



The City of London Pension Fund Administration Strategy

Pensions Committee – 13 February 2025

Introduction

The role of administering authority for the City of London Corporation (the City) is discharged by the City of London Pension Fund (CoLPF) within the Chamberlain's Department.

The pensions administration strategy ("the strategy") sets out the key roles and responsibilities of the CoLPF and its scheme employers in administering the Local Government Pension Scheme (LGPS).

The strategy has been created with regards to regulation 59 of the Local Government Pension Scheme Regulations 2013 and shall be reviewed at least every three years.

There are currently five sections of the strategy:

- Roles and Deadlines of all parties
- Performance standards
- Communications
- Maintenance of IT Systems
- Third-party providers

Roles and Deadlines

Each of the parties to the LGPS has specific roles and responsibilities. It is important that this is clear to ensure they are discharged accurately.

Role	Deadline
The City of London Pension Fund – The Administering Authority	
Appoint a fund actuary, investment advisors, custodians and fund managers	As required
Lead and publish the triennial valuation (as at 31st March 2022 and every three years thereafter) and annual summary valuation	Every three years and annually
Publish the audited pension fund annual accounts	Annually
Publish a pension fund annual report	Annually
Publish a funding strategy statement	At least every three years
Publish an investment strategy statement	At least every three years
Publish a governance compliance statement	At least every three years
Maintain the fund risk register	As required
Manage fund cash and bank accounts	As required
Monitor fund investments and performance reporting	At least quarterly

Complete the SF3 and other investment returns	Annually and as required
Complete the quarterly Office for National Statistics Financial Survey of Pension Schemes	Quarterly
Monitor the financial position of scheme employers	Annually
Sign off admission agreement terms regarding the financial arrangements between the parties	As required
Set up and amend admission agreements for admitted bodies	As soon as practicable
Publish annual benefit statements to all active and deferred members	31st August
Publish pensions saving statements to scheme members that may have breached their annual and/or lifetime allowances	6th October
Manage the internal dispute resolution procedure	In accordance with the procedure
Provide information and manage the production of admission, cessation and FRS 102 / IAS19 / IAS26 (financial statement) reports via the fund actuary and share those reports with scheme employers	As required
Maintain a 'breaches of law' register and notify The Pension Regulator (tPR) of any materially significant breaches, which may result from: <ul style="list-style-type: none"> ● A failure to issue annual benefit statements or pension savings statements in time ● Errors and omissions identified by the internal dispute resolution procedure ● Scheme employers failing to pay contributions on time or accurately ● Other breaches of a legal requirement 	As soon as practicable
Support the Pensions Committee/ and the Local Government Pension Board	As required
Maintain a membership database	Not applicable

Undertake an annual data review and complete The Pension Regulator (tPR) scheme return notice	As directed by The Pension Regulator (tPR)
Process tasks in accordance with the performance standards	Not applicable
Pay pensioners their monthly LGPS benefits	Last working day of the month
Apply the annual pensions increase as directed by HM Treasury	April pensioner payroll cut-off
Issue pension payslips in March and if the net monthly pension changes by £2 or more	Issued on the relevant pay date
Submit a quarterly tax return to HM Treasury and pay the required tax charges	14th day of the second month following the end of the relevant period
Scheme employers	
Submit the monthly contributions return in the required format	19th day of the month after which the deductions are made
Pay the monthly contributions to the fund pursuant to the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014	Payment received by 19th day of the month after which the deductions are made
Submit an annual return in the required format	7th May
Calculate and pay redundancy and/or severance payments	As soon as practicable
Provide the data required for FRS102 / IAS19 / IAS26 (retirement benefits) calculations if requested	20 working days prior to the accounting date
Provide any additional data required for interim and/or cessation valuations	As soon as practicable
Publish a statement of policy about the exercise of discretionary function	Within six months of becoming a scheme employer
Calculate pensionable pay and determine a scheme member's final pay, when required	As required
Admit its employees into the LGPS	By their starting date or auto enrolment / re-enrolment date

