

1. Aims & objectives

1.1. Introduction

The East Riding Pension Fund (ERPF) administers the Local Government Pension Scheme (LGPS) on behalf of 265 Scheme employers ranging from the four unitary councils to colleges, academies, housing associations and admitted bodies within the historic Humberside area. It provides pension administration to over 100,000 Scheme members who are either actively contributing, have deferred benefits or are currently receiving a pension from ERPF.

Legislative changes continue to challenge the LGPS with the introduction of the Career Average Revalued Earnings (CARE) scheme in 2014, the additional governance requirements from the introduction of Local Pension Boards (LPB) and the Pensions Regulator (tPR) and the national changes to contracting out and the state pension.

During this period it is essential to communicate effectively with Scheme members to explain the changes and reassure them of the scheme's stability and benefit structure. To achieve this it is vital that ERPF and the Scheme employers work closely together to provide a customer focused and professional service whilst continuing to increase efficiencies and value for money.

1.2. Purpose of the strategy

The purpose of this strategy is to set out the processes and procedures that both Scheme employers and ERPF will follow to ensure effective communication and transfer of information. It will define the roles of both parties to form a clear understanding and expectation of what will be delivered. The strategy will also set out the level of performance that is expected of each party and how this will be measured and reported. Lastly the strategy sets out how underperformance will be managed with Scheme employers.

1.3. Key objectives

The key objectives of the strategy are to ensure that:

- ERPF and Scheme employers are aware of and understand their responsibilities under the LGPS regulations;
- ERPF and Scheme employers are delivering their administrative functions;
- benefits are administered in line with the LGPS regulations;

- accurate records are maintained for calculating pensions and Scheme employer liabilities;
- standards for both ERPF and Scheme employers are set, monitored and published appropriately;
- an effective method of communication is in place between both ERPF and the Scheme employer and Scheme members;
- training is provided to ensure that both ERPF and Scheme employers have the necessary skills to perform their functions; and
- ERPF deliver an online administrative service for Scheme employers to improve security and efficiency.

2. Regulatory framework

2.1. The Regulations

ERPF have made this strategy under regulation 59 of the Local Government Pension Scheme (LGPS) Regulations 2013. This regulation allows the administering authority to prepare a written statement on:

- procedures for liaison and communication with Scheme employers in relation to which it is the administering authority;
- the establishment of levels of performance which the administering authority and its scheme employers are expected to achieve in carrying out their Scheme functions by:-
 - the setting of performance targets;
 - the making of agreements about levels of performance and associated matters; or
 - such other means as the administering authority considers appropriate.
- procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
- procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions;
- the circumstances in which the administering authority may consider giving written notice to any of its Scheme employers under regulation 70 (additional costs arising from Scheme employer's level of performance) on account of that Scheme employer's unsatisfactory performance in carrying out its Scheme functions when measured against the levels of performance established in Section five of the strategy; and
- the publication by the administering authority of annual reports dealing with the extent to which that authority and its Scheme employers have achieved the levels of performance established and such other matters that it considers appropriate.

2.2. Preparing and amending the strategy

In line with regulation 59 ERPF must consult with all Scheme employers when preparing or reviewing and making revisions to its pension administration strategy.

ERPF must publish:

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

When the strategy is published and revised ERPF must send a copy to all of its Scheme employers and to the Secretary of State as soon as is reasonably practicable.

Both parties must have regard to the pension administration strategy when carrying out their functions under these Regulations.

3. Communication

3.1. How we communicate with our Scheme employers

To ensure that Scheme employers have the right support and information when providing information to ERPF we provide contact details for each area of the section. The current list of ERPF contact details can be found in appendix 1.

Contact details are provided for:

- **Member maintenance team (MMT)** – contact for queries regarding new joiners, early leavers, transfer of pensions and changes in Scheme member details;
- **Retirements, estimates and deaths (RED)** – contact for all queries regarding retirements, estimates and deaths;
- **Training officer** – contact for information on policies and training requests;
- **Financial control team – (FCT)** – contact for queries regarding monthly submission of contributions, contribution rates and FRS17/FRS102/IAS19;
- **Internal disputes resolution procedure (IDRP)** – contact for any complaints made under IDRP;
- **Online services & website** – contact for any queries on our online services or website; and
- **Outsourcing/potential employers** – contact if you are thinking of becoming a Scheme employer or outsourcing staff.

