

# Pensions Administration Strategy

## Bromley Pension Fund

1 April 2024



**1. Background**

- 1.1 The Local Government Pension Scheme (LGPS) is a nationwide scheme and is a valuable part of the pay and reward package for employees working in local government or working for other employers participating in the Scheme and for some councillors. The Scheme is administered locally for participating employers through 88 regional administering authorities.
- 1.2 The London Borough of Bromley is a designated administering authority (also known as scheme manager) and is responsible for the administration of the scheme for its employees (and certain admitted bodies), excluding teachers, who have their own scheme. The Council discharges this responsibility through the Pensions Committee consisting of seven councillors appointed by the Council and one staff representative. The Pensions Investment Sub-Committee is primarily responsible for investment and monitoring matters and reports to the General Purposes and Licensing Committee, which has overall responsibility for the administration of the scheme.
- 1.3 The London Borough of Bromley Pension Fund has around 6000 active members, 5000 deferred members and 5000 pensioner members. Currently, Liberata UK Ltd manage the general administration of the LGPS for the London Borough of Bromley. Performance standards are used to monitor and improve performance. Performance is reported at regular intervals to the Council together with an annual summary made available to scheme members.

**2. Purpose**

- 2.1 This document is the Pensions Administration Strategy statement. Its purpose is to outline the responsibilities and performance standards expected of both the administering authority and the scheme employers.
- 2.2 The document aims to promote good working relationships, improved efficiency, an increase in awareness of expectations and a greater consistency across all scheme employers.
- 2.3 The document also sets out details of the actions available to the Administering Authority, where employers fall short of the required level of performance.

**3. The Regulations**

- 3.1 The Local Government Pension Scheme (LGPS) is a statutory public sector pension scheme, established by an Act of Parliament.

- 3.2 The key responsibilities of administering authorities and participating employers are detailed within the Local Government Pension Scheme Regulations 2013 (“the LGPSR 2013”).
  
- 3.3 Related legislation which may also impact the administration will include but is not limited to the following:
  - The LGPS (Benefits, Membership & Contributions) Regulations 2007
  - The LGPS (Administration) Regulations 2008
  - The LGPS (Transitional Provisions, Savings & Amendments) Regulations 2014
  - The LGPS Regulations 1997
  - The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
  - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (“the Disclosure Regulations”)
  - The Pensions Act 1995
  - The Pensions Act 2004
  - The Pensions Act 2008
  - The Data Protection Act 1998
  - The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991
  - The Occupational Pension Schemes (Scheme Administration) Regulations 1996
  - The Finance Act 2004
  - The Automatic Enrolment (Miscellaneous Amendment) Regulations 2013
  - The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014
  
- 3.3 Regulation 59 of the LGPSR 2013 provides the authority for an administering authority to prepare a written statement detailing the procedures for liaison and communication with Scheme employers, administrative performance standards for both the administering authority and scheme employers and the setting of performance targets.
  
- 3.4 Regulation 70 of the LGPSR 2013 provides that where, in the opinion of an 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, the administering authority may give written notice to the Scheme employer stating:
  - the reasons for forming the opinion that the requisite standard has not been met;

- the amount the authority has determined the scheme employer should pay (including the basis upon which the cost has been determined);
- the provision of the Pensions Administration Strategy which are relevant to the decision.

#### **4. Pension Liaison Officer**

- 4.1 Effective pension administration relies heavily of the speed and accuracy of the transfer of data. Liberata UK Ltd is the London Borough of Bromley's third party administrator to the Local Government Pension Scheme, fulfilling many of the tasks required of an administering authority. Liberata may be contacted on 020 8603 3429 or by emailing [pensions@bromley.gov.uk](mailto:pensions@bromley.gov.uk)
- 4.2 Each scheme employer is required to nominate a Pension Liaison Officer, to be the initial point of contact for the administering authority. This will be to whom queries are raised and sent, and through whom training may be arranged and delivered. Should the employer wish to change their Pension Liaison Officer or amend any of their details in anyway they should do so via Liberata, using the contact details provided above.
- 4.3 It is hoped that by dealing with a single contact at scheme employers, unnecessary confusion and duplication will be avoided.
- 4.4 The key responsibilities of Pension Liaison Officers will include but are not limited to:
- to ensure that data is submitted to the administering authority is both accurate and timely
  - to aid in distribution of scheme literature and communications where appropriate
  - to flag issues that may inhibit or prevent compliance with agreed service levels

