

Kent Pension Fund

Administration Strategy

Effective from April 2023

Contents

1. Introduction.....	3
2. Purpose.....	3
3. Role of Scheme Employers	5
4. Responsibilities for employers that have outsourced their HR and / or payroll function... 5	5
5. General Responsibilities	6
6. Supply of information via i-Connect.....	6
7. Access to the Kent Pension Fund Employers Portal	6
Appendix 1 Scheme Employer Responsibilities	7
Governance.....	7
New starters	8
Changes during membership	9
Retirement.....	10
Ill Health Retirement	10
Death in service	11
Contributions.....	12
Supply of information.....	13
New employers and TUPE transfers.....	14
Appendix 2 Kent Pension Fund Responsibilities.....	15
Commitment to new scheme members	15
Commitment to existing scheme members.....	15
Commitment to deferred scheme members.....	17
Commitment to pensioner scheme members.....	18
Commitment to employers.....	18
Appendix 3 Additional Charges.....	20
Appendix 4 Non-Compliance.....	21

1. Introduction

- 1.1 Kent County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) on behalf of the scheme employers participating in the LGPS through the Kent Pension Fund (the Fund).
- 1.2 This is the Administration Strategy of the Kent Pension Fund in relation to the LGPS. The strategy is kept under review and revised to reflect changes to the LGPS Regulations and Fund policies. This document sets out a framework by way of outlining the policies and performance standards to be achieved to enable provision of a cost-effective and high-quality administration service.
- 1.3 Regulation 59 of the LGPS Regulations 2013 allows Administering Authorities to prepare an Administration Strategy (the Strategy) for the purpose of improving the administrative processes within their LGPS Fund. In discharging their roles and responsibilities under these regulations, the Fund and Scheme Employers (“Employers” or “Employer”) are also required to comply with any relevant overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pensions Regulator (“TPR”).
- 1.4 TPR plays a key role in overseeing Public Service Pension Schemes, including setting standards of administration and governance on all administrative aspects of the Scheme. Local Pensions Boards also provide an independent role to ‘assist’ the Fund to achieve regulatory compliance, and effective and efficient administration and governance.
- 1.5 The Strategy is a statement of the authority’s policies in relation to matters such as communicating with scheme employers, establishing levels of performance which the administering authority and its scheme employers are expected to achieve, procedures which aim to secure compliance with statutory requirements, and other matters as appear to the administering authority after consulting with scheme employers to be suitable for inclusion in the strategy.
- 1.6 The Administration Strategy applies to all employers in the Kent Pension Fund (KPF). Employers must have regard to this strategy when undertaking their role.
- 1.6 The Strategy will be formally reviewed annually and updated at least every three years, if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be considered.

2. Purpose

- 2.1 The administration objective of the Fund is to:

- deliver a high-quality service to all beneficiaries and employers at the point of need
- ensure we are paying the correct benefits to the correct people at the correct time
- ensure contribution income is collected from the right people at the right time and in the right amount
- ensure the Fund Employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures
- ensure all stakeholders have easy access to relevant information to enable informed decision making.

2.2 The purpose of this strategy is to

- provide clarity on the roles and responsibilities of the Kent Pension Fund and its scheme employers under the LGPS regulations
- set and measure the targets that both the Fund and its scheme employers should be working to
- ensure the Fund operates in accordance with LGPS Regulations and is aligned with TPR in demonstrating compliance and Scheme governance
- promote good working relationships between the Fund and its scheme employers
- ensure that the Fund and its scheme employers have appropriate skills, and that guidance/training is in place, to deliver a high-quality service
- ensure the Kent Pension Fund is delivering a high-quality service to its stakeholders whilst maintaining the accuracy, security and integrity of the data held

2.3 The Kent Pension Fund continually strives to improve:

- The Kent Pension Fund website
- The procedure guidance for employers
- All publicity material, forms and letters
- Training for all employers
- Communications with employers and scheme members
- The collection of data in respect of starters, the amendment of a member's personal data and the posting of scheme member contributions by electronic means