In addition to the above ERPF take a multi channel approach when communicating with Scheme employers. This is set out in the table below.

Resource	Delivered via	Frequency
Employer website	Dedicated area of www.erp.org.uk with information designed specifically for Scheme employers	Constant
Employer bulletins	Bulletins to Scheme employers with important regulatory and procedural information	As and when required but at least 12 per year

New employer meetings	Designed for new Scheme employers entering the Fund or those taking back payroll/HR services in-house	As and when required
Employers guides	A set of Scheme employer guides that explain forms and processes needed to administer ERPF	Available on www.erpf.org.uk E-mailed on request
Employer workshops	An opportunity for Scheme employers to cover new and/or complex topics in a workshop environment	As and when required but at least 4 per year
Employers annual meeting	An annual round up of scheme events and a presentation from the actuary explaining the valuation results if a valuation year	November
Annual Report & Accounts	Electronic	Available online at www.erfp.org.uk

3.2. Main contacts

ERPF ask all Scheme employers to submit a main contact form (appendix 2). As a Scheme employer you are responsible for all aspects of administration for ERPF. You may wish to delegate some of these responsibilities to a third party provider but ultimately the information belongs to the Scheme employer, therefore you must have a nominated contact at the organisation.

Organisation Contact Details

ERPF keep Scheme employers informed of important events such as triennial valuations and changes to the Scheme regulations. As a Scheme employer you need to consider this information and the impact on your employees. Your organisation contact will be the main point of contact for pension updates and information and deal with discretions policies, agreeing ERPF policies and resolving any issues that may arise.

Payroll Contact

The payroll contact is the person (or Team Leader if more than one) that submits all of your pension forms and responds to queries from ERPF. This person may be a third party payroll provider or you may wish to nominate someone at your organisation to co-ordinate sending and receiving pension forms and queries.

Human Resource (HR) Contact

Your HR contact should deal with estimates, ill health retirements and any queries around contractual arrangements. This person may be a third party HR provider or you may wish to

nominate someone at your organisation to co-ordinate sending and receiving pension information and queries.

3.3. Additional contacts

In addition to the three main contacts above Scheme employers are asked to nominate a contact for each of the following using the additional contacts form (appendix 3):

Over 12 Month Transfer Request

If a Scheme member has not transferred their pension within 12 months of joining ERPF they may ask you if the transfer can still go ahead, this is a Scheme employer's discretion. Please enter the person who will consider the requests within your organisation.

Internal Disputes Resolution Procedure (IDRP)

From time to time we receive complaints from Scheme members that are covered by IDRP, these complaints need investigating under strict timescales and you must follow the correct procedure. You should nominate someone within your organisation to deal with IDRP and enter their details here.

Supplier of the Year End Return

Scheme employers are responsible for submitting a year end return detailing Scheme member and Scheme employer contributions and the relevant pay information to allow ERPF to reconcile their pension contributions and to send Scheme members an annual benefit statement and pension savings statements where applicable. This submission must be made by the date set by the Fund for that Scheme year.

SS22a

With each year end return an SS22a must be submitted that balances the year end and the payments made within the year. This could be different from the person that submits your year-end return.

IAS19/FRS17/FRS102

You may need an IAS19/FRS17/FRS102 report for your accounts each year. Please supply the details of the person who will require this information.

SU18 Contact

When you submit your employee and employer contributions each month you should complete an SU18 form to go with your payment. Please provide the name of the person who will supply that form.

4. ERPF duties

4.1. Scheme administration

ERPF will administer the LGPS in line with the current LGPS regulations and with regard to any overriding legislation in force at the time.

The administration of the Scheme will take account of the statutory disclosure requirements and timescales.

