

PENSIONS ADMINISTRATION STRATEGY

DECEMBER 2024



West Midlands Pension Fund

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1 INTRODUCTION AND REGULATORY CONTEXT

This is the Pension Administration Strategy (PAS) of West Midlands Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by the City of Wolverhampton Council (the administering authority).

The PAS is kept under review and revised to reflect changes to LGPS regulations and Fund policies and working practices. This document sets out a framework outlining the policies and performance standards to be achieved by the Fund and its employers and is developed through a consultation process to enable provision of a cost-effective and high-quality pension administration service.

The LGPS is a statutory scheme and is governed by regulations. The current regulations relating to scheme administration are the LGPS Regulations 2013 (As Amended). In performing their roles and responsibilities under these regulations, the Fund and its employers are also required to comply with any relevant overriding legislation and take appropriate recognition of any regulatory guidance or code of practice issued by the Pension Regulator.

An efficient and effective scheme administration service requires the following:

- Clear point of contact, roles, and responsibility.
- Timely exchange of information and payment of contributions.
- Complete and accurate notifications and communications.
- Early notification of material changes.
- Clear and timely responses to requests and queries.

This strategy outlines the performance expected and the monitoring in place to support service delivery.

2 AIMS

In line with the Fund's objectives, the aim of the PAS is to partner with its employers to provide a high-quality service to its members delivered through efficient working practices.

This is achieved through detailing the expected performance of the Fund and its employers in meeting both the legal and regulatory duty of scheme administration as set out in The Pension Regulator's single code of practice.

The Fund's ability to support and service its members in their retirement planning relies on effective administrative procedures being in place between the Fund and scheme employers, most notably the timely exchange of accurate information in relation to scheme members.

The primary method of exchange is through the Employer Self-Service (ESS) platform that provides a secure link to ensure data security and the protection of employer and member data.

This PAS sets out the expected levels of performance of the Fund and the scheme employers. The strategy provides details about the monitoring of performance levels and the action(s) that could be taken where standards are not met by employers and/or when persistent non-compliance occurs.

The PAS, of which this iteration is effective from June 2024, was introduced in April 2015, with revisions since that date captured in this document. The Fund will continue to keep the strategy and policy document under review and update as required to reflect changes in scheme regulations and Fund working practices.

The current version of the PAS has been updated to align with a recent change in working practices. A comprehensive review of the strategy is scheduled for late 2024 which will include a review of previously agreed timescales.

3 ROLES AND RESPONSIBILITIES

Overriding legislation dictates minimum standards that pension schemes should achieve in carrying out their roles as pension providers.

In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies.

3.1 Scheme Employer

3.1.1 Duties, Responsibilities and Measurements

The tables below set out the function and tasks scheme employers are required to carry out in order to aid the administration of the scheme. Where appropriate, for those tasks which will be routinely measured, the method of that measurement is also confirmed.

1 General Information			
	Function/Task	Expectation	Measurement/review
1.1	Confirm nominated representative(s) to receive information from the Fund.	<p>Change in contacts to be notified to the Fund immediately.</p> <p>Contacts to be confirmed upon admittance to the Fund as a scheme employer and verified via the Annual Employer Health Check.</p> <p>Multi-academy trusts to provide contact details for Head Office in addition to specific function contacts.</p>	Reviewed annually and as required.
1.2	Attendance at face-to-face or virtual employer training sessions	<p>On admittance to the Fund, new employers are expected to attend training sessions that are relevant to their specific role.</p> <p>Attendance may also be requested by a Fund officer based on performance/compliance levels.</p>	Employer performance to be continually reviewed.
1.3	Appoint a person (the adjudicator) to consider disputes under stage 1 of the Fund's 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.	Reviewed annually as part of the Employer Health Check.
1.4	Notify the Fund of any change to payroll provision.	Inform the Fund one month in advance of a change in payroll provider.	Reviewed annually as part of the Employer Health Check.

