

CUMBRIA PENSIONS FORUM

Meeting date: 15th October 2015

From: Assistant Director – Finance

NEW POLICY ON REPORTING BREACHES TO THE PENSIONS REGULATOR AND UPDATED ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY

1.0 EXECUTIVE SUMMARY

1.1 The terms of reference of the Cumbria Pensions Forum are:

- *To seek the views of the representative bodies, employees and pensioners and discuss items of common interest in relation to pensions (including the administration of pensions), and*
- *To inform and consult with the wider representation of employing organisations, and employee and pensioner representatives.*

1.2 Two policies were reviewed at September's Pension Committee meeting;

- *a new Policy on reporting Breaches of the Law, which should be communicated to the Forum and Scheme employers, and*
- *revisions to the Administration Strategy and Communications Policy to be consulted on with the wider Scheme employer community, which the Pensions Forum represents.*

Cumbria LGPS Policy and Procedure for Reporting Breaches of the Law (Appendix 1)

1.3 All individuals with a role in the management and governance of the Cumbria LGPS (including members of the Committee, members of the Local Pension Board and officers) have a duty to report breaches of law when they have reasonable cause to believe that:

- *A legal duty relevant to the administration of the scheme has not been, or is not being, complied with; and*

- *The failure to comply is likely to be of material significance to the Regulator.*

1.4 *The Pensions Regulator's Code of Practice, which became official guidance for the LGPS on 1st April 2015, includes practical guidance and expected standards (i.e. best practice) in relation to reporting breaches. This policy and procedure has been designed to comply with the guidance and ensure that Cumbria LGPS follows best practice in relation to reporting breaches.*

1.5 *The policy and process for identifying, assessing and reporting/recording breaches of the law for Cumbria LGPS, as approved by Cumbria Pensions Committee on 21st September 2015 is set out in Appendix 1 to this report, for noting by the Pensions Forum.*

Cumbria LGPS Administration Strategy and Communications Policy (Appendix 2)

1.6 *Amendments have been made to the Administration Strategy and Communications Policy to harmonise it with other core Fund documents and provide further detail of the Fund's arrangements relating to Administration. The proposed new policy is set out in Appendix 2 to this report. Cumbria Pensions Committee on 21st September 2015 agreed that the revised document be consulted on at the Cumbria Pension Forum (in accordance with regulation 59(4) of the LGPS Regulations 2013 (as amended)).*

2.0 RECOMMENDATIONS

2.1 *The Forum is asked to note the policy and process for identifying, assessing and reporting/recording breaches of the law for Cumbria LGPS.*

2.2 *The Forum is asked to review the Administration Strategy and Communications Policy, giving in writing (to: pensions@cumbria.gov.uk or Fiona Miller, Cumbria Local Government Pension Scheme c/o Cumbria County Council, The Parkhouse Building, Kingmoor Park, Carlisle, CA6 4SJ) any comments on the document (to be received by 15th November 2015 so that these can be considered before its publishing to all Scheme employers).*

4.0 BACKGROUND

Policy and Procedure for Reporting Breaches of the Law:

4.1 All individuals with a role in the LGPS have a duty to report breaches of law when they have reasonable cause to believe that:

- A legal duty relevant to the administration of the scheme has not been, or is not being, complied with; and

- The failure to comply is likely to be of material significance to the Regulator.
- 4.2 This includes officers of the administering authority (Cumbria County Council), the Pensions Committee, Cumbria local pension board (LPB) members, third party administrators, scheme employers, professional advisers (e.g. actuary, fund managers) as well as any other person involved in advising the administering authority in relation to the scheme.
- 4.3 A person can be subject to a civil penalty¹ if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches overrides any other duties the individuals listed above may have. However the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.
- 4.4 The Pensions Regulator's Code of Practice, which became official guidance for the LGPS on 1st April 2015, includes practical guidance and expected standards (i.e. best practice) in relation to reporting breaches. This policy and procedure has been designed to comply with the guidance and ensure that Cumbria LGPS follows best practice in relation to reporting breaches.
- 4.5 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.
- 4.6 All reporters should have procedures in place to meet their reporting duty and there should be no reliance placed on waiting for others to report. Practical guidance in relation to this legal requirement is included in The Pensions Regulator's Code of Practice² and this policy and procedure has been developed to reflect that guidance.
- 4.7 The policy and procedure set out in Appendix 1 details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Fund. It aims to ensure individuals responsible are able to meet their legal obligations, avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

Administration Strategy and Communications Policy:

- 4.8 In recognition that administration regulations would change as a result of the introduction of the 2014 Scheme, a detailed review of the Cumbria LGPS Administration Strategy was postponed until the revised regulations were issued. The LGPS (Amendment) Regulations 2015 were laid before Parliament in March 2015 and, whilst further minor amendments are anticipated, the regulations are now materially complete. A full review of the Strategy was therefore undertaken.

¹ Pensions Act 2004

² www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx#s16855

- 4.9 The review identified that, whilst the underlying principles of the Strategy continue to be appropriate, the format of the document (in particular the terminology used in relation to the collaborative arrangement with Lancashire County Council ('Your Pension Service')) required updating. In addition to this it was recognised that the inclusion of a greater level of detail about the administrative responsibilities (both those of the administering authority and those of scheme employers) would be of benefit. The strategy has therefore been updated to deliver these improvements. The proposed revised Cumbria LGPS Administration Strategy and Communications Policy is included as Appendix 2 of this report.
- 4.10 The LGPS 2013 regulations (as amended) require that proposed revisions to the pension administration strategy are consulted on with employers and other such persons the administering authority considers appropriate (reg. 59 (4)). Members of the Pensions Committee agreed the proposed Administration Strategy and Communications Policy in order that the revised document be consulted on at the October 2015 meeting of the Cumbria Pension Forum and, once the consultation process is concluded, emailed to all employers in the Fund.

5.0 OPTIONS

- 5.1 To note the policy and process for identifying, assessing and reporting/recording breaches of the law for Cumbria LGPS.
- 5.2 To review the Administration Strategy and Communications Policy and submit in writing (to: pensions@cumbria.gov.uk or Fiona Miller, Cumbria Local Government Pension Scheme c/o Cumbria County Council, The Parkhouse Building, Kingmoor Park, Carlisle, CA6 4SJ) any comments on the document (to be received by 15th November 2015).

