

## **APPENDIX 4**

RHONDDA CYNON TAF PENSION FUND

# **PENSION FUND ADMINISTRATION STRATEGY**

updated March 2022

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## 1. Introduction

The Local Government Pension Scheme (LGPS) (Administration) Regulations 2013 encourages Pension Fund Administering Authorities to introduce an Administration Strategy in order to demonstrate intent and commitment to improving the administrative processes within the LGPS Fund. These regulations are quite specific regarding the disclosure of information and performance statistics as part of this process but provide less guidance in terms of strategy.

This strategy has been developed to build on the existing Service Level Agreements (SLA) and recognises that both Fund Employers and the Rhondda Cynon Taf Pension Fund Administering Authority have a shared role in delivering an efficient and effective Pension Fund to the membership, recognising that such improvements can only be achieved in partnership.

The aims and objectives of this administration strategy document are to assist continuous improvement in Scheme administration functions, and ensure that the principles of the Pension Regulators 'Code of Practice' are consistently applied. This is achieved by introducing a framework to improve and monitor data flow, provide clear lines of communication and make roles and responsibilities transparent as well as meeting disclosure requirements.

The Administration Authority is responsible for the administration of the Local Government Pension Scheme on behalf of the Employers that currently participate in the Rhondda Cynon Taf Pension Fund. These Employers meet the eligibility criteria of the scheme, either as Scheduled, Designated or Admitted Bodies.

This document outlines the policies and performance standards that have been identified through proactive benchmarking, that are necessary to providing a cost effective and high quality pension administration service in partnership with the Rhondda Cynon Taf Fund Employers.

## 2. Regulatory Framework

### **Pension Administration Strategy**

**Commencement Date: 01 April 2014 (as updated March 2022)**

Regulation 59(1) of the LGPS (Administration) Regulations 2013 (see *Appendix 1*) enables a Local Government Pension Scheme Administering Authority to prepare and maintain an 'Administration Strategy'.

Related legislation includes:

Local Government Pension Scheme Regulations 2013

Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014

Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations 2007;

Local Government Pension Scheme (Transitional Provisions) Regulations 2008;

Local Government Pension Scheme (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000;

Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

and amendments to the aforementioned regulations.

**This document has been presented, considered and ratified by the Section 151 Officer (Investment & Administration Advisory Panel) in February 2022.**

### 3. Liaison & Communication

Rhondda Cynon Taf Pension Fund is committed to providing a comprehensive communication and information service to participating employers, members and prospective members of the pension scheme. The delivery of high quality service provision depends on the mutual co-operation of the Administering Authority and Fund Employers.

To achieve this aim, each Employing Authority will designate a named individual to act as a **Pensions Liaison Officer**, as the main contact with regard to any aspect of administering the Local Government Pension Scheme (LGPS).

The Pensions Liaison Officer's responsibilities are listed in **Appendix 2**.

Regular contact is maintained between the Administering Authority and Fund Employers by using a multi-channel approach which consists of:

#### Employers Annual General Meeting

An annual meeting is held for Employers chaired by the Director of Finance and Digital Services, who has overall responsibility for the Pension Fund. Key speakers range from the Actuary, Investment Managers to Industry specialists, with an update on the administration of the scheme.

#### Employer Communications Forum

Held quarterly, this meeting covers administration and investment issues. The Forum includes a limited number of employer representatives selected periodically and includes Scheduled, Designated and Admitted bodies as well as employee representatives. The Forum provides a representative link to the Investment and Administration Advisory Panel.

#### Local Pension Board

Held quarterly, this meeting covers administration and investment issues. The Board includes representation for all stakeholder groups, Employer, Pensioner, Active/Deferred Members. The Board assists Rhondda Cynon Taf County Borough Council Administering Authority as 'Scheme Manger' in -

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager

Minutes of the Local Pension Board meetings are published to the Fund website, [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

### **Pension Fund Committee**

The Pension Fund Committee was established in May 2016 and considers and agrees Fund strategic decisions in accordance with its terms of reference.

Minutes of the Pension Fund Committee are published to the Council website, [www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Committees/PensionsFundCommittee](http://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/Committees/PensionsFundCommittee)

The Wales Pension Partnership Joint Governance Committee oversees the pooling of the investments of the eight Local Government Pension Scheme funds in Wales. The Governance Committee comprises one elected member nominated from each of the Constituent Authorities.