4.2. Scheme responsibilities

- create a Scheme member record for all new employees admitted to the LGPS;
- collect and reconcile employer and employee contributions;
- maintain and update Scheme members records with any changes received by ERPF;
- at each triennial actuarial valuation ERPF will submit the required data in respect of each Scheme member and provide statistical information over the valuation period to the Fund Actuary so that he can determine the assets and liabilities for each Scheme employer;
- communicate the results of the triennial actuarial valuation to the Fund to each Scheme employer;
- provide every active, deferred and pension credit member with a benefit statement each year;
- provide an estimate of any associated cost of retirement on request by the Scheme employer;
- calculate and pay retirement benefits, deferred benefits and death in service benefits in accordance with LGPS rules, Scheme members' options and statutory limits; and
- comply with HMRC legislation.

4.3. Making decisions

When ERPF make a decision regarding a Scheme member's benefits under the Scheme they will be notified of the decision within 10 working days and informed of their right of appeal under IDRPs.

4.4. Discretions

Under the LGPS Regulations 2013 and the LGPS (Transitional provision, Savings and Amendment regulations) 2014, ERPF have a number of discretions and a policy must be published on how these will be exercised. This policy will be reviewed, amended and publicised in line with the above regulations. A copy of ERPF's discretions can be found here: <http://www.erp.org.uk/library-and-information/>

4.5. IDRPs

ERPF will nominate an officer to act as the adjudicator at both Stage 1 and Stage 2 of the appeals procedure where the complaint is against ERPF.

ERPF will also nominate an officer to deal with Stage 2 complaints, where the Stage 1 appeal was made against the Scheme employer.

4.6. Performance levels

The following levels of performance will be measured within the Fund and reported to East Riding Pension Funds Local Pension Board (ERPFLPB) for review and will be published in the Annual Report and Accounts each year:

Service Report	Target Measures
Death in Deferment – Acknowledgement	90% of acknowledgement letters to be sent within 5 working days on receipt of all information
Death in Deferment – Benefits Payable	90% of payments to be made within 5 working days following receipt of all information
Death in Service – Benefits Payable	90% of payments to be made within 5 working days following receipt of all information
Death on Retirement– Benefits Payable	90% of payments to be made within 5 working days following receipt of all information
Death on Retirement – Acknowledgement	90% of acknowledgement letters to be sent within 5 working days following receipt of all information
Death on Retirement- Acknowledgement No Liability	90% of acknowledgement letters to be sent within 5 working days following receipt of all information
Death in Service – Acknowledgement	90% of acknowledgement letters to be sent within 5 working days following receipt of all information
Deferred Retirement	90% of vouchers to be processed for payment within 5 working days on receipt of all information
Retirement – Quote	90% of letters and options to be provided to member within 5 working days of commencing a calculation
Retirement – Actual	90% of vouchers to be processed for payment within 5 working days on receipt of all information
Member Estimate	90% of Estimate and letter to be sent within 10

	working days of producing a calculation
Employer Estimate	90% of Estimates and letter to be sent within 10 working days of producing a calculation
Joiners	Welcome letter to be sent within 40 working days of receipt of all information
Refund Payments	90% of vouchers to be processed for payment within 5 working days on receipt of all information
Deferred Notification to Member	90% of notifications to member within 10 working days following receipt of all information
Transfer In Quotes	90% of quotes to be provided within 10 working days after receipt of all information
Transfer Out Quotes	90% of quotes to be provided within 10 working days after receipt of all information
Payroll Member Death – Calculate Under or Overpayment	Under or Overpayment to be calculated within 30 days

5. Scheme employer duties

5.1. Responsibilities

Scheme employers are responsible for ensuring that Scheme member and Scheme employer contributions are deducted at the correct rate, including any additional contributions and submitting data to allow the Fund to maintain Scheme member records and calculate benefits.

ERPF is not responsible for verifying the accuracy of any information provided by the Scheme employer for the purpose of calculating benefits under the provisions of the LGPS. That responsibility rests with the Scheme employer.

Any over payment of pension benefits as a result of inaccurate information being supplied by the Scheme employer shall be recovered from that Scheme employer.

In the event of ERPF being fined by tPR, this fine will be passed on to the relevant Scheme employer where that Scheme employer's actions or inaction caused the fine.