6.0 CONCLUSION

6.1 Reporting breaches of the law:

- 6.1.1 All individuals with a role in the LGPS have a duty to report breaches of law when they have reasonable cause to believe that a breach of material significance to the Pensions Regulator has taken place. Where a breach is not deemed material there is a requirement to record the breach.
- 6.1.2 In line with guidance issued by the Pensions Regulator, Cumbria LGPS has developed a policy and procedure for ensuring those responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Fund.

6.2 Administration Strategy and Communications Policy:

- 6.2.1 Cumbria Pensions Committee agreed that the revised document be consulted on at the Cumbria Pension Forum (in accordance with regulation 59(4) of the LGPS Regulations 2013 (as amended)). The inclusion of a greater level of detail giving wider clarity about the respective responsibilities (both those of the administering authority and those of scheme employers) is intended to aid all in their understanding of the requirements placed on

them. All responses will be considered and once the consultation process is concluded, the final document will be emailed to all employers in the Fund.

Julie Crellin
Assistant Director – Finance (s.151 Officer)
October 2015

APPENDICES

Appendix 1: Cumbria LGPS Policy and Procedure for Reporting Breaches of the Law

Appendix 2: Cumbria LGPS Administration Strategy and Communications Policy

Electoral Division(s): All

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No*
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No*
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A*
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No*
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A*
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No*
Has an environmental or sustainability impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A*
Has an equality impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No*

N.B. If an executive decision is made, then a decision cannot be implemented until the expiry of the eighth working day after the date of the meeting – unless the decision is urgent and exempt from call-in and necessary approvals have been obtained.

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

No previous relevant decisions.

REPORT AUTHOR

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Cumbria LGPS Policy and Procedure on Reporting Breaches of the Law

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1. Introduction

- 1.1 This document sets out the procedures to be followed by persons involved with the Cumbria LGPS ('the Fund'), the Local Government Pension Scheme managed and administered by Cumbria County Council (also known as the 'Scheme Manager' or 'Administering Authority'), in relation to reporting breaches of the law.
- 1.2 Under the Pensions Act 2004 certain persons have a duty to report breaches of the law when there is reasonable cause to believe that:
 - A legal duty relevant to the administration of the scheme has not been, or is not being, complied with; and
 - The failure to comply is likely to be of material significance to the regulator.

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- 1.3 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.
- 1.4 The duty to report overrides any other duties however it does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.
- 1.5 This document applies, in the main, to:
 - all Members of the Cumbria Local Pension Board;
 - all Members of the Cumbria Pension Committee;
 - all officers involved in the management of the Fund;
 - personnel of the shared service pensions administrator providing day to day administration services to the Fund;
 - any professional advisers including independent advisers, auditors, actuaries, legal advisers and fund investment managers of the Fund;
 - officers of employers participating in the Fund who are responsible for pension matters; and
 - any other person involved in the administration of the Fund and/or in advising the Administering authority in relation to the Fund.

2. Requirements

- 2.1. This section clarifies the full extent of the legal requirements and to whom they apply.

2.2. Pensions Act 2004

- 2.2.1. Section 70 of the Pensions Act 2004 requires that certain people must report breaches of the law in writing to The Pensions' Regulator as soon as reasonably practicable and where they have reasonable cause to believe that:
 - a) a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with: this could relate for instance to keeping records, internal controls, calculating benefits and investment governance and administration matters; and
 - b) the failure to comply is likely to be of material significance to The Pensions' Regulator.
- 2.2.2. The Act states that a person can be subject to a civil penalty, imposed by the Pensions Regulator, if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a

person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

2.2.3. The requirement applies to the following persons:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of such a scheme an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme.

2.3. **The Pensions Regulator's Code of Practice**

2.3.1. Practical guidance in relation to this legal requirement is included in The Pensions Regulator's Code of Practice³ including in the following areas:

- implementing adequate procedures;
- judging whether a breach must be reported;
- submitting a report to The Pensions Regulator; and
- whistleblowing protection and confidentiality.

2.4. **Application to Cumbria LGPS ('the Fund')**

2.4.1. This policy and procedure has been developed to reflect the guidance contained in The Pensions Regulator's Code of Practice in relation to the Fund and this document sets out how the Fund will strive to achieve best practice through use of a formal reporting breaches procedure.

3. **The Fund Reporting Breaches Procedure**

3.1. **Introduction**

3.1.1. The following procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Fund. It aims to ensure individuals responsible are able to meet their legal obligations, avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

3.2. **Clarification of the law**

3.2.1. Individuals may need to refer to regulations and guidance when considering whether or not to report a possible breach. Some of the key provisions are shown below:

³ www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx#s16855

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- Section 70(1) and 70(2) of the Pensions Act 2004:
www.legislation.gov.uk/ukpga/2004/35/contents
- Employment Rights Act 1996:
www.legislation.gov.uk/ukpga/1996/18/contents
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (Disclosure Regulations):
www.legislation.gov.uk/uksi/2013/2734/contents/made
- Public Service Pension Schemes Act 2013:
www.legislation.gov.uk/ukpga/2013/25/contents
- Local Government Pension Scheme Regulations (various):
<http://www.lgpsregs.org/timelineregs/Default.html> (pre 2014 schemes)
<http://www.lgpsregs.org/index.php/regs-legislation> (2014 scheme)
- The Pensions Regulator's Code of Practice:
<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-publicservice-pension-schemes.aspx>
In particular, individuals should refer to the section on 'Reporting breaches of the law', and for information about reporting late payments of employee or employer contributions, the section of the code on 'Maintaining contributions'.

3.2.2. Further guidance and assistance can be provided by the Assistant Director – Finance (s151 Officer); Senior Manager: Pensions & Financial Services and the Assistant Director – Corporate Governance (Monitoring Officer) (see 3.3.3 for further details), provided that requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

3.3. Clarification when a breach is suspected

3.3.1. Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated. In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for a reporter to gather all the evidence which the Administering authority or the Pension Regulator may require before taking legal action.

3.3.2. It is also important that a reporter is aware that any delay in reporting any potential breach may exacerbate or increase the risk of the breach causing further and more significant issues.

3.3.3. Subject to paragraph 3.5.3 where a breach is suspected it will usually be appropriate for the individual to report reasonable suspicions to one of the following who will undertake appropriate checks to determine whether a breach has occurred:

- Assistant Director - Finance (s.151 Officer);
- Senior Manager: Pensions & Financial Services (Deputy s.151 LGPS);
- Assistant Director – Corporate Governance (Monitoring Officer);
- Senior Manager – Legal & Democratic Services;

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- a member of the Pensions Committee or Pension Board (details of the members of the Committee and Board can be found at <http://councilportal.cumbria.gov.uk/mgCommitteeDetails.aspx?ID=150> & <http://councilportal.cumbria.gov.uk/mgCommitteeDetails.aspx?ID=1164> respectively); or
- a member of the Pensions Team (pensions@cumbria.gov.uk).

