



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

Royal Borough of Kensington and Chelsea (RBKC)

Local Government Pension Scheme (LGPS)

Pension Administration Strategy (PAS)

Effective from 1 April 2025

RBKC LGPS Pension Administration Strategy

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1. Introduction

The LGPS is a national scheme, administered locally, and is a valuable part of the pay and reward package for employees working in local government or for other employers participating in the Scheme. Good quality administration and communication assists in the overall promotion of the Scheme. Providing employees with confidence in the administration of their benefits, in a scheme with ever increasing complexity, is a challenge facing both administering authorities and scheme employers.

The delivery of a high quality, cost effective local government pensions administration service is not just the responsibility of the administering authority (Royal Borough of Kensington & Chelsea [RBKC]), it also depends upon collaborative working with all stakeholders to ensure that scheme members, and other interested parties, receive the appropriate level of service and ensure that statutory requirements are met.

The aim of this Pensions Administration Strategy (PAS) is to ensure that the administering authority along with its Admitted and Scheduled body employers are aware of their responsibilities under the Local Government Pension Scheme (LGPS).

This document also shows the relationship and details the split of responsibilities between the administering authority and the Admitted and Scheduled body employers (Employers).

Throughout this document contractual and best practice levels of performance are referenced with the aim of incrementally improving the provision of timely accurate data and levels of pension administrative services.

Failure to comply with the standards shown in this document could result in charges being levied by the administering authority to employers in accordance with the terms set out in the schedule of charging in Section 6.

2. PAS Policy Statement

Pensions Administration Strategy Policy Statement

This document sets out the pension administration strategy of The Royal Borough of Kensington and Chelsea Council as the administering authority of the RBKC Pension Fund. This statement sets out the aims and objectives of the PAS and references other documents which together make up the overall pensions administration management system. The aim of the strategy is to detail the procedures for liaison and communication, and to establish performance standards for both the administering authority and scheme employers.

Statutory background

Regulation 59 of the Local Government Pension Scheme Regulations 2013 (LGPS 2013) enables an administering authority to prepare a document detailing administrative standards, performance measurement, data flows and communication vehicles with Employers. An administering authority must keep the strategy under review and make appropriate revisions following any material change in its policies in relation to any matters contained within the strategy.

Regulation 70 of the LGPS 2013 allows an administering authority to recover costs from a scheme employer where costs have been incurred because of an employer's non-compliant level of performance in carrying out its functions and/or complying with its obligations under the Regulations. Should the situation arise, an administering authority may give written notice to the scheme employer stating the reasons why, in the administering authority's opinion, their performance is not satisfactory, the amount of additional costs to be recovered and the basis on which the specified amount has been calculated.

Aims & Objectives

In creating this strategy, the aim of the administering authority is to have in place a pension management system that meets the needs of the stakeholders by:

- clarifying the roles and responsibilities of all the major stakeholders.
- ensuring the services provided by all the major stakeholders are accessible, equitable and transparent
- assisting employers to provide the effective provision of timely and accurate data.

To support these aims this PAS document introduces:

- the standard of expected service between the Administering Authority and Employers
- a schedule of charges that may apply when standards of service fall below expectations

Other documents which make up the overall strategy

- Local Government Pension Scheme Communications Policy

3. Roles and responsibilities

Administering Authority

The main responsibilities of the Administering Authority are:

- To monitor scheme employer compliance with their responsibilities under the LGPS regulations and elsewhere.
- To set up and maintain a record for each member of the scheme which contains all the information necessary to produce an accurate pension benefit calculation following the employer providing useable, accurate and timely financial data.
- To calculate and pay the appropriate pension benefits at the correct time, based on membership details held, the termination date, and the final pay details provided by the employer when an employee ceases employment, or ceases membership of the scheme.
- To supply beneficiaries with details of their entitlements including the method of calculation.
- To set up and maintain a record for each pensioner member.
- To increase pensions periodically in accordance with the provisions of Pensions Increase Acts and Orders.
- To pay benefits to the correct beneficiaries only, and to take steps to reduce the possibility of fraud taking place.
- To ensure that sufficient information is issued to satisfy the requirements of Regulation 61 of the LGPS 2013 (statements of policy concerning communications with members and Scheme employers).
- To be responsible for exercising the discretionary powers given to the administering authority by the LGPS regulations. These regulations also require the administering authority to publish its policy in respect of these key discretions.
- To maintain an appointed person for the purposes of the scheme internal dispute resolution procedure (IDRP).
- To appoint an actuary for the purposes of the triennial valuation of the Pension Fund and provide periodical actuarial advice and any other valuations when required.
- To arrange and manage the triennial valuation of the pension fund.
- To ensure compliance with the Data Protection Act 2018.

