



North East Scotland Pension Fund

nespf

Pensions Administration Strategy

Effective from 1st January 2023

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1. Introduction

1.1 The North East Scotland Pension Fund (NESPF)

Aberdeen City Council is the administering authority for the Local Government Pension Scheme (LGPS) in the North East of Scotland. The NESPF are responsible for carrying out all aspects of the management of the Fund including administration and payment of benefits for members on behalf of the 48 participating employers, accounting and funding through investments. The NESPF sits within the Resources directorate of Aberdeen City Council.

1.2 Pensions Committee & Pensions Board

Regulations require that Aberdeen City Council (ACC) delegate the responsibility of decision making around the Pension Fund to the Pensions Committee. The Committee is made up of thirteen elected members of ACC and considers all matters under the regulations of the scheme at the quarterly meetings. The Pensions Committee are responsible for making the key decisions and have fiduciary duties and responsibilities towards the pension scheme members, participating employers and local taxpayers.

The Pensions Board was established in line with the change of regulations in 2015. The Board are responsible for assisting the scheme manager in relation to compliance with the regulations. The Board is made up of eight representatives with four being employer representatives and four representing the members (trade unions). The Board sits at the same time as the Pensions Committee, with access to the same reports.

1.3 Local Government Pension Scheme (LGPS)

The LGPS is a statutory pension scheme established in law. The rules of the scheme are laid as Scottish Statutory Instruments with the current administration regulations having been set out in the Local Government Pension Scheme (Scotland) Regulations 2018.

The regulations can be viewed here:

<http://www.scotlgpsregs.org/schemeregs/lgpsregs2018/timeline.php>

2. Pension Administration Strategy (PAS)

2.1 LGPS (Scotland) Regulations 2018 - Regulation 57

Regulation 57 of the LGPS (Scotland) Regulations 2018 allows the Fund to produce a Pensions Administration Strategy that outlines the statutory responsibilities of both the Fund and the

participating employers. This document has been developed in relation to this regulation and in consultation with the participating employers.

2.2 Aim of the PAS

This strategy has been developed by the NESPF with the aim of delivering high quality pensions administration for all members of the Fund on behalf of its participating employers.

2.3 Objectives of the PAS

The PAS has been developed in order to ensure:

- High quality pension service delivery
- Paying pensions and calculating benefits due accurately and on time
- Good working relationships between the NESPF and its participating employers
- Delivery of the LGPS in line with the scheme regulations and compliance around the codes of practice put in place around service delivery and service standards (The Pensions Regulator)

3. Meeting the Objectives of the PAS

The NESPF have identified the following key areas which need to be considered in order to have a successful outcome in relation to meeting the aims and objectives of the PAS.

- Understanding the roles and responsibilities of the Fund and those of the participating employers
- Setting Key Performance Indicators and service standards in order to comply with the statutory requirement as laid out in the scheme regulations
- Clear communication and engagement between the Fund and the participating employers
- Good quality, reliable data that is provided in a timely manner
- Having suitable resources in place to deliver on the above requirements

3.1 Roles and Responsibilities

The LGPS (Scotland) regulations and other Codes of Practice and legislation determines the responsibilities of both the NESPF as the administering authority and the participating employers.

Both parties are required to meet the requirements outlined in Appendix 1 and Appendix 2 in order to ensure that the objectives of the PAS are met.

3.2 Service Standards

The performance standards for both the Fund and the employers are set out in Appendix 3 and Appendix 4. These are based on both regulatory requirements and the requirements of meeting minimum customer service standards for the Fund members.

3.3 Communication and Employer Engagement

The Employer Relationship Team (ERT) are a dedicated resource for participating employers. The ERT team deals with the Fund valuation in conjunction with the scheme actuary and in consultation with the participating employers, all aspects of employer responsibilities, employer queries, employer training as well as the monthly collection, checking and reconciliation of data provided by employers in respect of the active members.

