



Cardiff & Vale of Glamorgan
Pension Fund



PENSION ADMINISTRATION STRATEGY

Pension Administration Strategy

Introduction

The Pensions Administration Strategy compliments the efficient operation of the Cardiff and Vale of Glamorgan Pension Fund on the behalf of its Employing Authorities and the Administering Authority; Cardiff Council.

The objective of the strategy is to clearly define the roles and responsibilities of the Cardiff and Vale of Glamorgan Pension Fund and the Employing Authorities under the Local Government Pension Scheme (LGPS) Regulations.

These regulatory requirements are detailed below:

The Regulations

In accordance with regulation 59 of the Local Government Pension Scheme Regulations 2013:

1. An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ('its pension administration strategy') and, where it does so, paragraphs (3) to (7) apply.
2. The matters are;
 - (a) procedures for liaison and communication with employing authorities in relation to which it is the administering authority ('its employing authorities');
 - (b) the establishment of levels of performance which the administering authority and its employing authorities are expected to achieve in carrying out their Scheme functions by:
 - setting performance targets
 - making agreements about levels of performance and associated matters
 - or other means as the administering authority considers appropriate;
 - (c) procedures to secure the administering authority and its employing authorities comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
 - (d) procedures for improving communication of related information between the administering authority and all employing authorities

- (e) circumstances when the administering authority may consider giving written notice to any of its employing authorities under regulation 70 on account of that authority's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
- (f) administering authority will publish performance data in its annual reports dealing with;
- (g) and such other matters as appear to the administering authority, after consulting its employing authorities and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

3. An administering authority must:

- keep its pension administration strategy under review and as a minimum update annually
- make revisions as appropriate, following a material change in its policies in relation to any of the matters contained in the strategy
- these will be considered by the Pension Board and Committee

4. In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its employing authorities and such other persons as it considers appropriate.

5. An administering authority must publish:

- its pension administration strategy;
- and where revisions are made to it, the revised strategy

6. When an administering authority publishes its pension administration strategy, or that strategy is revised, it must send a copy of it to each of its employing authorities and to the Secretary of State.

7. An administering authority and its employing authorities must have regard to the current version of any pension administration strategy when carrying out their Scheme functions.

8. In this regulation references to the functions of an administering authority include, where applicable, its functions as an employing authority.

The Administration Strategy

This strategy formulates the administrative arrangements between the Cardiff and Vale of Glamorgan Pension Fund and the participating Employing Authorities. With the introduction of this framework, the aim is to enhance the flow of data by having clear channels of communication in place, so each authority is fully aware of its role and responsibilities within this process, as outlined by the LGPS provisions.

The relevant procedures are outlined as follows.

Procedures for liaison and communication with Employing Authorities

- The employer will nominate a person to act as the 'Employer Representative' and the Cardiff and Vale of Glamorgan Pension Fund's primary contact. The employer will notify the Cardiff and Vale of Glamorgan Pension Fund who that person is and ensure that any changes are sent to Cardiff and Vale of Glamorgan Pension Fund immediately.
- The Cardiff and Vale of Glamorgan Pension Fund employs a multi-channel approach in liaising and communicating with employing authorities to ensure that all requirements are consistently met.
- The various channels of communication employed by the Fund include:
 - The Cardiff and Vale of Glamorgan Pension Fund website; which includes a specific section for each stakeholder and the Fund's employing authorities.
 - Periodic newsletters; which are issued to all scheme members and all employing authorities. The newsletter is published via the My Cardiff and Vale Pension online service and delivered directly to each non-user's home address, as well as being published on the Cardiff and Vale of Glamorgan Pension Fund website.
 - Email updates; sent directly to employer representatives to provide notification of any scheme / administrative developments.
 - Employer updates seminars and training groups; held when required to review scheme developments or to resolve any training needs.
 - An Annual Employer Forum; held to review the investment and administrative issues that the Cardiff and Vale of Glamorgan Pension Fund has experienced during the preceding 12 months, and also to look forward at the challenges that lie ahead for the next 12 months.
 - Employer representatives distribute information supplied by the Cardiff and Vale of Glamorgan Pension Fund to scheme members within their organisation i.e. scheme guides, factsheets etc.
 - An annual report; issued by the Cardiff and Vale of Glamorgan Pension Fund to illustrate the extent to which the Fund and Employing Authorities have achieved the levels of performance established under this strategy and such other matters arising from the pension administration strategy as considered appropriate.

