



**Wiltshire Pension Fund**  
Administration Strategy  
(2019 – 2022)

Implementation date: December 2019

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## **1). Introduction**

This is the Pension Administration Strategy of the Wiltshire Pension Fund (WPF), administered by Wiltshire Council (the “Administering Authority”). The WPF is one of 89 Local Government Pension Scheme (LGPS) Administering Authorities nationwide. The WPF comprises of around 180 Scheme employers and approximately 70,000 Scheme members. WPF mainly administers the LGPS for employers located in the Wiltshire geographical area, although it also administers the scheme on behalf of a number of organisations located elsewhere but with links to the county. WPF’s administration costs are funded from a small proportion of the total employee and employer contributions it receives.

This strategy outlines the administrative policies and performance standards the Fund and its sponsoring employers need to achieve to enable the provision of a cost-effective and high-quality pension administration service, in line with its Business Plan, and to meet statutory requirements. It seeks to promote good working relationships, improve efficiency and establish a culture of quality between Scheme employers and the Administering Authority. It also provides details of how performance levels will be monitored and the actions that might be taken if they fall below the stated expectations.

It has been finalised following consultation with sponsoring employers of the WPF and will be kept under review and revised to reflect changes to LGPS regulations and the Fund’s policies as necessary. It has been formulated in keeping with the requirements of regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).

A number of bodies oversee, support and provide scrutiny of administration officers. For instance, the Local Pension Board, Wiltshire Pension Fund Committee, internal and external auditors, Scheme Advisory Board, MHCLG and the Pension Regulator.

The Pension Regulator (tPR) has enforcement powers in relation to breaches of legislation.

### **Future administration aspirations and i-Connect**

As part of WPF’s Business Plan vision theme to embrace technology, a key feature over the course of this administration strategy will be the introduction of i-Connect. Over time, i-Connect will act as the main platform for all employers to submit data to the Fund. This will have a number of benefits in terms of automatically cross-checking and validating data at the point of submission and identifying queries and simplifying the administrative processes for both employers and the Fund.

The Fund is also building its first employer-dedicated website to provide more extensive support for employers to help them fulfil the requirements laid out within this strategy.

The Fund’s other planned developments can be found in its Business Plan 2019-2022.

### **Application of this policy**

The Administration Strategy applies to WPF and all its participating employers (at any given point in time). It automatically applies to all new employers.

## 2). Objectives

The Administration Strategy aims to help the Fund achieve five of the eleven vision themes in the business plan, namely;

- Outstanding customer service and stakeholder relationships;
- Lean processes, high performing and efficient with a culture of continuous improvement;
- Embracing technology;
- Robust and accurate service delivery; and
- Thriving team and fluid governance.

In particular, the Pension Administration Strategy objectives are that;

- The WPF and its Scheme employers are aware of and understand their respective roles and responsibilities as defined in the Service Level Agreement targets (Appendices 1 & 2);
- The strategy aligns itself with its compliance and governance requirements;
- Accurate records will be maintained for the purpose of calculating pension entitlements and Employer liabilities, ensuring that all information and data is communicated accurately, on a timely basis and in a compliant manner;
- Performance standards are clear and easily measurable to help identify areas for improvement; and
- All parties are clear on the approach that Fund takes to escalating any administration issues and dealing with any cases of poor performance.

### **3). Our commitment to members**

Outlined below are the target timeframes the Fund aims to work within and which the Fund believes provides an optimal balance between customer expectation, achievability and cost.

#### **3.1. New Members**

##### **a). New Joiner Information**

We will send confirmation of your entry into the scheme (a 'statutory notice'), membership pack and My Wiltshire Pension registration details within 20 working days of receipt of your new employment details from your employer.

##### **b). Transfers in from previous pension schemes**

We will send to you an estimate of transfer value benefits details you would receive in the LGPS within 15 working days of receiving sufficient information from your former scheme or fund.

We will confirm the final amount of additional benefits credited to you as a result of the transfer within 20 working days of receiving all the requirement information and payment from your previous scheme or fund.

#### **3.2. Existing members: administrative processing**

##### **a). Early Leavers**

If you are entitled to a deferred benefit, we will update your pension record within 20 working days of receiving all relevant information from your scheme employer, and we will provide you with information about other options available to you such as transferring out the deferred benefit.

##### **b). Refunds**

If you are eligible to receive a refund and elect to do so by completing an option form, we will pay the refund to you within 10 working days of receiving all the necessary documentation and information.