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| Contact Details: | Employer Relationship Team NESPF Level 1 2MSq, Marischal Square Broad Street Aberdeen AB10 1LP Telephone 01224 264157 Email: employer@nespf.org.uk |
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The communications that relate directly to the PAS are outlined in Appendix 6 below.

3.4 Good Quality Member Data

The data held by the Fund underpins all aspects of the administration of the scheme. The accuracy of the information held in respect of each member can affect all parts of the Fund including:

- calculation of member benefits due and the ability to provide annual benefit statements
- accuracy of triennial valuations and funding outcomes
- employer accounting disclosures (FRS102/IAS19)
- Investment decisions based on future cashflows or liabilities held.

Given the reliance that the Fund has on the quality of the data provided by its employers it is essential that the monthly data provided through i-Connect is accurate, complete and up to date.

The Pension regulator (tPR), over the last few years, have put tremendous emphasis on the quality of data held by LGPS Funds and the requirement to comply with Code of Practice 14: Governance and administration of public service pension schemes, which sets out the legal requirements for public service pension scheme.

Having had i-Connect in place for several years the quality of the data received from NESPF employers and held by the Fund is already of a very high standard. However, there is always

room for improvement and therefore the Fund have developed a Data Quality Improvement Plan which is implemented and reviewed each year. See Appendix 6 for a summary of the current plan.

3.5 NESPF Resources

To allow the Pension Fund to meet its responsibilities to employers, the Pensions Regulator, stakeholders and especially members, it is essential that we have in place an appropriate organisational structure. Ensuring that there is sufficient trained staff with the knowledge required to administer the scheme and calculate and process the benefits due is a priority of senior management and is therefore constantly under review.

Appendix 5 outlines the staff structure within the Fund. The basic structure was put in place in 2016 with the number of posts growing over time, with the Fund currently sitting with 45 full time equivalent posts (not including the Chief Officer Finance, Pensions Committee or Pensions Board).

4. PAS Report

Performance and service standards for both the Fund and all participating employers are monitored on an ongoing basis.

The Pensions Committee and the Pensions Board take a keen interest in administrative matters and receive updates on performance as part of the Funds quarterly reporting. Performance figures and information on compliance is included in the PAS report which is imbedded within the quarterly Strategy Report.

In addition a report on performance will be included in the NESPF annual report and accounts.

5. Compliance

Adherence to the service standards and carrying out the requirements of the outlined roles and responsibilities is essential if the objectives of the PAS are to be achieved.

In addition the Fund is required to record all breaches of the scheme regulations and report any significant failures to the Pensions Regulator. This includes any failures in relation to the Funds own responsibilities.

All employers who have active members within the Fund are therefore required to comply with the PAS. Where instances of underperformance or non-compliance are identified the Fund will take action to rectify this through engagement with the employer in the first instance.

The NESPF Breaches of Law Policy can be viewed on the NESPF website: www.nespf.org.uk/about/policies-and-statements/

6. Discretions

Under current and previous regulations the participating employers and the Fund are required to make choices or decisions around how, or, if some aspects of the regulations are applied. It is therefore a requirement that all bodies hold a Discretions Policy in relation to these regulations.

Each employer's Discretions Policy needs to be reviewed within 3 months of a change of regulations and the Policy must be published and made available to the scheme members.

The NESPF Discretions Policy can be seen in Appendix 8 - please note: that the discretions policy is currently under review with the updated version to be brought to the Pensions Committee in March 2023 for approval. The new document will be inserted into the PAS following completion of the approval process.