5.2. ERPF Online services

Scheme employers will administer the scheme using the ERPF Online services portal. This ensures security of data transferred between Scheme employers and the fund and gives Scheme employers access to Scheme member data and information. The main contacts as

detailed in section 3.2 should authorise access for users by completing the user declaration form (appendix 4). An individual account and login will be created for use by the authorised user only. If the user no longer requires access to ERPF Online services it is the responsibility of all of the three main contacts to inform ERPF to cancel the account.

5.3. Discretionary powers

The Scheme employer is responsible for exercising the discretionary powers given to them within the regulations. The Scheme employer is also responsible for compiling, reviewing and publishing its policy in respect of the key discretions as required by the regulations to its Scheme members.

ERPF provide a standard template for discretionary policies which can be downloaded here:

<http://www.erpf.org.uk/employers/employer-discretions/>

5.4. Scheme member contribution bands

Scheme employers are responsible for assessing and reassessing the contribution band that is allocated to a Scheme member. The Scheme employer must also inform the Scheme member of the band that they have been allocated on joining the scheme and when they have been reallocated to a different band.

5.5. Internal Disputes Resolution Procedure (IDRP)

Scheme employers must nominate an adjudicator to deal with appeals at Stage one of the IDRP where the dispute is against a decision the Scheme employer has made or is responsible for making. Scheme employers are responsible for providing details of the IDRP and the adjudicator in writing to members when informing them of decisions they have made.

5.6. Year-end submission

Scheme employers are responsible for submitting a year end return detailing Scheme member and Scheme employer contributions and the relevant pay information to allow ERPF to reconcile their pension contributions and to send Scheme members an annual benefit statement and pension savings statements where applicable. This submission must be made by 24 April.

5.7. Performance levels

The following levels of performance will be measured within the fund and will be reported to ERPFLPB for review and will be published in the Annual Report and Accounts each year:

Event for notification	Approved method of submission	Timescale for submission	Performance target
New member joins the scheme	ERPF Web New Starter Bulk interface (by	Received within 3 weeks of the member joining the scheme	90% of new starter forms received within 3 weeks

	arrangement)		
Election to change scheme section (50/50 & main scheme)	ERPF Web 50-50	Received within 6 weeks of the member changing the scheme	90% of change of scheme elections notified within 6 weeks
Early leavers (non retirement)	ERPF Web Leaver Form	Received within 6 weeks of the members last day of scheme membership	90% of notifications received within 4 weeks of the last day of membership
Retirements	ERPF Web Notification of Retirement	ERPF Web Notification of retirement to be received 10 days before the active members retirement date	100% of Notification of Retirement forms received 10 days before retirement date
	ERPF Web Leaver Form	ERPF Web Leaver Form to be received within 2 weeks of the members retirement date	90% of Web Leaver Forms received within 2 weeks of the members retirement date
Deaths	ERPF Web Leaver Form	Received within 10 days of the date the employer received notification of the death	100% of notifications received within 10 days of the date the employer received notification of the death
Year-end submission	Standard year-end template	Received by the date set by the Fund for each of	100% of returns received

	SS22a	the scheme years (31 March)	
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6. Scheme employer payments

6.1. Payments by Scheme employers

Scheme employers will make all payments required under the LGPS regulations, and any related legislations, promptly to ERPF and /or its Additional Voluntary Contribution (AVC) provider, the Prudential, as appropriate.

6.2. Paying contributions

Member and Scheme employer contributions can be paid over at any time and must be accompanied by a SU18 form and monthly break down. The breakdown as a minimum must give details of all members, personal information such as NI Number and DOB, the employee and employer contributions paid and the member's relevant pay. The latest date contributions can be paid is the 19th day of the month following the month in which the deductions were made. Where the 19th falls on a weekend or Bank Holiday, the due date becomes the last working day prior to the 19th.

6.3. Late payment

Scheme employers will be reported to tPR where contributions are received late in accordance with the Regulator's code of practice.

6.4. Payment method

Contributions (but not AVCs) should be paid to ERPF by BACs payment direct to ERPF's bank account.

6.5. Early retirement and Augmentation costs

All Scheme employer's early retirement costs will be paid by lump sum following the Scheme member's retirement.

All additional pension costs must be paid in full in one payment.

