Isle of Wight Council
PENSION FUND

## Isle of Wight Council Pension Fund

# Pension Administration Strategy

## October 2026

## Document Information

| | |
|---|---|
| **Title:** | Isle of Wight Council Pension Fund<br>Pension Administration Strategy |
| **Status:** | FINAL |
| **Current Version:** | 3.7 |
| **Author:** | Richard Bullen<br>Pension Administration Manager<br>richard.bullen@iow.gov.uk<br>01983 821000 ext 6711 |
| **Sponsor:** | Steve Harrison<br>Pension Fund Manager<br>steve.harrison@iow.gov.uk<br>01983 821000 |
| **Consultation:** | Financial Services<br>Pension Services<br>Legal Services<br>Governance consultants (Hymans Robertson LLP)<br>Employers (including schools)<br>Pension Fund Committee<br>Local Pension Board |
| **Approved by:** | Pension Fund Committee |
| **Approval Date:** | 28 October 2026 |
| **Review frequency:** | Triennially, unless significant changes are required |
| **Next Review:** | 2029 |

| Version | Date | Descriptor |
|---|---|---|
| 2.03 | 01 May 2023 | First draft from IWCPF 2.03 version |
| 3.00 | 01 May 2026 | First review IWC |
| 3.1 | 23 July 2026 | Following internal comments |
| 3.2 | 23 July 2026 | Following Hymans review |
| 3.3 | 17 August 2026 | For external consultation |
| 3.4 | 07 October 2026 | Following LPB review meeting |
| 3.5 FINAL | 28 October 2026 | Recommendation to Pension Committee |
| 3.6 | 28 October 2026 | ADOPTED |
| 3.7 | 01 November 2026 | Admin team update and publication |

## Table of Contents


1. INTRODUCTION ..... 4

2. LEGISLATIVE BACKGROUND ..... 5

3. AIMS & OBJECTIVES ..... 5

4. RECORD KEEPING ..... 6

5. DEVELOPMENT OF THE FUND'S ADMINISTRATION ..... 7

6. ROLES AND RESPONSIBILITIES ..... 8

6A. THE FUND'S ROLES AND RESPONSIBILITIES ..... 9
6B. THE SCHEME EMPLOYER'S ROLES AND RESPONSIBILITIES ..... 9

7. PERFORMANCE REPORTING ..... 10

7D. FEEDBACK FROM SCHEME EMPLOYERS ..... 13
7E. BREACHES OF THE LAW ..... 13

8. AUDIT ..... 14

9. GENERAL DATA PROTECTION REGULATIONS (GDPR) ..... 14

9A. PRIVACY NOTICE ..... 15
9B. MEMORANDUM OF UNDERSTANDING ..... 16

APPENDIX 1 – THE SCHEME EMPLOYER'S ROLES AND RESPONSIBILITIES ..... 17

APPENDIX 2 – THE FUND'S ROLES AND RESPONSIBILITIES ..... 29

APPENDIX 3 – RECOVERY OF ADDITIONAL COSTS ..... 38

APPENDIX 4 - OVERRIDING LEGISLATION ..... 42

# 1. Introduction

This is the Pension Administration Strategy ("the PAS") of the Isle of Wight Council Pension Fund ("the Fund") in relation to the Local Government Pension Scheme (LGPS), which is administered by the Isle of Wight Council ("the administering authority"). This is the current PAS, effective from 1 November 2026, and replaces all previous versions.

In this PAS, the following terms will be used:

- **The Fund** which deals with the day-to-day Fund administration and collection of contributions, actuarial valuations, governance, investment and risk management and its own procurement and legal matters and is based at County Hall, Newport, Isle of Wight,
- **Pension Administration Strategy (PAS)** is prepared and published for the primary purpose of clearly defining the roles and responsibilities of the Fund and scheme employers under the LGPS Regulations and for setting out the long-term administrative objectives of the scheme (as outlined in Section 3 'Aims & Objectives' and Section 5 'Development of the Fund's Administration').
- **Scheme Employers,** including the Isle of Wight Council who participate in the LGPS as a scheduled body or as a designating body, such as a town or parish council, or as a non-local government organisation (an admission body). In this PAS the term "scheme employers" also includes any other body or school that uses outsourced payroll services.
- **The Administering Authority** (the Isle of Wight Council) role is delegated to the Isle of Wight Council Pension Fund Committee and will be seen as distinct from the Isle of Wight Council in its capacity as a scheme employer. This distinction aims to address any potential conflicts of interest that may arise between the two roles, as identified in the Fund conflicts of interest policy. Policies & Procedures | Isle of Wight Pension Fund

The LGPS is a statutory pension scheme and governed by regulations. The current regulations governing administration are The Local Government Pension Scheme Regulations 2013 (As Amended). The following link to the Local Government Association (LGA) website provides an up-to-date version of the LGPS Regulations 2026: Scheme regulations

In discharging their roles and responsibilities under these regulations, the Fund and scheme employers are also required to comply with any overriding legislation and follow any regulatory guidance or code of practice issued by The Pensions Regulator regarding:

- data quality
- completeness
- timeliness
- safe custody and security of assets of the scheme

This PAS sets out the standard of performance and best practice that the Fund and the scheme employers should aim to meet when carrying out their scheme functions. It will be reviewed triennially and will be revised to reflect changes to:

- the Public Service Pension Act 2013
- Occupation and Personal Pension Scheme (Disclosure of Information) Regulations 2013
- The Pensions Dashboards Regulation 2022
- LGPS Regulations including:
    - the Local Government Pension Scheme Regulations 2013, and any amendments

    - the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014,
    - the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006
- policies determined by the Fund
- administrative practices executed by the Fund and its scheme employers in fulfilling its functions

This PAS applies not only to existing scheme employers but will also apply to all new future scheme employers of the Fund. Schools (other than Academies, Free Schools and University Technical Colleges (UTCs)) are included under the LEA of the relevant Council even if they have their own payroll or have outsourced it to a third party.

If you require any further information about anything in or related to this PAS, please contact the Fund. IOWPFEmployers@iow.gov.uk

# 2. Legislative Background

The legal context of the Pension Administration Strategy is Regulation 59(1) of the LGPS Regulations 2013, which provides authority for the Fund (administering authority) to create a PAS. A list of overriding legislation is set out in **Appendix 4** to this document. This PAS sets out requirements to facilitate best practice and efficient customer service in respect of the following:

- The levels of performance which the Fund and scheme employers are expected to achieve in carrying out their Scheme functions (Regulation 59(2)(b))
- Ensuring the Fund and scheme employers comply with statutory requirements in respect of those functions (Regulation 59(2)(c))
- Improving the communication between the Fund and scheme employers to carry out those functions (Regulation 59(2)(d))

This PAS also includes a schedule of additional administration costs (Regulation 59(2)(e)), in **Appendix 3**, in accordance with Regulation 70 of the LGPS Regulations 2013, which provides scope for the Fund to recover costs where, in its opinion, additional costs are being incurred due to an scheme employer's level of performance.

Levels of performance achieved, by both the Fund and scheme employers, are compliant with the General Code of Practice (GCOP) (Information Handling) and are reported in accordance with Regulation 59(2)(c) as follows:

- as part of a pension administration report at the Isle of Wight Pension Fund Committee meetings
- at Local Pension Board meetings
- in the Fund's Annual Report and Accounts

This PAS is published on the Fund's website (Statements & Reports | Isle of Wight Pension Fund). This is following its formal approval by the Isle of Wight Pension Fund Committee in its role on behalf of the administering authority of the Fund. A copy may also be submitted to the Secretary of State as required in Regulation 59 of the LGPS Regulations 2013.