7. NESPF – Statutory Responsibilities

- To maintain the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund.
- To invest pension contributions received and account for and manage the Fund's assets.
- To create and maintain a record for each member that contains all the necessary information for accurate calculation of member benefits.
- To calculate and pay the appropriate benefits, based on the member's record and the termination and pay details provided by the Employer when an employee ceases employment.
- To calculate and process transferred in benefits and transfer value payments.
- To provide a statutory notice on commencement of membership or following a transfer in.
- To provide survivor beneficiaries with notification of entitlement.
- To provide annual pension forecasts for members.
- To provide pension saving statements for members.
- To ensure that every effort is made to pay benefits to appropriate beneficiaries and reduce the possibility of fraud.
- To apply revaluation to pension accounts in accordance with Revaluation Orders.
- To apply pensions increases in accordance with Pension Increase Orders.
- To publish Annual Report and Accounts in accordance with regulations.
- To continually review the PAS and consult with Scheme employers on changes.
- To publish and review policy statements in accordance with regulations.
- To appoint an actuary to carry out triennial valuations and provide actuarial advice.
- To provide accurate data to the Fund actuary in respect of valuation and employer accounting standards.
- To appoint a suitable person for the purposes of the Internal Dispute Resolution Procedure.

- To appoint an Additional Voluntary Contributions provider.
- To ensure that sufficient information is available to satisfy disclosure requirements.
- Newsletters, guides and other materials.
- To admit new participating employers and provide information for tender including notification of admission to the Scottish Public Pensions Agency.
- To request termination assessment from Fund actuary on cessation of admission agreements or when a scheme employer ceases participation in the Fund.
- To recover termination cost from the exiting employer.
- To arrange events, meetings and training sessions for scheme employers.
- To ensure compliance with Data Protection legislation.

8. Employer – Statutory Responsibilities

- To decide scheme eligibility of employees and admit members in accordance with contractual enrolment or admission policy.
- To determine a member's pay for the purpose of pensions contributions.
- To arrange for the correct deduction of employee contributions from a member's pensionable pay in accordance with statutory guidance.
- To implement changes to employer contribution rates as instructed from date specified in actuarial advice.
- To pay over and account for employee, employer and additional contributions to the Fund.
- To arrange for the deduction of Additional Voluntary Contributions and payment of contributions to AVC provider(s).
- To provide timely and accurate information including starters, amendments, leavers, contributions, salaries and CARE pay to the Fund using I-Connect to ensure member records are accurate and up to date.
- To distribute any information provided by the Fund to scheme members and potential scheme members.
- To pay "Strain on fund" costs to the Fund in full for early payment of benefits from flexible, redundancy or business efficiency retirement or where a member retires early with employer's consent.
- To pay additional costs arising from level of performance.
- To pay interest on late payments arising from overdue payment.
- To formulate and publish discretions as required under regulations.
- To issue a certificate of protection automatically where a member has suffered a compulsory and permanent reduction in, or restriction to, their rate of contractual pensionable pay and keep a record of that members pay for a period of 10 years from the effective date of the certificate.
- To make decisions known as "First instance decisions" and inform employees of those decisions.

- To nominate an Appointed Person to uphold or dismiss any appeal against a “First instance decision”.

9. NESPF – Performance and Service Standards

| Description | Requirement/Target |
|---|--|
| To acknowledge or answer enquiries | Within 5 working days |
| To answer telephone calls within office hours | 95% |
| To provide scheme information to members | Within 2 months of membership beginning* |
| To acknowledge deferred benefit entitlement | Within 2 months of receiving leaver notification* |
| To provide transfer credit notification | Within 2 months of request |
| To provide transfer value payment | Within 3 months of request |
| To provide divorce notification | Within 3 months of request |
| To provide death acknowledgement letter | Within 5 working days of notification of death |
| To provide retirement estimates | Within 10 working days of receipt of all information |
| To provide retirement benefit notification | Within 10 working days of receipt of all information |
| To provide deferred benefit notification | Within 10 working days of receipt of all information |
| To process refund of contributions | Within 10 working days of receipt of all information |
| To provide transfer in notification | Within 10 working days of receipt of all information |
| To provide transfer out notification | Within 10 working days of receipt of all information |
| To provide benefit statements to active and deferred members | By 31 August* |
| To provide pension saving statements | By 6 October* |
| To carry out a record keeping exercise to comply with tPR requirements | At least annually |
| To publish forms required for completion by scheme members, potential members or scheme employers | Within 30 days from any revision |
| To issue formal valuation results including individual employer details | By 31 January following the 31 March valuation period end date |