1 General Information			
	Function/Task	Expectation	Measurement/review
1.5	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS ¹ .	A copy of the discretionary policy document is to be submitted to the Fund within one month of the change in policy or within 30 days of becoming a scheme employer.	To be reviewed by the Fund as appropriate.
1.6	Distribute any information provided by the Fund to scheme members/potential scheme members (e.g., scheme guides, pension portal promotions, benefit statement production).	Ensure members have access to all material circulated by the Fund.	In a timely manner, as required.
1.7	Notify the Fund in advance of any employer initiatives, such as (but not limited to) employer mergers, bulk transfers or change of academy trust, policy decisions or practices which could have an impact on LGPS member benefits.	Early contact with the Fund is preferable to enable the Fund to discuss and understand the implications.	As a minimum, as soon as possible once the decision has been made or initiative/practice has been finalised.
1.8	<p>Inform the Fund about notifiable events which may trigger the requirement for a contribution review between triennial valuations.</p> <p>Such triggers may include (though not limited to):</p> <ul style="list-style-type: none"> • A material change to LGPS membership. • A material change in total employer payroll and LGPS pensionable pay. • A change in employer legal status or constitution. • Restructuring where there is a significant impact on LGPS membership. • A decision to cease business. • A decision that will restrict future active membership of the LGPS. 	Inform the Fund in advance of the event taking place.	Where advance notice is not possible, at least immediately after it is known.

¹ For further information on which regulations require a policy, please see Regulation 60 in the LGPS Regulations 2013 (www.lgpsregs.org)

2 Contributions			
	Function/Task	Expectation	Measurement/review
2.1	Remit employer and employee contributions to the Fund due each month.	<p>Receipt of employer and employee contributions in line with contributions reported on the monthly data file.</p> <p>Preferred method of payment is BACS or CHAPS, to include employer identifying information in the payment reference field..</p> <p>Payments with respect to multi-academy trusts to be aggregated prior to making payment to the Fund.</p> <p>In the case of a backdated admission agreement the employer must make payment in full of all contributions due to date once the required legal documents are in place. Payments must then be made as above.</p>	Receipt of payment by 22nd of the following month.
2.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary.	Application of the approved contribution rates under the direction of the Fund.	Monthly reconciliations undertaken by the Fund with respect to payments expected vs those received.
2.3	Provide a breakdown of monthly employer, employee and additional contribution payments for reconciliation ² .	Application of the approved contribution rates under the direction of the Fund.	Receipt of breakdown by 19th of the following month.
2.4	Arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave).	<p>As required, typically monthly.</p> <p>Eligible members only to be admitted to the LGPS.</p>	Monthly.
2.5	Manage the deduction of all additional contributions or amend such deductions, as appropriate.	As required.	Monthly.

² Breakdown needs to be provided on an individual employer basis where payment is made in respect of more than one participating employer, e.g., where responsible for client payroll.

2 Contributions			
	Function/Task	Expectation	Measurement/review
2.6	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required.	As required, typically monthly.	Monthly.
2.7	Make additional Fund payments in relation to the early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent and a funding strain cost arises.	<p>Within 30 days of receipt of invoice from the Fund.</p> <p>Where possible, a remittance advice to be issued to: wmpfaccountsreceivable@wolverhampton.gov.uk</p>	To be reviewed by the Fund as appropriate.
2.8	Respond to Fund queries regarding payments received.	<p>Respond to queries raised by the Fund regarding payments in order for these to be allocated.</p> <p>Where the query is relating to a rejected or aborted monthly submission file, resubmission of the file to occur within 10 working days of receipt of the query to prevent delays to allocation.</p>	Within 10 working days of receipt of query.

3 Contracting Out of Service

	Function/Task	Expectation	Measurement/review
3.1	Notify the Fund of the contracting out of services which will involve a TUPE transfer of staff to another organisation so that information can be provided to assist in the decision.	As required, typically monthly.	Monthly.
3.2	Work with the Fund to arrange for an agreement or other such contract and documentation as required, to be put in place when contracting out a service and assist in ensuring it is complied with.	In advance of the date of admission.	Three months prior to the contract commencement date.
3.3	Notify the Fund if the employer ceases to admit new scheme members or is considering closing membership of the Fund.	Inform the Fund of any decision made regarding admittance. (Early discussion with the Fund by a terminating employer is encouraged).	Immediately once decision is made.

