

Pension Administration Strategy

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Executive Portfolio Holder: Not applicable

Division and Local Not applicable

Member:

1. Background

- 1.1 Pension Administration Strategies (PAS) were first introduced into the LGPS regulations in 2008, and now fall under Regulation 59 of the LGPS 2013 Regulations.
- 1.2 Although they are not a legal requirement, a PAS provides a mechanism to formulate a service level agreement between the administering authority and the scheme employers. They cover a number of areas including procedures for liaison and communication, and set out the performance standards and expectations for employers and the administering authority.
- 1.3 A PAS also helps to improve governance arrangements, ensuring that scheme employers and Peninsula Pensions work together to ensure compliance with The Pensions Regulator Code of Practice.
- 1.4 Peninsula Pensions introduced a PAS in April 2015, following review and approval from the Devon and Somerset Investment and Pension Fund Committees.
- 1.5 Regulation 59 states that the strategy must be kept under review and revised as appropriate. An administering authority must consult with its scheme employers and such other persons as it considers appropriate during this process.

2. Issues for consideration

- 2.1 The Committee is asked to note the revised Pension Administration Strategy (attached at Appendix 1) and to consider whether it wishes to make any comments prior to consultation with Fund Employers

3. Strategy Revision

- 3.1 The review of the PAS follows the restructure of Peninsula Pensions and reflects the growth in membership and demands of Scheme members and employers, changes to LGPS regulations, advances in technology and improvements to performance monitoring.
- 3.2 The PAS formulates the administrative arrangements between the pension fund and the participating employing authorities. It recognises that fund employers and Peninsula Pensions have a shared role in delivering an efficient and effective pension service to scheme members and that this can only be achieved by co-operation.
- 3.3 The strategy document sets out in detail how we will achieve our key focus points stated below:
- setting out the quality and performance standards required of the Fund and scheme employers
 - promoting good working relationships and improving efficiency between the Fund and its scheme employers for the benefit of scheme members
 - enhancing the flow of data by having clear channels of communication in place, so that each authority is fully aware of its role and responsibilities within this process
 - providing a framework to enable administration costs relating to significant employer underperformance to be met directly by the employer responsible, rather than shared across all the employers in the Fund
- 3.4 Once in place the PAS will support Peninsula Pensions, the Somerset Investment Team and Scheme Employers in exercising their duties and responsibilities for the benefit of the scheme members and the Somerset Pension Fund.

4. Next Steps

- 4.1 The next stage will be to launch a consultation with Fund employers. It is anticipated that the consultation will run through January 2020. Employers will be invited to review and comment on the revised PAS.
- 4.2 Once any comments have been received, a further report will be brought to the Committee, outlining any suggested revisions, and the Committee will be asked to approve the revised PAS.

4.3 It is anticipated that the PAS will be brought into effect from April 2020.

5. Background Papers

5.1 None