#### **5. Monitoring Performance**

- 5.1 As the third party administrator acting on behalf of the London Borough of Bromley in its role as an administering authority of the LGPS, Liberata UK Ltd is required to correspond with and collect both data and contributions from admission and scheduled bodies with the Fund.
- 5.2 At Fund level, functions of the administration of the LGPS are separated between the administering authority and the scheme employers within the relevant fund. The table overleaf shows the Key Performance Indicators for the the third party administrator:

Description	Expected Performance Standard
<b>General Administration:</b>	
Provide a full explanatory report and inform LBB of any significant changes in legislation or practices that affect the Pension rights of LBB, admission and scheduled bodies or their employees within 25 working days of receipt of the legislation.	100%
As agreed with LBB, issue information to members of the Scheme and other persons in accordance with regulatory requirements.	100%
Undertake a presentation at LBB’s pre-retirement seminar and other relevant seminars (normally not more than four times a year) as required by LBB.	100%
Maintain and update the Procedure Manual for LBB and schools	100%
<b>Employees joining the Scheme:</b>	
Create a computerised record for each member, including document imaging, within 20 days of their joining date, or within 20 days of notification from non-LBB payroll employers.	100% within 20 working days
Interfunds and Transfers In - All 3 stages of to be completed within 10 working days. The 3 stages are (a) receiving the quote from the company and sending the details to the member, (b) On members agreement, write to the company to let them know the member has agreed, (c) when money received from company, inform the member. If a member has gone through all 3 stages, they will be recorded once for each stage.	100% within 10 working days at each stage
Investigate the aggregation of previous periods of LBB membership and advise the member accordingly. Target 10 working days from receipt of information at each stage.	100% within 10 working days at each stage
Issue a Statutory notification of admission to the scheme 20 days from the date of entry.	100%

Provide LBB with a full detailed list of cases where a potential transfer is still outstanding after 12 months, including all action taken and reason for delay.	100%
<b>Employees opting out</b>	
Instruct the payroll provider to discontinue deduction of pension scheme contributions from the nominated or first pay period following receipt of the election.	100%
Maintain a record of members and non-members who have opted out together with the relevant documentation.	100%
<b>Retirements (active, deferred or pension credit status)</b>	
Calculate and advise Pension Scheme Members, in writing, of their retirement benefit entitlement and options available.	100% within 15 working days of the request
Arrange payment of lump sum retirement grants within 15 working days of the last day of service, or receipt of all necessary information, whichever is the later. Arrange for the retirement pension to be paid on the next available pay run.	100% within 15 working days
<b>Redundancy and Early Retirement Scheme (members and non members)</b>	
Non-LGPS payments must be made within 10 working days of the last day of service, or if later, within 10 working days of receipt of the documentation required to make payment.	100% within 5 working days
<b>Deaths</b>	
Acknowledge notification of the death of a member within 5 days of notification.	100% within 5 working days

Verify dependants and beneficiaries entitlement to payment. Correspond with and advise dependants and beneficiaries or their representatives. Calculate the appropriate entitlement and arrange payment within 10 days of receipt of all necessary information.	100% within 10 working days
<b>Transfers/Interfunds Out</b>	
Transfer out quotes and payments completed within 10 working days.	100% within 10 working days at each stage
<b>Deferred Benefits</b>	
Calculate and issue deferred benefit statement within 15 days of receipt of notification of termination of pensionable employment, or receipt of necessary documentation if this is later.	100% within 15 working days
<b>Refunds</b>	
Establish entitlement and arrange payment within 10 working days.	100% within 10 working days of (latest of) either completed forms/ documents or payable date
<b>Estimates</b>	
Provide estimates of benefits payable to individuals and employers under the LGPS within 10 working days.	100% within stated timescale
<b>Annual Benefit Statements</b>	
Provide active, deferred and pension credit members with an annual benefit statement of their entitlements under the LGPS and AVC Scheme by end August each year. AVC statements are subject to the AVC provider sending the statements to the Pensions office.	100% by end of August
<b>Notification to HMRC</b>	
Complete and send all statutory required tax forms and returns in relation to pensions administration, or provide LBB with the necessary information to make a return, within statutory timescales.	100%

<b>Newsletter</b>	
Ensure that an annual newsletter is issued to all Pension Scheme Members and eligible employees each year.	100%
<b>AVC's/Additional Contributions</b>	
AVC's and additional contribution contracts to be processed within 10 days.	100% within 10 working days
<b>Communications</b>	
Provide an acknowledgement and answer to scheme members/Employers/personal representatives/dependents and other authorised persons	Answer substantively within 10 working days.



