improvement planning

As set out in this administration strategy, the Fund's objective in relation to administration is to deliver an efficient, high-quality and cost-effective service to its employers and members. This can only be achieved through continuously reviewing and improving the service. Communication between the Administering Authority and employers is key to providing the service and is, therefore, an important aspect of service improvement planning.

The Administering Authority's staff work together on a programme of continuous improvement to the service and meet quarterly to review progress against the action plan agreed. The monitoring of the performance standards set out in this document will inform the programme going forward, and feedback from employers on the service and the way in which the Administering Authority communicates is welcomed in developing plans.

Feedback should be emailed to: [Pensions.LBTH@towerhamlets.gov.uk](mailto:Pensions.LBTH@towerhamlets.gov.uk)

The Administering Authority will take responsibility for improving the service and determining the balance between implementing service improvements and the goal of providing a cost-effective service.

Employers will be informed of any changes to the service provision which affect the way they interact with the Administering Authority through the monthly briefing note.

## **Costs**

All additional costs relating to this Strategy are met directly by the Fund unless mentioned otherwise.

## **Consultation and review process**

This Strategy was approved in March 2020 by the Pensions Committee and is effective from 1 April 2020. It will be formally reviewed and updated at least every three years, or sooner if the administration management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS regulations or other relevant legislation or guidance which need to be considered.

This Strategy was prepared in consultation with employers, member and employer representatives on the Pension Board, and other appropriate persons.

The latest version of this Strategy will always be available on the London Borough of Tower Hamlets website and the Tower Hamlets Pension Fund's websites:

<https://www.towerhamlets.gov.uk/Home.aspx>  
<http://www.towerhamletspensionfund.org/>

This Strategy when approved (and following any significant amendments thereafter) will be sent to all employers in the Fund and the Secretary of State.

## **Further Information**

If you require further information about administration of the Fund or this Strategy, please contact:

Miriam Adams –Pensions & Investment Manager,  
London Borough of Tower Hamlets  
E-mail - [Miriam.Adams@towerhamlets.gov.uk](mailto:Miriam.Adams@towerhamlets.gov.uk)  
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Tower Hamlets Pension Fund  
London Borough of Tower Hamlets, London E14 2BG

## Performance Standards

<b>New Appointments</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
To ensure that pensions information is included as part of any induction process	
To provide each new employee with basic scheme information	Within one month of joining

<b>New Scheme Members</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Provide new members with starter forms and scheme guides, where not delegated to the Administering Authority	10 working days from date of joining
Decide and ensure the correct employee contribution rate is applied	Immediately on joining in line with employer's policy, and each April thereafter (as a minimum)
Provide new starter information to the Administering Authority for each new employee joining the LGPS	10 working days from date of joining
Forward completed starter forms completed by scheme members to the Administering Authority	3 working days from date of first deduction of contributions
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	5 working day from receipt of all relevant information (or within 1 week for bulk uploads)
To apply for any transfer value details from a previous fund or scheme	5 working days from receiving all information
To send a Notification of Joining the LGPS to a scheme member	20 working days from receiving details of the new member from the scheme employer

<b>Changes in circumstances</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Arrange for reassessment of employee contribution rate in line with employer's policy	If applicable, as per employer's policy
Notify the Administering Authority of any eligible employees who opt out of the scheme within three months of appointment.	10 working days from date of receiving opt out
Send a Notification of Change (or equivalent) if legally required to a scheme member	15 working days from date of change
Notify the Administering Authority of all other relevant changes in the circumstances of employees	15 working days from date of change

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
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	5 working days from receipt of information
To send a Notification of Change (or equivalent) if legally required	15 working days from receiving information

<b>Retirement Estimates (including ill-health)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Provide pay (and other membership) details when a member requests an early retirement estimate	8 working days from date of request
<b>Administering Authority's Responsibility</b>	
Providing quotations on request for retirements	10 working days from receipt of all relevant information
Providing provisional statement of retirement benefits for deferred members	1 month before retirement

<b>Actual Retirements (including ill-health)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund when members are due to retire and reason for retirement (and authorisation where appropriate)	As early as possible and no later than 15 working days before date of retirement
Notify the Fund when a member leaves employment, including an accurate assessment of final pay	8 working days from members final pay date
Send a Notification of Entitlement to Benefit if legally required to a scheme member (including determining tier of ill-health retirement if applicable)	No later than 5 working days before date of retirement
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	5 working days from receipt of all relevant information
Notification of amount of retirement benefits and payment of tax free cash sum	10 working days from receipt of all relevant information
Notification of amount of recalculated retirement benefits and payment of any balance tax free cash sum following updated information	10 working days from receipt of all relevant information