4 General Administration and Change Notifications in Relation to Active Members			
	Function/Task	Expectation	Measurement/review
4.1	Provide the Fund with the following member information on one monthly file monthly (via ESS) and ensure optimum accuracy of monthly data files received: <ul style="list-style-type: none"> • New joiners • Employee and employer contributions and earnings. • Opt-outs within three months 	<p>On a monthly basis, by the 19th of the following month, as part of the submission upload via ESS.</p> <p>Where any payment of contributions due is made prior to the 19th of the following month it would be preferable for the data to be submitted at the time of making payment to enable payments to be reconciled.</p>	Monthly data file to be received by the 19th of the following month.
4.2	Employers must ask members for a statement in writing listing all previous periods of employment.	Members must be issued with a form A1.	Within three months following the date of scheme entry.
4.4	Produce an estimate of member benefits prior to approving retirements on the grounds of redundancy to establish any associated costs.	Early retirement costings to be calculated using the online facility (ESS) or by contacting employer services where the functionality is unavailable.	Prior to the redundancy being approved by the employer to avoid any delays for the member or other issues.
4.5	Notify the Fund (via ESS) when a member is due to retire including an accurate assessment of final pay details and the reason for retirement.	Exit interface to be submitted via ESS.	<p>ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA)³ or;</p> <p>up to one month following the date of retirement if the date of retirement is before normal pension age (NPA).</p>
4.6	Notify the Fund (via ESS) when a member leaves employment including the reason for leaving and an accurate assessment of final pay details using the method stipulated by the Fund.	<p>Exit Interface to be submitted. via ESS⁴.</p> <p>Where the member is subject to TUPE this should be not be confirmed via an Exit Interface.</p>	Within 30 days following month of leaving.

³ Notification should not be submitted before the member's final earnings are known to avoid the need to recalculate the member's benefits.

⁴ On receipt of the appropriate Exit Interface, where data is incomplete or inaccurate this may lead to delays in processing by the Fund should queries need to be raised.

4 General Administration and Change Notifications in Relation to Active Members			
	Function/Task	Expectation	Measurement/review
4.7	Provide responses to enquiries regarding submitted member notifications.	Respond to enquiries from the Fund about member notifications and submitted forms.	Within 10 days of receipt of enquiry.
4.8	Notify the Fund (via ESS) of the death of a scheme member.	Exit Interface to be submitted via ESS ⁵ .	Within 10 days of notification.
4.9	Review payment of Tier 3 ill-health benefits.	Review tier 3 benefits and notify the Fund accordingly.	After benefits have been in payment for 18 months.
4.10	Completion of the Annual Employer Health Check.	Respond to the Fund's communication with any changes and amendments within one month of receipt of the request (to include, but not limited to, a review of ESS users, contact details and active member lists).	Annually.
4.11	Self-review of performance and data quality via ESS.	Regularly use available reporting and MI dashboards in ESS.	At least annually where active member count is less than 1,000. Quarterly where active member count is greater than 1,000.
4.12	Provision of data appropriate to the McCloud ruling ⁶ .	Submission of all data required to enable an underpin check to be carried out with respect the McCloud judgment.	As per communications issued.

⁵ On receipt of the appropriate Exit Interface, where data is incomplete or inaccurate this may lead to delays in processing by the Fund should queries need to be raised.

⁶ Please refer to the Fund's website for more detailed guidance for requirements relating to the McCloud judgment.

5 IDRP

	Function/Task	Expectation	Measurement/review
5.1	Notify the Fund's Compliance team of the receipt of a complaint under the IDRP process.	Notify the Fund on receipt.	Within two days of receiving the complaint.
5.2	Notify the Fund's Compliance team that the first stage decision has been issued.	Notify the Fund once issued.	Within five days of issuing the decision.
5.3	Timeframe for resolution of IDRP within two months.	Notify the fund if timeframe is not going to be met.	Notify the Fund immediately when known the original timeframe will not be met.
5.4	Respond to Fund enquiries.	Assist with enquiries where the Fund is dealing with stage 2 IDRP.	Assist with enquiries where the Fund is dealing with stage 2 IDRP.

6 ESS User Access

	Function/Task	Expectation	Measurement/review
6.1	Request new ESS users.	Superusers to request the creation of new user accounts via wmpfemployersystems@wolverhampton.gov.uk	As required.
6.2	Request amendments to ESS user accounts e.g. change access levels, reset passwords.	Superusers to request amendments via wmpfemployersystems@wolverhampton.gov.uk	As required.
6.3	Verification of ESS users by superusers.	ESS superusers to regularly review user access lists using self-serve functionality (WMPF Managed User report).	At least annually via the Employer Health Check but also periodically by the employer to ensure accurate access is held.
6.4	Request revocation of ESS users no longer required and/or employed.	The Fund to be notified immediately when access is no longer required by a user.	Immediately on occurrence. Where account remains unused for 12 months, access may be automatically revoked by the Fund following written warning being issued.
6.5	Abide by ESS usage policy terms.	Review ESS usage policy to support data security.	At least annually.