Minutes of the Committee are published on the host authority website at <http://democracy.carmarthenshire.gov.wales/mgCommitteeDetails>

### **Pension Fund Annual Report**

The Annual Report illustrates levels of performance against key benchmarks and work volumes as well as summarising achievements against the Pension Fund's key objectives for the year.

### **Website**

The Administering Authority provides a dedicated, standalone website for Rhondda Cynon Taf Pension Fund members. This website offers self service options via My Pension On-line to the Fund's active, deferred and pensioner members.

### **Contacts Database**

A global circulation list is maintained of key email addresses, such as pension contacts, finance managers and key personnel. This means we can communicate with the relevant party quickly and efficiently.

For example, we use this medium to communicate any issues that are currently under debate. This includes changes to regulations that impact on fund employers and their employees.

### **Meetings with Individual Employers**

Regular meetings are held with larger employers and on request for small\medium sized organisations. These meetings are designed to address specific issues relating to the particular employer such as the performance of both the Employer and Administering Authority.

Any difficulties experienced by either party in relation to service delivery will provide both parties with the opportunity to address any issues. The Pension Fund is committed to the delivery of a quality administration service. Service Standards are set out under **Section 4**.

### **Practitioner Training**

The Administering Authority provides specific staff development training workshops where resources allow, and these include:

- Process Overview
- Admin Completion
- VER \ Early retirements and pension strain
- End of Year Processes
- Valuation

## **4. Standards of Service**

### **Employing Authority Responsibilities**

**The main duties of the Employer as set out in the regulations are:**

- 4.1** To determine who is eligible to become a member of the Scheme and the date from which membership of the Scheme commences in line with Local Government Pension Scheme Regulations 2013 and statutory Auto-enrolment regulations
- 4.2** For periods of membership before 1st April 2014 to determine whether that person was employed in a full time, part time, variable time or casual capacity. If the employee was part time the Employing Authority must also determine the proportion which the employees' contractual hours bear to the hours of a comparable full time employee.
- 4.3** To determine an employee's pay for the purposes of setting the appropriate contribution rate with pre-set contribution bands.
- 4.4** To determine full time equivalent pay for the purposes of calculating benefits due from the Scheme for membership prior to 1st April 2014 and to determine CARE pensionable pay for the purposes of calculating benefits due from the Scheme for membership post 1st April 2014.
- 4.5** To issue contracts of employment to individuals, confirming or otherwise, their eligibility to join the Scheme. Fund Employers should state in their contract that members have 12 months from the date of joining to undertake any transfer of pension rights into the LGPS.
- 4.6** To provide to each new member of the LGPS, and existing members who are commencing a further job, a Welcome Pack which asks for details of other periods of membership of the LGPS and other public service pensions. To include New Starters on the monthly I-connect interface.
- 4.7** On the cessation of membership of the Scheme to determine the reason for leaving and entitlement to benefit and notify the Pension Fund and the Scheme member of the decision at the earliest opportunity.

- 4.8 To supply timely and accurate information to the Pension Fund to ensure the correct calculation of benefits payable from the Scheme
- 4.9 To deduct from a member's pay and pay over to the In House AVC provider the contributions within the statutory deadlines indicated in **Section 5**.
- 4.10 The Employer is responsible for exercising the discretionary powers given to Employing Authorities by the regulations. These regulations also require the employer to publish its policy in respect of these key discretions.
- 4.11 To accompany any statement issued to an employee relating to any decision made about the Scheme, with a notice drawing the employee's attention to their right of appeal under the LGPS.
- 4.12 In the event of a potential Ill health retirement, the Employer should arrange an appointment with an approved Independent Registered Medical Practitioner for the Scheme member in accordance with regulatory requirements. The Employer should submit the certificate to the Pension Fund.
- 4.13 It is incumbent on the Employer to keep a record of their Tier 3 Ill health retirements, particularly with regard to the 18 month review ensuring they meet their legislative responsibilities.
- 4.14 The Employer shall repay to the Scheme member any incorrectly deducted employee's contributions including, where more than one month has elapsed between the date the incorrect contributions were deducted and the date they were returned, interest on any such contributions which had not by then been paid over to the Pension Fund.
- 4.15 The Employer must provide monthly information to the Fund by electronic interface using I-Connect. The interface includes membership movements and monthly pay and contributions information. Each monthly submission must be followed up with the corresponding payment of contributions and remittance.
- 4.16 The Employer must provide reconciled year-end information to 31 March each year, in an approved format, balancing the amounts paid to the Fund during the year with the total contributions uploaded to their scheme members during the year via I-Connect. This should be provided no later than 30/04/YY and signed by an authorised officer.
- 4.17 The Employer is responsible for complying with the requirements for funding early retirement as set out by the Administering Authority. Where such requirements are not complied with, the Pension Fund will not pay any benefits to the member concerned until such time as they are complied with.