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| To connect to Pensions Dashboards by staging date | Staging date expected to be September 2024 |
| To prepare new admission agreements | Within 3 months of receipt of all appropriate employer information |
| To provide employer briefings | Monthly |
| To provide technical bulletins | As and when required |
| To provide notice to scheme employer of any additional costs (including any interest that may be due) arising from performance | 1 month |
| To notify scheme members and employers of changes to the scheme rules | When possible in advance of change but no later than 1 month of change date |
| To host meetings for all scheme employers | Annually |
| To arrange training/bespoke meetings for employers | Upon request or as deemed necessary by the Fund |

*Regulatory requirement

10. Employer – Performance and Service Standards

| Description | Requirement/Target |
|---|--|
| To respond to enquiries by the Fund | Within 5 working days |
| To notify the Fund of new starters | No later than month following date of entry to scheme – via i-Connect monthly submission |
| To notify the Fund of any change in employees circumstances (name, address, marital status and hours) | No later than month following date of change – via i-Connect monthly submission |
| To notify the Fund of leavers and provide form PEN 2A if appropriate | No later than month following date left scheme - via i-Connect monthly submission |
| To provide cumulative employee, employer and additional contributions | Monthly prior to 19th of following month - via i-Connect monthly submission |
| To provide FTE Final Pay calculated under 2009 Regulations for underpin protection | Monthly OR annually in March data submission |
| To provide cumulative CARE pay (or assumed pensionable pay) | Monthly - via i-Connect monthly submission |
| To notify breaks in service for underpin calculation using the method stipulated by the Fund | No later than month following start of break |
| To notify the Fund of retirements and provide form PEN 6 | 2 months in advance |
| To notify the Fund in advance when requesting retirement estimates for more than 20 members | 3 months in advance |
| To notify the Fund of the death of a scheme member | As soon as is practicably possible |
| To provide information requested by the Fund in relation to the Employer Covenant | Within 10 days of request |
| To refer new or prospective scheme members to the Fund's website | Within 10 days of commencement of employment |
| To arrange for the correct deduction of employee contributions from a member's pensionable pay | Immediately on joining scheme and following statutory guidance |

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| To ensure correct employee contribution rate is applied | Immediately on joining the scheme, as a result of a material change to pay and annually as at 1 April |
| To remit employee, employer and additional contributions to the Fund | By 19th of month |
| To ensure correct deduction of pension contributions during any period of absence | Immediately following election of scheme member |
| To arrange for the deduction of AVCs and payment over of contributions to AVC provider(s) | Commence payment of AVC's following month of election |
| To notify the Fund if contracting out services which will involve a TUPE transfer of staff to another organisation | As soon as decision made and to allow the Fund to provide information for tender documentation |
| To work with the Fund to arrange for an admission agreement to be in place when contracting out a service and assist with ensuring compliance | Agreement to be in place no later than start date of contract |
| To notify the Fund if an employer changes their admission policy or there is a possibility of terminating participation in the Fund | As soon as possible following change of circumstance or in advance of any policy change |
| To appoint appropriate person to review "first instance decisions" | Within 1 month of becoming scheme employer or making new appointment if required |
| To pay Fund invoices | Within 28 days |

11. Communication and Engagement (PAS requirements)

(The full NESPF communications policy can be found at www.nespf.org.uk)