3. Role of Scheme Employers

- 3.1 Scheme employers have distinct decision making and administrative duties under the LGPS Regulations and other relevant legislation. Employer performance has a significant impact on the overall level and quality of service provided to scheme members.
- 3.2 It is the employer's responsibility to ensure that contact details held by the Kent Pension Fund are correct, and to notify the Fund of changes immediately.
- 3.3 The employer must ensure it is aware of its scheme employer duties and keeps up to date with guidance issued by the Fund.
- 3.4 The employer must ensure it retains a good level of LGPS knowledge and has a succession plan in place.
- 3.5 During the year the employer should provide the required correct data and notifications to the Fund as per the targets set out below. Persistent failure by an employer to meet the required performance standards could result in any additional costs to the Fund being recovered from the employer.
- 3.6 The employer must comply with its obligations under Data Protection Law including the secure transfer of members' personal data.

4. Responsibilities for employers that have outsourced their HR and / or payroll function

- 4.1 Where an employer has outsourced the HR and / or payroll function or allowed schools to do so, the responsibilities detailed in this strategy continue to fall on the employer, together with any subsequent fines or penalties.
- 4.2 It is the employer's responsibility therefore to ensure that they have a robust contract in place with their service provider and that they monitor the contract accordingly to ensure they meet all the requirements regarding pension arrangements for staff.
- 4.3 In the event that an employer changes their service provider they continue to be responsible for responding to any queries regarding their staff pension arrangements. It is therefore essential that the employer retains copies of payments made to members, what they represent, whether they were pensionable, the post to which they relate and what section of the scheme the member paid into.

5. General Responsibilities

Appendix 1 sets out the key legislative and regulatory responsibilities of an employer. The Kent Pension Fund recommends that employers also refer to the LGPS Regulations directly when undertaking their role and assessing their LGPS responsibilities. Providing accurate data in a timely way is vital to ensure compliance with the law and statutory guidance. All employer forms can be found on the [Kent Pension Fund website](#).

6. Supply of information via i-Connect

i-Connect is a secure platform which automates the submission of pension data on a monthly basis, by generating an extract directly from payroll systems. All employers in the Kent Fund will transition to i-Connect in due course.

If you are an employer using i-Connect, you should submit all the information and data as set out in appendix 1 using i-Connect.

7. Access to the Kent Pension Fund Employers Portal

To access the links contained within this document, you will be required to log into the [Kent Pension Fund Employer Portal](#) using your employer's Username and Password. The nominated Pension Contact within your employer should be able to provide you with these details.

Appendix 1 Scheme Employer Responsibilities

Governance

General responsibilities	Action to take
<p>Notify the Fund of a nominated representative to receive information from the Pension Fund and to take responsibility for circulating it within the organisation via the submission of the 'Employer changes form'.</p>	<p>Within 30 days of change or becoming a Scheme Employer.</p> <p>Completion and submission of the 'Employer changes form' 7 days prior to change</p>
<p>Inform the Pension Fund of the personnel and payroll providers for the organisation via the submission of the 'Employer changes form'.</p>	<p>Within 30 days of change or becoming a Scheme Employer.</p> <p>Completion and submission of the 'Employer changes form' 7 days prior to change</p>
<p>Create, publish and update (as necessary) policies in relation to all areas where the employer may exercise a discretion within the LGPS regulations.</p>	<p>A copy of the policy document to be provided to the Pension Fund within 30 working days of it being agreed by the employer.</p>
<p>Appoint a person (the adjudicator) to consider disputes under Stage 1 of the pension Internal Dispute Resolution Procedure (IDRP) and provide contact details to the Fund.</p>	<p>Within 30 days of becoming a Scheme Employer or following the resignation of the current adjudicator</p>
<p>Distribute any information provided by the Fund to Scheme Members/potential Scheme Members</p>	<p>In a timely manner as required</p>
<p>Notify the Fund of any Notifiable Events including, but not restricted to, the following:</p> <ul style="list-style-type: none"> • Material change in LGPS membership • Material change in Employer payroll and/or pensionable pay • Change in Employer's legal status or constitution • A decision which will restrict the Employer's active membership in the Fund in future • Any restructuring or other event which could materially affect the membership in the Fund in future • Confirmation of wrongful trading 	<p>Within 30 days of becoming aware of such an event</p>

