

# Teesside Pension Fund

## Pensions Administration Strategy

### Administering the Local Government Pension Scheme

December 2024

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# 1. Purpose and Intent of Strategy

The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 provide the conditions and regulatory guidance surrounding the production and implementation of Administration Strategies.

Whilst this document is a statement of strategy prepared in line with the requirements of the Local Government Pension Scheme Regulations it is not intended to be a prescriptive document other than to outline legislative requirements.

In delivering this Administration Strategy, the Administering Authority 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.

To achieve these objectives we rely on the good will of all stakeholders; be they employer, administrator, scheme member or professional adviser.

This Strategy outlines how the Administering Authority will achieve these objectives, including the level of service the Administering Authority aims to provide to scheme members and employers, as well as the role employers will need to play in providing that quality of service.

It is recognised that the aims and objectives in this Strategy are ambitious in some cases, and meeting these is dependent on the implementation of some changes in the existing ways of working.

Whilst we can, if required, resort to financial penalties, we will only do so as a final measure. From our point of view, as the administering authority, it is critically important that our focus is on building and maintaining strong relationships with the employers of the Fund.

## 2. Review of the Strategy

Middlesbrough Council (the "Administering Authority") is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme ("the LGPS"). Operationally, the administration of the Fund is partly outsourced to a third party administrator (XPS Administration), and partly carried out by Council staff. The third party administrator's staff and Council staff work together to provide a seamless service to scheme employers and members. It is for that reason that references to Administering Authority in this document are not separated out between the Council and administrator.

The administering authority will review this policy statement annually and make revisions as are considered appropriate.

In subsequent reviews or when making revisions to this policy, the administering authority will consult with its employing authorities. Subsequent revisions will be published, and copies made available to each employing authority and to the Secretary of State.

This Pension Administration Strategy does not supersede any contractual arrangements between the Administering Authority and the administrators or between the Administering Authority and the employers. However, it is intended to complement such arrangements and provide greater clarity in relation to each party's role and responsibilities.

This Strategy applies to all existing employers in the Fund, and all new employers joining the Fund. The Statement sets out the expected levels of administration performance of both the Administering Authority and the employers within the Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.

## 3. Levels of Performance

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 the 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.

We will keep these levels of performance under review to reflect changing expectations and legislation and all locally agreed performance standards will be monitored on an ongoing basis by the administering authority.

The Fund introduced a Charging Policy from April 2022 to be used where necessary from the financial year 2022/23 onwards.

## 4. Responsibilities and Duties of Employers

The following are responsibilities of the Employer:

- To decide any rights or liabilities of any person under the LGPS (for example, what rate of contributions a person pays and whether or not a person is entitled to any benefit under the scheme) as soon as is reasonably practicable\*
- To formally notify that person of the decision in relation to their rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to a benefit and why not), including information about their internal dispute resolution procedure
- To inform the Administering Authority of all such decisions made
- To provide the Administering Authority with such information it requires so it can carry out its functions including, within three months of the end of each Scheme year\*\*, the following information in relation to any person who has been an active member of the scheme in the previous year:
  - i. name and gender
  - ii. date of birth and national insurance number
  - iii. a unique reference number relating to each employment in which the employee has been an active member
  - iv. in respect of each individual employment during that year:
  - v. the dates during which they were a member of the scheme
  - vi. the normal pensionable pay received and employee contributions paid
  - vii. the pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
  - viii. the normal employer contributions paid
  - ix. any additional employee or employer contributions paid
  - x. any Additional Voluntary Contributions paid by the employee or employer
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to employer decisions (or a lack of a decision)\*\*\*

\*And at the latest within 1 month of the need for a decision

\*\*Note that, in practice, the Administering Authority will require this information by a specific date as outlined in the Service Level Agreement in order to meet statutory deadlines on benefit statements. This will be less than the three month basis mentioned above

\*\*\*Note that, in practice, employers in the Teesside Pension Fund may not use the same person to consider stage 1 IDRPs as used by the Administering Authority

## 5. Responsibilities of the Teesside Pension Fund

- To decide the amount of benefits that should be paid, including whether the person is entitled to have any previous service counting towards this for LGPS purposes, as soon as is reasonably practicable
- To formally notify that person of the decision in relation to the amount of their benefits in writing as soon as is reasonably practicable, including a statement showing how they are calculated and information about their internal dispute resolution procedure
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to Administering Authority decisions (or a lack of a decision)
- To appoint a person to consider complaints under stage 2 of the internal dispute resolution procedure (which covers both employer and Administering Authority decisions or lack of decisions)
- To provide on request any information to an employer about a complaint under the internal dispute resolution procedure that may be required by an employer
- Regulation 59(1) enables an LGPS Administering Authority to prepare a written statement ("the pension administration strategy") to assist in delivering a high-quality administration service to its scheme members and other interested parties, by setting out local standards which often go beyond the minimum requirements set out in overriding legislation as outlined above, and which the Administering Authority and employers should comply with. The statement can contain such of the matters mentioned below as they consider appropriate:-
- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the Administering Authority and the employers are expected to achieve in carrying out their functions under the LGPS 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 consider appropriate;
- Procedures which aim to secure that the Administering Authority and the employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the Administering Authority and the employers to each other of information relating to those functions.
- The circumstances in which the Administering Authority may consider giving written notice to an employer on account of that employer's unsatisfactory performance in carrying out its functions under the LGPS Regulations when measured against the desired levels of performance.