3.2 West Midlands Pension Fund

3.2.1 Duties, Responsibilities and Measurements

In setting the expectation of employers, the Fund recognises that the relationship and delivery of services is reliant on the Fund's performance and duties to its employers.

The table below outlines the key responsibilities of the Fund, what actions it will take and the timescales of its own performance in delivering the service to members and employers. It is focused on the key activities that scheme employers and scheme members are involved in and should not be viewed as an exhaustive list.

The Fund routinely reviews performance across all areas including the PAS, which is monitored and reviewed by the Pensions Committee and Local Pensions Board. Regular reporting is undertaken and performance is also reported annually in the Fund's annual report and accounts. Where the function is routinely measured using the Fund's key performance indicators the method of that measurement is also confirmed below.

1 General Information			
	Function/Task	Expectation	Measurement/review
1.1	Regularly review the Fund's PAS and consult with all scheme employers.	In advance of the policy being adopted and following consultation taking place during the year of the revision.	Annual review.
1.2	Regularly review the Fund's Funding Strategy Statement (FSS) as required, not least with each triennial valuation, following consultation with scheme employers and the Fund's actuary.	Publish by 31 March following the valuation date or as required.	Annual review.
1.3	Regularly review the Fund's Communication Policy Statement.	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee.	Annual review.
1.4	Regularly review the Fund's Termination Policy Statement and publish as appended to the FSS.	Within 30 days of any changes being made to the policy.	Annual review.
1.5	Review and communicate the Fund's publications listed below: <ul style="list-style-type: none"> • Annual Report • Annual Statement of Accounts • Governance and Compliance Statement 	By 31 October following the year-end.	Annually, no later than 31 October.
1.6	Regularly review the Fund's Customer Engagement Strategy and Plan.	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee.	Annual review.

2 Contribution Requirements

	Function/Task	Expectation	Measurement/review
2.1	Consult with employers on the outcomes of the triennial valuation.	At least three months in advance of the signing of the final rates and adjustment certificate.	As part of the triennial valuation consultation period.
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date.	At least six weeks before the actuary signs off the rates and adjustment certificate.	As part of the triennial valuation cycle.
2.3	Notify new scheme employers of their contribution requirements.	The latter of within six weeks of receipt of the notification of admission application or commencement as a scheme employer.	To be reviewed by the Fund as appropriate.

3 Support for Employers

	Function/Task	Expectation	Measurement/review
3.1	Employer helpline	Dedicated helpline opening hours: Monday to Thursday: 8:30am to 12 noon and 2:00pm to 5:00pm Friday: 8:30am to 12 noon and 2:00pm to 4:30pm.	>85% of calls received to the employer helpline to be answered.
3.2	Email/ESS Admin referral support	Fund to support with general employer queries.	10 working days from receipt of enquiry.
3.3	Employer Peer Group	Quarterly meetings to be held each year between employer representatives and at least two Fund officers.	Quarterly.
3.4	Employer newsletters	Newsletters to be issued plus bespoke editions as required focusing on topical issues.	Quarterly and as required.
3.5	Face-to-face meetings	Whole employer meetings to be held twice yearly. One-to-one engagement with employers to discuss feedback and performance as required and appropriate.	As required but with all employers invited to at least two meetings each.
3.6	Online support	Online support to be reviewed and maintained in order to remain accurate and relevant.	Continual review.

3 Support for Employers

Function/Task	Expectation	Measurement/review
3.7 Member services presentations and roadshows	Regular presentations to be made available for employers to facilitate for members.	Continual review.
3.8 Organise and provide employer coaching on the roles and responsibilities of an employer in the Fund.	Arrange and advertise regular coaching support. Accommodate requests for bespoke sessions.	Continual review.
3.9 Notify scheme employers and scheme members of changes to the scheme regulations.	As per disclosure requirements with inclusion across employer communication channels.	Continual review.
3.10 Provide a facility (via ESS) for employers to calculate estimates and early retirement costs for active members	Functionality to be available to enable employer self-service at all times with periods of downtime to be monitored by WMPF systems support and any issues addressed immediately. Employer Services team to support where the functionality is unavailable.	Continual review.
3.11 Production and maintenance of an IDRPs employer guide	On an ongoing basis.	Annual review.