General responsibilities	Action to take
<ul style="list-style-type: none"> • Conviction of senior personnel • Decision to cease business • Breach of banking covenant 	

New starters

New starter responsibilities	Action to take
<p>Provide each new employee with a 'joiner pack' and a 'Brief guide to LGPS' either in the form of a hard copy or links to the documents on the website.</p>	<p>Provide each new employee with a joiner pack and a Brief guide to LGPS</p> <p>Within 2 weeks of commencing employment.</p>
<p>Decide who is eligible for LGPS membership (and the date from which membership of the LGPS starts).</p>	<p>On joining (or at point becomes eligible if later)</p>
<p>Provide the Pension Fund with details of all new entrants to the LGPS by completing the 'New starters spreadsheet'.</p>	<p>Complete the 'New starters spreadsheet' (single or multiple) and supply to the Fund by the 10th of the month following entry via the online upload form on the website.</p>
<p>Determine each Scheme member's pensionable pay and arrange for the correct deduction of employee contributions in accordance with the LGPS contribution bandings.</p>	<p>For the first pay period in which the employee joins the LGPS</p>
<p>Assist the Pension Fund in ensuring that all new starters complete a 'Personal details declaration form' (contained in the Joiner pack) to ensure timely administration of transfer values.</p>	
<p>Where there is more than one contract of employment with the same employer each membership shall be maintained separately and allocated a unique pension reference.</p>	

Changes during membership

General responsibilities	Action to take
<p>You must inform the Pension Fund about changes during membership. They include:</p> <ul style="list-style-type: none"> • name • address • National Insurance number • hours (where applicable) • pension reference • change of academy within a multi academy trust. 	<p>You must provide the Pension Fund with details of changes of:</p> <ul style="list-style-type: none"> • name, address, National Insurance number, hours (where applicable) using the 'Changes spreadsheet' • pension reference using 'Change of pension reference spreadsheet' • academy within multi academy trust using 'Change of pension reference (Academy trust)' form. <p>By the last day of the month submit all information using the online upload form.</p>
<p>Move employees into the 50:50 section or Main section</p>	<p>From the next pay period after receiving the employee's election</p>
<p>Move employees back into the Main section</p>	<p>If the employee is in the 50:50 section and either goes onto no pay due to sickness or injury or passes the Member's automatic re-enrolment date, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.</p>
Early Leavers responsibilities	Action to take
<p>Notify the Pension Fund of any member's decision to leave including opting out of the Scheme.</p>	<p>Complete a 'Pension leavers details (PLD). They must be submitted via the online upload form by the end of the calendar month following the last contribution deducted.</p>

Retirement

Retirement responsibilities	Action to take
<p>Leaving employment after age 55 obtain an estimate of pension benefits and find out from the member whether they wish to receive immediately payable reduced pension benefits or deferred benefits.</p>	<p>Inform the Pension Fund either by completing the:</p> <ul style="list-style-type: none"> • relevant 'Pension leavers details' if the member is not taking immediate payment of benefits, or • 'Retirement notification form' along with the rest of the retirement package if the member is taking immediate payment of benefits. <p>Submit via the online upload form no later than 1 calendar month after the date of leaving</p>
<p>Retirement estimates Obtain an estimate of pension benefits for those members considering retiring in the next 6 months.</p>	<p>Between 3-6 months before proposed date of retirement upload an 'Estimate request form' via the online upload form.</p>
<p>Notify the Pension Fund when a member is due to retire including an accurate assessment of final pay details and notification of the reason for retirement.</p>	<p>Notify the Pension Fund when a member is due to retire as soon as final earnings are known, typically 20 days prior to date of retirement and no later than 2 weeks after the final payment is made to the member by the submission of a retirement package via the online upload form.</p>
<p>To determine based on medical opinion and advice of an approved Independent Registered Medical Practitioner (IRMP), whether an ill health award is to be made and determine the tier to be awarded.</p>	<p>In addition to the retirement package supply a copy of IRMP's certificate together with the 'Retirement notification form' stating tier of ill health pension to be awarded. To be submitted via the online upload form either 20 days prior to date of retirement or no later than 2 weeks after the final payment is made to the member.</p>