- 4.18** The Employer shall, within **14 working days** of receipt of an invoice, pay the Pension Fund interest on payments due from the Employer which is overdue by more than one month (see *Appendix 1*).
- 4.19** The Employer will provide information as appropriate to alert the Pension Fund to any impending major workload resulting from circumstances such as proposed redundancy exercises. Any volume requests over and above 10 estimates will need to be agreed in advance as they constitute a bulk exercise and the Pension Fund will need to receive as much notice as possible to help ensure delivery within agreed timescales. These timescales will need to be agreed separately.
- 4.20** Where a member leaves the Scheme and full contributions have not been deducted for whatever reason the Employer shall immediately make payment of outstanding member's and employer's contributions to the Pension Fund.
- 4.21** To ensure compliance with Data Protection Act 1998, (General Data Protection Regulation (Regulation (EU) 2016/679) as effective from 28<sup>th</sup> May 2018), the Employer will protect from improper disclosure of information sent to the Pension Fund.

**TABLE 1**  
**Specific Employer Service Standards to help ensure an efficient and effective Service is achieved:**

<b>Form</b>	<b>Standard</b>	<b>Timescale</b>
Welcome Pack	Ensure that a new starter has received a 'Welcome Pack' within <b>1 month</b> of becoming a scheme member.	1 month
NI4	Where a material change in circumstances occurs, unless change is notified by I-connect, the appropriate form (NI4) should be forwarded to the Pension Fund within <b>10 working days</b> .	10 working days
Leave of Absence	Where a member has been granted a period of authorised unpaid leave the employer must provide the employee, when they return to work, with details of the Assumed Pensionable Pay during the period of leave and confirm which section of the scheme they are in. The member then has the choice to buy back the "lost" pension by paying an Additional Pension Contribution (APC). The cost of the APC should be calculated by the member using the online calculator which can be found on <a href="http://www.lgpsmember.org">www.lgpsmember.org</a> . If the member opts not to buy back the pension the employer must notify the Administering Authority of the break in service. There are no time limits placed on the member to purchase an APC however the cost will increase as the member gets older.	APC application to be sent to Administering Authority as soon as practicable after member has made their decision

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Maternity	Pension contributions are payable during a period of ordinary paid maternity leave. For any periods of additional unpaid maternity leave the Employer must inform the member on their return to work of the Assumed Pensionable Pay for the period of unpaid maternity leave and confirmation of which section of the scheme they are in. The member then has the choice to buy back the "lost" pension by paying an Additional Pension Contribution (APC). The cost of the APC should be calculated by the member using the online calculator which can be found on <a href="http://www.lgpsmember.org">www.lgpsmember.org</a> . The Employer should issue forms to member to establish whether the member wishes to pay contributions in respect of the unpaid maternity leave or whether they wish this period to be treated as break in service.	APC application to be sent to Administering Authority as soon as practicable after member has made their decision
CPINFO GPR EOY YY/YY Data Query	A written response to any general service enquiry including year end, raised in writing or by E-mail, within <b>15 working days</b> of receipt. Where the Employer considers a request to be of a particularly complex nature, requiring more time, the Pension Fund shall be informed of the likely timescale for completion.	15 working days
NI2 (Termination Form)	The Employer must submit a notification that an employee has left the Scheme by providing the appropriate leaver forms (NI2) within <b>10 working days</b> of the employee leaving the Scheme.  Where a member leaves with an entitlement to immediate payment of pension benefits the NI2 form where possible shall be provided before the member retires and in any event within <b>5 working days</b> of the member's retirement.  Where a member dies in service the Pension Fund shall be notified within <b>5 working days</b> of the death of the member	10 working days  5 working days  5 working days
N/a	The Employer shall distribute any information provided by the Pension Fund for their membership and/or potential membership within <b>10 working days</b> of its receipt.	10 working days

