

SOUTH YORKSHIRE PENSIONS AUTHORITY

17 March 2016

Pensions Administration Strategy

1. Purpose of the Report

To seek Member approval for the attached draft Pensions' Administration Strategy to become the final version for a live launch of 1st April 2016.

2. Recommendations

Members are recommended to:

- a. Consider and approve the amendments made since the meeting of 14th January 2016**
 - b. Make any final comments or suggestions on the content and format of the Draft**
 - c. Approve the document, subject to any further commentary, as the final and formal Pensions Administration Strategy for the Authority**
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3. Background Information

- 3.1 Members were presented with the first draft of the proposed Administration Strategy at the Authority meeting of 14th January.
- 3.2 The document was met with general approval although members did make some suggestions for amendments which have now been incorporated into the attached document.
- 3.3 The Strategy was also presented to employers at the Authority's annual forum in November and issued for formal consultation to employers the following day. A final reminder was issued on 22nd February and the consultation period closed on 29th February 2016.
- 3.4 At the close of the consultation period only a small number of responses had been received.
- 3.5 As part of the Consultation, and prior to the closure date, Officers on the Joint Pension Group met with the four District Councils to discuss and address any concerns they had with the proposed Strategy and the revised draft reflects the relatively minor concerns expressed at that meeting.
- 3.6 A summary of responses and feedback is detailed in the next section of this report.

4. Summary of responses

- 4.2 Only one organisation, Berneslai Homes, did not support in principle the introduction of financial penalties for poor employer performance and non-compliance with the requirements of the Strategy.
- 4.3 The four District Councils supported the principles of the Strategy Document but had some minor concerns around their ability meet the reporting standards for some contractual changes because of their own payroll input and reporting timetables. Officers had already been considering whether the reporting requirements of such changes under LGPS 2014 were as necessarily rigid as they had previously been and concluded that they were not. The Head of Pensions Administration was able to offer some comfort on this issue and agreed to remove the requirements for reporting some contractual changes both from the Strategy and from the quarterly SLA Reports where they had historically reflected, generally, poorly on employer performance in this area.
- 4.4 One large employer, Sheffield Hallam University, did not support the 31st May deadline for the submission of their Year End return and appear to be unaware of the statutory deadlines placed upon SYPA in relation to its own Year End exercises and the issue of the Annual Benefit Statements. Officers feel that this is an achievable deadline for employers and should not be extended. To move to a deadline of 30th June, as suggested by the University, would seriously undermine one of the primary aims and objectives of the Strategy and negatively impact upon the Authority's ability to comply with its own statutory duties. Members are therefore asked to strongly confirm that a deadline of 31st May should remain within the Strategy for this particular requirement.

5. Response to Consultation

- 5.1 Because Members approved the draft Strategy in principle at the January meeting Officers have responded individually to Berneslai Homes to confirm that the financial penalty aspect of the Strategy will remain.
- 5.2 Should Members reaffirm that the Year End Return deadline of 31st May should be retained then Officers will respond to Sheffield Hallam University individually as well to relay that confirmation to them.
- 5.3 If Members approve this final draft then Officers will respond generally to all employing organisations on the results of the consultation through an article on EPIC and confirm the effective date for implementation.
- 5.4 A communication exercise, including countdown displays, is being planned, commencing in April and leading up to 31st May to ensure all employers are aware of the importance of submitted annual return data and also to help them avoid incurring the penalties that will be applied for late submission.

6. Implications and risks

- **Financial** - None not previously specified in the original report
- **Legal** - There are no specific legal considerations.
- **Diversity** - None

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Background papers used in the preparation of this report are available for inspection in the Pensions Administration Unit.