Ill Health Retirement

General responsibilities	Action to take
<p>Keep a record of all tier 3 ill health retirements, particularly in relation to the 18-month review regarding gainful employment and any subsequent review by an IRMP.</p>	<p>To inform the Pension Fund immediately if the pension should cease.</p>
<p>To review all tier 3 ill health retirement</p>	<p>Notify the Pension Fund where pensions should</p>

General responsibilities	Action to take
cases prior to stopping at 3 years and notify the Scheme member if applicable.	cease.
Where the reason for leaving is ill-health retirement, arrange for the member to be assessed by an IRMP that has been certified by the Administering authority, provide confirmation that the employee meets all the conditions for ill-health retirement, as defined by the relevant LGPS regulations, provide confirmation of which tier of benefits is to be awarded, and enclose a copy of the notice letter and a complete and correct ill-health certificate completed by the IRMP.	Confirmation should accompany the Retirement Notification if not previously submitted
Where the member is in receipt of an ill health pension made under Tier 3, arrange for the member to be reassessed by an IRMP after 18 months and determine whether the pension should continue, or be subject to an uplift.	Scheme employers should notify the Fund of the outcome of a Tier 3 Ill Health Review within 5 working days of the determination
On application from the former employee to have their deferred benefits paid early on ill health grounds, seek a medical opinion from an approved Independent Registered Medical Practitioner (IRMP) and make a determination regarding payment. Determine whether benefits should be released early on compassionate grounds and whether any early retirement reductions should be waived.	Notify the Pension Fund of the decision regarding the early payment of deferred benefits and where necessary request an estimate of the pension benefits payable. Notify the Scheme member of the outcome of their application and if this is rejected, explain the outcome and provide details of the right of appeal process.

Death in service

General responsibilities	Action to take
Notify the Pension Fund immediately of the death of a scheme member.	Submit ' Pension Leaver Details (PLD) Death in service ' via the online upload form no later than 1 calendar month after the date of death.
Liaise with your Communication and	

General responsibilities	Action to take
<p>Support Officer (CSO) about what actions are needed to be taken by the employer.</p> <p>Provide regular updates regarding progress of liaising with next of kin and possible beneficiaries to the fund.</p>	

Contributions

Contributions responsibilities	Action to take
Implement changes to Employer contribution rates as instructed by the Pension Fund at the date specified by the Fund's Actuary.	In line with the Rates & Adjustment Certificate as per the Valuation or on commencement as a Scheme Employer.
Arrange for the correct deduction of employee contributions from a Scheme member's actual pensionable pay (including overtime) and apply the correct employee contribution rate according to the Fund of the Scheme the member is in – either Main or 50:50. Reassess employee contribution rate in line with employer's policy on adjusting employee contribution rates and notify the member of the change in rate.	Immediately on joining the Scheme, opting in or change in circumstances.
Remit Employer and employee contributions to the Fund and complete monthly remittance form containing detail of the contribution's payment.	<p>Payment by 19th of the following month.</p> <p>Complete and submit the employer monthly return via the website by the last day of the calendar month.</p>
Refund via your own payroll provider any employee contributions that have been deducted in error.	Contributions to be refunded in the month following the incorrect deduction.

Other Contributions responsibilities	Action to take
Arrange for the deduction of Additional	Start deduction of AVCs in the month following

Voluntary Contributions (AVCs) via your payroll and the payment over of contributions to the approved AVC provider(s). Start deduction of AVCs in the month following the month of election. Pay over contributions to the AVC provider(s) by the 19th of the month following the month of election.	the month of election. Pay over contributions to the AVC provider(s) by the 19th of the month following the month of election.
After receipt of instructions start deduction of Additional Pension Contributions (APC) or amend such deductions, as appropriate	The month following election to pay contributions to the Pension Fund
After receipt of instructions, stop deductions of Additional Regular Contributions (ARCs) or Additional Pension Contributions (APCs) or AVCs.	Immediately following receipt of instructions.
Refund via your own payroll provider any employee contributions that have been deducted in error.	Contributions to be refunded in the month following the incorrect deduction.