## 5.4 Employer functions within the scheme include but are not limited to:

Description	Expected Performance Standard
<b>New starters</b> – Notify the administering authority of new scheme joiners via the monthly i-Connect submission	Within 1 month of member's entry into the scheme via contractual enrolment, auto-enrolment, reenrolment date or election to join.
<b>Changes in member circumstances during employment</b> – Notify the administering authority of changes in working hours, absences from work including but not limited to maternity leave and unpaid leave	Via i-Connect within four weeks of the event. 100%
<b>Sick or child related leave</b> - when a member's pay reduces due to sick or paid child related leave, report Assumed Pensionable Pay (APP) and base employer contributions on APP.	Via i-Connect - as soon as the member starts sick or paid child-related leave, and until the member returns to work in the case of sick leave. In the case of child-related leave, while the member is on paid child-related leave.
<b>Early Leavers</b> – Notify the administering authority of the scheme member's pensionable employment ceasing (for the avoidance of doubt, this should include those who have opted out of the LGPS).	Within 20 days of leaving date.  The leaver event is also to be reported via the iConnect submission by the 19th of the following month.  The i-Connect submission must clearly state the reason for leaving. 100%
<b>Retirements</b> – Where possible employers should notify the administering authority no less than one month prior to the date of retirement. However, it is acknowledged that on occasion retirements occur with little or no notice. However, the employer should in all cases, notify the administering authority within 5 working days of the date of	100% within 5 working days of retirement.

retirement, in the approved format as detailed in the Procedure Manual.	
<b>Death in Service</b> - notify the administering authority by emailing <a href="mailto:pensions@bromley.gov.uk">pensions@bromley.gov.uk</a> within 1 working day of the date notified.	100% within 1 working day of date notified.
<b>Queries</b> – To respond to queries raised by the administering authority within 10 working days. These will typically relate to possible discrepancies identified on a member record.	100% within 10 working days.
<b>Payment of Contributions</b> – Pay monthly employee and employer contributions by the 19 <sup>th</sup> of the month following the pay period to which the contributions relate.	Payment by 19 <sup>th</sup> of the following month.
<b>Payment of a Capital Cost</b> – Where a scheme member has retired prematurely, and a capital cost of early retirement is due to the pension fund, this should be paid within 15 working days from the date the invoice is issued.	100% within 15 working days.
<b>End of Year Reconciliation Statement</b> – Employers must provide the administering authority with a schedule of total annual employee contributions for the previous financial year no later than 30 <sup>th</sup> April in the following year.	Submission prior to 30 <sup>th</sup> April in the following financial year
<b>End of Year Reconciliation Statement Queries</b> – Employers must address any queries raised by the administering authority following the submission of their annual return within 10 working days of the query being raised. This will include but is not limited to, missing starters, missing leavers, missing changes in member circumstances notifications and any unexplained significant changes in member pay.	100% within 10 working days.
<b>Pension Liaison Officer</b> - confirm Pension Liaison Officer(s) by emailing <a href="mailto:pensions@bromley.gov.uk">pensions@bromley.gov.uk</a> by <b>15 April</b> each year and within 15 working days of a change in personnel.	100%
<b>IDRP</b> - Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute resolution process (IDRP) and provide full up to date contact details to Liberata by emailing <a href="mailto:pensions@bromley.gov.uk">pensions@bromley.gov.uk</a>	Notify Liberata within 30 days of becoming a scheme employer or following the resignation of the current adjudicator

<p><b>Discretions</b> - formulate, publish and keep under review policies in relation to all areas where the Employer may exercise a discretion within the LGPS</p>	<p>A copy of the policy document is to be submitted to Liberata by emailing <a href="mailto:pensions@bromley.gov.uk">pensions@bromley.gov.uk</a> by 30 June 2024 and thereafter within one month of any change in policy</p>
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## 6. Poor Performance