4 General Administration and Member Communications

Function/Task	Expectation	Measurement/review
4.1 Produce annual benefit statements for active and deferred members at 31 March.	By 31 August following the year-end.	Annually.
4.2 Produce and issue pension savings statements each year to members who have exceeded their annual allowance.	By 6 October (provided receipt of all relevant information from scheme employer) following the year-end.	Annually.
4.3 Publish and keep up to date all forms required for completion by scheme members or employers.	Within 30 days from any revision.	As required.

5 Processing Scheme Member Records and Benefits			
Function/Task	Expectation	Measurement/review	
5.1 New joiners Set up a new starter and issue a membership certificate where manual intervention is required.	Member record created and confirmed.	Within 20 days of receipt of correct data file from a scheme employer.	
5.2 Transfers Transfer in quotations processed.	Quotation and paperwork issued.	Within ten days of receipt of all the required information.	
Transfer notification of transferred in membership to be notified to the scheme member.	Member notified of completion of transfer in.	Within ten days of receipt of payment.	
Transfer out quotations processed.	Quotation and paperwork issued.	Within ten days of receipt of all the required information.	
Transfer out payments processed.	Payment made.	Within ten days.	
5.3 Additional contributions Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including required information to enable deductions to commence.	Arrange deduction of member payments with employer	Within ten days of receipt of election from a scheme member.	
Process scheme member requests to pay/amend/cease additional voluntary contributions (AVCs).	Arrange deduction/cessation of member payments with employer.	Within five days of receipt of request from a scheme member.	
5.4 Leavers Deferred benefits calculated and confirmed to member.	Confirm member benefits.	Within 15 days of receipt of all necessary information.	
Refund details calculated and issued.	Confirm member benefits.	Within ten days of receipt of all necessary information.	
Refund payments.	Make payment to member.	Within five days of receipt of all necessary information from member.	

5 Processing Scheme Member Records and Benefits		
Function/Task	Expectation	Measurement/review
5.5 Deferred into payment Provision of deferred retirement options to member.	Deferred retirement quotation issued to member.	Within 30 days of the member's eligible payment date or receipt of request from a member.
Deferred retirement benefits processed for payment following receipt of election.	Payment commences.	Lump sum payment within five days of receipt of all necessary documentation. First pension payment on next available payment run.
5.6 Retirements Provision of retirement options to members.	Retirement quotation issued to member.	Within 15 days of receipt of all necessary information.
New retirement benefits processed for payment following receipt of election.	Payment commences.	Lump-sum payment within five days of receipt of all necessary documentation. First pension payment on next available payroll run.
5.7 Deaths Acknowledgement of a death.	Appropriate acknowledgement issued.	Within five days of receiving the notification.
Notification of benefits payable to dependants.	Confirm benefits payable.	Within five days of receiving the required information.
Payment of death lump sum will be made information.	Payment made.	Within ten days of receipt of all the required information.
5.8 Customer service Member Helpline	See the Fund's webpage for contact details and opening hours.	>85% of calls received to the customer helpline to be answered.
Provide an answer/ acknowledgement to an enquiry from a scheme member/personal representatives/ dependants and other authorised persons.	Appropriate response issued.	Within ten days from receipt of enquiry.
Acknowledge member complaints on initial receipt.	Appropriate response issued.	Within five days of receipt
Issue full response to member complaints.	Appropriate response issued.	Within 20 days of receipt.

5 Processing Scheme Member Records and Benefits		
Function/Task	Expectation	Measurement/review
Monitor IDRPs cases and target completion of stage 1 and stage 2 reviews.	Within two months. For further information, please see the Fund's IDRPs policy.	Within two months.
Acknowledge employer complaints on initial receipt.	Appropriate response issued.	Within five days of receipt.
Issue full response to employer complaints.	Appropriate response issued.	Within 20 days of receipt.

4 MONITORING PERFORMANCE

4.1 Working with Employers

The Fund recognises that engagement is key to helping us understand employers' individual circumstances, their challenges and their outcomes. Engaging with employers helps to build positive working relationships and ensures processes create efficiencies and better outcomes for the Fund, its members, and employers. The consistent application of standards across all employers enables fair and value-for-money service.

