

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD

14 January 2016

Review of Pension Administration Strategy

Purpose of the Report

1. The purpose of this report is to review the updated Pension Administration Strategy approved by the Pension Fund Committee at its meeting on 10 December 2015.

Background

2. Under the Local Government Pension Scheme (LGPS) Regulations 2013, each LGPS Fund in England and Wales is empowered to produce and implement a Pension Administration Strategy, with an accompanying Service Level Agreement, which applies to all employers in its Fund.
3. The aim of this attached draft strategy is to set out the quality and performance standards expected of all Scheme employers and admitted bodies within the Wiltshire Pension Fund (WPF). It seeks to promote good working relationships, improve efficiency and enforce quality between Scheme employers and the Administering Authority. It also provides details on how performance levels will be monitored and the action that might be taken if they fall below the stated expectations.
4. This strategy is updated from its January 2010 version and ensures the governance and administration requirements of the Pension Regulator (tPR) are properly addressed which now fall to the Fund and its employer organisations.

Considerations for the Board

The key points of the Pension Administration Strategy

5. The purpose of the Strategy is to outline the administration responsibilities of both Scheme Employers and the WPF in the provision of its services. It's intended to set out the quality and performance standards expected by all parties which is one of the key tools for the Fund to help deliver a high quality service to scheme members. It also seeks to promote good working relations between the Fund and its Scheme employers, outlining how performance levels will be monitored and action that might be taken should they fall below expectations.
6. From 1 April 2015, all public sector pensions fell under the responsibility of tPR. For example, the Fund now has a duty to log breaches when it fails to meet statutory deadlines and if material reports them to the Regulator along with a proposed improvement plan. The newly established Local Pension Boards are responsible for securing the Fund's compliance with the Regulations and for reporting breaches.
7. Consequently, the WPF has updated its Pension Administration Strategy to reflect these changes. There are only a few material changes from the current strategy with all the timeframes for the delivery of information remaining the same for Scheme employers with the exception of year end returns that have been brought forward a week as the Fund now has to deliver Annual Benefits Statements by 31 August (2 months earlier than under the former regulations). The WPF will continue to work with employers who don't

achieve these targets and the Strategy outlines the process should there be persistent failure or continued poor quality data.

8. The intention is on-going reporting on the WPF's and Scheme employers performance against these standards will be presented to this Committee and the Local Pension Board to monitor the position against targets.
9. This updated draft Strategy is currently out to consultation with Scheme employers. At the time of writing, no significant feedback has been received from employers, with this exercise due to conclude on 3 December 2015.
10. The updated Strategy was approved at the Pension Committee meeting and will be implemented from 1 January 2016, published on the WPF website and sent to all Scheme employers.

Environmental Impact of the Proposal

11. There is no known environmental impact of this proposal.

Financial Considerations & Risk Assessment

12. There are no direct financial implications involved with the implementation of this Strategy. However, in the longer term this Strategy should lead to more efficient benefits administration operation and the ability to redirect resources for the benefit of scheme members.
13. This implementation of this Strategy assists in addressing Risk PEN001 reported elsewhere on this agenda.

Legal Implications

14. There are no material legal implications arising from the proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no known implications at this time.

Reasons for Proposals

16. This is a significant strategy with respect to the level of success and efficiency of the day to day administration of the Fund and its subsequent effects on providing an effective service to members.

Proposals

17. The Board is asked to note the Wiltshire Pension Fund Administration Strategy and its approval process.

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Unpublished documents relied upon in the production of this report: NONE