3.3.4. There are some instances where it would not be appropriate to report reasonable suspicions to the above individuals or to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and they are also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases The Pensions Regulator should be contacted without delay.

3.4. **Determining whether the breach is likely to be of material significance**

3.4.1. To decide whether a breach is likely to be of material significance an individual should consider the following, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequence(s) of the breach);
- reaction to the breach; and
- wider implications of the breach.

3.4.2. Further details on the above four considerations are provided in Annex A to this procedure.

3.4.3. The individual should use the traffic light framework described in Annex B to help assess the material significance of each breach and to formally support and document their decision.

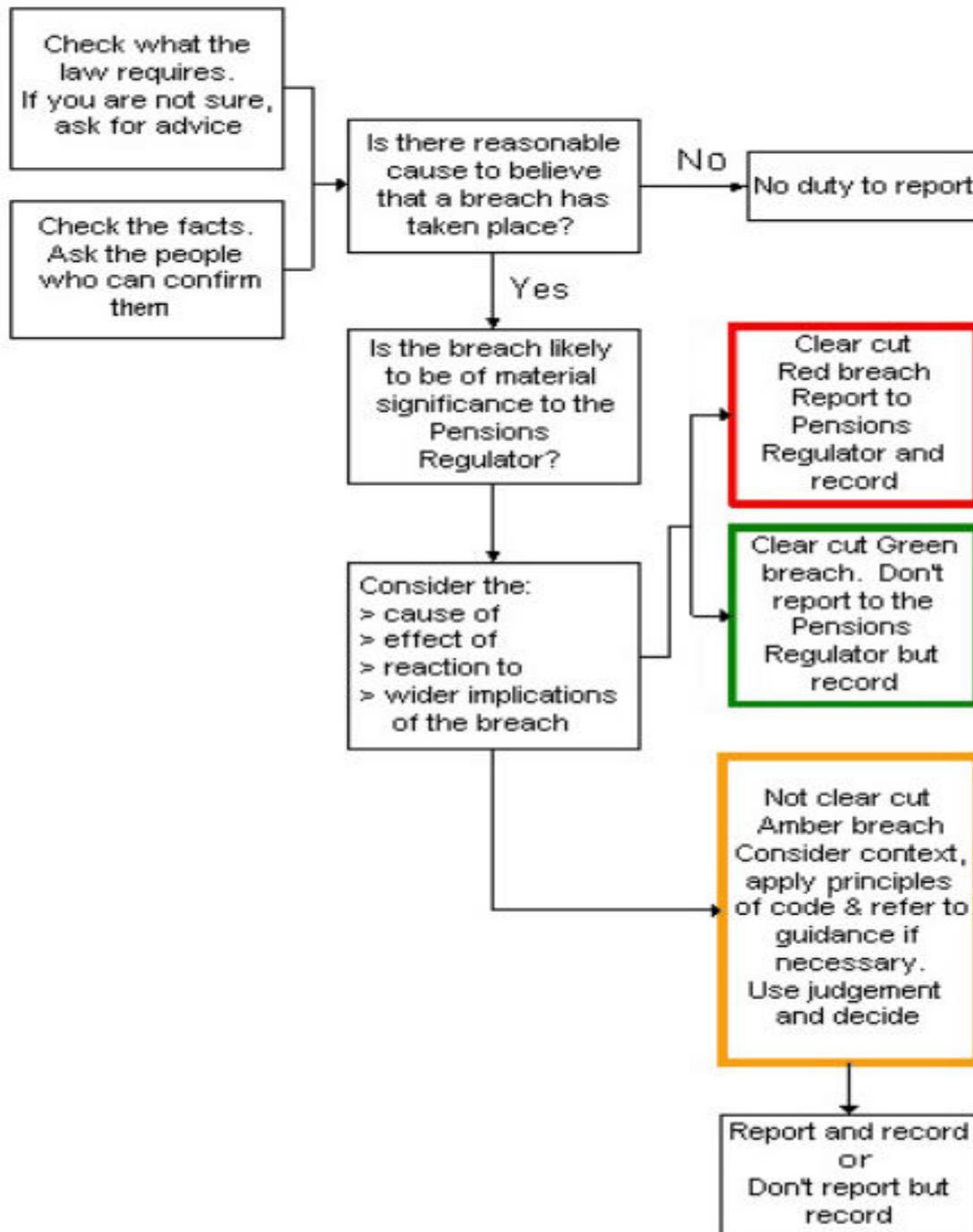
3.5. **Referral to a level of seniority for a decision to be made on whether to report**

3.5.1. Subject to paragraph 3.5.3 before you submit a report to The Pensions Regulator you should refer the suspected breach to the appropriate level of authority to assist in determining whether a report needs to be made. Cumbria County Council has determined that the appropriate persons are the Assistant Director - Finance (s.151 Officer) (or in their absence the Senior Manager – Pensions & Financial Services (Deputy s.151 LGPS)) and/or the Assistant Director – Corporate Governance (Monitoring Officer) (or in their absence the Senior Manager – Legal & Democratic Services). They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist in any reporting to TPR, where appropriate.

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- 3.5.2. Information may also be available from national resources such as the Scheme Advisory Board or the LGPC Secretariat (part of the LG Group - <http://www.lgpsregs.org/>). If timescales allow, legal advice or other professional advice can be sought.
- 3.5.3. The matter should not be referred to any of these officers if doing so will alert any person responsible for a possible serious offence to the investigation. If that is the case, the individual should report the matter to The Pensions Regulator setting out the reasons for reporting, including any uncertainty – a telephone call to the Regulator before the submission may be appropriate, particularly in more serious breaches.
- 3.5.4. Individuals must bear in mind that the involvement of the Senior Manager – Pensions & Financial Services (Deputy s.151 LGPS) and/or the Monitoring Officer is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The reporter remains responsible for the final decision as to whether a matter should be reported to TPR.
- 3.6. **Decision Tree: deciding whether or not to report:**
- 3.6.1. A decision tree is provided below to show the process for deciding whether or not a breach has taken place and whether it is materially significant and therefore requires to be reported.