- The publication by the Administering Authority of annual reports dealing with—
  - i. the extent to which the Administering Authority and the employers have achieved the desired levels of performance, and
  - ii. such other matters arising from its pension administration strategy as it considers appropriate
- Such other matters as appear to the Administering Authority to be suitable for inclusion in that strategy.

Regulation 59(2)e allows an Administering Authority to recover additional costs from an employer where they are directly related to the poor performance of that employer. Where this situation arises the Administering Authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

In addition, regulation 59(6) also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employers as well as to the Secretary of State. It is a requirement that, in preparing or revising any pension administration strategy, that the Administering Authority must consult its relevant employers and such other persons as it considers appropriate.

Both the Administering Authority and employers must have regard to the current version of the pension administration strategy when carrying out their functions under the LGPS Regulations.

## 6. Contribution Rates and Administration Costs

The members' contribution rates are fixed within bands by the regulations. The Fund will notify employers of these rates each year.

Employers' contribution rates are determined by a triennial valuation process.

Employers are required to pay contributions to secure the solvency of their part of the Fund and meet their liabilities over an agreed term.

The Fund is valued every three years by the Fund actuary. The actuary balances the assets and liabilities in respect of each employer and assesses the contribution rate and, where applicable, the deficit amount for each employer.

Employer contribution rates and, where applicable, the deficit amounts apply for three years. If the Fund undertakes work specifically on behalf of an employer, the employer will be charged directly for the cost of that work as detailed in the Fund Charging Policy.

## 7. Liaison and Communications

The delivery of a high quality, cost effective administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure scheme members, and other interested parties, receive the appropriate level of service and ensure that statutory requirements are met.

Employing authorities must nominate a pension liaison officer to deal with certain enquiries from the administering authority. Key responsibilities of a Pensions Liaison Officer are:

- to act as a conduit for communications to appropriate staff within the employer – e.g. Human Resources, Payroll teams, Directors of Finance;
- to ensure that standards and levels of service are maintained;
- to ensure that details of all nominated representatives and authorised signatures are correct, and to notify the administration unit of any changes immediately;
- to arrange distribution of communications literature such as scheme guides, packs, newsletters and promotional material as and when required;
- to inform the administration unit of any alternative service arrangements required to ensure equitable member access, addressing the diverse needs of the membership;
- to assure data quality and ensure the timely submission of data to the Fund; and
- to assist and liaise with the Fund on promotional activities that aim to increase, where appropriate, the Scheme membership and knowledge in the overall benefits of the Scheme.

The administering authority will maintain a schedule of all employing authority contact officers and ensure that all pension administration staff utilise the contact details provided by the employer.

The administering authority will maintain a Pension Fund website with a dedicated employers' area. This will include:

- General guidance and information on procedures for administering the Local Government Pension Scheme;
- Employer bulletins used to communicate current issues pertaining to the Scheme;
- Copies of all standard forms to be used by employers when providing information to the pensions unit;
- Copies of all publications issued by the Pension Fund including newsletters, scheme guides and factsheets and details of legislative changes

The administering authority will comply with the Communication Strategy Statement in its dealings with stakeholders of the Fund.



## 8. Further Information

Any enquiries in relation to the day to day communications with scheme members and employers of the Fund should be sent to:

Graeme Hall  
XPS Administration  
PO Box 340  
Middlesbrough  
TS1 2XP

E-Mail: [pensionsunit@xpsgroup.com](mailto:pensionsunit@xpsgroup.com)

Telephone: 01642 030693

Any other enquiries in relation the Fund's communications or the principles or content of this Strategy should be sent to:

Nick Orton,  
Middlesbrough Council,  
Head of Pensions, Governance and Investments,  
Fountain Court,  
119 Grange Road,  
Middlesbrough,  
TS1 2DT

E-mail: [Nick\\_Orton@middlesbrough.gov.uk](mailto:Nick_Orton@middlesbrough.gov.uk)

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# Teesside Pension Fund

## Charging Policy

Administering the Local Government Pension Scheme

December 2024

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## 9. Introduction

The Administering Authority will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the Local Government Pension Scheme (LGPS) Regulations, in overriding legislation, or in this Administration Strategy however the LGPS regulations provide the pension Fund with the ability to recover costs from an employer.

This policy details the Teesside Pension Fund's ability to charge employers where necessary and should be read alongside the Pensions Administration Strategy.

## 10. Approach to Managing Employer Performance

The Fund and the employers will ensure that all functions and tasks are carried out to agreed standards.

The Fund will monitor performance against the Administration Strategy and will liaise with employers if any concerns arise.