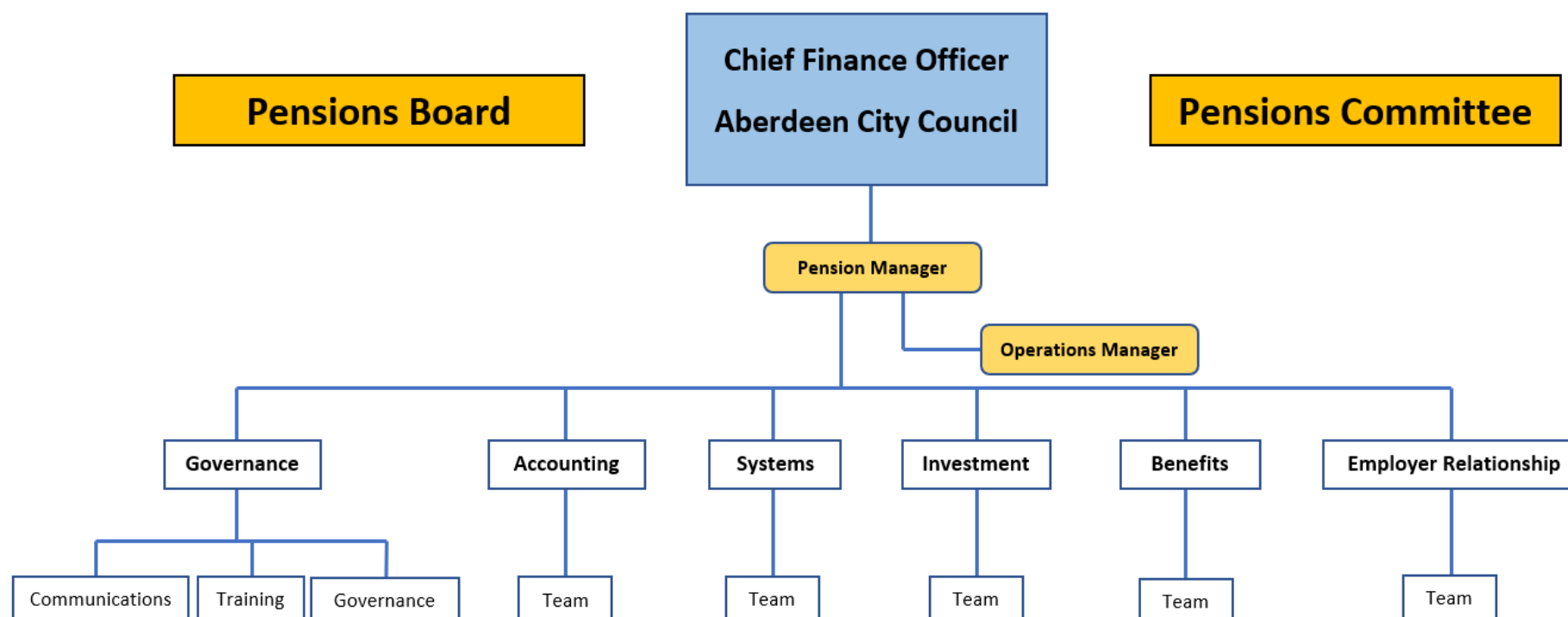
| Activity | Details |
|----------------------------|---|
| Employer Engagement | |
| Employer Relationship Team | A dedicated resource within the Fund for participating employers within the Fund. Remit includes employer queries, training, admission and termination from the scheme, funding and contribution requirements and member data requirements. |
| Employer Briefings | A monthly employer newsletter that updates employers on the requirements of the fund, changes to regulations and reminders for upcoming events. |
| Website – Employer Pages | www.nespf.org.uk includes a secure employer area providing access to forms, documents, calculators and training videos, etc for payroll, HR and finance staff of participating employers. This is currently under construction and will be available in full in mid-2023 |
| Employer Training/Meetings | Ad hoc training will be provided for employers upon request or if a need is identified by the Fund. This can be delivered in house or at the employer's offices. |
| Administration Forum | An annual event for payroll and HR staff of all employers. Hosted by the NESPF this is a training and information event including presentations, round tables and workgroups. |
| Financial Forum | An annual event hosted by the NESPF to provide the financial decision makers for employers with updates around funding, investments and regulation updates. |
| Member Engagement | |
| Annual Benefit Statements | To be issued to all active and deferred members by 31 August following the end of the most recent scheme year. This communication includes the annual member newsletter. |
| Pension Saving Statements | To be issued by 6 th October to those members who may have exceeded their annual allowance. |