Supply of information

Supply of information responsibilities	Action to take
Provide year end information required by the Pension Fund.	Information to be supplied in the format as detailed in the instructions published on the website in February/March each year. Information to be submitted via the Year end upload form by the date included in the instructions.
To provide any additional information that may be requested by the Pension Fund.	To be provided in the format required by the Pension Fund, e.g., completion of form, email etc. within 1 calendar month of receipt unless a statutory requirement requires the information to be supplied before this date which will be detailed in the request.

New employers and TUPE transfers

New employers and TUPE responsibilities	Action to take
<p>Notify the Fund of any contracting out of services that will involve a TUPE transfer of staff to another organisation at least 6 months before the TUPE is due to take place.</p>	<p>Employers should inform the Fund as soon as possible within the tender process, enabling pension information to form part of the tender documentation.</p>
<p>Work with the Pension Fund to arrange for an admission agreement to be put in place when contracting out a service and assist in ensuring it is complied with.</p>	<p>Agreement to be in place by the time the service is contracted out.</p>
<p>Provide the Pension Fund with information regarding members transferring to an admitted body or schools converting to academies.</p>	<p>Liaise with the Pension Fund regarding the format in which this information needs to be supplied. Information to be supplied 1 calendar month from date of change. Any queries relating to this information to be responded to within 10 working days.</p>
<p>Notify the Fund where the employer ceases to admit new members or is considering ceasing participation in the Fund.</p>	<p>This should be done at the earliest opportunity, allowing the Fund to liaise with the Fund actuary in order to achieve a well-managed employer exit from the Fund.</p>

Appendix 2 Kent Pension Fund Responsibilities

Commitment to new scheme members

The table details what we commit to new scheme members and when.

New scheme members responsibilities	Actions to take
Statement of pensionable service	We will issue a statement of pensionable service to members within 20 working days of receiving the required data from an employer.
Transfers in	<p>We will calculate the estimated benefits that a <u>transfer value</u> will buy in the Local Government Pension Scheme. We will issue a quotation within 20 working days of receiving details from the previous pension provider and any additional information required from the Department for Work and Pensions.</p> <p>We will request payment of the transfer value within 10 working days of receiving confirmation from members that the transfer is to be made.</p> <p>We will confirm the actual benefits purchased by the transfer value to members within 20 working days of receiving payment from the previous pension provider.</p>

Commitment to existing scheme members

The table details what we commit to existing scheme members and when.

Existing scheme member responsibilities	Actions to take
Annual Benefit illustrations	Each year members will be sent an <u>Annual Benefit Illustration (ABI)</u> to their home address which will provide a personalised illustration of their benefits in the Local Government Pension Scheme (LGPS) by 31 August each year.

Benefit estimates (Member request i.e., voluntary retirement)	Provided there are no outstanding queries to be resolved, we will provide members with their estimate within 20 working days of receiving the estimate request from their employer. Where there are outstanding queries, we will provide the estimate within 20 working days of the date the queries are resolved.
Benefit estimates (Employer request i.e., flexible, redundancy, efficiency retirements)	For individual requests the above timescales apply, however if the request is for bulk estimates, then a longer time period may need to be negotiated with the employer. Estimates will be released to members within 5 working days of an employer's instruction to send to the member.
Paying Additional Pension Contributions (APCs)	We will provide information within 20 working days of receiving a request from members if they wish to pay <u>APCs</u> to buy additional LGPS pension.
Retirements	<p>Provided that there are no outstanding queries to be resolved, we will send details of the benefits payable and pay members tax free cash lump sum within 20 working days of receiving all the information required from their employer and/or them (or 20 working days from receipt of an AVC fund if applicable), or the date the benefits become due if later.</p> <p>Where there are outstanding queries, we will send details of the benefits payable and pay members tax free cash lump sum within 20 working days of the date the queries are resolved.</p>
Deaths	We will send details of the benefits payable within 15 working days of receiving all information required from the late scheme members employer. We will pay the lump sum death grant as soon as possible after determining all relevant beneficiaries.
Deferred benefits	We will send details of the deferred benefits within 40 working days of receiving all information required from a member's employer.