# 3. Aims & Objectives

The aims of this PAS are to:

- Support the provision of a high-quality pension service to Fund members delivered through efficient working practices
- Clearly set out the respective roles and responsibilities of the Fund and scheme employers
- Ensure that the Fund operates in accordance with LGPS regulations and GCOP issued by The Pensions Regulator
- Ensure that the Fund operates in accordance with Pensions Dashboard compliance requirements and the requirements of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Set out the quality and performance standards expected by the Fund and its scheme employers in relation to each other
- Promote good working relationships, transparency and improve efficiency between the Fund and its scheme employers for the benefit of the Fund members. Regulation 59(2)(a)
- Provide a framework to enable administration costs relating to significant scheme employer underperformance to be met directly by the scheme employer responsible, rather than shared across all the scheme employers in the Fund

The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, notably the timely exchange of accurate information in relation to scheme members.

The PAS should help to ensure that the Fund and scheme employers understand their respective roles and responsibilities under the LGPS Regulations to deliver these administrative procedures.

This PAS sets out the expected levels of performance of the Fund and scheme employers. The PAS provides details about the monitoring of performance levels and the action(s) that could be taken by the administering authority where standards are not met and/or when there is persistent non-compliance by scheme employers as permitted by Regulation 59(2)(b).

The PAS is implemented from 1 November 2026 following a period of consultation with the various stakeholders including scheme employers. The Fund will continue to keep the PAS under review and will make updates as required to reflect changes in scheme regulations and Fund working practices in accordance with Regulation 59(4).

The Local Pension Board, in its role of assisting the administering authority to ensure the effective administration and governance of the Scheme, will also monitor the operation of the PAS.

# 4. Record Keeping

Record keeping is an essential part of running a scheme such as the LGPS. The administering authority and scheme employers have a legal obligation to collate and maintain certain data which is key to managing the scheme. Regulation 4, 5 and 6 of the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 sets out some of the key record keeping requirements.

The Fund must keep accurate, up-to-date and long-term records, within the parameters of data protection legislation to ensure it can govern and administer the Fund efficiently for all scheme members.

Scheme employers provide the data needed by the Fund and must ensure that they are meeting

their legal obligations to the scheme. Further information is set out in Section 9 (General Data Protection Requirements).

The administering authority has a legal duty to provide its members with accurate and timely information about their benefits, which cannot be issued without data from scheme employers.

Safe custody and security of assets of the scheme also is also a key responsibility of all parties where maintenance of IT systems and cyber controls plays an ever increasing role. Further information is set out in Section 5 (Development of the Fund's administration).

# 5. Development of the Fund's administration

The key to delivering efficiencies in our pension administration is the full implementation of a digital platform for the Fund, robust risk management & cyber security. The digital platform includes but is not limited to the Fund's website, member self-service portal (via Engage), administration and payroll databases (including Altair and Enhanced Admin to Pay), and i-Connect, which is an online portal which allows for the secure transfer of member data from scheme employers' payroll systems to the Fund's administration system on a monthly basis.

# 5a Digital Experience

This transforming of the Fund and embracing a fully digital experience to benefit members and scheme employers will enable members to gain easier access to pension information through an improved member portal, offering intuitive tools, personalised dashboards, and clearer retirement planning support. TPR considers good practice to be holding member and benefit records electronically on a dedicated administration system. Schemes should also take into account developments in technology that may be available to the scheme to improve administration and record-keeping.

Scheme employers will experience streamlined processes that reduce admin burdens and improve efficiency. Smart automation and digital communication will make interactions faster, more responsive, and tailored to individual needs.

Data-driven insights will refine our services, and a paperless, tech-driven approach will enhance security and compliance. At the same time, we will adapt our internal processes, finding faster, more efficient ways to communicate with both scheme employers and members. By modernising our portal, workflows, and engagement methods, we will create a seamless, future-ready pension experience that is smarter, more accessible, and built around the people it serves.

From 2026 the Fund will need to be able to receive and respond to member requests received through the Pension Dashboards. This is a government mandated system which will allow people to re-connect with forgotten pension pots. The Fund is permitted some choice over the data it uses to identify whether a query relates to a member or not. The Fund will use its discretion to decide which Matching Data it will use and conduct a data cleansing exercise covering these items specifically. Employers will be required to promptly answer any questions we have about matching data. Going forward, the data we use to match Find Requests with our members may change and this will require further data cleanse activities to ensure the information we hold is as accurate as possible.

## 5b Risk management

The administering authority is required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and with the requirements of the law. This includes designing internal controls which include a clear separation of duties for those performing them, and processes for escalation and decision-making. The Fund should also exercise judgement, where appropriate, in assessing the risk profile of the scheme and in designing appropriate controls.

Reviews may be carried out when there are substantial changes to the scheme take place including changes to pension scheme personnel, service providers, scheme advisors, or administration and other IT systems or a control is not working to the standard required by the law.

The Fund's Risk Management Policy Policies & Procedures | Isle of Wight Pension Fund is aligned with the core principles of the administering authority's Risk Management framework, however tailored to Fund's specific circumstances and governance framework. The Fund uses risk management alongside its internal controls, service planning, and financial management to ensure that the work it undertakes is delivered in line with the Fund's stated priorities and maximises the use of its available resources.

## 5c Cyber risk/maintenance of IT systems/business continuity plan

The Fund's Business Continuity plan, which includes cyber security, provides a standardised business disruption plan for all the administering authority's services. It provides key service information to support the Head of Service (or nominated deputy) in returning the service to business as usual following a disruption. The Fund also has a cyber security policy which outlines the roles and responsibilities of the administering authority and sets out expectations of third-party service providers including maintenance of IT systems. Appendix 1 identifies a scheme employer as a third-party provider too.

# 6. Roles and Responsibilities

The aims of this PAS will be achieved by:

- Clearly defining the respective roles of scheme employers and the Fund
- Setting clear and achievable standards of service levels for the functions carried out by scheme employers and the Fund
- Setting out clear procedural guidance for the secure and effective exchange of information between scheme employers and the Fund, including the mandatory implementation of Fund related software by all participating scheme employers, in line with the Fund digital platform
- Monitoring service delivery, identifying poor performance and establishing a platform for the provision of support to improve where required
- Applying additional charges where a scheme employer consistently fails to meet deadlines and standards set out in this PAS.

## 6a. The Fund's Roles and Responsibilities

The responsibilities of the administering authority in relation to administrative tasks are to delegate to the Fund and include:

- Administer the LGPS in respect of all scheme members (active, deferred and pensioner members) in accordance with legislation and as set out in this PAS
- Implement and recommend updates to the Fund's policies, strategies, statements, reports and all other matters relating to the governance of the scheme. The Fund's policies, strategies and statements can be viewed on the Fund's website (Policies & Procedures | Isle of Wight Pension Fund)
- Communicate and engage with scheme employers on LGPS matters
- Provide support and training to scheme employers
- Maintain accurate and up-to-date records and drive data improvements by putting in place systems to enable employers to provide timely and accurate data
- Maintain and develop an effective web presence for the benefit of members and scheme employers
- Consider and recommend outcome of discretionary cases
- Monitor, measure and report compliance with the agreed service standards as well as operational information required by the Pension Dashboard regulations and its compliance. This information will be reported to the administering authority, and improvement plans put in place if necessary.

A guide to the Fund's main roles and responsibilities are set out in **appendix 2**. The list of functions, which concentrates on the main roles, rather than being an exhaustive list, sets out the key areas which involve interaction and liaison with scheme employers and/or scheme members.

## 6b. The Scheme Employer's Roles and Responsibilities

The key responsibilities for scheme employers are to:

- **Communicate**
  details of the LGPS to eligible employees and participating members of the LGPS
- **Apply LGPS regulations**
  The following link to the Local Government Association (LGA) website provides an up-to-date version of the LGPS Regulations 2013: Scheme regulations
- **Report information to the Fund**
  as set out in this PAS or upon request

A guide to the scheme employer's roles and responsibilities are set out in **appendix 1**. The guide includes a summary of duties which defines the main functions of the scheme employer role which, in turn, enables the Fund to deliver an efficient, accurate and high-quality pension service to scheme members.

