

# **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**18 January 2018**

## **Review of the Authority's Pensions Administration Strategy**

### **1. Purpose of the Report**

To provide Members with an opportunity to comment on the proposed amendments to the Pensions Administration Strategy Document, attached to the Report.

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### **2. Recommendations**

**Members are recommended to approve the proposed amendments to the Pensions Administration Strategy Document as detailed by the highlighted text in the attached draft document.**

### **3. Background Information**

- 3.1 The Authority launched a consultation with Employers in November 2015 on the introduction of the Authority's first Pensions Administration Strategy.
- 3.2 The Strategy is provided for under the Pensions Regulations and was designed to help improve Employer Performance in all areas, but specifically in the matter of the submission of Annual Contribution Returns to better facilitate the timely publication of more accurate member Annual Benefit Statements which is a statutory obligation on the Fund.
- 3.3 The Authority approved the Strategy in March 2016 and it went live on the 1 April 2016.
- 3.4 One of the more important aspects of the Strategy was the introduction of financial penalties for Employers submitting late Annual Returns for the 2015/16 year and subsequent years. The Strategy was an immediate success with 95% of Employers submitting a usable balanced return in 2016 by the deadline of 31 May.

### **4. The amendments**

- 4.1 A number of factors were behind the review of the Strategy Document, the main one being the need to introduce into the Strategy the concept of monthly posting and data file submissions along with the administration requirements for the new process. The opportunity was also taken to review the document as a whole and introduce some new items whilst revising others.
- 4.2 Financial penalties have been increased to further incentivise employers to meet the requirements of the Strategy, some new penalties have been introduced to cater for the late submission of monthly files and the failure to clear Year End queries arising from the 2017 Returns. References to Regulation by the FCA have been removed following the transfer of the Transport Fund, a new section on the Authority's Advisory Services has been introduced along with new sections on Tax Allowance Breaches and the service the Authority intends to provide as an annual exercise for affected members.

- 4.3 Some changes are more cosmetic where the opportunity has been taken to revise and improve grammar or improve the information provided. All amended text has been highlighted in blue within the attached draft document for ease of identifying the areas that have been changed.

## **5. Consultation**

- 5.1 A six week consultation period with Employers commenced on the 1<sup>st</sup> January 2018 although the revised document has been available to them since mid-December. Notice of this consultation period was given at the Employers Forum together with a special e-mail address to which comments should be sent. No comments have as yet been received.

## **6. Authority Approval**

- 6.1 Officers offer the revised draft document for initial approval at this January meeting along with the opportunity for Members to offer their own suggestions and comments for inclusion. Following the closure of the Employer consultation period on 12 February We would then intend to present the final document for ratification at the March meeting of the Authority.

## **7. Implications**

- **Financial** - None
- **Legal** - None
- **Diversity** - None
- **Risk** - None

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