Decision-tree: deciding whether to report



3.7. Timescales for reporting

- 3.7.1. The Pensions Act and The Pensions Regulator's Code require that if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not rely on waiting for others to report and nor is it necessary for a reporter to gather all the

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evidence which TPR may require before taking action. A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on “reasonable cause to believe” and on “material significance” should be consistent with the speed implied by ‘as soon as reasonably practicable’. In particular, the time taken should reflect the seriousness of the suspected breach.

- 3.7.2. **Early identification of very serious breaches:** In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, TPR does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert TPR to the breach.

3.8. Recording all breaches even if they are not reported

- 3.8.1. The record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). Cumbria County Council will maintain a record of all breaches identified by individuals and reporters should therefore provide copies of reports to the Senior Manager: Pensions & Financial Services (Deputy s.151 LGPS) or the Monitoring Officer. Records of unreported breaches should also be provided as soon as reasonably practicable and certainly no later than within 20 working days of the decision made not to report. These will be recorded alongside all reported breaches. The record of all breaches (reported or otherwise) will be included in the quarterly Monitoring Report at each Pension Committee, and this will also be shared with the Local Pension Board.

3.9. Reporting a breach

- 3.9.1. Reports must be submitted in writing via TPR’s online system at www.tpr.gov.uk/exchange, or by post, email or fax, and should be marked urgent if appropriate. If necessary, a written report can be preceded by a telephone call. Reporters should ensure they receive an acknowledgement for any report they send to TPR. TPR will acknowledge receipt of all reports within five working days and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by TPR due to restrictions on the disclosure of information.

- 3.9.2. As a minimum, individuals reporting should provide:

- full scheme name (Cumbria Local Government Pension Scheme);
- description of breach(es);
- any relevant dates;
- name, position and contact details;
- role in connection to the scheme; and

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- employer name or name of administering authority (the latter is Cumbria County Council).

3.9.3. If possible, reporters should also indicate:

- the reason why the breach is thought to be of material significance to TPR;
- scheme address (provided at the end of this procedures document);
- administering authority contact details (provided at the end of this procedures document);
- pension scheme registry number (PSR – 10079082); and
- whether the breach has been reported before.

3.9.4. The reporter should provide further information or reports of further breaches if this may help The Pensions Regulator in the exercise of its functions. The Pensions Regulator may make contact to request further information.

3.10. Confidentiality

3.10.1. If requested, TPR will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so. If an individual's employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may have protection under the Employment Rights Act 1996 if they make an individual report in good faith.

3.11. Reporting to Pensions Committee and Pension Board

3.11.1. The monitoring report presented to the Pensions Committee and available to the Local Pension Board on a quarterly basis will include details of:

- all breaches, including those reported to The Pensions Regulator and those unreported, with the associated dates;
- in relation to each breach, details of what action was taken and the result of any action (where not confidential);
- any future actions for the prevention of the breach in question being repeated; and
- highlighting new breaches which have arisen in the last year/since the previous meeting.

3.11.2. This information will also be provided upon request by any other individual or organisation (excluding sensitive/confidential cases or ongoing cases where discussion may influence the proceedings). An example of the information to be included in the quarterly report is provided in Annex C to this procedure.

4. Review and maintenance of the policy:

4.1. This policy is expected to be appropriate for the long-term but to ensure good governance it will be formally reviewed by the Cumbria Pensions Committee at least annually to ensure that it remains accurate and relevant. It may be

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changed as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the policy.

Appendix 1 - Annex A

Determining whether a breach is likely to be of material significance

1. To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:
 - cause of the breach (what made it happen);
 - effect of the breach (the consequence(s) of the breach);
 - reaction to the breach; and
 - wider implications of the breach.
2. Where appropriate expert or professional advice should be taken into account when deciding whether the breach is likely to be of material significance to the regulator.

3. The cause of the breach

- 3.1. Examples of causes which are likely to be of concern to The Pensions Regulator are provided below:
 - dishonesty;
 - poor governance or poor administration, i.e. failure to implement adequate administration procedures;
 - slow or inappropriate decision-making practices;
 - incomplete or inaccurate advice; or
 - acting, or failing to act, in deliberate contravention of the law.
- 3.2. When deciding whether a cause is likely to be of material significance individuals should also consider:
 - whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake.
 - whether there have been any other breaches (reported to The Pensions Regulator or not) which when taken together may become materially significant n.b. historical information should be considered with care, particularly if changes have been made to address previously identified problems.

4. The effect of the breach

- 4.1. Examples of the possible effects (with possible causes) of breaches which are considered likely to be of material significance to The Pensions Regulator in the context of the LGPS are given below:
 - Committee/Board members not having the appropriate degree of knowledge and understanding, which may result in them not fulfilling their roles, the Fund not being properly governed and administered and/or the administering authority breaching other legal requirements;

Appendix 1 - Annex A

- Conflicts of interest of Committee or Board members, which may result in them being prejudiced in the way in which they carry out their role and/or the ineffective governance and administration of the Fund and/or the administering authority breaching legal requirements;
- Inadequate internal controls, which may lead to the Fund not being run in accordance with scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the Fund at the right time;
- Inaccurate or incomplete information about benefits and scheme information provided to members, which may result in members not being able to effectively plan or make decisions about their retirement;
- Appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time;
- Misappropriation of assets, resulting in scheme assets not being safeguarded; and
- Any other breaches which may result in the scheme being poorly governed, managed or administered.

5. The reaction to the breach

- 5.1. Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members the regulator will not normally consider this to be materially significant.
- 5.2. A breach is likely to be of concern and material significance to The Pensions Regulator where a breach has been identified and those involved:
 - do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
 - are not pursuing corrective action to a proper conclusion; or
 - fail to notify affected scheme members where it would have been appropriate to do so.

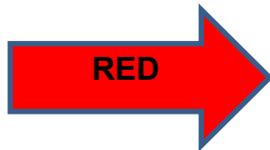
6. The wider implications of the breach

- 6.1. Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to The Pensions Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Fund or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

Appendix 1 – Annex B

Traffic light framework for deciding whether or not to report

It is recommended that those responsible for reporting use the traffic light framework when deciding whether to report to The Pensions Regulator. This is illustrated below:



Where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance.

These must be reported to The Pensions Regulator.

Example: Several members' benefits have been calculated incorrectly. The errors have not been recognised and no action has been taken to identify and tackle the cause or to correct the errors.



Where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right.

You will need to exercise your own judgement to determine whether the breach is likely to be of material significance and should be reported.