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| Website | The NESPF website can be accessed by all members at www.nespf.org.uk . It contains comprehensive information regarding the Local Government Pension Scheme and NESPF. |
| Online “My Pension” Portal | My Pension is a secure online portal that provides member with real-time, 24-hour access to their pension data. |
| Data Requirements | |
| Active member data including: <ul style="list-style-type: none"> • personal details • service dates • contributions • salary/earnings • service breaks | <p>All employers are required to provide information in relation to active members on a monthly basis through our secure online portal, i-Connect.</p> <p>I-Connect uploads are to be provided to the Fund by the 19th of each month following the deduction of pension contributions. The upload fulfils the data requirements for the Fund and acts as the contributions remittance too.</p> |

| Objective | Data Type | Action | Timetable | Financial & Resource Implications |
|---|----------------------------|--|--|---|
| Address Tracing for gone away deferred, pensioner and frozen leaver members | Common | Around 2500 members are held on the system as 'gone away.' These members consist of deferred, pensioner and frozen refund members (no active members should be held as 'gone away'.) The Fund will look to directly award a contract to a tracing organisation through the National Framework. | First Trace April 2022 (3 year contract) | Financial - Estimated cost of tracing exercise £4,000 (for first year) Resource – Administration staff to be utilised |
| Monthly Information from Employers | Common & Scheme Specific | Continue to use i-Connect as the method of employers providing data. Work with employers to improve their understanding of the data required and improve reconciliation processes to ensure data is of the highest quality | Ongoing | Financial – None (part of existing contract) Resource – ERT |
| General Data Cleanse and Quality Measurement | Common and Scheme Specific | Altair Insights reporting tool will be used to provide scores for the Annual Scheme Return from 2022. It provides detailed reports on the errors found. A monthly data cleanse can be carried out using the reports generated and will be particularly effective for historical data errors. | November 2021 ongoing monthly | Financial – Insights is used for many purposes of Fund administration. Resource – Benefits, ERT and admin staff to be utilised. Aspects of the cleanse being prioritised ahead of the valuation or the effect on members |

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| NI Database Exercise – This project is to identify where members within the Fund may hold other benefits within LGPS (Scotland.) | Scheme specific | <p>Using the NI database the Fund need to identify where members benefits need to be transferred or received as a result of having pension records with other administering authorities within Scotland.</p> <p>This will be a considerable project in the first instance with an ongoing requirement to monitor this going forward.</p> <p>The introduction of the NI database allows all Scottish Funds to undertake an exercise of this nature</p> | November 2021 – ongoing | <p>Financial – None</p> <p>Resource – administration and benefits team</p> |
| Undecided Leavers – review of how status 2 members are managed and processed to reduce numbers on the system below 1000 | Scheme Specific | <p>Exercise to identify, monitor and prioritise undecided leavers who have not been processed in a reasonable time frame. Concerted effort to reduce the number of members prior to valuation (as at 31 March 2020.) Controls to be put in place for future i.e. deadlines, etc</p> <p>Undecided leaver exercise was undertaken in 2019/20 but was halted by the pandemic. Further work to be undertaken in conjunction with the tracing exercise and the NI database exercise.</p> | April 2022- March 2023 | <p>Financial – Unknown – project currently under consideration by senior management</p> <p>Resource – Benefits staff to be utilised</p> |
| GMP Reconciliation - following the cessation of 'contracting out' there is a requirement for all Funds to carry out a GMP reconciliation for Active, Deferred and Pensioner members | Scheme Specific | Exercise undertaken in-house by NESPF | Full reconciliation nearing completion | <p>Financial - None</p> <p>Resource – Benefits & Systems Staff</p> |

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| McCloud Project – change of regulations require that all members who were active in 2015 are now protected by an ‘underpin’ which compares the benefits that would have been due under the old ‘final salary’ scheme. Assessment of the information required to undertake this large scale project will be required. | Scheme Specific | <p>Missing data in respect of hours worked will be identified and requested from employers to allow the benefits team to recalculate and rectify members benefits where the underpin applies.</p> <p>The timescales of this exercise are currently unknown and we await final regulation changes.</p> | Ongoing – project and dates to be determined | <p>Financial – currently unknown</p> <p>Resource – currently unknown (may be outsourced)</p> |
| AVC Reconciliation | Scheme Specific | Reconcile AVC contracts held on the administration system Altair with information held by Prudential and Standard Life | Annual Reconciliation in line with year end | <p>Financial – none</p> <p>Resources – ERT</p> |



Policy on Administering Authority's Discretions

North East Scotland Pension Fund June 2015

The following table details the policy of North East Scotland Pension Fund in the exercise of its discretions under the Local Government Pension Scheme. Those discretions highlighted in **bold** must be published in a written policy by the administering authority and as such an extract of this policy will be posted on the Pension Fund website and distributed to scheme employers.