Levels of performance

The Cardiff and Vale of Glamorgan Pension Fund and participating Employing Authorities will have regard to the Pension Administration Strategy when carrying out their respective functions.

Levels of performance for Employing Authorities

The employer must supply notifications (or approved alternatives) to Cardiff and Vale of Glamorgan Pension Fund as follows:

- **New Starters** - within **1 month** of the employee joining the scheme
- **Changes in Member Circumstances** - within **1 month** of the event
- **Early Leavers** - within **1 month** of the employee leaving the scheme
- **Retirement Notifications** - must be received at least **4 weeks** before the last day of employment
- **Death in Service** - within **1 week** of the death of the member

Employers will supply all new employees eligible to join the Local Government Pension Scheme with a copy of the employees' brochure to the pension scheme within **2 months** of becoming employed.

The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 require that for retirements before Normal Pension Age (NPA), the member must receive their benefits no later than two months after retirement and for retirements after Normal Pension Age (NPA), no later than one month after the date of retirement.

Employers will provide the Cardiff and Vale of Glamorgan Pension Fund with a year-end data return as at 31 March each year in an approved format no later than **30 April** of that year or the next working day.

The employer will ensure that member and employer contributions are deducted at the correct rate, including contributions due on leave of absence with reduced or no pay, maternity leave and any additional contributions the Cardiff and Vale of Glamorgan Pension Fund request the employer to collect.

The employer is responsible for exercising the discretionary powers given to employers by the regulations. The employer is also responsible for publishing its policy in respect of the key discretions as required by the regulations to its employees and to the administering authority. The Cardiff and Vale of Glamorgan Pension Fund is **NOT** responsible for verifying the accuracy of any information provided by the employer for the purpose of calculating benefits under the provisions of the Local Government Pension Scheme and the Discretionary Payments Regulations. That responsibility rests with the employer.

Any over-payment resulting from inaccurate information supplied by the employer shall be recovered from the employer.

In the event of the Cardiff and Vale of Glamorgan Pension Fund being levied by The Pensions Regulator, the charge will be passed on to the relevant employer where that employer's action or inaction (e.g. the failure to notify a retirement within the time limits described above), cause the levy.

Under the GDPR Data Protection Act 2018, the employer will protect from improper disclosure any information about a member contained (where applicable) on any item sent from the Cardiff and Vale of Glamorgan Pension Fund. It will also only use information supplied or made available by the Cardiff and Vale of Glamorgan Pension Fund for the operation of the Local Government Pension Scheme.

Levels of performance for the Cardiff and Vale of Glamorgan Pension Fund

The Cardiff and Vale of Glamorgan Pension Fund will issue forms, newsletters, booklets and such other materials as are necessary for the administration of the Scheme.

The Cardiff and Vale of Glamorgan Pension Fund will support employers in running the Local Government Pension Scheme by:

- providing representative's with information and assistance on the scheme and its administration;
- distributing regular technical information to the relevant representative(s).

By working co-operatively with employers, the Cardiff and Vale of Glamorgan Pension Fund aims to:

- pay the retirement grant (lump sum) into the member's bank account no later than 4 weeks after the member's date of retirement;
- accept the member contribution rate calculated by the employer.

The Cardiff and Vale of Glamorgan Pension Fund will produce benefit statements for members each year where the employer has submitted useable and accurate year-end financial data.

The Cardiff and Vale of Glamorgan Pension Fund will supply any information to employers necessary to ensure the effective operation of the Pension Fund.

The Cardiff and Vale of Glamorgan Pension Fund will work with employers to ensure that the retirement process is as efficient as possible for both the member and employer.

The Cardiff and Vale of Glamorgan Pension Fund is responsible for exercising the discretionary powers given to it by the regulations. The Cardiff and Vale of Glamorgan Pension Fund is also responsible for publishing its policy to its members in respect of the key discretions as required by the regulations.

The Cardiff and Vale of Glamorgan Pension Fund aims to provide a service to members that meet the requirements of the Occupational Pension Schemes (Disclosure of Information) Regulations 1996.

Under the GDPR Data Protection Act 2018, Cardiff and Vale of Glamorgan Pension Fund will protect from improper disclosure any information held about a member. Information held will be used by, or on behalf of Cardiff and Vale of Glamorgan Pension Fund Pension Fund for the operation of the Local Government Pension Scheme. Full details of our Data Protection Notice can be found on the Cardiff and Vale of Glamorgan Pension Website.

