

**Report To:** **PENSION FUND MANAGEMENT PANEL / ADVISORY PANEL**

**Date:** 17 April 2020

**Reporting Officer:** Sandra Stewart – Director of Pensions  
Emma Mayall – Assistant Director for Pensions Administration

**Subject:** **PENSION ADMINISTRATION STRATEGY**

**Report Summary:** GMPF began an eight-week consultation with its employers in January 2020 about implementing a revised Pension Administration Strategy. This report provides the Management Panel with details of the feedback received, together with GMPF's intended response to this feedback.

**Recommendation(s):** It is recommended that the Panel consider the consultation feedback and GMPF's intended response and approve that the new Pension Administration Strategy becomes effective from 1 April 2020.

**Financial Implications:**  
**(Authorised by the Section 151 Officer)** One of the key objectives of the administration section is to provide value for money, delivering a service that is both meeting its member's needs and its legal obligations whilst doing so in an efficient and cost-effective way. The Pension Administration Strategy helps to achieve this. There are no direct financial implications for GMPF, but the revised Strategy clearly sets out for employers the costs and fees that may potentially apply to them.

**Legal Implications:**  
**(Authorised by the Solicitor to the Fund)** Regulation 59 of the Local Government Pension Scheme (Administration) Regulations 2013 states that an Administering Authority may prepare a written statement of its policies and other such matters as it considers appropriate. It is therefore not a requirement of the LGPS regulations to have a Strategy in place. However, The Pensions Regulator's Code of Practice No. 14 requires Public Service Pension Schemes to have provided employers with requirements linked to record-keeping and maintaining contributions. Therefore, a Pensions Administration Strategy or similar document is needed in order to comply with The Pensions Regulator's requirements.

**Risk Management:** The key reasons for implementing a Pension Administration Strategy are to ensure regulatory compliance is achieved and an efficient and value for money service is delivered to Scheme members. Failure to implement an effective strategy could lead to an increased risk that breaches of the law occur, that additional costs are generated and of reputational damage.

**ACCESS TO INFORMATION:** **NON-CONFIDENTIAL**

**This report does not contain information that warrants its consideration in the absence of the Press or members of the public.**

**Background Papers:**

Appendix 9A	Responses to consultation
Appendix 9B	Pension Administration Strategy

Further information can be obtained by contacting Emma Mayall, Greater Manchester Pension Fund, Guardsman Tony Downes House, 5 Manchester Road, Droylsden



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## 1. BACKGROUND AND INTRODUCTION

- 1.1 Regulation 59 of the Local Government Pension Scheme (Administration) Regulations 2013 enables an administering authority to prepare and maintain a 'Pension Administration Strategy'. GMPF have had a Pension Administration Strategy document in place since the provision was implemented. The Pensions Administration Strategy supports the pension fund on behalf of its employing authorities and the administering authority. The objective of the strategy is to define the roles and responsibilities of the Administering Authority and the employing authorities under the LGPS regulations.
- 1.2 The Pensions Administration Strategy is a statement outlining the policies and performance standards aimed at providing a cost-effective, inclusive and high quality pensions and administration service. Developed in consultation with employers within the Fund, this statement seeks to promote good working relationships, improve efficiency and ensure agreed standards of quality in delivery of the pension administration service amongst the employers and the Fund. The undertakings set out within the Pension Administration Strategy will be reviewed annually by the Fund. The strategy does not override any provision or requirement of the regulations nor is it intended to replace the more extensive commentary provided by the Employers' Guide and website for day-to-day operations.
- 1.1 In 2018, the Pension Administration Working Group agreed that the Pension Administration Strategy should be reviewed and updated, and work on this began shortly after. However, following a further decision to begin the transition from yearly to monthly data collection from employers, the work was put on hold as felt too onerous for employers and then restarted in 2019.
- 1.2 Two of the key drivers for updating the document were firstly to ensure that the strategy supported the aims of GMPF and its employers to adhere to the Pensions Regulator's guidance, and secondly to make clear the role of GMPF's Local Pension Board in monitoring both GMPF's performance and that of its employers.
- 1.3 At their meeting in December 2019, the Working Group agreed a new draft Pension Administration Strategy that was to be issued in January 2020 with the intention of being effective from 1 April 2020. An eight-week consultation period began in January 2020 and ended in March 2020.

## 2 CONSULTATION RESPONSES

- 2.1 Responses were received from 14 employers.
- 2.2 A table containing details of all the points raised can be found in **Appendix A**, together with GMPF's response and confirmation of whether the draft document has been amended based on the comment or suggestion received.
- 2.3 The revised Pension Administration Strategy document containing the amendments is at **Appendix B**.

## 3 RECOMMENDATION

- 3.1 It is recommended that the Panel consider the consultation feedback and GMPF's intended response and approve that the new Pension Administration Strategy becomes effective from 1 April 2020.