Scheme Employers

The main responsibilities of a scheme employer are:

- To decide who is eligible to become a member of the scheme, in accordance with LGPS eligibility requirements.
- To decide whether that person is employed in a full time, part time, variable time or casual capacity. If the employee is part time, the employer must determine the proportion which the employees' contractual hours relate to the hours of a comparable full-time employee.
- To determine the pensionable pay of employees for the purposes of calculating employee and employer pension contributions, in accordance with LGPS regulations.
- To determine final pay for the purposes of calculating benefits due from the scheme, in accordance with LGPS regulations.

- To issue a notification to any employee who cannot become members of the scheme, explaining the reason(s) why.
- Where, after reasonable efforts, an employee fails to provide information relating to previous service, to provide basic information to the administering authority as required by the administering authority.
- At cessation of membership of the scheme, to determine the reason for leaving and entitlement to benefit, and to notify the administering authority and the scheme member of the decision.
- To supply timely and accurate information each month (and at financial year-end) to the administering authority (or during any other additional periods as may be required by the administering authority) to ensure the correct calculation of benefits payable from the scheme. The submission format(s) and submission date(s) of such data must meet the requirements of the administering authority.
- To deduct Additional Voluntary Contributions (AVCs) from a member's pay and to pay over to the AVC provider within the statutory deadlines.
- To be responsible for exercising the discretionary powers given to employers by the LGPS regulations. These regulations also require the employer to publish its policy in respect of these key discretions.
- To provide a notice, drawing the employee's attention to their right of appeal under the LGPS, with any statement issued to an employee relating to any decision made about the scheme.
- To use an Independent Registered Medical Practitioner qualified in Occupational Health medicine that has been approved by the administering authority in determining ill health retirement.
- To repay to the scheme member any incorrectly deducted employee's contributions.
- To provide the administering authority with an audited copy of the final annual statement for the financial year, which shall also contain the name and pensionable pay of each employee who is an active member, the amounts which represent pension deductions from pay for each of those employees and the periods covered by the deductions and any other information requested by the administering authority. The information should also distinguish those amounts representing deductions for voluntary contributions and the employees paying those voluntary contributions.
- To be responsible for complying with the requirements for funding early retirement for whatever reason as set out in the rates and adjustments certificate issued by the Actuary following the triennial valuation of the fund, or any other interim valuation of the fund by the Actuary.
- Pay the administering authority interest on payments due from the employer which are overdue by more than one month.
- Where a member leaves the scheme and full contributions have not been deducted for whatever reason, immediately make payment of outstanding member's and employer's contributions to the administering authority.
- To ensure compliance with Data Protection Act 2018.

4. Liaison, engagement and communication strategy

The RBKC Pension Fund issues and annually reviews its Local Government Pension Scheme Communications Policy. The policy includes a strategy for communicating with:

- Scheme Members
- Members' Representatives
- Prospective members
- Employers participating in the Fund

This policy document sets out the mechanisms that the Administrating Authority uses to meet their communication responsibilities and includes details of what is communicated and the frequency.

The latest version of the Communication Policy Statement can be obtained from the RBKC Pension Fund website: <https://www.rbkcpensionfund.org/>

5. Standard of expected service between the Administrating Authority and Scheme employers

* Body responsible for the action (AA = Administering Authority; E = Employer)

Note: performance targets assume all correct and relevant data is supplied in order to meet the target timescale.

