

[DAY] [MONTH] [YEAR]

LGSS PENSIONS SERVICE

and

[EMPLOYER NAME]

SERVICE LEVEL AGREEMENT

Steve Dainty
Head of Pensions
LGSS Pensions Service
John Dryden House
8-10 The Lakes
Northampton
NN4 7YD

AGREEMENT

1. Period of Agreement

This Service Level Agreement has been produced in consultation with [Employer Name] and is effective from [Commencement Date]. The agreement will be kept under review and revised where appropriate.

2. Parties to the Agreement

This Agreement is made the [Day] day of [Month] [Year]

BETWEEN:

LGSS Pensions Service

AND

[Employer Name]

3. Definitions

"The Administering Authority" is Northamptonshire County Council, John Dryden House, 8-10 The Lakes, Northampton, NN4 7YD.

"LGSS Pensions Service" is part of the shared service partnership between Cambridgeshire County Council and Northamptonshire County Council and is responsible for administration of the Northamptonshire Pension Fund on behalf of the Administering Authority

"the Pension Fund Board" is the body responsible for governance of the Northamptonshire Pension Fund

"The Regulations" are the various pieces of legislation governing the Local Government Pension Scheme, as set out in Section 4

"The Scheme" is the Local Government Pension Scheme

"Pension Fund" is the Northamptonshire County Council Local Government Pension Fund

4. The Regulations – Effect on Agreement

This document sets out, for administrative convenience, the manner in which certain duties and responsibilities are expected to be carried out. It does not override any provision or requirement in the Regulations or any overriding legislation. The intentions of the Regulations in their application to members, potential members, deferred members and retired members must be complied with at all times.

The Regulations forming the basis of this agreement are as follows:

- The Local Government Pension Scheme Regulations 1995 and any amendments thereto.
- The Local Government Pension Scheme Regulations 1997 and any amendments thereto.
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and any amendments thereto.
- The Local Government Pension Scheme (Administration) Regulations 2008 (referred to as the Administration Regulations) and any amendments thereto.
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (referred to as the Transitional Regulations) and any amendments thereto.
- Admission Bodies – Please also refer to the terms of your Admission Agreement

5. Service Level Agreement for the Local Government Pension Scheme Administration

5.1 Introduction

This document sets out the service level agreement between LGSS Pensions Service and [Employer Name] for the administration of the LGPS.

The document sets out the roles and responsibilities of both LGSS Pensions Service and [Employer Name]. It also specifies the level of services the parties will provide to each other and the performance measures used to evaluate them.

5.2 Service Level Agreement – summary statement

In agreeing this service level agreement, all parties commit to providing the appropriate information to maintain accurate records and pay accurate benefits. LGSS Pensions Service acknowledges that this is a partnership arrangement.

LGSS Pensions Service is committed to providing a service in line with the objectives outlined within the Administration Strategy. This will include:

- Providing a named contact (and deputy) for all employer communications and queries
- Providing clear instructions and forms/interfaces to allow seamless transfer of information by employers
- Aim to provide information within the performance standards outlined in this Strategy
- Ensure all information provided is correct by having appropriate quality review arrangements in place

In return, [Employer Name] is expected to:

- Provide a named contact (and deputy) at the employer for all pension related communications and queries. Where multiple contacts are provided (for different duties) name one person who is ultimately responsible for ensuring the employer carries out their roles and responsibilities.
- Provide information to LGSS Pensions Service as outlined in instructions using approved forms and/or interfaces
- Aim to provide information within the performance standards outlined in this Strategy
- Ensure all information provided is correct by having appropriate quality review arrangements in place

- Provide feedback to LGSS Pensions Service on an ad-hoc basis, at performance review meetings or as part of consultations e.g. around how services are delivered or about changes to the funding strategy.

5.3 Duties and responsibilities

5.3.1 Employer's Duties and Responsibilities

[Employer Name] duties and responsibilities along with indicators and targets are listed in Appendices A and B of this agreement. All duties should be carried out in accordance with the stated performance target and generally in a timely and accurate manner.