## Administering Authority Responsibilities

The main duties of an Administering Authority as set out in the regulations are:

- 4.22** Rhondda Cynon Taf Pension Fund will accept the Employer's decision regarding the appropriate rate of contribution as published by the Department for Levelling Up, Housing and Communities (DLUCH) contribution bands.
- 4.23** To decide how any previous service or employment of an employee is to count for pension purposes, and whether such service is classed as a 'period of membership'.
- 4.24** To notify each member regarding the counting of service.
- 4.25** To maintain a record for each member which contains all the information necessary to produce an accurate benefit calculation where the Employer has provided useable and accurate information via I-connect.
- 4.26** To calculate and pay the appropriate benefits, based on details in the record and termination date and pay details provided by the Employer when an employee ceases employment, or membership of the Scheme for whatever reason.
- 4.27** To supply beneficiaries with details of their entitlements.
- 4.28** The Administering Authority will provide an Estimate following a request from the Employer following the receipt of a fully completed (Estimate Request) form within 5 working days. A second estimate will only be provided if there has been a material change of more than £500 to pensionable pay or over a 3 month change to the leaving date.
- 4.29** To increase pensions periodically in accordance with the provisions of Pensions Increase Acts and Orders. To increase members CARE benefits annually in accordance with the published Treasury Order
- 4.30** To pay benefits to appropriate beneficiaries only and to take steps to reduce the possibility of fraud taking place.
- 4.31** To maintain a 'specified person' for the purposes of the Scheme Internal Dispute Resolution Procedure (IDRP).
- 4.32** To ensure that 'timely' information is issued in the form of newsletters, booklets and other materials to satisfy the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996. This will include the annual production of a:
- Pension Fund Report
  - Pensioners Newsletter

- 4.33** Provide information and support on the scheme and its administration in the form of:
- Dedicated Contact
  - Guidance Notes
  - Global Bulletins
  - Staff Development Training
  - Website / Member Self-Service
  - Helpdesk
- 4.34** Appoint a Fund Actuary for the purposes of the triennial valuation of the Pension Fund and provide periodical actuarial advice when required.
- 4.35** Appoint all necessary advisors to enable the appointed person to perform the duties required by the Scheme’s Internal Dispute Resolution Procedure.
- 4.36** To co-ordinate and liaise with the Fund Actuary on behalf of the Employers with regard to the triennial valuation of the Rhondda Cynon Taf Pension Fund.
- 4.37** The Administering Authority is responsible for exercising its discretionary powers in relation to the published Administering Authority Discretions.
- 4.38** To ensure compliance with Data Protection Act 1998 (General Data Protection Regulation (Regulation (EU) 2016/679) as effective from 28<sup>th</sup> May 2018), Rhondda Cynon Taf Pension Fund will protect from improper disclosure of information. Information held will be processed by the Pension Fund in accordance with the administering the scheme. The Fund will maintain and publish its Privacy Notice.
- 4.39** The Administering Authority will liaise with the Actuary and other Pension Funds in respect of Transfer Values (including any bulk transfer arrangements) on behalf of the Employer.
- 4.40** The Administering Authority will liaise/respond to the Department for Levelling Up, Housing and Communities (DLUCH) , the Scheme Advisory Board (SAB), the Pensions Regulator (TPR) and the Government Actuary’s Department (GAD) in-line with specified deadlines on behalf of the Rhondda Cynon Taf Fund.
- 4.41** Monitor Common and Conditional Data Scores in line with The Pensions Regulators Code of Practice – Governance and Administration of Public Service Pension Schemes

TABLE 2

Specific Admin Authority Service Standards to help ensure an efficient and effective Service is achieved:

Topic	Standard	Timescale
Transfers In	The Pension Fund will calculate the estimated benefits that a transfer value will buy for a member and issue an illustration within <b>10 working days</b> of receiving all the necessary information. Every member is entitled to one quote per transfer, any subsequent requests will be charged to the member at £116 plus V.A.T.	10 working days
Refunds	The Pension Fund will pay refunds within <b>10 working days</b> of receiving the formal request for payment provided all the relevant information has been supplied by the Employer.	10 working days
Early leavers	Early leavers will receive details of their preserved benefits within <b>10 working days</b> of receiving all the information required from the Employer.	10 working days
Divorce	In the event of a divorce or dissolution of a Civil Partnership, Scheme members (or their appointed solicitor) may request a Cash Equivalent Value of the member's pension rights and this will be provided within <b>10 working days</b> . Any other costs for supplying information or complying with a court order will be recovered from the member or their ex-spouse or ex-civil partner in accordance with the Pension Fund's Schedule of Charges.	10 working days
Benefit Statements	We will issue Annual Benefit Statements to each active and deferred members.	Annually (by 31st August)
Benefit estimates	The Pension Fund will use its discretion in the provision of estimated benefits where a member has been issued with an Annual Benefit Statement. Members will be directed to My Pension On-line in the first instance. Where an estimate of benefits is being issued, the Pension Fund will provide an illustration within <b>10 working days</b> of receiving a fully completed request form.	10 working days
VER Benefit estimates	Employer VER\Early Retirement requests for estimates will be provided within <b>5 working days</b> of receiving a fully completed Estimate Request. Any volume requests over and above 10 estimates will need to be agreed in advance.	5 working days

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Maximising Benefits	Any member wishing to pay extra contributions to purchase Additional Pension Contributions (APC's) within the LGPS will receive an estimate within <b>10 working days (only if not able to calculate themselves using the LGPS 2014 on-line calculator)</b> .	10 working days
Transfer Out	For members wishing to transfer their benefits from the Local Government Pension Scheme (LGPS), the Pension Fund will issue an illustration within <b>10 working days</b> of receiving all the necessary information. This illustration will be guaranteed for three months. Members are entitled to receive one quote per transfer per year, the Pension Section reserves the right to make a charge of £116 plus VAT for any additional quotations requested.	10 working days
Retirement	At retirement the Pension Fund will send details of the benefits payable and pay the tax-free cash lump-sum within <b>5 working days</b> of receiving all the information required from the employer and the return of a fully completed Pre Retirement Pack from the member.	5 working days
Death	On the death of a member, the Pension Fund will provide details of the benefits payable within <b>7 working days</b> of receiving all of the information required. The Pension Fund will pay the lump-sum death grant within <b>5 working days</b> of receiving Grant of Probate (or other appropriate documentation).	7 working days  5 working days
Triennial Valuation	The Pension Fund will meet the timescales agreed with the Actuary to ensure that new contributions rates are delivered at the earliest opportunity.	12 months from Valuation date

### Unsatisfactory Performance

Both parties will endeavour to resolve any unsatisfactory performance issues identified at the earliest opportunity; however, in the event that repetitive unsatisfactory performance issues remain unaddressed, the following action is required:

- A formal report will be made to the Fund’s Investment and Administration Advisory Panel detailing the unsatisfactory performance of either the Administering Authority or Employer (where costs may be recoverable as indicated in Table 3 below)

<b>Cost Recovery</b>	<b>TABLE 3</b>
<p>Where disproportional costs have been incurred to the detriment of other Employers within the Fund as a direct result of an Employer’s repeated lack of compliance, Rhondda Cynon Taf Pension Fund will seek to recover these additional costs from the respective Employer:</p> <p>These circumstances are (but are not limited to):</p> <ul style="list-style-type: none"><li>❑ Persistent failure to provide relevant and timely information to the Administering Authority, Scheme Member or other interested party in accordance with the agreed service standards (as set out in Section 4, Table 1) and the Scheme expectations;</li><li>❑ Additional cost incurred in providing ‘Employer specific’ specialist third party advice in administering the Scheme on behalf of the employer, including but not exclusive to actuarial services, occupational medical practitioner services and legal services.</li><li>❑ Instances where the performance of the Employing Authority has directly contributed to fines being levied against the Administering Authority by the Pension Regulator (see Section 5), Pensions Ombudsman, HMRC or other regulatory body.</li><li>❑ Failure to deduct and make payments on behalf of the employee and employer within agreed timelines to the Pension Fund.</li></ul>	
<p><b>Notice</b></p> <p>Where the Administering Authority determines cost recovery is appropriate, written notice will be given to the Employing Authority, containing:</p> <ul style="list-style-type: none"><li>❑ The reason in their opinion that the Employing Authority’s poor performance resulted in the additional cost;</li><li>❑ The amount and basis of additional cost incurred;</li><li>❑ The provision within the Administration Strategy relevant to the decision given.</li></ul>	