Note: The option form must be signed and received by WPF no earlier than 1 month and 1 day after you have left your employment or opted out of the LGPS, otherwise you will only be entitled to a refund if you do not re-join the LGPS.

##### **c). Transfer Out quote and completion**

We will issue a quotation of the transfer value within 15 working days of receipt of your authorised request, provided that we have received all of the necessary information. If a transfer out quotation has been requested by a Financial Advisor on your behalf, then the quotation will be issued directly to you.

We will pay the transfer value within 10 working days of receiving confirmation from you that you wish for the transfer to proceed and when we have all the information we require.

Note: WPF will only make transfer payments if it is satisfied that the new provider meets the eligibility requirements under the relevant legislation.

#### **d). Estimates of retirement benefits**

For estimate requests for potential retirement dates over 12 months into the future, we encourage all members to use our online portal, My Wiltshire Pension, to receive instant, unlimited estimates.

For estimate requests for a potential retirement date within 12 months of the date of request, we will issue an estimate within 10 working days of receiving the relevant details from your employer. If you are a deferred member, additional information is not usually required by your employer, the quotation will be issued within 10 working days of your request.

#### **e). Retirement quotations**

i). From active status: We will send a quotation of the benefits payable within 5 working days of receiving all the relevant information from your employer.

ii). From deferred status: If your benefits are payable in full, we will send you a quotation at least 25 working days in advance of your retirement date.

If you wish to draw your benefits early from deferred status, we will send a quotation within 5 working days of your request or within 10 days of the date you wish your benefits to be paid for a future date.

In all the scenarios outlined above, if you have an AVC this timeframe is likely to be longer as we will need to wait for the AVC fund value from the provider before we can send you the necessary figures.

#### **f). Retirement payments**

Lump sums: We will process the payment of any lump sum within 10 working days of receiving all the required documentation and after your retirement date.

First monthly pension: The first monthly pension will be paid on the next available payroll run.

Note: In both cases, if you have an AVC this timeframe is likely to be longer as we will need to wait for your AVC to have been disinvested by the provider and for payment to be made from the AVC provider to us.

#### **g). Death grants**

We will send an acknowledgment of a death to the next of kin (or another appropriate contact) and request further information within 5 working days of being notified of the death of the member.

We will send details of any benefits payable (e.g. death grant and survivor's pension) within 5 working days of receiving all the relevant documents.

If a Death Grant is due, we will pay this within 10 working days of receiving all the appropriate documentation. If there is any doubt as to whom the beneficiaries of the Death Grant should be and WPF must make further enquiries, this timeframe will be longer.

Members are encouraged to complete their expression of wish information on *My Wiltshire Pension* (or by sending us a form) to provide clarity to the Fund over the member's wishes.

### **3.3. Existing members: Annual Communications**

#### **a). Annual Benefit Statements (ABSs)**

We will send you an Annual Benefit Statement by 31 August each year, showing the value of your benefits as at 31 March of the same year.

From 2020, this statement will be uploaded to the *My Wiltshire Pension* site by 31 August of each year and available to you electronically. Members will still be able to opt in to receive a paper version of the statement.

#### **b). Pension Saving Statements (PSS)**

If you exceed the Annual Allowance, we will issue you a PSS by the 5 October following the end of the relevant tax year, showing your Pension Input Amount as at the previous 5 April for the pension benefits you hold with us, including any impact of any unused allowance from the previous 3 years which can be used to offset the amount by which to exceeded the annual allowance.

## 4). Working with our employers

Engagement with our employers is key to helping us deliver an effective service for both members and employers and to meet our statutory requirements. The Fund is committed to working closely with employers to build positive working relationships to ensure we work together to create efficiencies and meet service standards.

### 4.1. Communication, training and support

The Fund has a dedicated Employer Relationship Manager who helps coordinate and oversee all employer matters and provide support and information.

a). Employer newsletters: The Fund will periodically send employer newsletters with the purpose of:

- Advising employers when there are any changes to policies, strategies, scheme rules, procedures or forms;
- Informing employers of key events or members communications; and
- Making employers aware of other important Fund developments.

b). Employer Forums: Employer forums also take place periodically and have a similar purpose to newsletters, but they also provide an opportunity to ask questions and to meet colleagues.

d). Employer's Guide: The employer's guide is produced and maintained as a technical reference point, training tool and outlines roles and responsibilities. It is currently held on the Fund's website.