- 6.1 The performance of the administering authority is monitored by the Pensions Committee of the London Borough of Bromley.
- 6.2 Employer performance will be monitored by both Liberata UK Ltd on behalf of the London Borough of Bromley and the Pensions Manager.
- 6.3 Where poor performance is identified, training and guidance will be offered to try and improve performance to meet with the required standard. This will be delivered directly to the employer's nominated Pension Liaison Officer and any other employees it is felt may benefit.
- 6.4 In the event of continued poor performance following additional support having been given, and in the absence of evidence of any measures having been taken to address the issue, the Fund will seek to recover the additional costs this generates. Details of the charges applicable can be found in Appendix A.

## 7. Review Process

- 7.1 The administration strategy and any amendments to it are subject to mandatory consultation with scheme employers. The strategy will also be available to both the General Purposes and Licensing Committee and the Local Pension Board for comment.
- 7.2 The administration strategy will be reviewed every 3 years. However, a review will be carried out more frequently, if circumstances dictate this to be necessary.

## 8. Publication

- 8.1 A copy of the administration strategy will be sent to all London Borough of Bromley Pension Fund Employers.
- 8.2 A copy of the administration strategy will be made available on the our website at [www.bromley.gov.uk/lgps](http://www.bromley.gov.uk/lgps)
- 8.3 Hardcopies will be made available on request.

**APPENDIX A**

<b>Charging Schedule</b>		
<b>1.</b>	Failure to notify the Administering Authority of a new starter within 1 month following the pay period in which the employee commenced employment	£50 per occurrence
<b>2.</b>	Failure to notify the Administering Authority of a change to a member’s working hours, leave of absence with permission (maternity, paternity, career break) or leave of absence without permission (strike, absence without permission) – within 1 month of the pay period following that in which the change first occurred	£50 per occurrence
<b>3.</b>	Failure to notify the Administering Authority of a member leaving active membership within 10 working days of the pay period following that in which the member left via a “Cessation of Pensionable Employment” Form	£50 per occurrence
<b>4.</b>	Failure to notify the Administering Authority of a member retiring within 5 working days of retirement date	£50 per occurrence
<b>5.</b>	Failure to notify the Administering Authority of a death in service within 5 working days of it having been reported to the employer	£50 per occurrence

6.	Failure to pay monthly pension contributions to the administering authority prior to 20 <sup>th</sup> of the month following the deduction of the contributions	£150 per occurrence
7.	Failure to pay the capital cost due to the administering authority, as a result of the premature retirement of an employee within 15 working days of the invoice having been issued.	Reminder will be sent to Employers who do not respond. Chase correspondence will be charged at £25 per communication.
8.	Failure to respond to queries relating to the annual return within 20 working days of the query being received.	£50 per occurrence
9.	Late provision of year end contributions returns in prescribed format – returns received after 30 April after the appropriate year end	£250 plus £100 for each week plus part week of continued non-provision. Employer must provide accurate data.
10.	Failure to notify Liberata of a contracting out involving a TUPE transfer before the transfer date.  Failure to inform the Liberata of a new Academy or Free School before their opening date.	£200 per occurrence
11.	Failure to notify Liberata of “Pension Liaison Officer” details - the Administering Authority not notified of contact by 15 April or new contact within 1 month of alteration	Reminders will be sent to Employers who do not respond. Following the second chase, employers will be charged £200. Subsequent reminders will be charged at £25 per occurrence.
12.	Failure to provide an LGPS discretions statement to the Administering Authority	Reminders will be sent to Employers who do not respond. Following the second chase, Employers will be charged £200. Subsequent reminders will

		be charged at £25 per occurrence.
<b>13.</b>	Any late or incorrect submission of the i-Connect file will be charged at £75 per month. An “incorrect” file means a file with an error rate greater than 5%	Will be charged at £150 per month plus £50 for each week plus part week of continued non-provision.

Where the Administering Authority determines that such additional costs should be recovered it will give written notice to the scheme employer stating the reasons, the amount, the basis of calculation and the relevant provisions of the Administration Strategy.

Interest may be applied to any payment due from scheme employers in accordance with Interest calculated in accordance with Regulation 71 of The Local Government Pension Scheme Regulations 2013.