Refunds	We will pay a refund within 20 working days of receiving a member's formal request for payment.
---------	---

Commitment to deferred scheme members

The table details what we commit to deferred scheme members and when.

Deferred scheme members responsibilities	Actions to take
Deferred benefit statements	We will provide a <u>deferred benefit statement</u> providing details of the current value of members deferred benefits (as adjusted in line with the Consumer Prices Index (CPI)) by 31 August each year
Deferred benefits into payment	We will send details of the benefits payable and pay the tax-free cash lump sum within 20 working days of receiving all information required from a member, or the date the benefits become due if later.
Death of a deferred scheme member	<p>We will acknowledge a notification of the death of a deferred scheme member and start action to put into payment any dependants' benefits within 5 working days of receiving the notification.</p> <p>We will send details of any benefits payable within 15 working days of receiving all required information from the dependants and will pay any lump sum death grant due as soon as possible after determining all relevant beneficiaries.</p>
Transfers out	<p>We will issue a quotation, within 20 working days of receiving all information required.</p> <p>We will pay a <u>transfer value</u> within 20 working days of receiving confirmation from members that the transfer is to be made, and if we have received all of the information required to make payment.</p>

Commitment to pensioner scheme members

The table details what we commit to pensioner scheme members and when.

Pensioner scheme members responsibilities	Actions to take
Newsletter	We will send the Open Lines newsletter to pensioners at least twice a year.
Death of a pensioner	<p>We will acknowledge a notification of the death of a pensioner and start action to put into payment any dependants' benefits within 5 working days of receiving the notification.</p> <p>We will send details of any benefits payable within 15 working days of receiving all required information from the dependants and will pay any lump sum death grant due as soon as possible after determining all relevant beneficiaries.</p>

Commitment to employers

The table details what we commit to employers that participate in the LGPS and when.

Employer responsibilities	Actions to take
Procedures, letters and forms	Guidance (including letters and forms) will be made available to employers to help you carry out their responsibilities.
Changes in regulations	We will make employers aware of any changes to the LGPS regulations, and any other relevant legislation, within 15 working days of receiving details of the changes.

Other pension information	We will make employers aware of any relevant pension information within 15 working days of receiving details.
Benefit estimates (single)	Provided there are no outstanding queries to be resolved, we will provide the estimate within 20 working days of receiving the estimate request from an employer. Where there are outstanding queries, we will provide the estimate within twenty working days of the date the queries are resolved.
Benefit Estimates (Bulk)	Discussions will need to be held as early as possible to agree suitable timeframes for producing bulk estimates.
Confidentiality	We will respect the confidentiality of information exchanged under this agreement and use it only in accordance with the current Data Protection legislation.
Training	We will provide training free of charge for employers' personnel and payroll staff either when there are relevant changes to the LGPS or at their request.

DRAFT

Appendix 3 Additional Charges

The following table details work which the Fund may do for Scheme Employers, but which is not covered by the administration charge which is included in the Employer contribution rate. This may be because there is no statutory requirement for the Fund to do the work or because not all Employers require the work to be done. As such work is not included in the administration (Admin) charge, the following additional charges will apply.

The Pension Fund will inform employers of any recharge items as they become due. Invoices must be paid within 30 working days of the invoice date, or in accordance with the payment terms on the invoice.

Description of activity	Work done not covered by the admin charge	Additional charge
New employer joining the Fund	All work relating to the actuarial report	10% of actuary's fee
	All work relating to the legal work related to new admissions	10% of legal fee
IAS19 / FRS102 report production for accounts	All work relating to IAS19 / FRS102 reports	5% of actuary fee
Actuarial work relating to auditor queries re annual accounts	All work relating to the answering of auditors' queries	5% of actuary fee
Employer leaving the Fund	All work relating to a cessation valuation report	10% of actuary fee
	All work relating to the legal work related to the termination of admission agreements	10% of legal fee

Appendix 4 Non-Compliance

7.1 Kent Pension Fund (KPF) will apply the following charges in circumstances where scheme employers do not adhere to their responsibilities under the LGPS. Where KPF has incurred additional costs due to an employer's poor performance, it will recover these costs by charging employers.