6.6. Interest on late payment

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

6.7. Scheme employer contributions

Scheme employer's contributions rates are not fixed and Scheme 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.

6.8. Actuarial Valuation

An actuarial valuation of the Fund is undertaken every three years by the Fund's actuary. The actuary balances the Fund's assets and liabilities in respect of each Scheme employer and assesses the appropriate contribution rate for each Scheme employer for the subsequent three years.

6.9. Administration charges

The cost of running ERPF is charged directly to the Fund and the Fund's actuary takes these costs into account in assessing Scheme employers' contribution rates.

7. Unsatisfactory performance

7.1. Measuring performance

ERPF

The performance of ERPF will be monitored on a monthly basis using the UPM Civica pensions system.

The statistics will be reported to ERPFLPB who will consider the performance of ERPF and decide on any action that needs to be taken.

The minutes of the ERPFLPB meetings are available at www.erpf.org.uk for Scheme employers to review.

Scheme employer's interests are represented on the ERPFLPB by three Scheme employer representatives.

All statistics will be published each year in the Fund's Annual Report and Accounts.

Scheme employers

The performance of Scheme employers will be monitored on a quarterly basis using the UPM Civica pensions system.

Where a Scheme employer is performing at a satisfactory level, no action will be taken and performance levels will not be published, although will be available for Scheme employers to review at their request.

7.2. Unsatisfactory performance

ERPF

If the performance of ERPF consistently falls below the standards outlined in this strategy ERPF will:

- prepare a report for the ERPFLPB to consider any action that needs to be taken;
- where necessary ERPF will self-report to tPR.

Scheme employers

ERPF will seek, at the earliest opportunity, to work closely with Scheme employers to identify any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

Where persistent and ongoing failure occurs and no improvement is demonstrated by a Scheme employer, and /or unwillingness is shown by the Scheme employer to resolve the identified issue, ERPF will take the following steps in line with the unsatisfactory performance procedure to resolve the situation in the first instance.

ERPF will contact the Scheme employer contact to discuss the reason for the unsatisfactory performance and an informal improvement plan will be put in place with a suitable deadline for review and improvement.

A letter will be sent to confirm agreement and outline the next steps of:

- improvement notice;
- administration charge;
- interest for late payment if applicable.

If the informal improvement notice is not successful ERPF will invite the Scheme employer to attend a formal improvement meeting and a further plan of improvement will be put in place with the Scheme employer. The details of this agreement will be sent as a formal improvement notice.

Where a Scheme employer declines to discuss performance issues a formal improvement notice will be sent and an administration charge will be made. In addition any outstanding interest payments due to late payment will be charged.

Where a formal improvement notice is not successful ERPF may:

- add the Scheme employer to the Fund's Risk Register;
- report the Scheme employer to tPR or Scheme Advisory Board; and
- escalate the case to the ERPFLPB/Pensions Committee.

During this time ERPF will continue to work with the Scheme employer to resolve any performance issues and an administrative charge will be made for all additional work due to unsatisfactory performance.

7.3. Circumstances where the administering authority may levy costs associated with an Scheme employer's poor performance

Regulation 70 of the LGPS 2013 Regulations provide that an administering authority may recover from an Scheme employer any additional costs associated with the administration of the scheme incurred as a result of the unsatisfactory level of performance of that Scheme

employer. Whilst ERPF will only consider this as a last resort there may be some instances where a charge is applied, for example:

- in circumstances where the performance of the Scheme employer results in fines being levied on the ERPF by tPR, Pensions Ombudsman or other regulatory body, an amount up to the amount of that fine will be recharged to that Scheme employer. In addition, there will be an additional charge equal to any associated legal, actuarial and administrative costs ERPF has incurred as a result of the Scheme employer's action or failure; and
- where the improvement plan as outlined in the last section of this strategy is not being adhered to, the ERPFLPB may determine that any other additional costs will be recharged. In these circumstances the ERPFLPB will determine the amount to be recharged and how this is to be calculated. The Scheme employer in question will be provided with a copy of that report and will be entitled to attend the ERPFLB meeting when this matter is being considered.

8. Appendices

8.1. ERPF Contacts

8.2. Main Contacts form

8.3. Additional Contacts form

8.4. User declaration