c). Employer website: As well as the current website hosting the employers guide, it also provides employers with access to all of the Fund's templates, forms and other supporting information about the Fund. The Fund will be moving to a separate, dedicated employer website during the application of this strategy to improve the amount of information available to employers and to help with the ease of finding it.

d). Face to face meetings, email and phone: Individual employer meetings are available on request by either the employer or WPF. Pension benefit team members are also always available during office hours to provide support over email or phone.

f). Training sessions: WPF will provide training sessions for employers on a quarterly basis and upon request, if required. These training sessions will be aimed at staff in the following areas:

**Payroll** – In areas such as Pensionable Pay, Assumed Pensionable Pay and monthly contributions.

**HR** - New staff, policies, absences and retirements. The support will also cover the role of the external payroll provider, what you are asking of them and making sure there are no gaps in an employer's processes.

**Finance** – Triennial valuation, setting contribution rates and assumptions and strain costs.

Further information on the Fund's approach to communications can be found on the website in the Fund's Communication Strategy.

## 4.2 Nominated contacts

To enable the WPF to communicate efficiently with employers, we require all employers to nominate a lead person in each key area related to Fund administration:

- a) Payroll
- b) HR
- c) Finance
- d) Strategic lead\*

\*Smaller employers, or employers with few active members, may use the strategic lead as the one person to receive all the communications in all areas, to pass on to the relevant parties within their organisation. The strategic lead will be the key contact for governance related matters affecting the WPF.

## 4.3. Service standards

In order to meet the vision, set out in the Fund's Business Plan and the Fund's statutory requirements, the Fund has developed a set of service standards for both the Fund and employers split down by process.

**All employers are required to meet the timeframes outlined in Appendix 1. The Fund's target timeframes can be found in Appendix 2.**

**The Fund will monitor employer's performance against the standards set out in Appendix 1 and report these back to employers at appropriate intervals after taking account the size of the employer's active membership and whether any performance issues or concerns have been identified. Where issues arise, the Fund will follow the processes outlined in Appendix 3.**

## 4.3. Other responsibilities

In order to fulfil an employer's general statutory roles and responsibilities, the Fund requires employers to:

- Enter in a Memorandum of Understanding with the Fund (to cover data protection matters) using the Fund's standard format, as amended from time to time;
- Ensure their approach to data retention maintains data which may be required for pension administration purposes for a sufficient time as advised by the Fund;
- Formulate and maintain an employer's discretion policy; and
- Formulate and maintain any other documents which may be required from time to time in relation to the fulfilment of an employer's legal requirements to assist with the administration of the pension scheme.

## 4.4. Ensuring compliance with statutory requirements and levels of performance

It is the responsibility of the Administering Authority, Scheme employers and WPF to ensure compliance with all statutory requirements.

tPR imposes a statutory obligation on Administering Authorities, as scheme managers, and the Local Pension Board to report failures which are likely to be of material significance. All breaches

of statutory requirements are recorded in the Fund's breaches log and reported quarterly to the Pension Fund Committee and Local Pension Board. Where particular employers are consistently failing to meet the standards required, these employers will also be notified to the Board. This log may also be published on the WPF website within the WPF's Annual Report. Where there is a material breach which represents a reportable event to tPR then tPR would also expect to see an improvement plan implemented to rectify this position. Each Scheme employer's performance is monitored against the standards set out in this document, in particular in Appendix 1. Reporting to Committee and Board will include both quality and timeliness of each Scheme employer's data provision.

**Where the Fund identifies areas of improvement or poor performance for one of more employers, the Fund will use the Employer Escalation policy outlined in Appendix 3.** In all cases, the Fund will offer support to help the employer make the improvements required.

The Fund's own administration performance is overseen by the Pension Fund Committee and Local Pension Board and the Fund is required to self-report breaches of legislation and data quality scores to the Pension Regulator. The Fund's targets are outlined in Appendix 1 and 2.

#### **4.5. External payroll providers**

The WPF is willing to exchange data directly with any employer's external payroll provider, but ultimately the responsibility for the accurate and timely submission still sits with the participating employer. The Fund may require that certain employer approves major data submissions from an external payroll provider, such as end of year submissions or information submitted on I-connect.

However, if the Fund is unsatisfied with the performance of an external payroll provider, it will initially raise issues with the payroll provider concerned but then revert back to the employer if these prove unsuccessful, as the per the details of the escalation policy outline in Appendix 3.

Furthermore, if the Fund continues to remain unsatisfied with the ability and willingness of the external payroll provider to provide the information necessary, the Fund may require that the employer approves all data submissions from the payroll provider prior to receipt by the Fund.