Description of activity	Requirements	Charge
Late payment of contributions (EEs, ERs, deficit) and late submission of return	Receipt of income late – regulations require within 19 days of end of the month	<p>A fixed penalty of £500 if received after the nineteenth of the following month, plus interest on the total payment due charged at one per cent above base rate calculated from the due date.</p> <p>A fixed penalty of £500 if the Employment monthly return is received after the first working day of the following month, plus a further fixed penalty of £50 for every further day late after that deadline.</p>
Failure to submit the monthly data return via i-Connect by the due date.	Return due by the end of the calendar month	A fixed penalty of £500 if received after the first working day of the following month, plus a further fixed penalty of £50 for every further day late after that deadline. Note that both the file and the remittance advice must be received for no penalty to apply
Year End Data - Failure to provide year end data by the due date following the year end or the non-provision of year end information or the accuracy/quality of the year end data is poor requiring additional data cleansing	Required by date per year end instructions	Late receipt - initial fee of £500 then a fee of £150 for every month the information remains outstanding Quality/format of data – fee of £150 should data provided not be in the correct format and/or the quality is poor
New Starter(s)	1st instance	Warning

Failure to notify the Fund of new starter(s) and the late or non- provision of starter form(s) – by the 10th of the month following entry	2nd instance	£50 fine per member
Leavers Failure to notify the Fund of any leaver(s) and the late or non-provision of leaver form(s) including an accurate assessment of final pay no later than 1 calendar month after the final payment is made to the member	1 st instance 2 nd instance	Warning £50 fine per member
Payment of invoices	Payment due within 30 days of invoice date	A fixed penalty of £500 if received after seven days of the payment due date, plus interest on the total payment due charged at one per cent above base rate calculated from the due date.
Resubmission of incorrect data		A fixed penalty of £500 plus charges to account for the officer resource used to rectify any issues charged at a minimum hourly rate of £100.
Failure to respond within a published timeframe		A charge of £25 per case for each case chased after the original deadline has passed
Failure to provide a copy of discretions policy or latest version	A copy of the policy document to be provided to the Pension Fund within 30 working days of it being agreed by the employer.	A fixed penalty of £500 for failing to supply a copy plus a further £100 charged on each occasion that a policy is requested or is chased by an officer and is not supplied
Failure to notify the Fund of key changes or events, including a change of payroll provider		A fixed penalty of £1,000 where the change has a significant impact on administration or £500 plus a further £100 charged on each

		occasion that further information is requested or chased and not supplied
--	--	---

7.2 If an employer's poor performance leads to a third-party agency issuing KPF with financial penalties, then KPF will recover these costs from the employer concerned. This includes:

- Those imposed by TPR for a breach of statutory duties, where the breach occurred due to the poor performance of an employer. An example would be where KPF has not issued annual benefit illustrations because the employer has failed to provide member data.
- Those imposed by HMRC, such as scheme sanction charges that arise as a result of the decision of an employer. An example would be if the employer allowed a member to claim benefits that would cause KPF to make an unauthorised payment.
- Those imposed by the Office of the Information Commissioner following a data breach where the breach was caused by the actions of an employer.

7.3 KPF will pay the penalty but will recover it from the employer concerned. The list is not exhaustive and KPF reserves the right to use the same principles and policy for other penalties imposed on it by outside agencies not detailed here.

7.4 In general, KPF will apply a financial penalty where an employer fails to:

- meet the requirements of this Administration Strategy
- meet the requirements of the LGPS Regulations
- meet the requirements of other legislation.

Where this results in:

- additional work or costs for KPF or its agents
- failure of KPF to meet its obligations under the LGPS regulations, other legislation or guidance
- complaints by organisations or members
- appeals by members or their representatives.

7.5 In all cases, KPF would look to consider any mitigating circumstances, such as system failure, business continuity events and so on, and take a pragmatic approach when making decisions.

7.6 As an alternative, in some circumstances, the Fund may offer employers/payroll providers the opportunity to attend specific training courses to avoid the issues arising in the future, and thus improving the overall provision of service to all scheme members.