The Fund will seek to work closely with employers when identifying areas of poor performance. At the earliest opportunity, the Fund will provide training and development to aid improvement of service levels in the future. Where performance issues are identified, in the first instance, the Fund will work to resolve the issues informally. However, where this is not possible and persistent sub-standards occur (with no measurable improvement demonstrated by the employer), additional steps may be taken by the Fund in line with its powers under the LGPS Regulations 2013.

The Fund aims to meet the training and development needs of its employers using (but not limited to) its employer education programme, newsletters, website guidance and day-to-day contact via email and telephone. There is also an open invite to request a meeting with a member of the Employer Services team, subject to notice to discuss any aspect of co-operation, expectations and responsibilities.

4.2 Approach to Managing Performance

Ensuring compliance with the LGPS regulations and this administration strategy is the responsibility of the Fund and scheme employers. This section describes the ways in which performance and compliance will be monitored.

The Fund and scheme employers are to ensure that all functions and tasks are carried out to the agreed quality standards. On a regular basis, the Fund will monitor, measure and report on both the Fund's and scheme employers' compliance with the agreed service standards outlined in this document. Employers are encouraged to review their own performance using the self-service tools and dashboards available via the ESS.

The Fund will undertake a formal review of performance against the PAS on an annual basis and liaise with employers in relation to any concerns on performance. The Fund monitors its own performance against key performance indicators. Monitoring occurs on a monthly basis and is reported to the Fund's Pensions Committee on a quarterly basis. The performance of scheme employers against the standards set out in this document are incorporated into the reporting to the Committee, as appropriate, to include data quality. The Fund will also report back to employers, where appropriate about their individual performance, identifying any areas for improvement including outstanding data items.

Where persistent and ongoing failure occurs in relation to administration requirements and no improvement is demonstrated and/or willingness to resolve the identified issues is shown by an employer following the Fund taking any appropriate steps as set out in its Employer Engagement Roadmap, the following sets out the steps that will be taken in dealing with this situation:

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards and offer support and, where applicable, request attendance at a training/coaching session.
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the scheme employer, or no response is received to the initial letter, the scheme employer will be asked to attend a conference call/meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an action plan to address them. Where appropriate, the originating employer will be informed and expected to work with the Fund to resolve the issues.

- If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out:
 - the area(s) of non-compliance with performance standards that have been identified;
 - the steps taken to resolve those area(s); and
 - provide notice that the additional costs will now be reclaimed.
- An invoice will be issued detailing the additional cost incurred, taking account of time and resources in resolving the specific area(s) of poor performance and in accordance with the charging scale set out in this document. A report will be presented annually to the Pensions Committee detailing charges levied against scheme employers and outstanding payments.
- If poor performance continues and impacts the Fund's ability to perform statutory functions and/or measures are not being taken by the employer to address this, the Fund may need to report the employer to The Pensions Regulator.

4.3 Policy on Charging Employers for Poor Performance

The LGPS regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that scheme employer. Where any such additional costs are to be recovered by the Fund, written notice will be provided stating:

- the reasons that the scheme employer's poor performance contributed to the additional cost;
- the amount of the additional cost incurred;
- the basis for calculation of the additional cost; and
- the provisions of the administration strategy relevant to the decision to give notice.

It is the policy of the Fund to recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any scheme employer (including the administering authority). With the objective of ensuring fairness across employers in avoiding other employers paying more to cover the higher administration costs incurred by others.

Please note that where an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged accordingly. This includes charges and recharges levied under this policy.

4.4 Potential Impact of Sub-Standard Performance

Item	Impact
Failure to make payment of monthly contributions and/or provision of breakdown of contributions for reconciliation against payment.	<p>The Fund will be unable to prepare cashflow information to facilitate the provision of annual accounting standards (FRS102, IAS19) by the Fund actuary or any other actuarial firm.</p> <p>Impact on contribution rates set at proceeding triennial valuation.</p> <p>Report to be made to The Pensions Regulator</p>
Failure to submit monthly data and leaver notifications and/or respond to Fund queries regarding associated data issues.	<p>Inability to produce member benefit statements.</p> <p>Inaccurate data used in triennial valuation and subsequent impact of contribution rates set.</p> <p>Delays in processing member requests for information and calculation of benefits on leaving.</p>

Item	Impact
Failure to maintain up-to-date contact information.	Communications and important messages regarding changes may not be received.
Late notification of new contracts to the Fund by the employer and/or ceding authority.	Potential trade union involvement. Breach of law if contribution deducted and agreement not sealed. Members not covered by death-in-service benefits. Increased costs due to delay in application being received.
Failure to comply with McCloud data provisions in line with Fund and regulatory requirements.	Employer liabilities may be understated. Member benefits may be incorrect.
Failure to notify the Fund of any notifiable events	Potential report to The Pension Regulator. Liabilities are under/overstated resulting in incorrect contributions being paid.