Each scheme employer will designate a named individual to act as the main point of contact (nominated representative(s)) regarding any aspect of administering the LGPS. Please let the Fund know immediately if a nominated representative leaves your organisation and the name of the replacement representative.

The key responsibilities for the nominated representative will be to:

- act as a conduit for communications to appropriate staff within the scheme employer, for example, human resources, payroll teams, directors of finance
- ensure that standards and levels of service that are set out in this PAS and in particular the employer responsibilities in Appendix 1 are achieved
- ensure that details of all nominated representatives and authorised signatories are correct and to immediately notify the Fund of any changes
- assure data quality and ensure the timely submission of data through i-Connect to the Fund including timely responses to data queries required for the Fund to calculate and provide data for the Pensions Dashboard
- ensure retention of data for scheme members where appropriate in line with statutory guidance and Fund policies, and ensure appropriate data privacy notices and policies are in place
- ensure payments due to the Fund are made in accordance with legislation and as set out in this PAS ensuring that employee contributions are paid to the scheme by day 19 of the following month, or day 22 if paid electronically, and monthly employer payments are paid in line with the current rates and adjustments certificate and are paid by the date specified
- ensure there is a published up-to-date statement of scheme employer discretions, and a copy has been sent to the Fund on joining and within one month of making any changes
- arrange distribution of communications literature to members and/or prospectus members when required
- assist and liaise with the Fund on promotional activities
- ensure that they (or substitute, if not available) will attend all employer forums
- inform the Fund of any TUPE of LGPS eligible staff as soon as possible
- inform the Fund of changes to payroll provider or any other service delivery agreement
- notify the Fund of breaches of the LGPS and related statutory regulations
- ensure the employer complaints policy and IDRP has been communicated to members and prospectus members as required by regulations
- ensure a suitable representative has been nominated as the employer adjudicator to review state one disputes
- notify the Fund of all applications received under the complaints and internal disputes resolution procedure (IDRP) including the outcome of the decision made by the stage 1 adjudicator within 5 working days of the receipt and conclusion of the complaint and/or explain any delay formally notify the Fund of any ill-health retirement decision and submit evidence of the Independent Registered Medical Practitioner (IRMP) certificate alongside standard leaver documentation.

# 7. Performance Reporting

The partnership between the Fund and scheme employers is important for the successful, ongoing administration of the scheme. The administering authority has a duty to support scheme employers in meeting their responsibilities. The cost of underperformance on the part of one scheme employer is to be charged to that scheme employer, rather than being shared across all scheme employers.

If scheme employers have concerns about the data they provide, they should contact the Fund without delay. This will allow the Fund to help to resolve any issues and enable both parties to meet their requirements for the benefit of scheme members.

The performance of each scheme employer in providing all necessary data required by legislation and as set out in this PAS will be monitored.

It is the responsibility of the Fund and the scheme employers to comply with the LGPS regulations, and the standards set out in this PAS. This section describes how the Fund:

- monitors performance and compliance
- addresses the costs of underperformance
- sets the potential charges

Regulation 70 of The Local Government Pension Scheme Regulations 2013 provides the administering authority via the Fund with the ability to recover any additional administrative costs that have been incurred, because of a scheme employer's underperformance.

# 7a. Monitoring Performance and Compliance

The Fund will monitor, measure and report on the Fund's and scheme employers' compliance with the agreed service standards outlined in this document on a regular basis to the Local Pension Board and Pension Fund Committee.

The Fund monitors its own performance against internal key performance indicators (KPIs). Monitoring is carried out on a monthly basis and is reported to the Pension Fund Committee and the Local Pension Board periodically. The performance of scheme employers against the standards set out in this document, including data accuracy, are also reported to the Local Pension Board and Pension Fund Committee.

The Fund will report back to scheme employers where required about their individual performance, identifying any areas for improvement including outstanding data items.

Where a scheme employer declines to work with the Fund to resolve problems following escalation of concerns and the scheme employer consistently fails to meet its responsibilities under the LGPS Regulations, the Fund (or stakeholders such as the Local Pension Board) has a duty to report such breaches to The Pensions Regulator, who has the regulatory power to take enforcement action and, if necessary, apply financial penalties. An escalation framework is available on request.

# 7b. Addressing the Cost of Underperformance

The Fund monitors any additional costs incurred in the administration of the scheme as a direct result of underperformance and reserves the right, at its own discretion, to recover these costs, having taken the following steps:

1. **Write to the Scheme Employer**
   Setting out the area(s) of poor performance; and if necessary, meet with the scheme employer to discuss the area(s) of poor performance and how these can be addressed. This may include attendance at a training session if required. Where services are outsourced by a scheme employer to a third-party provider such as a payroll provider, it is the responsibility of the scheme employer to follow up with their third-party provider to resolve matters.

2. **Arrange a meeting with Fund representatives**
   A senior member of the scheme employer will be asked to attend a meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an improvement plan where the scheme employer has not:
   - demonstrated improvement

- taken the agreed actions
- responded to the initial letter

Where appropriate in respect of admission bodies, the outsourcing or letting scheme employer will be informed and expected to work with the Fund to resolve the issues.

3. **Issue formal written notice**
   Where no improvement is demonstrated by the scheme employer or where there has been a failure to take agreed action by the scheme employer in accordance with regulation 70 of the LGPS Regulations 2013 and there is deemed to be a material impact on the Fund and/or members. The written notice will include:

   - the reasons for issuing the notice
   - the amount that the scheme employer must pay
   - the relevant provisions of the PAS

An invoice will then be issued to the scheme employer with a notification setting out the calculations of any additional administration costs incurred by the Fund, or additional cost, taking account of time and resources in resolving the specific area(s) of poor performance, in accordance with the charging scales set out in this document.

A report will be presented to the Pension Fund Committee and the Local Pension Board meeting detailing charges levied against scheme employers and outstanding payments. This will also be reported in the Fund's published annual report.

If poor performance continues and impacts the Fund's ability to perform statutory functions or measures are not being taken by the scheme employer to address this and the Fund has reasonable cause to believe a legal duty relating to the scheme's administration has not been met and it is of material significance to TPR, the Fund will report the scheme employer to The Pension Regulator.

Where it is necessary to ensure that members' benefits are not delayed unduly due to scheme employers' underperformance in providing the required information, the Fund reserves the right to calculate and pay benefits based on the best information available. The basis of the calculation will be explained to the member and scheme employer in each case, and further to completing the process above, the costs of additional administration caused by the need for a subsequent revision of benefits will be charged to the scheme employer.

# 7c. Charges

In the event of continued poor performance and a lack of any evidence of measures being taken to achieve improvement by a scheme employer, the Fund will seek to recover any additional costs arising.

A summary of the additional costs that the Fund will seek to recover is provided in **appendix 3**. In addition, any third-party costs or regulatory fines incurred by the Fund because of administrative failures or poor performance will be recovered from the respective scheme employer.

These may include:

- fines imposed by the courts or the Pensions Ombudsman
- additional charges in respect of actuarial fees, legal fees, third party charges

- additional printing and distribution costs

The Fund will recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any scheme employer. The objective of the Fund is to ensure fairness across scheme employers and avoid scheme employers paying more to cover additional administration costs incurred by others.

Where a scheme employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment may be charged accordingly. This includes charges and recharges levied under this PAS. Interest will be charged at 1% above the prevailing base rate.

## 7d. Feedback from Scheme Employers

The Fund will monitor its performance against the standards in this PAS, as set out in **appendix 2**, from the event date (e.g. date of leaving/retirement or the date that all necessary data has been received/is available) to the date of the completion of the task.

Scheme employers who wish to provide feedback on the performance of the Fund against the standards in this PAS should send their comments to: IOWPFEmployers@iow.gov.uk

Please begin the subject line of your email with "Performance". Any feedback received will be responded to and incorporated into the reports provided by the Fund to the Local Pension Board.

## 7e. Breaches of the Law

The administering authority, pension board and other stakeholders have a statutory duty to report material breaches of the law to The Pensions Regulator under section 70 of the Pensions Act 2004.