Who*	Administration Description	Performance Targets	Acceptable Performance
E	Employee contribution rate: To apply the appropriate LGPS employee banding tier to the scheme member.	In each pay period.	100% compliance within the target
E	New starter: The employer to give potential new members the pensions information contained in the most recent starter pack.	Within 20 working days before the new employee's first day of employment.	100% compliance within the target
E	New scheme member: Employer to send to the administrating authority the details of the new member.	By the 19 th of the month following the month payroll action was taken.	100% compliance within the target
AA	New scheme member Administrating Authority to create a new pension record from the completed notification from the employer	Within 20 working days from the date of notification.	100% compliance within the target
AA	New scheme member: Administrating Authority to request a transfer quote from the new member's previous scheme.	Within 20 working days of receipt of authorisation from the employee.	100% compliance within the target
AA	New scheme member: Administrating Authority to credit member record with benefits provided from transfer of previous pension benefits and inform member.	Within 20 working days of receipt of payment and all information from previous pension scheme.	100% compliance within the target
AA	Scheme Data: Changes to data which materially affect actual or potential benefit calculations to be processed.	Within 20 working days of occurrence or receipt of all necessary information, whichever is later.	100% compliance within the target

AA	Additional Contributions: The terms of paying additional contributions to be notified to the member concerned.	Within 10 working days of receipt of all necessary information.	100% compliance within the target
AA	Deaths: Upon receipt of a death notification of a pensioner; arrangements put in place for pension payments to cease immediately.	Within 1 working day of receipt of notification of a death.	100% compliance within the target
AA	Deaths: Upon receipt of a death notification of a pensioner, letters will be sent to next of kin or other relevant party.	Within 10 working days of receipt of notification of a death.	100% compliance within the target
E	Leaver: Employer to send the Administrating Authority a completed leaver notification.	By the 19 th of the month following the month in which the member left the scheme.	100% compliance within the target
AA	Leaver: Administrating Authority to issue a statement of deferred benefits as appropriate.	Within 20 working days of receipt of all necessary information from the employer.	100% compliance within the target
AA	Leaver: Administrating Authority to issue quote for Cash Equivalent Transfer Value (CETV).	Within 20 working days of receipt of request.	100% compliance within the target
AA	Leaver: Transfers and Inter Fund Adjustment (IFA) out to be notified to the receiving scheme.	Within 20 working days of receipt of all necessary information.	100% compliance within the target
AA or E	Refunds: Refund of contributions, where due under the Regulations, to be calculated and paid.	Within 20 working days of receipt of all necessary information following the period of any elapse before which the contributions can be refunded.	100% compliance within the target

E	Retirements: Employer to send the Administrating Authority a completed retirement notification.	By 10 working days before the employee's retirement date.	100% compliance within the target
AA	Retirements: Administrating Authority to arrange the payment of Lump Sum, if due.	Within 15 working days of retirement, provided all the required information has been received from the employer and member.	100% compliance within the target
AA	Retirements: Administrating Authority to arrange payment of Annual Pension (paid monthly)	On the next available monthly pensioner payroll run after the retirement date, provided the cut-off date for input has not already passed, and provided all the required information has been received from the employer and member.	100% compliance within the target
E	Monthly deductions: Employer to send funds and a fully compliant remittance and schedule of deductions from salary to the Administering Authority, and an i-Connect electronic submission (where required by the Administering Authority).	By the 19 th of the month following the month in which contributions were deducted	100% compliance within the target
E	Year-End Provide the Administering Authority with a year-end schedule of all scheme member deductions and any other required information for the financial year, in a format determined by the Administering Authority.	By deadline issued by administering authority	100% compliance within the target

AA	<p>Pensioner Payslips: Every pensioner to receive a monthly pension advice payslip in the months of March and April. Thereafter, a hard copy payslip will be generated only where the net pension alters by ten pounds (£10) or more from the previous month.</p>	March and April	100% compliance within the target
AA	<p>Customer Service: Answer phone calls and deal with queries from members and employers.</p>	On working days between the hours of 9.00 am and 5.00 pm	100% compliance within the target
AA	<p>Complaints: All complaints to be acknowledged. A full written response to a complaint must be sent to the complainant</p>	<p>Within 5 working days. Within 20 working days of its receipt by the Administering Authority, subject to all necessary information being available to enable a full response to be given. If all necessary information is not available a holding reply will be sent to the complainant which indicates when a full response will be provided.</p>	100% compliance within the target