The main duties of an employer as set out in the Regulations are:

- To decide who is eligible to become a member of the Scheme and the date from which membership of the Scheme
- To determine an employee's pay for the purposes of calculating pension contributions.
- To determine the rate of employee contribution to be deducted from the employee's pensionable pay and where the employee holds more than one post, the rate that should be applied to each post
- To determine final pay for the purposes of calculating benefits due from the Scheme
- On the cessation of membership of the Scheme to determine the reason for leaving and entitlement to benefit and notify the LGSS Pensions Service and the Scheme member of the decision
- To supply timely and accurate information to LGSS Pensions Service in the correct format to enable the correct calculation of benefits payable from the Scheme
- To collect, pay over to LGSS Pensions Service and account for the deduction of the correct rate of pension contributions payable by both the employee and the employer, including any additional employee contributions of any kind within the prescribed timescales.
- Upon receipt of a notification from LGSS Pensions Service of an employee's election to pay, vary the amount or cease Additional Voluntary Contributions (or Shared Cost Additional Voluntary Contributions where applicable), to apply the notification accordingly and where applicable deduct from a member's pay and pay over to the specified AVC provider the contributions as instructed by LGSS Pensions Service.

- Upon receipt of a notification from LGSS Pensions Service of an employee's election to pay Additional Regular Contributions, to apply the notification accordingly and where applicable deduct from a member's pay and pay over to LGSS Pensions Service, the contributions as instructed by LGSS Pensions Service.
- To use LGSS Pensions Service approved independent Medical Officer qualified in Occupational Health medicine in determining ill health retirement.
 - Make appropriate employer decisions when required and fulfil the employer role within the internal dispute resolution process.
 - Prepare, publish and keep under review a list of your employer discretions, notifying LGSS Pensions Service of any changes as appropriate.
 - Respond to LGSS Pensions Service queries in a timely manner, as set out in Appendix B - Employer Performance Standards.

The above is a summary of the main duties of an employer under the Regulations. In the event of doubt the Regulations must be consulted for clarification.

5.3.2 The Administering Authority's Duties and Responsibilities

LGSS Pensions Service duties and responsibilities along with indicators and targets are listed in Appendices A and C.

A list of main duties is set out below:

- To notify **[Employer Name]** of any significant changes to Regulations, policies or procedures that will affect either Scheme members in their employ or the employer themselves.
- To allocate all contributions submitted by **[Employer Name]** to their respective codes and reconcile the total contributions paid on an annual basis.
- To hold an Employer Forum on at least an annual basis in order to keep employers up to date on all matters concerning the Pension Fund and Scheme.
- To provide regular, accessible training for employers throughout the year plus bespoke training as required.
- To issue annual benefit statements to both active and deferred members as at 31 March each year.

- To act on information received from [Employer Name] to accurately process casework in a timely manner.
- To issue formal valuation results, including individual employer contribution rates.
- To carry out a cessation valuation exercise on cessation of an admission agreement.
- To maintain and keep up to date all literature and guidance, including that on the website.
- To respond to [Employer Name] queries in a timely manner, as set out in Appendix C – LGSS Pensions Service Performance Standards.

The vast majority of services provided by LGSS Pensions to members, employers and other stakeholders are funded through an administration allowance within employer contribution rates. Any additional charges that apply will be explicitly set out on our website and confirmed prior to the point at which they are incurred.

5.4 Administration procedures – General

LGSS Pensions Service will work with [Employer Name] to ensure full information, training and support is given to [Employer Name] staff providing information for scheme administration. Our full guidance is detailed on our website:

<http://pensions.northamptonshire.gov.uk>

Whenever a significant change is made to the website LGSS Pensions Service will notify all employers via an email alert.

In order to facilitate the above, [Employer Name] will provide LGSS Pensions Service with up to date contact details, as detailed on the employer contact form, within 30 working days of any change.

5.5 Variations to the agreement

Any variations to this agreement must be agreed jointly between the parties to the agreement and confirmed in writing.

The agreement will form the basis of a review of services provided by [Employer Name] and LGSS Pensions Service. Every two years, or sooner if either party requests, a review will be offered, conducted with those officers responsible for the services set out in this agreement.

5.6 Performance measurement and reporting

Both parties will carry out their duties and responsibilities to members in accordance with the indicators and targets as detailed in Appendices A, B and C. LGSS Pensions Service will also monitor, measure and report annually on [Employer Name] performance against those indicators and targets.

Administering Authority performance will be shared with all employers in the Fund. The performance of [Employer Name] will be shared only with [Employer Name].

Where information collected for reporting purposes reveals problems in meeting the indicators and targets, LGSS Pensions Service will consult and work with [Employer Name] to improve the level of compliance and performance by providing support, guidance, and training where appropriate. The LGSS Pensions Service website provides further details of the training available and any costs involved..

In addition to the annual reporting, a biennial review meeting between a representative of LGSS Pensions Service and [Employer Name] will be offered to scheme employers. This will be an opportunity to review performance against targets and the quality of information exchange. In addition, this will be an opportunity to review the SLA for the period until the next review meeting.