Ensure the correct scheme member contribution rate is applied	Immediately on commencing scheme membership and in line with the CoLPF's policy on banding changes and, as a minimum, in each April payroll thereafter
Inform CoLPF about new scheme members, members leaving the scheme, or changes to employment (working hours, unpaid leave, unauthorised absences, reductions in pay and 50/50 scheme elections) using the required form or template	20 working days after their starting date, leaving date or date of the change
Notify CoLPF of any material changes in scheme members' circumstances (e.g. marital or civil partnership status) using the method stipulated by the Fund	As soon as practicable
Give notice of a scheme member's intention to retire	20 working days prior to the intended retirement date
Make the first instance decision about an ill-health retirement following receipt of the independent registered medical practitioner's report	As soon as practicable
Review tier 3 ill-health pension at 18 months and, if required at the third year after payment commenced	In line with regulations and advice of independent registered medical practitioner (IRMP). Notify CoLPF within 10 days of decision taken to uplift to tier 2 or cease payment of tier 3
Respond to general queries from CoLPF	As soon as practicable
Respond to errors or missing information identified by CoLPF	As soon as practicable
Commence the deduction of additional contributions (APCs or AVCs) following an election from the scheme member or instruction from CoLPF	As soon as practicable
Appoint person for stage 1 of the Internal Dispute Resolutions Procedure (IDRP) and provide full details to CoLPF	Within 30 days of becoming a scheme employer or following the resignation of the current adjudicator
Scheme members	
Notify CoLPF of any changes to personal details	As soon as possible
Complete an expression of wish form for any potential death grant payment	Not applicable

Give notice to their scheme employer of an intention to retire	As soon as practicable based upon their contractual notice periods
When joining, complete a previous service form to notify CoLPF about any existing LGPS pension benefits	1 year from date of joining
Fund Actuary	
Undertake the triennial valuation (including the recommended contribution schedules) and annual summary valuations	Every 3 years and annually
Produce admission, cessation, conversion and FRS 102 (financial statement) reports	As required

Performance standards for processing tasks

The targets have been set after taking account of any legal requirements and to achieve a suitable service level for scheme members.

Task	Target	Legal Requirement
Send a notification of joining the LGPS to a scheme member	2 months from the date of joining the scheme	2 months from the date of joining the scheme
Notify the amount of final retirement benefits	<u>10</u> days	One month from date of retirement if on or after normal pension age or two months from date of retirement if before normal pension age
Initial payment of retirement benefits	<u>10</u> days	Not applicable*
Inform a member who left the scheme of their calculated benefits (refund and/or deferred)	30 days	As soon as practicable and no more than two months from date of initial notification (from employer or from scheme member)
Process refunds and make payments for early leavers with a refund entitlement	5 days	Not applicable*
Provide a retirement estimate (limited to 1 every 12 months)	20 days	No more than 2 months from date of request, unless an estimate has been made within the last 12 months
Obtain transfer details for transfer in, and calculate and provide quotation to member	20 days	Two months from the date of request
Statement detailing transfer-in credit	20 days	Not applicable
Provide details of transfer value for transfer out or divorce proceedings, on request	20 days	Three months from date of request

Transfer-out payments to a new pension provider	20 days	Six months from the guarantee date provided in the transfer value quotation
Answering general correspondence	10 days	Not applicable
Letters to dependants in respect of benefits due	5 days	As soon as possible but in any event no more than two months from date of becoming aware of death, or from date of request by a third party (e.g. personal representative)

* Several targets do not have a legal requirement, but may be subject to interest charges if payment is not made within a set number of days.

Communications

Effective communication between the CoLPF and its stakeholders is essential to the delivery of the pensions service. This statement sets out the aims and the target audiences of the communications policy and the method of delivery of the policy. The Pensions Committee reviews all communications with scheme members on an on-going basis.

Aims

Accuracy & Timeliness	Information needs to be compliant with legislation and supplied at an appropriate time.
Effective Information	Messages need to be clear and understood by target audience.
Accessible	Communication should be available to all and should meet the needs of a wide range of recipients.