## **5. Financial Implications**

### **Service Costs**

**5.1** The costs of administration are directly charged to the Pension Fund and the Administering Authority is responsible for ensuring that value for money is achieved at all times. Where additional costs are incurred for work which is not common to all Employers, or which cannot be regarded as a cost of administration, the Employer may be required to directly reimburse those costs.

**5.2** Employers will be required to pay for administrative expenses in relation to the investigation and implementation of a Deferred Debt Agreement (DDA) or other measure under Regulation 64. Employers will be informed if additional administration charges are likely. Professional fees will be recharged to the Employer in all cases, regardless of whether an arrangement is subsequently entered into.

### **Funding Contributions by Participating Employers**

**5.3** The Employer's contribution rate is not fixed. Fund Employers are required to pay as much as is necessary to ensure that the proportion of the Fund relating to their organisation is sufficient to meet their liabilities. The Rhondda Cynon Taf Pension Fund is valued every three years by the Fund's Actuary. The Actuary examines the Fund's assets and liabilities and assesses the Employer's contribution rate and deficit contribution if applicable, which will apply for the next three years.

### **Payment Arrangements**

**5.4** It is the responsibility of the Employer to ensure that both employee and employer contributions are deducted at the correct rate. This includes any contributions that are due on leave of absence with reduced or no pay and any additional contributions the Pension Fund instruct the Employer to collect. The amounts paid over to the Pension Fund must reflect those contributions deducted.

**5.5** Contributions (including any deficit payments) should be paid to the Pension Fund on a monthly basis and all such payments should be accompanied by a breakdown of payments, certified correct by an authorised officer, detailing the period for which the contributions were due, and showing the total pensionable pay for members in the main section of the scheme and the employees contributions deducted, the total pensionable pay for members in the 50/50 section and the employees contributions deducted, the total employer contributions for the period in question.

**5.6** All contributions (including Additional Regular Contributions (ARC) and Additional Pension Contributions (APC)) should be credited to the Pension Fund without delay and within the statutory maximum limit of before the 19th of the month following that in which they were deducted in accordance with the requirements of the Pensions Act 1995. The Pension Regulator may be notified if contributions are not received within this time in accordance with



the Fund's Breach Policy. If contributions are overdue by more than one month the employer will be required to pay interest in accordance with the Regulations, **See Appendix 1.**

- 5.7** The Employer will ensure that it pays all Additional Voluntary Contributions (AVC) deductions from its employees to the In House AVC provider according to the published schedule and no later than the 19<sup>th</sup> of the month following the deduction.
- 5.8** The In House AVC provider will highlight a breach to the Administering Authority in the first instance and the Pension Regulator notified in accordance with the Pensions Act 1995. In the event of a regulatory fine, this fine will be recharged to the Fund Employer.

## **6. Notifiable Events**

- 6.1** Employers should ensure that they engage with the Fund in relation to any activity which could materially affect their liabilities or ability to meet those liabilities, 'notifiable events'. These include, but are not limited to, the following:
- A decision which will restrict the employer's active membership in the Fund in future, or lead to a significant reduction in LGPS pensionable pay
  - Any restructuring or other event which could materially affect the employer's membership, including a decision to cease business
  - A change in the employer's legal status or constitution which may jeopardise its participation in the Fund
  - If the employer has been judged to have been involved in wrongful trading
  - If any senior personnel, e.g. directors, owners or senior officers have been convicted for an offence involving dishonesty, particularly where related to the employer's business
  - Where the employer has, or expects to be, in breach of its banking covenant
  - Details of any improvement notice (or equivalent) served by the appropriate regulator, e.g. Education Funding and Skills Agency, Office for Students, Charity Commission, Regulator for Social Housing etc, or S114 notice for local authorities
- 6.2** Employers should provide this information in advance of the event occurring (where possible) and as soon as practicable thereafter.