This includes where a scheme employer does not actively engage with the Fund to resolve issues and/or consistently fails to meet its responsibilities under the LGPS Regulations, causing the Fund to breach the law. Similarly, stakeholders (such as the Pension Board) may report the Fund to The Pensions Regulator if it is believed that a breach has occurred in respect of its duty as scheme administrator. See the Fund's Policy on Recording and Reporting breaches of the law.

Where a material payment failure exists, the Fund is required to notify members within 30 days of the report to TPR. When reporting to members, governing bodies are to provide payment information that will enable members to understand what has been paid to the scheme and by whom. This is to help members to take steps to resolve any payment problems with their employer at the earliest opportunity.

If deemed to be materially significant, The Pensions Regulator has the authority to take prompt and effective action to investigate and correct the breach and its causes, and, where appropriate, to notify any members whose benefits have been affected.

Amongst other powers, The Pensions Regulator may impose a penalty under Section 10 of the Pensions Act 1995. At the time of creating the PAS, the maximum amount of a penalty in relation to a breach is £5,000 in the case of an individual and up to £50,000 in any other

case.

Penalties may be imposed on any party who has legal requirements or responsibilities relating to the management or administration of the scheme, and anyone else who could be subject to any of The Pensions' Regulator's statutory powers of investigation and enforcement, such as employers and professional advisers.

# 8. Audit

The Fund is subject to regular audits of its processes and internal controls. The Fund and scheme employers will be expected to fully comply with any requests for information from both internal and appointed external auditors. Any subsequent recommendations made will be considered by the Fund and where appropriate duly implemented.

# 9. General Data Protection Regulations (GDPR)

In May 2018, the EU's General Data Protection Regulation (GDPR) came into force. The regulation changed the way organisations process and handle data, with the key aim of giving greater protection and rights to individuals.

GDPR applies to the processing of personal data that is:

- wholly or partly by automated means, or
- the processing other than by automated means of personal data which forms part of, or is intended to form part of, a filing system

The UK's Data Protection Act 2018, including subsequent amendments made to the UK General Data Protection Regulation ("UK GDPR") and the Data Protection Act 2018 ("DPA 2018") under the Data (Use and Access) Act 2025 ("DUAA", "the Act"), is the UK's implementation of GDPR and controls how personal information is used by organisations, businesses and the government. Under the Data Protection Act 2018, everyone responsible for using personal data must follow strict data protection principles. They must make sure the information is:

- used fairly, lawfully and transparently
- used for specified, explicit purposes
- used in a way which is adequate, relevant and limited to only what is necessary
- accurate and, where necessary, kept up to date
- kept for no longer than is necessary
- handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing

In addition, organisations have an obligation for better data management, and a new regime of fines were introduced for use when an organisation is found to be in breach of the GDPR. You can obtain further information about these rights from the Information Commissioner's Office. (ico.org.uk)

Scheme employers have statutory responsibilities to supply the Fund with personal data relating to their employees.

Personal data collected / held by the Fund includes:

- **Contact details:** name, address, telephone number and email address

- **Identifying details:** date of birth, national insurance number and employee number and folder reference
- **Assessment information:** used to calculate and assess eligibility for benefits, for example length of service or membership and salary information
- **Financial information:** relevant to the calculation or payment of benefits, for example bank account and tax details
- **Family information:** dependents or personal circumstances, for example marital status and information relevant to the distribution and allocation of benefits payable on death
- **Criminal convictions:** if this has resulted in a member owing money to their scheme employer or the Fund and the scheme employer or Fund may be reimbursed from the member's benefits

Scheme employers are under a statutory obligation, as detailed in Regulation 80 of the LGPS Regulations 2013, to provide certain personal data for their members, including (but not exhaustively): the Pay Reference Number, Post Number, National Insurance Number, Surname, Forenames (or Initials), Title, Gender, Date of Birth, Address, Postcode, Date Pensionable Service Started, Marital Status, Hours, Weeks, Pay, Basic employee and scheme employer contributions paid, Additional employee and scheme employer Contributions Paid, Date Left Pensionable Service, Reason Left Pensionable Service and Periods of Absence from Pensionable Service.

The Fund uses members' personal data to:

- contact members
- assess eligibility for pension benefits, to calculate benefits and to provide members (and their beneficiaries upon their death) with benefits
- identify members' potential or actual benefit options
- allow alternative ways of delivering benefits (for example under a power of attorney)
- carry out statistical and financial modelling and for reference purposes (for example when the Fund assesses how much money is needed to provide members' benefits
- comply with the Fund's legal and regulatory obligations
- address queries from members and other beneficiaries and to respond to any actual or potential disputes concerning the Fund
- manage the liabilities of the Fund
- to support the sale, merger or corporate reorganisation or transfer of a business by scheme employers that participate in the Fund

Scheme employers must ensure that the personal data supplied to the Fund is correct. The supply of incorrect data (in particular, incorrect contact details) can lead to a data breach.

A personal data breach is a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. Breaches of personal data can expose the Fund (administering authority) to substantial fines from the Information Commissioner's Office (ICO) www.ico.org.uk, financial claims from individuals whose personal information have been inappropriately disclosed, and to severe reputational damage.

## 9a. Privacy Notice

The Fund has published a privacy notice in line with the GDPR requirements, setting out why certain data is held; the reason for processing the data; who it shares the data with and how long the data will be retained. Within the notice, members are also provided with additional information

about their rights under the legislation. The privacy notice is available from the Fund's website. (https://www.isleofwightpensionfund.org/forms-documents/privacy-policy/)

## 9b. Memorandum of Understanding

The Fund has issued a memorandum of understanding to its scheme employers, which confirms the joint roles and responsibilities with regards to the sharing of information that enables which enables it to provide an efficient and effective service to scheme members and stakeholders. The memorandum of understanding is available from the Fund's Website.
(Personal Data - Scheme Employer Memorandum of Understanding | Isle of Wight Pension Fund)

Scheme employers should inform all new employees that their personal data is shared with the Fund, in accordance with the statutory responsibilities of administering the LGPS.

# Appendix 1 – The Scheme Employer's Roles and Responsibilities

The following tables set out in more detail each scheme employers' roles and responsibilities in respect of the administration of the Scheme in the areas of:

- Scheme Governance and Administration
- Individual Member Administration

The performance standards expected are expressed as targets expected in normal circumstances.

On an exceptional basis, it is accepted that it may not be possible to achieve the target indicated and a pragmatic approach will be adopted. This is subject to scheme employers using best endeavours to meet expected standards wherever possible.

**Scheme Governance and Administration**

| Function / Task | Performance Target |
|---|---|
| **Scheme Employer Contacts** | |
| Confirm nominated representative(s) to the Fund | Within 30 days of scheme employer joining the Fund or change to nominated representative |
| Appoint a person (the adjudicator) to consider disputes under stage one of the pension internal dispute resolution process (IDRP) and provide full up to date contact details to the Fund | Notify the Fund within 30 days of becoming a scheme employer or following the resignation of the current adjudicator |
| Appoint an Independent Registered Medical Practitioner(s) (IRMP) qualified in occupational health medicine, or arrange with a third party, and seek approval of the appointment from the Fund (administering authority), for the consideration of all ill-health retirement applications from active and deferred members. | Within 30 days of becoming a scheme employer or within 30 days of a change in IRMP(s) |
| Give a cyber and data security assurance after each scheme year that: that those handling personal data or managing technology have controls in place to reduce the risk of incidents occurring and that an incident management plan includes notifying the Fund immediately on becoming | Notify the Fund within 30 days of the end of each scheme year |