Example: Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However the breach was caused by a system error which may have wider implications for other public service schemes using the same system.



Where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance.

These should be recorded but do not need to be reported.

Example: A member's benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

All breaches should be recorded even if the decision is not to report.

Appendix 1 – Annex B

When using the traffic light framework individuals should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before you consider the four together. Some useful examples of this is framework is provided by The Pensions Regulator at the following link:

www.thepensionsregulator.gov.uk/codes/code-related-report-breaches.aspx

PART A: BACKGROUND, PURPOSE & REVIEW

ADMINISTRATION STRATEGY & COMMUNICATIONS POLICY (SEPTEMBER 2015)

Part A: Background, Purpose and Review

1. Background

- 1.1. As stated in the Governance Policy Statement, it is the responsibility of the Cumbria Pensions Committee to exercise the Council's responsibility as 'Administering Authority' for the management of Cumbria Local Government Pension Scheme (Cumbria LGPS).
- 1.2. The Council delegates its functions in respect of Scheme to its Pension Fund Committee who further delegates specific elements of the administration of the Scheme to:
 - Lancashire County Council (LCC) under a collaborative arrangement under the banner of Your Pension Service (YPS); and
 - Officers within the core Cumbria Pensions team.
- 1.3. The Administration Strategy (Parts B & C) is set out so as to illustrate the Fund's core responsibilities and whom they sit with.
- 1.4. The Communication Policy (Part D) is the overarching policy for the Cumbria Pension Fund.

2. Purpose

- 2.1. **Administration Strategy:** Regulation 59 of the Local Government Pension Scheme Regulations 2013 (the 2013 regulations) allows for the administering authority to prepare and publish, following consultation with Fund Employers, a 'Pension Administration Strategy' to facilitate best practices and efficient customer service in respect of the following:-
 - Procedures for liaison and communication with Scheme employers;
 - The establishment of performance levels which the administering authority and fund employers are expected to achieve;
 - Procedures to ensure compliance with statutory requirements in connection with the administration of the LGPS;
 - Procedures for improving the methods of passing information between the administering authority and fund employers;
 - The circumstances when the administering authority may consider recovering additional costs that have been incurred due to the unsatisfactory performance of a Scheme employer; and
 - Any other matters that the administering authority consider suitable for inclusion in the 'Pension Administration Strategy.'

PART A: BACKGROUND, PURPOSE & REVIEW

- 2.2. **Communications Policy:** Regulation 67 of the 2013 regulations states that an administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with:
- members;
 - representatives of members;
 - prospective members; and
 - Scheme employers.

In particular the statement must set out its policy on—

- the provision of information and publicity about the Scheme to members, representatives of members and Scheme employers;
- the format, frequency and method of distributing such information or publicity; and
- the promotion of the Scheme to prospective members and their employers.

3. Compliance & review

- 3.1. The undertakings set out within this Pension Administration Strategy and Communications policy will be reviewed and published annually. As required by regulation 59(4) of the 2013 regulations Scheme employers will be consulted on any changes to the Administration Strategy.

PART B: ADMINISTERING AUTHORITY / YOUR PENSION SERVICE UNDERTAKINGS

Part B: Administering Authority (and Your Pension Service) Undertakings

1. Liaison and Communication

1.1. The Fund has a dedicated team (consisting of dedicated officers within Your Pension Service and officers within the core Cumbria Fund) who will act as primary contact for employers in respect of all areas of pension administration. The team are responsible for core aspects of communication and employer liaison.

The Administering Authority (either via YPS or the core team) will:

Activity	Main contact
1.2. Ensure that Employer Forums and Conferences are held on a regular basis and actively seek to promote the LGPS via attendance at the following events, in conjunction with the employer: <ul style="list-style-type: none"> • Pre-retirement courses • New starters induction courses • Benefit Statement and AVC surgeries 	YPS (and core team)
1.3. Provide a Helpdesk and email facility for enquiries for both members and employers.	YPS
1.4. Develop and actively promote the use of electronic/online facilities for data sharing and communication purposes between employers, scheme members and the Service.	YPS
1.5. Develop and actively promote the use of member and employer online self-service systems and provide day to day access and query support.	YPS
1.6. Provide Scheme information, including: <ul style="list-style-type: none"> • New starter information and documentation; • Scheme guides and fact sheets for both members and employers; • Annual newsletters; and • Employer bulletins (as and when appropriate). 	YPS
1.7. Provide employer training (as appropriate), for example: <ul style="list-style-type: none"> • Pension basics and general employer administration functions; • Changes to the regulations; • New technological developments; and • Navigation of systems. 	YPS (& core team)
1.8. Carry out annual employer visits for employers with more than 100	YPS

PART B: ADMINISTERING AUTHORITY / YOUR PENSION SERVICE UNDERTAKINGS

Activity	Main contact
employees.	
1.9. At the request of Scheme employers provide appropriate attendance at seminars (e.g. pre-retirement or induction courses),	YPS
1.10. In conjunction with the pensions' team at Cumbria, arrange and facilitate one-off 'Road Shows' where there are material and/or extensive regulatory changes in respect of the Scheme.	YPS & Core team
1.11. Publish, on the Cumbria County Council website, (www.cumbria.gov.uk/Finance): <ul style="list-style-type: none"> • the Fund's Annual Report and Accounts; and • the Fund's triennial valuation report; and • the Fund's Policies, including the Funding Strategy Statement and Statement of Investment principles. 	Core team
1.12. Undertaken appropriate consultation with scheme members and employers as required.	Core team

2. Administration of the LGPS and Compliance

Activity	Main contact
2.1. Maintain and update members' records regarding additional contributions.	YPS
2.2. Calculate service credits, additional pensions or maximum cash on retirement where appropriate based on fund values received from the Additional Voluntary Contribution (AVC) providers.	YPS
2.3. Maintain and keep up to date additional contracts for members' contributions and provide information to employers on request on members' contributions regarding breaks in service / maternity/paternity/adoption and leave of absence.	YPS
2.4. Ensure that appropriate policies and procedures are in place and all relevant parties aware of their responsibilities in relation to reporting / recording legal breaches.	Core team
2.5. Account to Her Majesty's Revenue and Customs in respect of income tax on pensions, refunds of AVCs and commutation of pensions where appropriate.	YPS
2.6. Send quarterly and annual event reports to HRMC in respect of	YPS