## 7. Associated Policies

Administering Authorities must ensure that existing solid governance arrangements are maintained and developed to help support the decision making process.

The Governance arrangements for the Rhondda Cynon Taf Pension Fund are summarised and clarified in a number of key documents that relate to the effective stewardship of the Fund.

An overarching **Governance Statement of Compliance** that indicates the Fund's position against the Government's best practice standards.

A **Governance Policy Statement** which provides an overview of the management structure, decision making and employer engagement within the scheme.

We are committed to providing a comprehensive communication and information service to participating employers and members of the pension scheme and the services we provide can be found in our **Communications Policy Statement**.

The **Investment Strategy Statement** which shows, in detail how we manage the Fund's investments.

The **Funding Strategy Statement** which provides a summary of how we will fund our pension liabilities and policy on 'Employer Exits'.

The Fund also maintains a **Risk Register**, which assists the monitoring of potential risks and associated actions of mitigation.

All of these documents can be found under the Library/Governance section of our pension website, or alternatively, please contact our helpdesk for a copy.

## 8. Management & Review

### Nominated Representative

- 8.1 An Employer shall nominate a person who will be responsible for pension matters, and who will act as the Administering Authority's primary contact with the Employer. This individual is identified as the Pensions Liaison Officer and their key responsibilities are listed in **Appendix 2**.

They must notify the Pension Fund immediately if there are material changes to authorised signatories or other key contacts within the Employing Authority.

### Authorised Signatories

- 8.2 All documents and/or instructions received from an Employer must be signed by an 'Authorised Officer' whose name and specimen signature is recorded in **Appendix 3** of this document. Authorised Officers are responsible for all information passed to the Administering Authority. Only information, which has been signed by a recognised authorised officer, will be actioned by the Pension Fund.

Any proposed change to either the 'Pensions Liaison Officer' or to the list of 'Authorised Signatories' must be notified to the Administering Authority who will supply the Employer with the necessary documentation for completion.

It is the responsibility of the Employer to ensure that the 'Pensions Liaison Officer', and the list of 'authorised signatories' are correct and to notify the Administering Authority of changes to either, immediately.

### Review

- 8.3 The Pension Administration Strategy will be kept under review by Rhondda Cynon Taf Pension Fund.

Rhondda Cynon Taf Pension Fund will constantly seek to improve communications between itself and Employing Authorities.

Employers may make suggestions to improve the Pension Administration Strategy for consideration by Rhondda Cynon Taf Pension Fund at any time.

Rhondda Cynon Taf Pension Fund will revise the Pension Administration Strategy following consultation with appropriate parties. The revised Pension Administration Strategy will then be published and circulated to Rhondda Cynon Taf Pension Fund's Employing Authorities and to the Secretary of State.

Employers are welcome to discuss any aspect of the Pension Administration Strategy with the Pension Fund at any time. Employers are welcome to visit the Pension Fund at any time, subject to notice.

## 9. Appendices

### Appendix 1 Regulations related to this document

#### Local Government Pension Scheme Regulations 2013

##### Regulation 59 Pension administration strategy.

(1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.

(2) The matters are—

(a) procedures for liaison and communication with Scheme employers in relation to which it is the administering authority ("its Scheme employers");

(b) the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions 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 considers appropriate;

(c) procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

(d) procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;

(e) the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs

arising from Scheme employer's level of performance) on account of that employer's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

(f) the publication by the administering authority of annual reports dealing with—

(i) the extent to which that authority and its Scheme employers have achieved the levels of performance established under sub-paragraph (b), and

(ii) such other matters arising from its pension administration strategy as it considers appropriate; and

(g) such other matters as appear to the administering authority, after consulting its Scheme employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

(3) An administering authority must—

(a) keep its pension administration strategy under review; and

(b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its Scheme employers and such other persons as it considers appropriate.

(5) An administering authority must publish—

(a) its pension administration strategy; and

(b) where revisions are made to it, the strategy as revised.

(6) When an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its Scheme employers and to the Secretary of State as soon as reasonably practicable.

(7) An administering authority and its Scheme employers must have regard to the pension administration strategy when carrying out their functions under these Regulations.

(8) In this regulation references to the functions of an administering authority include, where applicable, its functions as a Scheme Employer.