6. Pensions Administration Strategy - Schedule of Charging

The Administering Authority has the right to recover from the Employer any additional costs that it may incur because of an Employer's poor performance in respect of its obligations to the LGPS, which includes the Employer's inability to provide data in an accurate and timely manner to the Administering Authority.

It is expected that the Administering Authority will have constructive dialogue with any employer that is failing to meet any of its obligations under the LGPS. Steps to recover additional administration costs will only be taken where persistent failure occurs after intervention and support has been offered. The final decision on whether to impose costs or charges rests with the Administering Authority. Employers have a duty to seek advice from the Administering Authority if they experience any difficulties in meeting their obligations.

In accordance with the regulations the Administering Authority will give the reasons for imposing any charges or recovering any additional costs in incurs.

In addition to the schedule below other circumstances could generate a charge:

- Instances where the performance of the Employer, in respect of compliance with the LGPS regulations, has resulted in fines being levied against the Administering Authority by the Pension Regulator, Pensions Ombudsman, HMRC or other body.
- Additional costs incurred in providing specialist third party advice in administering the Scheme on behalf of the employer, including but not exclusive to actuarial services, occupational medical practitioner services and legal services.
- Persistent failure to resolve issues in a timely and satisfactory fashion.

In these circumstances the Administering Authority will set out the calculations of any loss or additional cost incurred, in writing, stating the reason for the cost(s) and the basis for the calculation.

The following schedule identifies the standard charges that the Administering Authority may apply in cases associated with the administration of starters, leavers and the monthly submission of employee and employer pension contributions and schedule of deductions to the Administering Authority:

Administration Description	Performance Targets	Charge if employer fails to comply within the target
New scheme member: Employer to send to the Administering Authority the details of the new member.	By the 19 th of the month following the month payroll action was taken.	£50 per occurrence
Scheme Leaver: Employer to send the Administering Authority a completed leaver notification.	By the 19 th of the month following the month in which the member left the scheme.	£50 per occurrence

<p>Change Notifications: Employer to send to the Administrating Authority the details of a member's:</p> <ul style="list-style-type: none"> • Change of working hours • Leave of absence with permission (e.g. parental leave, career break) • Leave of absence without permission (e.g. strike, AWOP) • Change of address • Change of scheme tranche (e.g. 50/50) 	<p>By the 19th of the month following the month payroll action was taken.</p>	<p>£50 per occurrence</p>
<p>Retirements: Employer to send the Administrating Authority a completed retirement notification.</p>	<p>By 10 working days before the employee's retirement date.</p>	<p>£50 per occurrence</p>
<p>Automatic Enrolment: Employer to send to the Administrating Authority the details of staff affected by Automatic Enrolment on a monthly basis.</p>	<p>By 6 weeks of the date they become eligible for automatic enrolment</p>	<p>£100 per instance of late delivery per month</p>
<p>Monthly deductions: Employer to send funds and a fully compliant remittance and schedule of deductions from salary to the Administering Authority, and an i-Connect electronic submission (where required by the Administering Authority).</p>	<p>By the 19th of the month following the month in which contributions were deducted</p>	<p>£100 per instance of late delivery per month</p> <p>£100 per instance of failure to provide a fully compliant remittance and/or schedule</p> <p>then £100 for every month the information remains outstanding.</p>
<p>Year-End Provide the Administering Authority with a year-end schedule of all scheme member deductions and any other required information for the financial year, in a format determined by the Administering Authority.</p>	<p>By deadline issued by administering authority</p>	<p>£100 per instance of late delivery</p> <p>£100 per instance of failure to provide a fully compliant year-end return.</p> <p>then £100 for every month the information remains outstanding.</p>

7. Further Information

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