PART B: ADMINISTERING AUTHORITY / YOUR PENSION SERVICE UNDERTAKINGS

Activity	Main contact
lifetime and annual allowance reporting requirements.	
2.7. Process pensioner payroll year end routines and comply with HMRC PAYE legislation.	YPS
2.8. Update systems and member records each year.	YPS
2.9. At each Actuarial Valuation period, provide the required data in respect of each member and provide statistical information on member movements over the valuation period in order that the Fund Actuaries can determine the assets and liabilities of the Fund.	YPS and Core team
2.10. Reconcile contributions and update scheme member personal and financial data received from employers in the LGPS2014 Data Collection File every pay period.	YPS and core team
2.11. Create member records for all new starters admitted to the LGPS. Send a welcome letter to all members, by email if possible.	YPS
2.12. Apply any retrospective adjustments to career average pay and accrual rates as informed by employers.	YPS
2.13. Update and maintain a member's record for any changes received in their circumstances.	YPS
2.14. Update member records in line with absence notifications, and set up APC arrangements to cover lost absence as appropriate.	YPS
2.15. Provide every active, deferred and pension credit member a benefit statement each year.	YPS
2.16. Process early leavers (deferred benefits / refunds) within 15 working days of the receipt of form YPS Employer – Leaver form. Pensions Increase Order will be applied to all deferred benefits each year in line with the annual Pensions Increase (Review) Order.	YPS
2.17. Arrange payment of retirement benefits and create a new record for ongoing pension scheme membership if applicable	YPS
2.18. Calculate and pay benefits within 10 working days of receipt of notification or date of entitlement, whichever is the later.	YPS
2.19. Arrange to make pension payments on the last working day of each month.	YPS

PART B: ADMINISTERING AUTHORITY / YOUR PENSION SERVICE UNDERTAKINGS

Activity	Main contact
2.20. Make payment of compensatory added years pensions as agreed on behalf of the employer in connection with redundancy retirements.	YPS
2.21. Apply Pensions Increases to pensions on the due date.	YPS
2.22. Implement changes in pensioner's circumstances by payment due date in the month of the receipt of the information.	YPS
2.23. Implement changes in spouse / dependants circumstances.	YPS
2.24. Make payments to the member's estate / nomination within one month of receipt of the required documentation.	YPS
2.25. Produce and distribute P60s to pensioners by the 31st May each year.	YPS
2.26. Produce monthly reports and invoices for Pension strain costs to be recovered from employers.	YPS and core team
2.27. Raise invoices to employers to recover payments of compensatory added years pensions arising from redundancy retirements	Core team
2.28. Comply with the principal regulations (as amended from time to time) relevant to this Pension Administration Strategy Statement.	Core team
2.29. Prepare the Annual Report and Accounts of the Cumbria Pension Fund.	Core team
2.30. Ensure the appropriate policies, including the Funding Strategy Statement and the Statement of Investment Principles, and administering authority discretions are formulated, reviewed and publicised in accordance with the scheme regulations.	Core team

3. Performance

3.1. As noted in para. 1.2 of Part A Collaboration Agreement is in place for the provision of a range of pension administration services. This agreement incorporates a suite of performance targets to ensure the shared service arrangement is delivering an efficient, effective and customer-focussed service. These targets will be kept under continual review to ensure that they are appropriate and reflect current circumstances and regulatory requirements.

3.2. The minimum performance targets set are shown below. Performance against

PART B: ADMINISTERING AUTHORITY / YOUR PENSION SERVICE UNDERTAKINGS

these targets is reported to the Pension Fund Committee. The Annual Administration Report is reported to the Pension Fund Committee in June each year and is available in the Pension Committee minutes on the Council's website⁴ and key statistics are included in the Cumbria LGPS Annual Report.

3.3. Performance Targets

Performance Standard	Minimum Target
Estimate benefits within 10 working days	90%
Payment of retirement benefits within 10 working days	90%
Payment of death benefits within 10 working days	90%
Implement change in pensioner circumstance by payment due date	90%
Respond to general correspondence within 10 working days of receipt	90%
Action transfers out within 15 working days	90%
Action transfers In within 15 working days	90%
Pay Refunds within 10 working days	90%
Provide leaver statement within 15 days	90%
Amend personal records within 10 working days	90%

⁴ <http://councilportal.cumbria.gov.uk/mgCommitteeDetails.aspx?ID=150>

PART C: EMPLOYER UNDERTAKINGS

Part C: Employer Undertakings

1. Liaison and Communication

- 1.1. The employer shall nominate a person / persons who will act as the primary contact(s) for general administration, HR & payroll, financial and regulatory/discretionary issues with Your Pension Service (YPS) or the core team.
- 1.2. The employer will facilitate an annual visit by YPS with the appropriate primary contact.
- 1.3. The employer shall nominate an authorised signatory/signatories in respect of all documents and instructions received by YPS or the core team.
- 1.4. The employer shall endeavour to ensure representation at Employer Forums and Practitioner Conferences as specified in Section 1.1.
- 1.5. The employer shall undertake to ensure that all personnel dealing with the Local Government Pension Scheme as part of their day to day role undergo appropriate training.
- 1.6. Where an employer contracts a third party HR or payroll provider the employer must authorise YPS or the core team if they wish YPS or the core team to deal directly with the payroll provider in matters of pensions administration or finance. However, this in no way enables an employer to delegate responsibility for the performance of any required actions (either regulatory responsibilities or requirements set by the Fund administering authority).

2. Performance Levels

- 2.1.1. Performance achieved by the Employer in relation to the following will be monitored by YPS and the core pensions team (as appropriate):
 - Payment of contributions collected, completion and submission of remittance advice to the core team;
 - Submission of YPS LGPS 2014 Payroll Data Collection File every pay period; and
 - Notification of leavers.
- 2.1.2. Employer performance will be reported to the Pensions Committee on an exception basis.