Audiences

- Scheme Members and Potential Members
- Pensioners and Deferred Members
- Corporate HR
- Other Employers within the Fund
- Pensions Committee
- Local Government Pensions Board
- CoLPF Staff

Method of Delivery

Scheme Members and Potential Members

Scheme Guides	Available to all eligible employees via website, direct mail or email.
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Forms and leaflets	Available on the CoLPPF website and appropriate forms supplied to all new employees and leavers via personnel/administration officers.
Newsletters	Produced as appropriate and in particular as scheme changes occur.
Annual Benefit Statements	Pension Statements supplied to those scheme members who are active at year end (31 st March) as soon as possible after year end.
Presentations	One-off seminars, regular pension “top-up” sessions, insight lunches and pre-retirement courses.
Induction	Supply support to the Employers Induction courses as appropriate.
Intranet & Internet	Provide news on scheme changes, develop and maintain internet with links to relevant sites. Publicise website updates and newsletters via the Intranet.

Pensioners and Deferred Pensioners

Pensioners should be supplied with monthly payslips as appropriate; Newsletters; and annual pensions increase letters. Deferred Pensions will be provided with an annual benefit statement. Both will be supplied with information on scheme changes as they affect the appropriate category of ex-scheme member.

City of London Personnel and Payroll

Guides on technical, legislative and general day-to-day administration requirements and responsibilities issued as and when required and as scheme changes affect procedures, including links to centrally produced guides.

Presentations	Personnel Group meeting updates and individual departmental sessions as appropriate.
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Other Employers within the fund

Guides on technical, legislative and general day-to-day administration requirements and responsibilities issued as and when required and as scheme changes affect procedures, including links to centrally produced guides.

Presentations for appropriate personnel staff, committees & groups of employees.

Pensions Committee and Local Government Pensions Board

Reports	Update Pensions Committee and Local Government Pensions Board on scheme changes and developments and provide reports in a clear and accurate manner in order that appropriate responses and actions follow.
Presentations	Provide the Pensions Committee and Local Government Pensions Board with updates where appropriate.

CoLPF Staff

Provide updates and information on scheme and legislative changes.

Team Meetings	Maintain staff's awareness and knowledge via monthly meetings and one-off sessions as appropriate.
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General Communication

Letters, emails and phone calls answered clearly, accurately and timely.

Maintenance of IT Systems

Internal control processes should ensure that IT systems are able to meet the scheme's current needs and legal requirements.

The Pensions Office administration system is currently 'Altair', provided by Heywood Ltd. The Altair system provides a full pension scheme administration package for the Local Government Pension Scheme that provides record keeping and calculation functions for the pension of records of active, deferred and pensioner members. In addition to this, the system also provides an Online Member Portal that allows members to access their pension records, view their annual benefit statements, update some of the personal information held and calculate estimates of future pension benefits.

Standards for maintaining IT systems

- All planned and potential future upgrades to the system to be managed, with records of all decisions and plans kept.
- Scheme and member data to be backed up regularly.
- Disaster recovery processes to be tested over appropriate periods.
- Ensure that adequate and sufficient hardware and personnel resources are available, together with the appropriate functionality and that the necessary skills exist to carry out the required work.
- Cyber security measures and procedures should be in place and working.

Third-party providers

To be able to carry out the administration function of the Local Government Pension Scheme, the City of London uses the services of several third-party companies to facilitate certain functions.

Third-party provider	Function / Responsibility
<u>Heywood Ltd</u>	<u>Heywood Ltd provide the administration software, Altair that is used for the majority of all calculations carried out by the Pensions Office.</u> <u>In addition to calculations, the system provides a reporting capability which is utilised by the Pensions Office to meet its reporting requirements, such as the annual Scheme Return, triennial valuation, annual actuarial report.</u>
<u>MHR</u>	<u>MHR provide the Payroll system used by the Pensions Office to provide the Pensions Payroll function.</u>
<u>Barnett Waddingham</u>	<u>Barnett Waddingham provide actuarial services to the City of London Local Government Pension Fund. These services include the annual report, triennial valuation and determining employer contribution rates.</u>
<u>Hymans Robertson</u>	<u>Hymans Robertson provide a hosted website function to the Pensions Office. The website is populated by the City of London, but maintained by Hymans Robertson</u>
<u>APS Group</u>	<u>APS Group provide a printing function for the Pensions Office, including annual statements, newsletters and other bulk mailings. Pensioner payslips are printed 'in-house', but use stationery provided by APS Group.</u>