Where the Administering Authority wishes to recover any additional costs it will give written notice stating:-

- The reasons in their opinion that the employer's level of performance contributed to the additional cost
- The amount the Administering Authority has determined the employer should pay
- The basis on which this amount was calculated, and
- The provisions of the Pensions Administration Strategy relevant to the decision to give notice.

Employers must make both Employee and Employer contributions to the Fund each month. All monies due must be cleared in the Fund's bank account by the 19<sup>th</sup> of each month (or the last working day before where the 19<sup>th</sup> is not a working day) following the month the contributions relate to.

Where continuous issues occur and no improvement is demonstrated by the employer further action will be taken as detailed in this policy.

## 11. Charging Policy

The Fund has the ability to charge where necessary for the chasing of outstanding information if poor performance occurs on a regular basis and is detailed in the steps below:

- Original request (no charge)
- Initial chaser will be issued 10 working days after the original request if no response is received and this can activate the first charge.
- Two further chasers will be issued 10 working days apart and a charge can incur for each.
- If no response is received within 10 working days in regards to the three chasers the case will; then be escalated to the Employer Liaison Team who will contact to discuss an improvement plan.

Employers will receive a contribution spreadsheet at the start of each financial year which sets out the payment and accompanying information due. The Fund will chase any late payments and/or documentation, one month after the due date the first charge will be activated and each subsequent month where payment or information is still outstanding the charges will be applied as per the grid in section 4 below.

The Employer Liaison Team will monitor the frequency of charges and where significant volumes occur the team will contact the employer and offer support and guidance.

The Employer Liaison Team will work with the employer to find the cause and agree the following:

- Training Requirements
- Measurable improvement plan
- Timescales
- Regular contact with Employer Liaison Team to provide updates against the improvement plan

If performance does not improve and it affects the Fund's ability to perform its statutory functions, the Fund can report the employer to the Pensions Regulator.

This policy is in place to use if needed from the financial year 2022/23 onwards.

## 12. Charging Grid

Item	Charge
<p><b>Monthly contributions</b></p> <p>Charge for late payment</p> <p>Charge for late submission of supporting documentation</p>	<p>*The following charges will apply for each full month the file is delayed beyond it's due date</p> <p>*£100 per file plus a daily interest surcharge for the period the payment is outstanding of 1% above the bank base rate</p> <p>*£100 per file</p>
<p><b>Accounting</b></p> <p>IAS19/FRS102 valuations</p>	<p>Professional fees recharged where late information is provided by the employer. Cost will be notified prior to work starting</p>
<p><b>Actuarial &amp; legal advice</b></p> <p>Actuarial &amp; legal advice for admission bodies and academy conversions, exit valuations, bonds and mergers</p>	<p>Professional fees recharged. Cost will be notified prior to work starting</p>
<p><b>Year End</b></p> <p>Failure to submit year end file by 30 April (charged by the number of pensionable members)</p> <p>1 - 99</p> <p>100 - 999</p> <p>1,000 - 1,999</p> <p>2,000 - 4,999</p> <p>5,000 - 9,999</p> <p>10,000 +</p> <p>Missing Starter and Leaver information</p>	<p>*The following charges can apply for each full month the file is delayed beyond 30 April</p> <p>*£50.00 per file</p> <p>*£100.00 per file</p> <p>*£200.00 per file</p> <p>*£300.00 per file</p> <p>*£400.00 per file</p> <p>*£500.00 per file</p> <p>**£5.00 per record</p>
<p><b>Data</b></p> <p>Post information: chase for missing or incorrect information where one request has already been made e.g. hours, service etc.</p>	<p>£5.00 per record, per chase</p>
<p><b>Starter information</b></p> <p>Chase for missing information where one request has already been made</p>	<p>£5.00 per record, per chase</p>

<b>Item</b>	<b>Charge</b>
<b>Employer estimate</b> Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase
<b>Notification of Retirement</b> Chase for missing form where one request has already been made	£5.00 per record, per chase
<b>Death in service</b> Chase for missing leaver form where one request has already been made	£10.00 per record, per chase
<b>Leaver form</b> Chase for missing form where one request has already been made	£10.00 per record, per chase
<b>Employer Authorisation (ill health and redundancy/efficiency)</b> Request for missing employer authorisation	£10.00 per record, per chase

**i-Connect Charges** (Note: i-Connect is the software that XPS is introducing to employers which will allow monthly provision of the pension information that is currently typically provided at the financial year-end)

<b>i-Connect</b> Failure to use i-Connect to submit monthly data (charged by the number of pensionable members held on the Fund's database) Failure to submit monthly data by the agreed deadline. A charge will apply for each full month the file is delayed beyond its due date <b>Number of pensionable members</b> 1 – 99 100 - 999 1,000 - 1,999 2,000 - 4,999 5,000 - 9,999 10,000 +	£5.00 per record charged at year end       £50.00 per file £100.00 per file £200.00 per file £300.00 per file £400.00 per file £500.00 per file
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