| | |
|---|---|
| aware of any suspected cyber incident. | |
| **Scheme Employer Discretions Policy** | |
| Formulate and publish policies in relation to all areas where the scheme employer may exercise a discretion within the LGPS | A copy of the policy document is to be submitted to the Fund and reviewed annually. Where any change in policy occurs, it should further submitted within 30 days of the change. |
| **Communications** | |
| Distribute any information provided by the Fund to scheme members or potential scheme members including the promotion of (Engage) Member Self Service | Within 10 working days of receipt of the information or as stipulated by the Fund |
| In accordance with the Memorandum of Understanding, ensure that any personal data submitted to the Fund outside of i-Connect is sent securely | Ensure the security of all non-i-Connect submissions to the Fund at the point of sending |
| Respond to queries from the Fund | Within 10 working days from receipt of enquiry unless stated otherwise |
| Notify the Fund of any Notifiable Events including, but not restricted to, the following:<br>• Material changes in LGPS membership<br>• Material changes in scheme employer payroll or pensionable pay<br>• Change in scheme employer's legal status or constitution<br>• A decision which will restrict the scheme employer's active membership in the Fund in future<br>• Any restructuring or other event which could materially affect the membership in the Fund in future<br>• Confirmation of wrongful trading<br>• Conviction of senior personnel<br>• Decision to cease business<br>• Breach of banking covenant | Within 10 working days of becoming aware of such an event. |
| **Appeals** | |

| | |
|---|---|
| The scheme employer's adjudicator to notify the Fund of the receipt of a Stage one appeal through IDRP | Within 5 working days of receipt of the appeal |
| The scheme employer's adjudicator to notify the Fund of the decision in respect of an appeal at Stage one of IDRP | Within 5 working days of the decision |
| The scheme employer's adjudicator to provide the Fund with all documentation considered in the determination of the Stage one appeal for consideration in the adjudication of the appeal at IDRP Stage two | Within 5 working days of the receipt of the request from the Fund |
| **Outsourcing or TUPE arrangements** | |
| Notify the Fund of contracting out of services which will involve a TUPE transfer of LGPS eligible staff to another organisation to enable LGPS information to be provided to potential contractors | At the point of deciding to tender |
| Notify the Fund of the main contacts managing the outsourcing of service provision before and during a contract where a prospective contractor may request to join the Fund | At determination of successful tender |
| Work with the Fund to arrange for the admission of a contractor as a new scheme employer in the Fund | A minimum of two months in advance of the date of contract |
| Provide the Fund with relevant details, including copies of documentation, of agreements relating to responsibility for an LGPS funding deficit or surplus and requirements for Bonds or Guarantors | Within one week of the signed contractual agreement with the contractor |
| Notify the Fund of changes, extension or cessation of arrangements with a contractor | As soon as decision is agreed |
| Assist the Fund in ensuring that the terms of the contractor's admission as a scheme employer (Admission Agreement) are complied with | Notify the Fund if the terms of the Admission Agreement have been breached |
| **Strain / Shortfall Payments to the Fund** | |

| | |
|---|---|
| Make shortfall or strain payments to the Fund in respect of early payment of benefits from redundancy, or where a member retires early with scheme employer's consent | Within 30 days of receipt of invoice from the Fund |
| **Pension Contributions** | |
| Apply the scheme employer contribution rate agreed with the Fund on becoming a scheme employer and adjust as instructed by the Fund from a date determined by the Fund (administering authority). | Immediately on receipt of information from the Fund effective from a date determined by the Fund (administering authority) following advice from the scheme actuary |
| Calculate and review the correct employee contribution rate band for all members at commencement and on 1st April each year in accordance with LGPS regulations.<br><br>Also, to be reviewed at intervals during the year at the scheme employer's discretion. | Immediately on commencement, on 1 April each year and as per the scheme employer's discretionary policy on adjusting the employee's contribution rate at intervals during the year |
| Ensure the correct application of assumed pensionable pay (APP) during periods of reduced or nil pay in accordance with the LGA's HR and payroll guides | Review of eligibility for APP immediately upon a member moving to reduced or nil pay |
| Remit scheme employer and employee contributions to the pension Fund bank account via BACS | By 22nd of the following month following deduction |
| Arrange for the deduction of AVCs and payment over to the AVC provider(s) and then schedule to be sent to the Fund | Payment by 22nd of the following month following deduction |
| Notify the Fund of the commencement of salary sacrifice shared cost AVC arrangements | Immediately on the commencement of arrangements |
| **Data Returns** | |

| | |
|---|---|
| Provide monthly, accurate and complete submission of i-Connect data in the format required | By 22nd of the month following the relevant calendar month |
| To ensure optimum accuracy of monthly i-Connect data submission | Less than one per cent of the active member count on 1 April to error on import into the pension administration system |
| The rectification of an accurate monthly data file where it has been necessary to return the file due to data inaccuracies | Within 10 working days of receipt of file |
| To promptly resolve all queries relating to entries on i-Connect monthly submissions | To acknowledge receipt to all queries from the Fund within 10 working days of receipt of the query |
| To ensure the Fund receives accurate year to date information to 31 March through the month twelve i-Connect data submission | No later than 30 April following the relevant year end |
| Provide an accurate, fully reconciled and completed year-end return in the format set by the Fund, in documentation issued by the Fund<br><br>Arrange payment without delay of charges for submitting data outside of i-Connect | By the date set by the Fund in the April following the year end |
| To resolve all queries returned from the year end return | To respond fully to all queries from the Fund within 30 days of receipt of the query.<br><br>In circumstances where a scheme employer submits a late year end return limiting the Fund's time to complete its duties, the timescales may be reduced, as advised by the Fund |

| | |
|---|---|
| Due to the Fund's data retention requirements, we ask scheme employers to keep service records for all members, for the greater of 28 years from their date of leaving, or from 1 April 2014 (including leavers) in respect of the McCloud Judgement: The service details should include:<br>• marital status<br>• contractual hours<br>• remuneration changes<br>• contribution rate<br>• employee Number or post number<br>• absence: maternity, paternity and adoption, unpaid leave of absence and industrial action<br><br>Each scheme employer must ensure that this information is available to the Fund if required | As part of scheme employer data retention policy |
| Respond to data query required for the Fund to calculate and provide value data for the Pensions Dashboard | Within 5 working days of receipt of the request |
| **Change of Payroll Provider** | |
| To inform the Fund of a change of payroll provider along with the contact details of the new provider | As soon as possible and no later than 90 days prior to the transfer of duties and functions |
| Ensure that the scheme employer provides payroll references (specific to post) to the Fund.<br><br>This notification should include previous payroll references | As soon as possible but no later than 20 working days before the first i-Connect data submission |
| **Miscellaneous** | |
| Payments in respect of FRS102 and IAS19 work carried out on behalf of scheme employers by the Fund and the Fund's Actuary | Immediate payment upon receipt of invoice from the Fund |

| | |
|---|---|
| Payments in respect of all other work carried out on behalf of or relating to the scheme employer by the Fund's Actuary including matters connected to funding reviews and data quality assurance undertaken by the Fund | Immediate payment upon receipt of invoice from the Fund |
| Prompt payment of invoices issued by the Fund for specific services provided | Immediate payment upon receipt of invoice from the Fund |

**Individual Member Administration**

This section details the functions which relate to scheme member benefits from the LGPS.