Payments by Employing Authorities to the Cardiff and Vale of Glamorgan Pension Fund

Employing authorities will make all payments required under the Local Government Pension Scheme, and any related legislation, promptly to the Cardiff and Vale of Glamorgan Pension Fund and/or its Additional Voluntary Contribution provider(s) as appropriate.

Payment Dates

For employing authorities that contribute on a monthly basis, contributions can be paid over at any time but the latest date is the 19th of the month immediately following the month in which deductions were made. For example contributions deducted in April must be received by the Cardiff and Vale of Glamorgan Pension Fund by 19th May at the latest. Where the 19th falls on a weekend or Bank Holiday, the due date becomes the last working day prior to the 19th.

Please note that the employer will pay additional voluntary contributions to the relevant AVC Provider within one week of them being deducted.

Late Payment

The employer is reported to The Pensions Regulator where contributions are received late in accordance with the regulators code of practice.

Payment Method

Contributions (but not Additional Voluntary Contributions) should be paid to the Cardiff and Vale of Glamorgan Pension Fund on a monthly basis.

Payments should be made by CHAPS or BACS and paid into our Natwest Bank Account.

Remittance Advices

The employer must submit an advice slip with their payment stating the month and the amount of the payment split between Employees' and the Employer's contributions.

Interest on late payments

In accordance with the LGPS Regulations, interest will be charged on any amount overdue from an employing authority by more than one month.

Interest will be calculated at 1% above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

Additional costs incurred as a result of Employing Authority's level of performance

Where additional costs have been incurred by the Cardiff and Vale of Glamorgan Pension Fund because of the employing authority's level of performance in carrying out its functions under the LGPS, the additional costs will be recovered from that employing authority.

The Cardiff and Vale of Glamorgan Pension Fund will give written notice to the employing authority stating:

- the reasons for the additional cost incurred;
- that the employing authority should pay the additional costs incurred by that authority's level of performance;
- the basis on which the specified amount is calculated;
- the relevant provisions of the Pension Administration Strategy under which the additional costs have arisen.

Any disagreement regarding the amount of additional cost being recovered will be decided by the Secretary of State who will have regard to:

- the provisions of the pension administration strategy that are relevant to the case;
- the extent to which the Cardiff and Vale of Glamorgan Pension Fund and the employing authority have complied with those provisions in carrying out their functions under these Regulations.

Review of the Pension Administration Strategy

This Strategy will be kept under periodic review by the Administering Authority.

- The Cardiff and Vale of Glamorgan Pension Fund will constantly seek to improve communications between itself and employing authorities.
- Employers may make suggestions to improve the Pension Administration Strategy for consideration by the Cardiff and Vale of Glamorgan Pension Fund at any time.
- The Cardiff and Vale of Glamorgan Pension Fund will revise the Pension Administration Strategy after consulting with employing authorities and any other persons considered appropriate following a material change in any policy covered in the strategy. The strategy will be published on the Cardiff and Vale of Glamorgan Pension Fund website, and a copy will be issued to each Employing Authority and the Secretary of State.
- If the strategy is to be updated following review, each Employing Authority will be notified, as will the Secretary of State, and a revised version will be published on the Cardiff and Vale of Glamorgan Pension Fund website.
- Employers are welcome to discuss any aspect of the Pension Administration Strategy with the Cardiff and Vale of Glamorgan Pension Fund at any time. Employers are welcome to contact the Cardiff and Vale of Glamorgan Pension Fund at any time by using the contact details as provided overleaf.

Employer Contributions Rates and Administration Costs

- Employers' contribution rates are not fixed. Employers are required to pay whatever is necessary to ensure that the portion of the fund relating to their organisation is sufficient to meet its liabilities.
- The Cardiff and Vale of Glamorgan Pension Fund has an actuarial valuation undertaken every three years by the Fund's actuary. The actuary balances the funds' assets and liabilities in respect of each employer, and assesses the appropriate contribution rate for each employer to be applied for the subsequent three year period.
- The costs associated with the administration of the scheme are charged directly to the Cardiff and Vale of Glamorgan Pension Fund, and the actuary takes these costs into account in assessing the employers' contribution rates.
- If an employer wishes the Cardiff and Vale of Glamorgan Pension Fund to carry out work not attributable to administration they will be charged directly for the cost of that work.

Contact Us

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