In the table below, regulations prefixed by "R" refer to The Local Government Pension Scheme (Scotland) Regulations 2014 and prefixed by "TP" refer to The Local Government Pension Scheme (Transitional Provisions and Protections) (Scotland) Regulations 2014. The table identifies those additional discretions from 01/04/2015 in relation to post 31/3/2015 active members and post 31/5/2015 leavers.

| Regulation | Discretion | Policy |
|-------------------------------|--|--|
| R4(5)(b) | Whether to agree to an admission agreement with a NHS Scheme employing authority | The Fund will generally allow admitted body status to bodies with the former Grampian Area, provided that such a body meets certain scheme criteria and provides evidence of legal status, good financial covenant, a financial guarantor where required and other related material factors |
| R3(5) & RSch2, Part 2, para 1 | Whether to agree to an admission agreement with a body applying to be an admission body | The Fund will generally allow admitted body status to bodies with the former Grampian Area, provided that such a body meets certain scheme criteria and provides evidence of legal status, good financial covenant, a financial guarantor where required and other related material factors |
| RSch2, Part 2, para 9(d) | Whether to terminate a transferee admission agreement in the event of <ul style="list-style-type: none">- Insolvency, winding up or liquidation of body- Breach by that body of its obligations under the admission agreement- Failure by that body to pay over sums | The Fund will consider each case on its merits |

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| | due to the fund within a reasonable period of being requested to do so | |
| RSch2, Part 2, para 12(a) | Define what is meant by 'employed in connection with' | The Fund determines that only employees of the body who are employed directly with the provision of the service to a scheme employer may be members of the Scheme; |
| R16(1) | Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (eg where the sum being paid is very small and could be paid as a single payment) | The Fund has determined that each case will be determined on its merits |
| R16(10) | (i) whether to require a satisfactory medical before agreeing to an application to pay an APC/SCAPC (ii) Whether to turn down an application to pay an APC/SCAPC if not satisfied that the member is in reasonably good health | The Fund has determined that it will consider whether or not a medical is required before agreeing to an application to pay an APC/SCAPC on a case by case basis, |
| R17(12) | Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member | The decision as to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member has been delegated from the Head of Finance to the Pensions Manager |
| R22(3)(c) | Pension account may be kept in such form as is considered appropriate | The decision as to how Pension account may be kept in such form as is considered appropriate, has been delegated from the Head of Finance to the Pensions Manager |
| TP10(9) | Decide, in the absence of an election within 12 months of ceasing a concurrent employment, which ongoing employment benefits those of the concurrent employment should be aggregated to (where there is more than 1 ongoing employment) | The Fund has determined that concurrent posts will be aggregated to best previous employment |

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| R66(2) | Whether to require any strain on fund costs to be paid 'up front' by the employing authority following payment of benefits under R29(6) (flexible retirement), 29(7) (redundancy/business efficiency), or waiver (in whole or in part) under R29(8) of any actuarial reduction that would otherwise have been applied to benefits which a member draws voluntarily before normal pension age or to benefits under flexible retirement. | The Fund has determined that strain on the Fund costs are required to be paid up front |
| TPSch2, para 2(3) | - Whether to require any strain on fund costs to be paid 'up front' by the employing authority if the employing authority applies the 85 year rule for a member voluntarily retiring before normal pension age (other than flexible retirement) prior to age 60 or waives an actuarial reduction under TPSch2, Para 2(1) or releases benefits before age 60 under Benefit reg 30 of the 2009 regulations. | The Fund has determined that strain on the Fund costs are to be paid up front in the event of rule of 85 retirements. |
| R31(7) | Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement. | The Fund will extend the time limit within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement. |
| R33(1) | Decide whether to commute small pension | The Fund will commute small pensions on application from the scheme members |
| R35(3) | Approve medical advisors used by employers (for ill-health benefits) | The Fund will require employers to seek Fund approval for medical advisors used for ill-health benefits. The Fund will maintain a list of those medical advisors it has approved |
| R36(3) | Decide whether a deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is | The Head of Finance has delegated to the Pensions Managers the decision as to whether or not a deferred beneficiary meets criteria of being permanently incapable of former job because of ill health |