| **New Starters** | |
|---|---|
| Ensure Fund approved wording relating to pensions is included in all contract / appointment communications for LGPS-eligible positions including direction to the Fund's web presence and signposting to registration for (Engage) member self service | As part of standard contract and appointment templates |
| LGPS eligible employees must be entered into the scheme from the commencement of their employment, except for employees with a contract of less than three months or casual and relief employees<br><br>Employees not subject to contractual enrolment must be offered the opportunity to join the LGPS from commencement, or automatically entered upon meeting auto-enrolment criteria | From date of commencement or joining the Fund |
| Ensure that the correct contribution percentage and banding for member's LGPS contributions is applied to their payroll record and notify the member of initial contribution rate and any subsequent changes. The notification must also notify the employee of the right to appeal, including the processes and timescales involved | From date of commencement or joining the Fund |

| | |
|---|---|
| Notify the Fund of new scheme joiners via the monthly i-Connect submission<br><br>Evidence of an employee's election to join must be retained by the scheme employer and a copy sent to the Fund<br><br>If an employee is entered into the LGPS incorrectly, the scheme employer is responsible for the reimbursement of employee contributions | Within 30 days of member's entry into the scheme via contractual enrolment, auto-enrolment, re- enrolment date or election to join |
| Where the member has more than one employment with the same scheme employer, each membership shall be maintained and reported upon separately (via i-Connect) | From date of commencement or joining the LGPS or starting or ceasing additional employments |
| **Changes in Circumstances** | |
| Notify the Fund via i-Connect of change, or correction to, employees' personal details: name, address, marital / civil partnership status, date of birth, NI number | Within 30 days of the event or receipt of information |
| Notify the Fund via i-Connect of changes or corrections in employment details, including changes in hours and moving to or from the 50/50 section | Within 30 days of the event or receipt of information |
| Notify the Fund of periods of unpaid absence not covered by assumed pensionable pay (APP) | Within 30 days of the event or receipt of information |
| Notify the Fund where recovery of financial loss is sought from the dismissed employee's pension | Notify the Fund where recovery of financial loss is sought from the dismissed employee's pension |
| **Additional Pension Contributions (APCs)** | |
| Ensure members are notified of the option to pay additional pension contributions following applicable unpaid absences. | Within 10 working days of the return to work |

| | |
|---|---|
| Upon application from a scheme member to purchase lost pension, apply APCs on receipt of application from member and notify the Fund with a copy of the application | Apply to next available payroll and notify Fund within 30 days of receipt of members application |
| Apply APCs on receipt of notification from Fund | Apply to next available payroll |
| Apply adjustments to APC amounts on notification from Fund | Apply to next available payroll |
| Include APC payments in member notifications via i-Connect to the Fund | Payment by 22nd of the following month following deduction |
| **Additional Voluntary Contributions (AVCs)** | |
| Arrange for the deduction of AVCs from scheme member's pay following notification from AVC provider | Commence deduction of AVCs on the next available payroll as advised by payroll provider |
| Ensure payment of AVC contributions to AVC provider within required timescale | AVCs must be paid over to the AVC Provider by 22nd of the following month |
| Include AVC payments in member notifications via i-Connect to the Fund | Payment by 22nd of the following month following deduction |
| **Optant Outs and 50/50 scheme** | |
| Apply an election to opt out of the LGPS to the member's payroll record | From the 1st of the month for the next available payroll |
| Apply an election to move to the 50/50 scheme of the LGPS to the member's payroll record | From the 1st of the month for the next available payroll |

| | |
|---|---|
| If the member opts out within three months of joining, they are treated as having opted out upon entry and the scheme employer is responsible for refunding the pension contributions<br><br>Evidence of an employee's election to opt-out must be retained by the scheme employer and a copy sent to the Fund | Within 30 days of the opt-out being actioned on payroll |
| If the member opts out three months or more from joining, the Fund will determine if the member is eligible for a refund of pension contributions and contact them directly<br><br>Evidence of an employee's election to opt-out must be retained by the scheme employer and a copy sent to the Fund | Within 30 days of the opt-out being actioned on payroll |

| Type of Leaver | Function / Task | Performance Target |
|---|---|---|
| **Leaver Notifications** | | |
| Leavers – Over 55 | To notify the Fund of the member's leaving date and reason for cessation of membership and all other relevant information on the leavers form<br><br>The leaver event is also to be reported via the i- Connect submission by the 22nd of the following month of the scheme member leaving the LGPS<br><br>The i-Connect submission must clearly state the reason for leaving | Within 10 working days of leaving date, flexible retirement or opt out |

| | | |
|---|---|---|
| Leavers – Under 55 | To notify the Fund of the member's leaving date and reason for cessation of membership and all other relevant information on the leavers form<br><br>The leaver event is also to be reported via the i- Connect submission by the 22nd of the following month of the scheme member leaving the LGPS<br><br>The i-Connect submission must clearly state the reason for leaving | Within 20 working days of leaving date, flexible retirement or opt out |
| Redundancy, Business Efficiency and Flexible Retirement | Notify the Fund of a scheme employer decision and authorisation for payment of pension benefits on the scheme employer authorisation for early release of pension benefits form<br><br>This form evidences the decision and provides agreement to meet the shortfall or strain costs by the scheme employer | Within 10 working days of the scheme employer making the decision |
| Death in Service | Notify the Fund of the death of an employee who is a scheme member<br><br>As part of this notification ensure the Fund are provided with next of kin details | As soon as possible or at the latest within three working days of the scheme employer being notified of the death of an employee who is a scheme member |
| **Ill Health Retirements** | | |
| Active Members | To determine based on medical evidence and the advice of one of the Fund's approved independent registered medical practitioners (IRMP) whether an ill health award is to be made and determine which tier 1, 2 or 3<br><br>Notification to be made by submitting the appropriate form | No later than 10 working days after scheme employer decision |

| | | |
|---|---|---|
| Deferred Members | To determine based on medical evidence and the advice of one of the Fund's approved independent registered medical practitioners (IRMP) whether an ill health award is to be made for the early release of deferred pension benefits on the grounds of ill-health<br><br>Notification to be made by submitting the appropriate form | No later than 10 working days after scheme employer decision |
| Tier 3 Reviews | To conduct an 18-month review of tier 3 ill-health retirement awards and interim reviews at other times as requested by the member<br><br>To notify the Fund of the scheme employers' decision regarding the outcome of the tier 3 ill health review | No later than 10 working days after scheme employer decision |

| Function / Task | Performance Target |
|---|---|
| **Scheme Members with a progressive life-limiting condition** | |
| Notify the Fund if an employee with LGPS membership has a progressive life-limiting condition | Immediately |
| **Communication with scheme members in respect of formal appeals against pension related decisions** | |
| The scheme employer's adjudicator to acknowledge receipt of the Stage 1 IDRP | Immediately |
| Determine appeals against the scheme employer at Stage 1 of IDRP in accordance with The Local Government Pension Scheme Regulations 2013 (Regs 74 and 75) | Within two months of receipt of the appeal (Where a decision cannot be reached within two months, notify the appellant of reasons for the delay and the date when a decision can be expected to be reached) |

# Appendix 2 – The Fund's roles and responsibilities

**Scheme Governance and Administration**

This section outlines the responsibilities of the Isle of Wight Pension Fund and the performance standards which scheme employers and scheme members should expect. It is focussed on the activities which involve interaction with scheme employers and / or scheme members and should not be viewed as an exhaustive list.

| Function/Task | Performance Target |
|---|---|
| **Governance – Policies, Strategies and Statements** | |
| Regularly review the PAS and consult with all scheme employers | Triennially review the PAS and in addition review it following any material changes in service delivery or regulations relating to the PAS and consult with all scheme employers on any changes |
| The Fund will review their respective funding strategy statements at each valuation (or material event), following consultation with scheme employers and their scheme actuary | Publish by 31 March following the valuation date, or as required |
| Review the respective Fund's communications policy | Triennially review and publish within 30 days of any revision to the policy being agreed by the respective pension fund committees |
| Review the Fund's governance and compliance statement | Triennially review and publish within 30 days of any revision to the policy being agreed by the respective pension fund committees |
| The Fund should formulate and publish policies in relation to all areas where the Fund (administering authority) may exercise a discretion within the LGPS | Triennially review and publish within 30 days of any revision to the policy being agreed as above |
| **Governance – Dashboard responsibilities** | |
| Connection to the Pensions Dashboard | By 31 October 2026 and thereafter ensure connection is maintained – via an Integrated Service Provider (ISP) - and data is made available and kept up to date in accordance with PDP standards. |