5.7 Data Protection

LGSS Pensions Service will ensure compliance with Data Protection Legislation, both internally and in connection with any third party supplier contracts.

Data will be shared between Cambridgeshire County Council and Northamptonshire County Council for the purposes of pensions administration.

6. Costs

6.1 Circumstances where the Administering Authority may levy costs associated with the employer's poor performance

Regulation 43 of the Administration Regulations provides that an Administering Authority may recover from an employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employer. Where an Administering Authority wishes to recover any such additional costs they must give written notice stating:-

- the reasons in their opinion that the employer's poor performance contributed to the additional cost;

- the amount of the additional cost incurred;
- the basis on how the additional cost was calculated; and
- the provisions of the pension administration strategy relevant to the decision to give notice.

In instances where the performance of the employer results in fines being levied against the Administering Authority by the Pension Regulator, Pensions Ombudsman or other regulatory body, these costs will be recoverable immediately.

6.2 Circumstances where costs might be recovered

It is not the policy of the Administering Authority to move immediately to recovering additional costs incurred in the administration of the LGPS as a direct result of the poor performance of an employer or third party service provider. Instead, the Administering Authority will seek, at the earliest opportunity, to work closely with the employer in identifying any areas of poor performance, provide the necessary training and development and put in place an improvement plan to improve the level of service delivery into the future.

Where persistent failure occurs and the improvement plan is not followed by the employer additional administration costs will be recovered. In particular, this will be pursued where LGSS Pensions Service, acting on behalf of the Administering authority, has carried out the following steps

- Written to the employer, setting out area(s) of poor performance.
- Met with the employer, to discuss area(s) of poor performance and how these can be addressed and agreed an improvement plan but no or little improvement has been demonstrated.
- The Pension Fund Board has agreed to reclaim administration costs following a report to them on the circumstances. Before making a decision the Pension Fund Board shall offer the employer the opportunity to make representations in person to the Board, or in writing if the employer so chooses, and to facilitate this will provide 21 days before the meeting a copy of the report to be considered by the Board

The circumstances where this might be necessary are:

- Persistent failure to provide relevant information to LGSS Pensions Service, scheme member or other interested party in accordance with specified performance targets (either as a result of timeliness of delivery or quality of information).

- Failure to pass relevant information to the scheme member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets.
- Failure to deduct and pay over correct employee and employer contributions to LGSS Pensions Service within the stated timescales.

Where the Pension Fund Board agrees costs should be reclaimed, the following sets out the steps LGSS Pensions Service, on behalf of the Administering Authority, will take in dealing with poor performance by the employer:

- Issue formal written notice, where no improvement is demonstrated by the employer/failure to take agreed action by the employer, setting out the area(s) of poor performance that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will now be reclaimed;
- Clearly set out the calculations of any loss resulting to LGSS Pensions Service, or additional cost, taking account of time and resources in resolving the specific area of poor performance, including any fines levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body resulting from the employer's poor performance;
- Make claim against the employer, setting out reasons for doing so, in accordance with the Regulations.

Please see Appendix D for costs.

7. Disputes arising over performance of LGSS Pension Service

In the first instance any issues should be raised with a member of the dedicated LGSS Pensions Service Employers Team using the primary contact details below.

In the event that this does not provide resolution to the issue, the matter should be escalated to the Employer Services and Funding Manager.

If resolution is still not possible the matter should be referred to the Head of Pensions who will investigate involving senior managers at the Administering Authority, Employing Authority and any other organisation as appropriate.

For the purposes of clarity, rights and liabilities of any person other than employing authorities under the Local Government Pension Scheme are covered by the Internal Dispute Resolution Procedure in accordance with the Regulations.

8. Contacts

Primary LGSS Pensions Service contact –

Employers Team, 01223 715611 or LGPSAdmin@cambridgeshire.gov.uk

Escalation –

Mark Whitby – Employer Services & Funding Manager 01223 715406

Mark.whitby@cambridgeshire.gov.uk

Complaints –

Steve Dainty – Head of Pensions 01604 366636

SDainty@northamptonshire.gov.uk

9. Signatories

It is hereby agreed that each of the parties as defined in this agreement and the Regulations, shall abide by the requirements of this agreement.

Signature of Authorised Officer: _____

Position: Head of Pensions

On behalf of: LGSS Pensions Service

Signature of Authorised Officer: _____

Position: [Position]

On behalf of: [Employer Name]

Please retain a signed original of this agreement for your records.

A signed original will also be held by LGSS Pensions Service and will be made available for viewing upon request.

