

Pension Administration Strategy

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<i>Executive Portfolio Holder:</i>	Not applicable
<i>Division and Local Member:</i>	Not applicable

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 employers. They cover a number of areas including procedures for liaison and communication, and set out the performance standards and expectations for the administering authority and employers.
- 1.3 A PAS also helps to improve governance arrangements, ensuring that the administering authority and employers 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 Pensions Committee.
- 1.5 Regulation 59 states that the strategy must be kept under review and revised as appropriate. An administering authority must consult with employers and such other persons as it considers appropriate during this process.

2. Issues for consideration

- 2.1 The Committee is asked to formally adopt the new Administration Strategy. It was originally intended to gain Committee's approval of the new strategy at the cancelled March meeting, with a view to going live in April 2020. The strategy will go live once approval has been granted.

3. Strategy Revision

- 3.1 The review of the PAS followed 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 Following review by the Somerset and Devon Pension Boards and Pensions Committees, the draft PAS was circulated to employers on 16th December 2019. Employers were invited to review and to provide comment on the draft PAS by 19th January 2020. Employers were also provided with the opportunity to provide feedback on the PAS at a series of PLOG (Pension Liaison Officer Group) events held during February 2020.
- 3.3 Feedback and comments from employers were collated by officers and incorporated into the final draft PAS which is attached at Appendix 1.

4. Summary of Amendments

- 4.1 A summary of amendments to the PAS, following the consultation with employers, is set out below:
 - The PAS has been reviewed to ensure that a consistent use of terminology has been used throughout the document.
 - Additional text has been added to Section 3 (Record Keeping) which provides greater clarification regarding communication to employers in respect of proposed changes to systems, processes, legislation and data requirements.
 - Additional information has also been included within Section 3 regarding The Pension Regulator.
 - A paragraph has been added to Section 4 (Roles and Responsibilities) concerning reportable breaches arising as a result of failing to comply with any of the duties set out in Appendix A.
 - Within the 'Underperformance Fees' heading of Section 5 (Performance Monitoring), the process for liaising with an employer who fails to engage with Peninsula Pensions following the identification of underperformance has been added.

- Within the 'Feedback from Employers' heading of Section 5 (Performance Monitoring), a paragraph has been inserted informing employers that they are able to raise any issues of concern regarding the performance of Peninsula Pensions via an Employer Representative of the Pension Board.
- A link to our website for a glossary of terms used within the document has been included in Appendix A for information.
- Other minor changes have been made to the wording of the PAS which have no impact on the strategy.

4.2 Following a recommendation from the Devon Investment and Pension Fund Committee on 28th February 2020, additional text has been added to the 'Record Keeping' section on page 3 to strengthen requirements under General Data Protection Regulations (GDPR).

5. Background Papers

5.1 None