3. Administration of the LGPS and Compliance

3.1. Contributions

PART C: EMPLOYER UNDERTAKINGS

- 3.1.1. The employer will ensure that both employee and employer contributions are deducted at the correct rate (plus any additional contributions as YPS may request the employer to collect). The employer must record the scheme section (50/50 or Main) in accordance with any election made by the scheme member, and deduct contributions as appropriate. The employer must maintain a policy to review employee tiered contribution rates, and notify YPS of any changes (see 3.5.3).
- 3.1.2. All contributions, but not Prudential, Standard Life, Scottish Widows or Equitable Life AVC's, must be paid to the Cumbria Pension Fund on a monthly basis and in any case before the 19th of the month following that in which they were deducted. Non-compliance may result in a fine on the employer.
- 3.1.3. A remittance advice must be completed and returned to the Core team by 19th of the calendar month following the month in which the contributions were deducted.
- 3.1.4. The employer will ensure that employee's Equitable Life, Scottish Widows, Standard Live and Prudential AVC's are paid direct to the provider as soon as possible after deduction but in any case before the 19th of the month following that in which they were deducted as stated above.
- 3.2. **Pension Strain** - Each month YPS will arrange for the core team to issue an invoice to the employer reflecting the cost of any non-ill health early retirements processed in the previous quarter. The employer must pay the amount within one month of the date of the invoice.
- 3.3. **Rechargeable Pensions** - Where amounts of discretionary pension are paid by YPS on the employer's behalf, the quarterly amounts will be recharged to the employer and payment must be made within 30 days of invoice date.

This also applies in respect of other rechargeable pension e.g. where the employer has liability to pay for pre 1.4.1974 pensions increase payments and other unfunded pensions.
- 3.4. **Year End Information** - The employer will provide information requested by the core team at year end by no later than that set out in the timetable provided by the administering authority at year end. The employer will also provide information requested by YPS at year end no later than that set out in the timetable provided by the administering authority at year end.
- 3.5. **Processing**
 - 3.5.1. Data Collection file - Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly at the end of every pay period. Data on this file must reconcile to contributions paid over each month, and must contain accurate figures of pensionable pay, including assumed pensionable pay where appropriate, for YPS to post to individual member records. Files should be at the latest submitted by 6th of the month following pay period end.

PART C: EMPLOYER UNDERTAKINGS

- 3.5.2. New Starters / Disclosure of Information - At the latest, on the first day of employment, the employer will provide all new starters with LGPS information and request that the employee completes a YPS Member – Enrolment Form.

The employer will notify the member of their formal admittance to the scheme, and the contribution rate they will pay.

If the employee opts out of the LGPS with less than three months active membership, the employer must refund contributions through payroll. The employer must not encourage employees not to join, or to opt out of the scheme.

The employer must continue to monitor the workforce in line with Automatic enrolment legislation, and re-enrol eligible employees to the LGPS at their re-enrolment date.

Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, from which YPS will arrange for scheme membership for any new starters.

- 3.5.3. Adjustments of Career average pay - Employers must submit form YPS Employer – Pension Pot Adjustments in the following circumstances:

- Where a retrospective change is made to the scheme section and the scheme section was reported incorrectly in a previous pay period;
- Where a member is brought into the scheme retrospectively and arrears of contributions are recovered;
- Where a leaver is overpaid, and pensionable pay has been reported incorrectly in a previous pay period.

- 3.5.4. Changes in circumstance - Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, from which YPS will arrange for the update of scheme member records in the following circumstances -

- Change of hours / weeks;
- Change of contract;
- Change of tiered contribution rate;
- Change of address.

- 3.5.5. Absence - Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period, which will provide YPS with information regarding employees who are absent, including assumed pensionable pay where relevant. On return from the following absences, the member will have suffered a loss of pension benefits, and the employer must write to the member with information on how to buy back these benefits through payment of an Additional Pension Contribution (APC).

- Additional Maternity, Paternity or Adoption Leave on no pay
- Unpaid Leave of absence
- Strike

PART C: EMPLOYER UNDERTAKINGS

If the member elects to pay APCs to buy lost pension within 30 days of returning from unpaid leave, the employer must fund 2/3rds of the cost. The exception to this is strike where the employee must pay the full cost.

The employer must submit form YPS Employer – Return from Absence within 10 days of return from unpaid leave.

- 3.5.6. Benefit Estimates & Annual Benefit Statements - Employers must submit the YPS LGPS2014 Payroll Data Collection file promptly every pay period. Where YPS have queries on the data or status of any member these must be dealt with by the employer within 5 working days, so that YPS data is always correct and up to date ready for benefit estimate requests.

Where a scheme member requests a benefit estimate for voluntary retirement, they should be directed by the employer to My Pension Online in the first instance. Once registered, the member can process their own estimate, or view their most recent benefit statement.

If the member requests a more complex estimate, or is retiring within the next 12 months, then the employer can request the estimate from YPS by completing the eform YPS Employer – Estimate request. Or the member can request this themselves.

Where a scheme member or employer requires an early retirement estimate which requires the employer's consent there is likely to be a cost to the employer.

Therefore the estimate request must be made by the employer, through completion of eform YPS Employer – Estimate request.

- 3.5.7. Early Leavers - The employer will send completed form YPS Employer – Leaver Form to YPS when an employee leaves employment (or 'opts out' of the scheme) with no entitlement to immediate payment of retirement benefits. The employer will send the form as soon as reasonably practicable and no later than 10 working days of the final payment of salary following termination from the scheme membership.
- 3.5.8. Payment of benefits where employment is continuing - The employer will send YPS Employer – Confirmation of Flexible Retirement form to YPS as soon as the flexible retirement has been approved.

Completed YPS Employer – Leaver form and YPS Member – Personal Details form will also be forwarded to Your Pension Service together with all supporting documentation, as soon as reasonably practicable and no more than 5 working days of the final payment of salary following the date of termination.

If the member elects to rejoin the Pension Scheme, or is automatically enrolled, the employer will set up a new employment record with a new pay

PART C: EMPLOYER UNDERTAKINGS

reference number to enable separate reporting of pension cumulative and membership from the retired post.

- 3.5.9. **Retirements** - Employers must always request an estimate of retirement benefits where they are considering allowing a scheme member to retire with early payment of pension (e.g. redundancy and employer consent retirements). There is likely to be a cost to the employer which should be considered before allowing the retirement. This does not apply to ill health retirements.

The employer will send a YPS Employer – Intention to Retire form to Your Pension Service as soon as it is known that an employee is leaving with an entitlement to immediate payment of pension benefits or is aged 60 or over.

Completed YPS Employer – Leaver forms and YPS Member – Personal Details forms will also be forwarded to Your Pension Service together with all supporting documentation, as soon as reasonably practicable and no more than 5 working days of the final payment of salary following the date of leaving.

Where an employer determines that preserved pension benefits are to be paid early, notification, including the date that benefits are to be brought into payment, will be provided to YPS within 5 working days following the date of the decision together with all supporting documentation.

Likewise, the employer should notify the member within 5 working days following the date of the decision, if their application has been refused.

- 3.5.10. **Death-in-service** The employer will send a completed YPS Employer – Leaver form to Your Pension Service following the death of a member within 5 working days of being informed of the employees' death. The YPS Employer – Leaver form must provide details of informant and next of kin, if known.