| | |
|---|---|
| | |
| Respond to partial match queries | Within 10 working days of member providing<br>additional information |
| Respond to missing value data queries where value data is not provided on the dashboard | Within 10 working days of request |
| **Governance – Reporting** | |
| Annual report of Fund management and performance, including annual statement of accounts | By 1 December each year |
| Publish the Fund's final audited and approved accounts | By 31 July following the year-end (or other date as set by Government) |
| Information for TPR's maintenance of register of pension schemes (including scheme employer details) | Upon receipt of scheme return notice from TPR |
| Information relating to pension administration against key performance indicators and scheme employer performance | As required by the Isle of Wight Pension Committee on behalf of the administering authority and Local Pension Board |
| **Fund Communications to Scheme Employers** | |
| Provide scheme employers with year-end template and guidance | No later than 28th February before the year-end |
| Maintain and publish all forms required for completion by scheme employers | Within 30 days of any revision |
| Notify scheme employers of changes to key scheme regulations and requirements | Within 30 days of the change(s) coming into effect |
| Host joint meetings for all scheme employers, in person or remotely | As required |

| | |
|---|---|
| Notify the scheme employer of issues relating to the scheme employer's unsatisfactory performance | If no response to the Fund's request for action is received within 10 working days; second request marked "escalation" to be issued, if no response within 10 working days matter referred for cost recovery |
| Notify the scheme employer in writing of decision to recover additional costs associated with the scheme employer's unsatisfactory performance | After 10 working days of second request for action and continued failure to improve performance as requested |
| **Fund Communications with Scheme Members** | |
| Publish and keep up to date all forms required for completion by scheme members or prospective scheme members | Within 30 days of any revision |
| Management of registrations to the (Engage) member self-service website | Within 5 working days of activation key request |
| Issue Annual Benefit Statements to active and deferred members as at 31 March each year (on the (Engage) member self-service portal or by post) | By 31 August following year end |
| Produce and issue pension saving statements (PSS) to members who have exceeded their annual allowance | By 6 October following end of year (subject to receipt of all relevant information from the scheme employer) |
| Provide payment advice statements to scheme members in receipt of a pension | Payment advice statements are uploaded monthly to Engage. Postal statements are sent out in April each year and where the monthly pension amount changes by at least £50 |
| Provide P60s to scheme members in receipt of a pension | By 31 May following year end |
| **Pension Contributions** | |
| Consult with scheme employers on the outcome of the periodic Fund valuation | At least two months before the issue of the final rates and adjustments certificate |

| | |
|---|---|
| Issue formal valuation results to individual scheme employer following the periodic Fund valuation | No later than 1 month before the issue of the final rates and adjustments certificate |
| Notify new scheme employers of their contribution requirements | Within two months of joining the Fund |
| **Scheme Employer Admissions and Cessations** | |
| Process the admission of new scheme employers into the Fund including signed admission, bond and guarantor agreements where required, and obtaining the scheme actuary's contribution rate and opening funding position report | Within two months of date joining the Fund subject to the new scheme employer providing all relevant information upon request |
| Arrange where required for scheme employers who outsource services/functions to undertake, to the satisfaction of the Fund, a risk assessment of the level of bond in order to protect other scheme employers participating in the Fund (For example, where the original scheme employer is not a guarantor in respect of pension liabilities) | To be completed before the body is admitted to the Fund subject to the new scheme employer providing all relevant information upon request |
| Undertake a review of bonds or indemnity required to protect other scheme employers participating in the Fund | Annually, or three months prior to bond expiry as necessary |
| Carry out valuation assessments on cessation of admission agreements or a scheme employer ceasing participation in the Fund | Within two months of a cessation, subject to the scheme employer providing all relevant information upon request<br><br>Where a cessation valuation reports a surplus position at the point of exit, the determination and payment of the exit credit to be completed within six months of the exit date |
| **Pensioner Payroll** | |
| Ensure payment of monthly pension to pensioner and dependant pensioner scheme members | On the last working day of each calendar month. In December the payment date is the last working day before the 25th |

## Individual Member Administration

This section details the Fund's functions which specifically relate to the administration and processing of scheme member benefits from the LGPS.

| Function/Task | Performance Target |
|---|---|
| **General Enquiries** | |
| Acknowledge to written or verbal enquiries from scheme employers and scheme members or their representatives or dependents and other authorised persons | Within 5 working days from receipt of an enquiry |
| Respond to written or verbal enquiries from scheme employers and scheme members or their representatives or dependents and other authorised persons | Within 10 working days from receipt of an enquiry |
| Change of scheme member personal details including but not limited to:<br>• Change of surname<br>• Change of address<br>• Change of marital status<br>• Change of bank details<br>• Update death grant nomination | Within 5 working days from receipt of all required information |
| Implementation of a power of attorney or court of protection order | Within 10 working days from receipt of all required information |
| **New Scheme Joiners and 50/50 Elections** | |
| Set up a new starter pension record and provide the statutory notification to the member | Within 20 days of the i-Connect notification |
| Move member to the 50/50 section of the LGPS | Within 30 days of the i-Connect notification |
| **Aggregations, Transfers and Estimates** | |
| Issue statement to scheme member relating to the aggregation of previous LGPS membership | Within 20 working days of receipt of all necessary information |
| Commencement of transfer-in requests | Within 10 working days of receiving transfer details from sending scheme |
| Completion of transfer-in applications | Information provided within 5 days of receipt of all required information |

| | |
|---|---|
| Transfer-out quotations issued | Within 20 working days of the date of request |
| Transfer out payments processed and notification to scheme member | If transfer-out finalised within three-month guarantee period, payment made within 15 days of guaranteed date |
| Cash equivalent transfer value (CETV) estimates for divorce purposes | Within 20 working days of request |
| Implementation of a pension sharing order | Within 15 working days of receipt of court approved pension sharing order |
| Provide requested estimates of benefits to scheme members | Within 10 working days of receipt of all required information.<br><br>If the member holds additional voluntary contributions (AVCs) within 20 working days of confirmation of the members Fund valuation |
| Provide requested estimates of benefits to scheme employers including any additional shortfall or strain costs in relation to the early payment of benefits | Within 10 working days of receiving all required information from the scheme employer. Bulk requests of more than 10 estimates per month will be subject to prior agreement between the Fund and the scheme employer.<br><br>Where the volume of requests in a scheme year is more than 10 per month, but no prior agreement has been made an excess review will be completed and the excess requests maybe subject to a charge |
| **Additional Contributions** | |
| Notify the scheme employer of any scheme member's election to purchase additional pension contributions (APCs), including all required information to enable deductions to commence | Within 15 working days of receipt of election from scheme member to meet the scheme employer's next available payroll |

| | |
|---|---|
| Notify the scheme employer of any scheme member's election to purchase, amend or cease additional voluntary contributions (AVCs), including all required information to enable the change | Within 15 working days of receipt of election from scheme member to meet the scheme employer's next available payroll |
| **Deferred benefits and refund of pension contributions** | |
| Notify member of deferment benefits options | Within 20 working days of date of leaver notification |
| Notify member of deferred refund benefits options | Within 10 working days of date of leaver notification |
| Process refund payments | Within 5 working days of all completed forms |
| **Retirements** | |
| Provision of retirement options letters detailing member options | Within 10 working days of request or receipt of leaver notification |
| Process of retirement benefits, including deferred benefits, for payment following receipt of a request to access benefits | Within 10 working days of the quoted retirement date or the Fund receiving all completed forms/documents<br><br>Lump sum to be paid within 10 working days of quoted retirement date or the Fund receiving all completed forms and documents<br><br>Pension to be paid from the Fund's next available Payroll |
| **Deaths** | |
| Notification of death | Acknowledge within 5 working days of initial notification |
| Processing of beneficiaries' pensions for payment | Within 10 working days of completed forms and documents |
| Processing of death grant for payment | Within 10 working days of completed forms and documents |

| Appeals | |
|---|---|
| Acknowledge receipt of IDRP Stage 2 appeal | Within one week of receipt of IDRP Stage 2 appeal |
| Decide adjudicator for completion of the IDRP Stage 2 determination | Within one week of receipt of IDRP Stage 2 appeal |
| Prepare information and evidence as required for adjudicator to consider IDRP Stage 2 appeal | Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required |
| Ensure the issue of a formal letter to the appellant following the adjudicator's determination of the IDRP Stage 2 Application | Within one week of the adjudicator's decision |