4.5 Charging Scales for Administration

The table below sets out the charges which the Fund will levy on a scheme employer who fails to meet the standards required. Each item is referred to in the 'Scheme Employer Performance Measurement' section of this document.

1 Payment of contributions	
Payment of primary rate contributions Payment of monthly employee and employer contributions in full by the 19th of the following month (but by the 22nd of the month where payment is made electronically) ⁷ .	£100 per occasion plus interest ⁸ . Thereafter for each working day the payment remains late an additional charge of £10 will be applied.
Payment of secondary rate contributions Payment of deficit contributions either: <ul style="list-style-type: none"> • In advance at the commencement of each scheme year, or; • Monthly alongside primary rate contributions by the 19th of the following month (but by 22nd of the month where payment is made electronically) • In full by 31 October (academies only) An election should be made during the triennial valuation consultation period regarding the method of payment.	Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent on a day-to-day basis from the due date to the date of payment and compounded with three monthly rests.

⁷ Future service contributions including additional contributions, e.g., APP and APCs

⁸ Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent.

2 Monthly data collection

Timeliness

Comply with each of the following requirements:

- Submission of the member data file by 22nd of the following month
- Submission of the web remittance advice by 22nd of the following month

£50 for each month the data file and/or web remittance advice is received after 22nd (i.e., both items must be received so as to incur no penalty). Thereafter for each monthly data file the charge will increase as follows⁹:

- 5p per member per working day late for the first month following the deadline.
- 10p per member per working day late for the second month following the deadline.
- 15p per member per working day late for the third month following the deadline and every month thereafter.

A minimum daily rate will be set at:

- £5 per day for the first 30 days following the deadline.
- £10 per day for the second 30 days following the deadline.
- £15 per day for the third 30 days and thereafter following the deadline.

Assessment of the overall charge will be made in aggregate following year-end.

Data quality¹⁰

Quality of the information provided to be below the acceptable tolerance level set at 5% of the employer active member count.

Errors include but not limited to missing members, missing new joiner flags, incorrectly flagged leavers/TUPE.

The Fund will recover costs for the work involved to resolve these errors. Costs will be based on officer hourly rates and will be determined based on the resources required to address errors above the tolerance in aggregate over a 12-month period.

3 Other

Bulk amendments

Bulk member record corrections or amendments of member records en masse as a result of (but not limited to) employer changes, mergers, initiatives, policy decisions or prior incorrect notifications.

The Fund will recover the cost for the work involved based on officer hourly rates.

Incorrect scheme member cases

Incorrect admission to the Fund where the member was eligible to join and should have been offered alternative pension scheme membership (e.g., TPS, USS).

A charge of £250 for each incorrectly admitted member plus recovery of the work involved based on officer time.

⁹ For the purposes of monitoring and the application of charges the active member count will be set at 1 April of the monitoring period (i.e., based on the monthly data file for the 1 April in the monitoring period).

¹⁰ File rejection reasons are outlined in the monthly submissions interface schema pack (under “validations”).

Leaver rollbacks

Incorrect submission of an Exit Interface where the member has either not left or has been subject to TUPE.

A charge of £50 for each incorrectly submitted leaver notification plus recovery of the cost for the work involved based on officer hourly rates where there are additional effects on processing (such as the reversal of aggregations).

Provision of replacement member ABS

Provision of replacement ABS due to submission of incorrect FTE resulting in inaccurate member ABS being produced as part of the annual cycle.

A charge of £250 for each occasion plus recovery of the cost for the work involved based on officer hourly rates.

Other rectification work

Any other significant work the Fund is required to carry out in order to rectify errors caused a result of employer error.

The Fund will recover the cost for the work involved based on officer hourly rates.

5 FEEDBACK FROM EMPLOYERS

Employers who wish to provide feedback on the performance of the Fund against the standards in this administration strategy should email comments (noting PAS feedback in the email subject) to WMPFEmployerLiaison2@wolverhampton.gov.uk

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Date	Version	Notes
June 2024	1.0	Updated to reflect process and terminology changes
December 2024	1.1	Update to some wording following SMT review