- 3.6. **Reporting legal breaches** – Employers must ensure that appropriate policies and procedures are in place and all relevant parties aware of their responsibilities in relation to reporting / recording legal breaches.

4. Online Communication and Information Sharing

- 4.1. **Data Sharing** - YPS and the core team undertake to develop alternative methods of data capture to automate processes and ensure that scheme member data held is accurate and up to date. The employer will commit to the online/electronic requirements of YPS and the core team.
- 4.2. **Self service** - YPS undertakes to develop member and employer self service system functionality to improve customer service and provide instant access to pension information. The employer will commit to the use of the self service system.

PART C: EMPLOYER UNDERTAKINGS

- 4.3. **e-forms** - YPS undertakes to develop alternative methods of data capture to automate processes and ensure that scheme member data held is accurate and up to date, including the development of e-forms. The employer will commit to the online/electronic requirements of Your Pension Service, including the requirement to use e-forms.
- 4.4. **Access** - The Employing Authority can authorise that specified employees are granted access to all active scheme member records for that employer using Altair Employer Services. The employer must be satisfied that the individuals that are authorised have received appropriate information security training, and that system access is used for pension administration purposes only. The employer must observe its obligations under the Data Protection Act 1998 (or any legislation which amends or replaces this Act) arising in connection with use of the account and must not do anything which might imply a breach by Your Pension Service of such Act. The employer shall comply with obligations equivalent to those imposed on a data controller by the seventh principle of the Data Protection Act.

5. Circumstances for recovery of Additional Costs

- 5.1. **Underperformance** - Where the Administering Authority considers that the Employer has underperformed against the performance levels set out at part C of this statement, the Administering Authority will seek to recover additional costs under regulation 70 of the Local Government Pension Scheme Regulations 2013 if it is economic to do so.
- 5.2. **Late Payment** - In addition the Authority will seek to recover interest on late payment of contributions under the terms of regulation 71 of the Local Government Pension Scheme Regulations 2013 calculated at 1% above base rate on a day to day basis from the due date to the date of payment and compounded with 3 monthly rests.

6. Other Matters

- 6.1. **Employer Decisions** - Any decision made by the employer under the scheme regulations should be notified to the member within 10 working days of the decision being made and must be accompanied by a statement in respect of their right of appeal.
- 6.2. **Policies (Employer Discretions)** - The employer will ensure that policies are formulated, kept under review and publicised in accordance with the scheme regulations.
- 6.3. **Funding Strategy Statement (FSS) and Statement of Investment Principles (SIP)** – the employer will ensure, where appropriate, they respond to formal consultations on the FSS and / or the SIP. Where no response is received from an employer the Fund will view this as acceptance of the proposal(s).

PART D: COMMUNICATION POLICY

Part D: COMMUNICATION POLICY

1. Cumbria Pension Fund recognises the government's objective to help people save for their retirement and will aim to: -
 - Actively encourage the provision of good pension information in plain english and the promotion of pensions in the workplace.
 - Increase transparency and build trust, confidence and engagement in pension saving as the norm.

2. To achieve its aim the administering authority will undertake to: -
 - Provide clear, accurate and timely communication about the Local Government Pension Scheme to all stakeholders.*
 - Actively promote the Scheme to prospective members and their employers.
 - Take a multimedia approach in recognition that different styles and methods of communication suit different stakeholders
 - Use and encourage the use of electronic/online communication and information sharing.
 - Support Scheme employers, providing publicity and information toolkits, to enable employers to fulfil their responsibility to communicate and share information with members in relation to the Scheme.
 - Treat information security with the upmost importance.

3. Communication Programme

The Fund will regularly review the format, frequency and method of communication. The following programme is currently in use.

Information	Stakeholder*	Format	Frequency	Method of distribution
Actuarial Valuation	All Stakeholders	Formal report	Triennial	Website & Forum
Fund Policy & Statements	All Stakeholders	Website	As amended	Website
Annual Benefit Statements	Members	Online self-service** paper	Annual	Online/email alert/mail
Customer Satisfaction Survey	All Stakeholders	Website	Ongoing	Click Question
Member Guides	Members	Website	On or before employment On request	Via employer HR/payroll departments Email / internet / mail
Employer Updates	Employer	Website, online	As required	Email, website

PART D: COMMUNICATION POLICY

Information	Stakeholder*	Format	Frequency	Method of distribution
Pensioner payslips/P60's	Member	Online self-service, paper	Annually	Online / email / mail
Employer Guide	Employer	Website	As amended	Online / email
Employer training	Employer	Presentation / Webcast	In line with agreement / on request	Face to face / website
Factsheets	All members	Website / paper	As required / on request	Website / email
Individual member information	All Stakeholders	Self-service / paper	As required	Website / email
Employer information pack	Employers	Website / paper	On admission	Website / email
Newsletters	Members	Website / email / paper	Annual	Website / email
Scheme change & legislative change	All Stakeholders	Presentation / webcast / website	As required / on request	Face to face / website
Fund report & accounts	All Stakeholders	Website**	Annually	Website
Performance standards	All Stakeholders	Website	As amended	Website
Query	All Stakeholders	Telephone / email / online / letter	Mon – Fri	Telephone / email / online / letter

*Stakeholders are defined as members, representatives of members, prospective members and employers (members are defined as active, deferred or pensioner members).

** unless otherwise requested.

Scheme Regulations and Overriding Legislation

Cumbria Pension Fund undertakes to comply with Local Government Pension Scheme Regulations and the relevant Overriding Legislation. In particular, the Fund undertakes to comply with the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 [2013/2734]. A full list of Scheme and related legislation is set out below: -

Local Government Pension Scheme Regulations 2013 [2013/2356]

PART D: COMMUNICATION POLICY

Local Government Pension Scheme (Transitional Provisions and Savings)
Regulations 2014 [2014/]
Occupational and Personal Pension Schemes (Disclosure of Information)
Regulations 2013 [2013/2734]

And the following Acts (including relevant secondary legislation made under each Act not mentioned above)

Finance Act 2004 [c.12]
Pension Schemes Act 1993 [c.48]
Pensions Act 1995 [c.26]
Pensions Act 2008 [c.30]
Public Service Pensions Act 2013 [c.25]
Welfare Reform and Pensions Act 1999 [c.30]
Pensions (Increase) Act 1971 [c.56]
Data Protection Act 1998 [c.29]