The timescales for completing the tasks above are measured from the date the Fund is in receipt of all the relevant information required to complete the task and is expressed in working days.

| Individual Member Administration Summary Table (Subject to receipt of all information) | | |
|---|---|---|
| **Service** | **Target KPI** | **Legal Requirement 100%** |
| New starter welcome letter | 90% within 20 working days | Two months from start date |
| Transfer in quote | 90% within 10 working days | Two months from date of request to provide quote |
| Transfer in confirmation | 90% within 5 working days | |
| Benefit estimate | 90% within 10 working days | No more than two months from date of request unless there has been a request in the last 12 months. |
| Annual Pension Statement | 95% issued annually (by 31 August) | 31 August each year. |
| Retirement quote | 90% within 10 working days | No more than two months from date of initial notification (from scheme employer or member). |
| Retirement confirmation & payment | 90% within 10 working days | |
| Death acknowledgment | 90% within 5 working days | As soon as possible or no more than two months from initial notification. |

| | | |
|---|---|---|
| Death confirmation & payment | 90% within 10 working days | |
| Early leavers with over 2 years' service | 90% within 20 working days | No more than two months from date of initial notification (from scheme employer or member). |
| Refund quote | 90% within 10 working days | No more than two months from date of initial notification (from scheme employer or member). |
| Refund confirmation & payment | 90% within 5 working days | |
| Transfer out quote | 90% within 20 working days | No more than three months from the date of request. |
| Transfer out confirmation & payment | 90% within 15 working days | |
| Changes of details | 90% within 5 working days | |
| Divorce quote | 90% within 20 working days | No more than three months from the date of request. |
| Divorce confirmation | 90% within 15 working days | |
| Pension Payments | 100% RTI reporting to HMRC must be completed on or before the pension payment is received. | |

# Appendix 3 – Recovery of additional costs

Summary of the Fund's determination of additional administration charges:

| Reason for Charge / Fine | Level of Charge (£) |
|---|---|
| **Administration Charges / Fines** | |
| Late payment of scheme employer or scheme member contributions. Plus, any statutory charges | An administration fee will be applied proportionally to the time spent addressing the issue: £70 per hour of additional work.<br><br>Interest as defined in as defined in Regulation 71 of LGPS Regulations 2013 |
| Implementation of i-Connect (i.e., on time submissions of the i-Connect files for three payroll periods in a row) | If implementation has not been achieved by a scheme employer, then administration recharges up to £1,000 (depending on size of scheme employer) will be levied. Recharges will be levied to scheme employers on a similar basis in each subsequent April if i-Connect remains unimplemented |
| Late submission of monthly i-Connect data transmission | Up to £1,000 per occurrence (depending on size of scheme employer). Size is determined by membership and broadly speaking will be categorised as follows:<br><br>Large employer: 1,000 members and above<br>Medium employer: 100 to 999 members<br>Small employer: 11 to 99 members<br>Nominal employer: 10 or less members |
| Incorrect submission of monthly i-Connect data resulting in a resubmission or manual intervention<br><br>(An "incorrect" file means a file with an error rate greater than one per cent) | Up to £1,000 per occurrence (depending on size of scheme employer). Size as specified above. |
| Late provision of year end contributions returns in prescribed format | £1,000 (depending on size of scheme employer) plus £100 for each week plus part week of continued non-provision. Size as specified above. |
| Failure to respond to the Fund's year end data query requests within 30 working days | £500 per occurrence then £70 for every further 10 working days the information remains outstanding |
| Late provision of starter information | £70 per scheme member |

| | |
|---|---|
| Failure to notify the Fund 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 change of circumstances | £70 per scheme member |
| Late provision of leaver information | £70 per scheme member.<br><br>If the late provision of leaver information generates additional cost for the Fund this additional cost may also be recharged to a scheme employer at an hourly rate of £70 |
| Charges for persistent incorrect and incomplete information provided by the scheme employer to the Fund (where the case has to be returned for incorrect information on more than two occasions) | Charged at an hourly rate of £70 |
| **Governance Charges / Fines** | |
| Change of scheme employer contact "nominated representative" details - the Fund not notified of contact change or new contact within one month of alteration | Reminder will be sent to scheme employers who do not respond. Following the second chase correspondence will be charged at £70 per communication |
| Failure to notify the Fund of a contracting out involving a TUPE transfer before the transfer date.<br><br>Failure to inform the Fund of a new Academy or Free School before their opening date | £1,000 per occurrence |
| No response (or inaccurate response) to queries and reminders raised by the Fund for information needed to perform a benefit calculation | Charged at an hourly rate of £70 |
| No response to the Fund request for LGPS discretions statement | £70 per reminder letter |

| Third Party Charges / Fines | |
|---|---|
| Fine from the Pensions Regulator | Amount determined by the Pensions Regulator |
| Fine from the Pensions Ombudsman (including "distress and inconvenience" payments suggested by the Early Resolution Service | Amount determined by the Pensions Ombudsman |
| Delay causing unauthorised payments | Cost of tax from the HM Revenue & Customs ("HMRC") and or reimbursement of charges imposed by HMRC on the Fund |
| Fines from any other statutory body incurred due to the scheme employer's actions | As levied |

Underperformance charges will apply at the discretion of the Manager of the Fund and will be calculated based on a combination of the standard tariff of charges plus time spent at the daily rate outlined below.

Charges for 'time spent' on underperformance issues will be made on a half day basis. For less than quarter of a day, no charge will be made. For more than half a day, the full day charge will be made.

| **Number of active members** | **Penalty charge for failure to start monthly i-Connect returns** | **Per additional month late, or part thereof** | **Once i-Connect monthly returns are live, penalty charge for one late return during the tax year (after 22nd of the month)** | **Once i-Connect monthly returns are live, penalty charge for second late return during the tax year (after 22nd of the month)** | **Once i-Connect monthly returns are live, penalty charge for third or more late return during the tax year (after 22nd of the month)** |
|---|---|---|---|---|---|
| 0 to 10 | £500 | £500 | Warning | £500 | £500 and report to TPR |
| 11 to 99 | £750 | £750 | Warning | £750 | £750 and report to TPR |
| 100 to 999 | £1,000 | £1,000 | Warning | £1,000 | £1,000 and report to TPR |
| 1,000 or more | £1,250 | £1,250 | Warning | £1,250 | £1,250 and report to TPR |

**Time Spent - Officer Charges**

Summary of officer charges for time spent on cases triggered by scheme employer underperformance:

| | Charge levels | | |
|---|---|---|---|
| **Time Taken** | **Level 1 (Work at pensions assistant level)** | **Level 2 (Work at pension officer level)** | **Level 3 (Work at senior pension officer level)** |
| **Daily** | £140 | £250 | £500 |
| **Half Day** | £70 | £125 | £250 |

Where the Fund 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 PAS.

# Appendix 4 - Overriding Legislation

In performing the role of administering the LGPS, the Fund (administering authority), and scheme employers must comply with overriding legislation (examples below) as amended:

- Local Government Pension Scheme Regulations 2013 (As Amended)
- The Occupational Pension Schemes (Disclosure of Information) Regulations 2015
- The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015
- The Pensions Act 1995, 2004 and 2014
- Extant transitional regulations
- The Discretionary and Compensation Regulations 2006
- The Equality Act 2010
- The Finance Act 2004
- Employment Rights Act 2010
- HMRC legislation
- Public Service Pensions Act 2013
- The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014

Overriding legislation dictates the minimum standards that pension schemes should meet in providing information to the various associated parties including, importantly, members. The LGPS regulations also identify several requirements for the Fund (administering authority) and scheme employers.

The PAS is designed to highlight the key areas for providing high-quality administration of the LGPS but does not cover all regulatory Fund (administering authority) or scheme employers of their obligations under the LGPS or overriding legislation.