Appendix A – Whole Fund Administration Performance Standards

The following are key indicators where the target can only be achieved by the Administering Authority and Employing Authorities both delivering high levels of administration.

Function / Task	Indicator	March 2013 Target	Target Achievement
Notify leavers of deferred benefit entitlements	Deferred award letter sent within 40 working days of last day of employment.	90%	
Payment of retirement benefits from active employment.	Payment of lump sum within 5 working days of payable date or date of receiving all necessary information if later. First pension paid in the month of leaving or in month of receiving all necessary information if later.	95%	

Appendix B –Employer Performance Standards

The following are the performance targets that the Employer will be expected to meet.

Function/Task	Indicator	Target
Confirm nominated representatives	Representative confirmed within 30 working days of employer joining fund or change to nominated representative	100%
Arrange for the correct deduction of employee and employer contributions and pay contributions to Pension Fund in a timely manner, providing an associated monthly statement/schedule in a format acceptable to the Administering Authority	Number of months in the year where contributions were in the Pension Fund by the 19 th calendar day of month after deduction and statement/schedule was received by the same date as payment	100%
Upon receipt of a notification from an Additional Voluntary	Within 1 month of receipt of notification	100%

Function/Task	Indicator	Target
Contribution (AVC) provider of an employee's election to pay, vary the amount or cease AVCs (or Shared Cost AVCs where applicable), to apply the notification accordingly and where applicable deduct from a member's pay the contributions as instructed by the AVC provider.	from the AVC provider	
Pay over to the specified AVC provider contributions deducted from a member's pay.	Within 7 days of deduction from pay	100%
Upon receipt of a notification from the LGSS Pensions Service of an employee's election to pay Additional Regular Contributions, to apply the notification accordingly and where applicable deduct from a member's pay and pay over to the LGSS Pensions Service, the contributions as instructed by LGSS Pensions Service.	Within 1 month of notification from LGSS Pensions Service	100%
Provide LGSS Pension Service with accurate year end information in prescribed format	Accurate year end information to be provided for all Scheme members by 30 April following contribution year end	100%
Respond to enquiries from LGSS Pensions Service in respect of retirements, estimates or any other query identified as urgent.	Response received within 5 working days from receipt of enquiry.	100%
Respond to enquires from the LGSS Pensions Service in respect of those queries deemed as non urgent	Response received within 10 working days from receipt of enquiry.	95%
Provide new employees with scheme information	Within the automatic enrolment joining window.	100%
Determine appropriate rate of	Decisions made by time	100%

Function/Task	Indicator	Target
employee contributions for new scheme members in the LGPS	of first salary payment.	
Provide LGSS Pensions Service with all necessary information regarding new starters and hours/weeks per year variations in a format acceptable to Administering Authority	Accurate information provided within 10 working days of the relevant calendar month end or within 30 days of commencement/change if earlier where employer automatic enrolment duties apply	95%
Determine reason for leaving and Final pay, issue entitlement award to member and leavers certificate to LGSS Pensions Service for leavers NOT entitled to immediate payment of pension.	Certificate received within 15 working days of date of leaving	95%
Determine reason for leaving and Final pay, issue entitlement award and retirement pack to member and leavers certificate to LGSS Pensions Service for retirees entitled to immediate payment of pension.	Certificate received at least 10 working days <u>before</u> date of leaving.	95%
Must have published Employer Discretions, accessible by all employees and copy provided to LGSS Pensions Service.	Discretions published and provided to LGSS Pensions Service within 30 days of approval	100%
Discretions must be reviewed and amended as necessary	Any amendments to discretion must be confirmed in writing within 30 days from change	100%

Appendix C – LGSS Pensions Service Performance Standards

The following are the headline performance targets that LGSS Pensions Service will be expected to meet.

Function / Task	Indicator	March 2013 Target	Target Achievement
LIAISON AND COMMUNICATION			
Confirm nominated employer liaison officer	10 working days of employer joining fund or change to nominated officer	100%	
Publish and keep under review the administration strategy.	Within three months of decision to develop an administration strategy or one month of any changes being agreed with scheme employers	100%	
Keep up to date the employer website, including procedural guides, scheme guide and all other documents and forms	20 working days from date of change/amendment	100%	
Formulate and publish policies in relation to all areas where the Administering Authority may exercise a discretion within the scheme	Within 30 working days of policy being agreed by the Pension Fund Board	100%	
Organise bespoke training sessions for Scheme employers, subject to fair use of training resource	Training date agreed with employer within one month of request	100%	
Notify the employer and scheme members of changes to the scheme rules	Within one month of the LGSS Pensions Service being informed of the change	95%	
Notify the employer of any issues relating to it's poor performance (including arranging meeting if required)	Within 20 working days of performance issue becoming apparent	90%	
Notify the employer of decisions to recover additional costs associated with their poor performance (including any interest that may be due)	Within 10 working days of the decision of the Pension Fund Board	100%	