### **Local Government Pension Scheme Regulations 2013**

#### **Regulation 70 Additional costs arising from Scheme employer's level of performance.**

(1) This regulation applies where, in the opinion of the appropriate administering authority, it has incurred additional costs which should be recovered from a Scheme employer because of that employer's level of performance in carrying out its functions under these Regulations.

(2) The administering authority may give written notice to the Scheme employer stating—

(a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);

(b) the amount the authority has determined the Scheme employer should pay under regulation 69(1)(d) (payments by Scheme employers to administering authorities) in respect of those costs and the basis on which the specified amount is calculated; and (c) where the administering authority has prepared a pension administration strategy under regulation 59, the provisions of the strategy which are relevant to the decision to give the notice and to the matters in sub-paragraph (a), or (b).

## **Local Government Pension Scheme Regulations 2013**

### **Regulation 71 Interest on late payments by Scheme employers**

(1) An administering authority may require a Scheme employer or former Scheme employer from which any payment is due under regulations 67 to 70 (employers' contributions or payments) is overdue to pay interest on that amount.

(2) The date on which any amount due under regulations 67 (employers contributions), 68 (employers further payments, 70 (additional costs arising from Scheme employers level of performance) is overdue is one month from the date specified by the administering authority for payment.

(3) The date on which any amount due under regulation 69 (payment by Scheme employers to administering authorities) (other than any extra charge payable under regulation 68 and referred to in regulation 69(1)(b))) is overdue is the day after the date when that payment is due.

(4) Interest payable under this regulation must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

## Appendix 2 Pension Liaison Responsibilities

### Key responsibilities of a Pension Liaison Officer include:

- To act as the primary contact in communicating LGPS information to appropriate staff within the Employing Authority, this includes;
  - Human Resources
  - Payroll
  - Finance
  - Scheme members (where appropriate)

Ensure monthly I-connect submission are made to the Fund

- Ensure that standards of service are maintained.
- To identify any pension training needs and to liaise with the Pension Fund's Senior Team Manager on meeting these needs.
- To notify the Fund immediately if there are material changes to authorised signatories or other key contacts within the Employing Authority.
- Discharge the Employing Authority's duties and responsibilities in relation to the existing governance arrangements and the regulatory framework and other relevant legislation. This includes employer policies and discretionary decisions.
- To assist and liaise with the Fund on promoting the benefits of Scheme membership to new and existing members. This may include;
  - Induction Workshops
  - Mid Life Planning
  - Pre retirement
  - Promotion of In House Additional Voluntary Contributions (AVC)
- Distribute Pension Fund literature to Scheme members including scheme guides, factsheets, newsletters and other communication materials with a specific regard of ensuring that new starters receive the appropriate LGPS information, including statutory deadlines for transfers.



**Appendix 3 Specimen Authorised Signatories Form**

<b>Authorised Signatories on behalf of:</b> <b>Employer name:</b> <b>Employer address:</b>			
<b>Designated Pension Liaison Officer:</b>			
<b>Name</b>	<b>Title</b>	<b>Contact Details</b>	<b>Signature</b>
The officers listed below are authorised to request estimates of retirement benefits on behalf of the above named employer.			
<b>Name</b>	<b>Title</b>	<b>Contact Details</b>	<b>Signature</b>
<b>Signature:</b>		<b>Date:</b>	
<b>Employing Authority Officer:</b>		<b>Official Stamp:</b>	

## 10. Contact Information

<b>Queries</b>		
<b>Employer related</b>	<b>Tim Jenkins</b>	<b>01443 680646</b>
<b>Financial</b>	<b>Catherine Black</b>	<b>01443 680319</b>
<b>Retirement\Benefit</b>	<b>Gemma Penning</b>	<b>01443 680357</b>
<b>Member maintenance</b>	<b>Kayleigh Jenkins</b>	<b>01443 680614</b>

<b>Contact Details</b>	
<b>Helpdesk:</b>	<b>01443 680611</b>
<b>Fax:</b>	<b>01443 680717</b>
<b>Email:</b>	<b>pensions@rhondda-cynon-taff.gov.uk</b>
<b>Website:</b>	<b>www.rctpensions.org.uk</b>
<b>Mail / Visit:</b>	<b>Pensions Section, Bronwydd, Porth, Rhondda, CF39 9DL.</b>