<b>Ill-Health Retirements (additional responsibilities)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Appoint a qualified independent medical practitioner (from the approved list provided by the Administering Authority) in order to consider all ill health retirement applications, and agree this	Within one month of becoming an employer within the Fund

appointment with the Fund.	
To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	
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	5 working days of results of review
Send a Notification of Entitlement to Benefit (or change in benefit) to a scheme member following the review of his/her Tier 3 ill-health benefits	5 working days of results of review
<b>Administering Authority's Responsibility</b>	
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

<b>Members leaving before retirement</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund of the member's date of (and reason for) cessation of membership, and all other relevant information.	8 working days from member's most recent pay date
<b>Administering Authority's Responsibility</b>	
To accurately record and update member records on the pension administration system	5 working days from receipt of all relevant information
To inform members who leave the scheme of their deferred benefit entitlement	15 working days from receipt of all relevant information
Provide a refund of contributions where requested	5 working days from receipt of all relevant information
Provide a statement of current value of deferred benefits on request	15 working days

<b>Death Benefits</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Notify the Fund of the death of a member and provide details of next of kin where available	8 working days of being notified
<b>Administering Authority's Responsibility</b>	
Write to next of kin or other contact requesting information following the death of a scheme member	1 working day from notification
Calculate and notify dependant(s) of amount of death benefits	5 working days from date of death
Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed	7 working days from receipt of all relevant information

<b>Transfers</b>	
<b>Administering Authority's Responsibility</b>	
Obtain transfer details for transfer in, and calculate and provide quotation to member	5 working days from receipt of all relevant information
Request transfer value upon acceptance of transfer in	5 working days from date of receipt of acceptance
Notify scheme member of benefits purchased by transfer in on receipt of payment	15 working days from receipt of payment
Provide details of transfer value for transfer out, on request	5 working days from receipt of all relevant information
Provide payment of transfer value to appropriate recipient.	10 working days from confirmation of transfer value

<b>Additional Benefits (APCs and AVCs)</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In month following election
<b>Administering Authority's Responsibility</b>	
To provide information on APCs / AVCs on request to members and employers.	10 working days from request

<b>Various Financial Obligations</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Pay the Fund all employee contributions deducted from payroll and all employer contributions.	Immediately when deducted from pay but at the latest by the 19 <sup>th</sup> day of the following month.
Pay all rechargeable items to the Fund, including additional fund payments in relation to early payment of benefits.	20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
Pay all additional costs to the Fund associated with the unsatisfactory performance of the employer	20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
<b>Administering Authority's Responsibility</b>	
To allocate the received contributions to each employer's cost centre	Prior to closing month end
Issue invoice in relation to additional fund payments in relation to early payment of benefits	10 working days of employer costs being confirmed
Inform the employers of any new contribution banding	At least 1 month prior to the new contribution bands being introduced
Notify calculation and new value of pension following annual pensions increase	At least 2 working days before payment of revised pension

<b>Annual Return, Valuation and Annual Benefit Statements</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
Provide the Fund with yearend information to 31 March each year, and any other information that may be required for the production of Annual Benefit Statements.	By 30 April annually
<b>Administering Authority's Responsibility</b>	
Process employer year end contribution returns	Within 1 month of receipt
Produce annual benefit statements for all active and deferred members.	In line with LGPS regulations timescales
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.
Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising.	10 working days from publication of report

<b>General</b>	
<b>Employer's responsibility</b>	<b>Target Service Standard</b>
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 or within 5 working days of previous representative leaving
Formulate and publish policies regarding all discretions that the employer may exercise, and provide a copy to the Fund.	Within 2 months of joining and also provided to Administering Authority every 3 years or whenever amended
Respond to enquiries from the Fund.	10 working days
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 immediately upon becoming aware of potential outsourcing, and at least 3 months prior to the start of the contract
Distribute any information provided by the Fund to members / potential members	5 working days
Put in place a Stage 1 Internal Dispute Resolution Procedure	Within 1 month of joining and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
<b>Administering Authority's Responsibility</b>	
Arrange for the setting up of an admission agreement where required	Within 3 months of all information being provided
Publish and keep up to date the Short Scheme Guide and Employers' Procedural Guide.	Updates made within 10 working days of any legislation changes but preferably before effective date
Publish and keep up to date all forms that	Updates made within 10 working days

members, prospective members and employers are required to complete.	of any legislation changes but preferably before effective date
Publish the Fund's annual report and accounts and any report from the auditor	In line with CIPFA Guidance
Provision of other responses to general enquiries from scheme members and employers	10 working days to provide initial response
Put in place a Stage 1 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Put in place a Stage 2 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)

<b>Pension Payments</b>	
<b>Administering Authority's Responsibility</b>	<b>Target Service Standard</b>
Issue pension payments to designated bank accounts	To arrive on due date
Issue payslips to home addresses for those pensions where net pay has changed by £5 or more	Posted so as to arrive on the due date
Investigate returned payments and action appropriately	10 working days from receipt of return
Respond to pensioner queries in writing	10 working days from receipt of query
Implement a change to pension in payment	By next payroll period where change occurs more than 5 days prior to the payment date