Function / Task	Indicator	March 2013 Target	Target Achievement
Issue annual benefit statements to active members as at 31 March each year	By the following 30 September (pending timely receipt of satisfactory year end data from the scheme employer)	100%	
Issue annual benefit statements to deferred benefit members as at 31 March each year for those which we have an up to date address	By the following 30 June	100%	
FUND ADMINISTRATION			
Issue formal valuation results (including individual employer details)	20 working days from receipt of results from Fund Actuary (but in any event no later than 31 March following the valuation date)	100%	
Carry out cessation valuation exercise on cessation of admission agreements or employer ceasing participation in the Northamptonshire Pension Fund	Initiated within 40 days with Fund Actuary plus results issued to employer within 2 months of clean data	100%	
Publish, and keep under review, the Administering Authority's governance policy statement	Within 30 working days of policy being agreed by the Northamptonshire Pension Fund Board	100%	
Publish and keep under review the Pension Fund's funding strategy statement	To be reviewed at each triennial valuation, following consultation with scheme employers and the Fund's Actuary. Revised statement to be issued with the final valuation report	100%	
Publish the Pension Fund annual report and any report from the auditor	By 31 August following the year end	100%	

Function / Task	Indicator	March 2013 Target	Target Achievement
Provide an FRS17/IAS19 report to employers for their chosen accounting date	Within one month of the 31 March, 31 July or 31 August accounting date, providing employer has returned required data to LGSS Pensions Service by the 1 st of the month in which the accounting date falls	100%	
SCHEME ADMINISTRATION			
Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information	95%	
Confirm transfer-in payment and service credited to scheme member	Letter issued within 10 working days of receipt of transfer payment by Pension Fund (or receipt of all information needed to complete calculations if later)	90%	
Notify the employer of scheme member's election to pay or cease paying additional regular contributions and other contracts, including all required information to enable deductions to commence or finish.	Email sent within 5 working days of receipt of election from scheme member	95%	
Calculate cost of additional regular contributions, and notify scheme member	Letter sent within 10 working days of receipt of request from scheme member	90%	
Provide requested estimates of benefits to employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	Estimate in agreed format provided within 10 working days from receipt of all information	90%	

Function / Task	Indicator	March 2013 Target	Target Achievement
Provide a maximum of one estimate of benefits to employees per year on request.	Estimate in agreed format provided within 10 working days from receipt of all information	90%	
Provide a maximum of one cash equivalent transfer value (CETV) to employees per year on request	Provided within 10 working days from receipt of all information	90%	
Provide a divorce quotation to employees on request	Provided within 10 working days from receipt of all information	90%	
Notify leavers of deferred benefit entitlements or concurrent amalgamation.	Notification issued within 15 working days of receiving all necessary information.	90%	
Notify employees retiring from active membership of benefits award.	Issue award within 5 working days after payable date or date of receiving all necessary information if later.	95%	
Payment of ongoing pension (not including the first pension payment).	Eligible payments made on the publicised payment date.	100%	
Acknowledge death of active/deferred/pensioner member.	Letter issued within 5 working days following notification of death	100%	
Award dependent benefits.	Issue award within 5 working days of receiving all necessary information.	95%	
Provide responses to other enquiries from scheme members, scheme employers, personal representatives, dependents and other authorised persons	Full response within 5 working days from receipt of all information needed to respond to enquiry	90%	
Where a full response will not be available within the published service standards send an acknowledgement and provide the expected timescale.	Acknowledgement within 5 working days from receipt of initial enquiry	100%	

Function / Task	Indicator	March 2013 Target	Target Achievement
Appoint stage 2 “appointed person” for the purposes of the pension dispute process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current “appointed person”	100%	
Process all stage 2 pension dispute applications	Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.	100%	
Publish and keep under review the Pension Fund policy on the abatement of pension on re-employment	Notify scheme members and scheme employers within one month of any changes or revisions to the policy	100%	

Appendix D – Charges

Where the Pension Fund Board has agreed that costs should be reclaimed from the employer due to poor performance LGSS Pensions Service, acting on behalf of the Administering Authority, will levy costs at the following rate –

Number of hours spent resolving the specific area of poor performance multiplied by the hourly rate of scale point 28 of the Local Government Employee Pay scale, which for the purposes of clarity is £12.29 with effect from 1 April 2012