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| | unlikely to be capable of undertaking gainful employment before age 65 | and is unlikely to be capable of undertaking gainful employment before age 65 |
| TP17(5) to (8), R38(2), R41(2) & R44(2) | Decide to whom death grant is paid. | The Head of Finance has delegated the decision to whom death grant is paid to the Pensions Manager |
| R47(1) | Decide, in the absence of an election from the member, which benefit is to be paid when the member would be entitled to a benefit under 2 or more regulations in respect of the same period of scheme membership | The of Head of Finance has delegated the decision, in the absence of an election from the member, which benefit is to be paid when the member would be entitled to a benefit under 2 or more regulations in respect of the same period of scheme membership to the Pensions Manager |
| R52(1) | Whether to set up a separate admission agreement fund | The Pensions Committee on advice from the Head of Finance will determine whether or not to set up a separate admission agreement fund |
| R57(1) & (2) | Whether to have a written pensions administration strategy and , if so, the matters it should include | The Fund has determined to have a written pension's administration strategy (PAS). |
| R62(4) | Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a scheme employer will become an existing employer | The Fund has determined to obtain revision of employer's contribution rate if there are circumstances which make it likely a scheme employer will become an exiting employer |
| R63 | Decide whether to obtain a new rates and adjustments certificate if the Scottish Ministers amend the Regulations as part of the 'cost sharing' under R61 (Aggregate Scheme Costs) | The Fund has determined to obtain a new rates and adjustments certificate if the Scottish Ministers amend the Regulations as part of the 'cost sharing' under R61 (Aggregate Scheme Costs) |
| R67(1) | Decide frequency of payments to be made over to the fund by employers and whether to make an admin charge | The Fund has determined the frequency of payments to be made over to the fund by employers and whether to make an admin charge as detailed in the Funding Strategy Statement (FSS) schedule of employer rates |

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| R67(4) | Decide form and frequency of information to accompany payments to the fund | The Fund has determined the form and frequency of information to accompany payments to the fund as detailed in the PAS |
| R68 & TP22(2) | Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance. | The Fund has determined to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance as detailed in the PAS |
| R69(1) | Whether to charge interest on payments by employers which are overdue | The Fund has determined to charge interest on payments by employers which are overdue as detailed in the PAS |
| R77(2) | Whether admin authority should appeal against employer decision (or lack of decision) under R70 (first instance decisions) | <p>The Fund has determined to appeal to Scottish Ministers where an employer fails to reach a decision as required under the regulations.</p> <p>Where the Fund disagrees with a decision made by an employer, on grounds that it either conflicts with the regulations, or is against the best interests of the member or the fund, attempts will be made to reach an acceptable compromise. Failure to reach a compromise will result in the matter being referred to the Scottish Ministers</p> |
| R78(1)(b) & TP22(1) | Specify information to be supplied by employers to enable admin authority to discharge its functions | The Fund has/will determined the specify information to be supplied by employers to enable admin authority to discharge its functions |
| R80(2) | Whether to pay a death grant due to personal representatives or anyone appearing to be beneficially entitle to the estate without need for grant of probate/letters of administration where payment is less that amount specified in S6 of the Administration of Estates (Small Payments) Act 1965 | <p>The Fund will use it's discretion in accordance with the regulations and will in the first instance consider the member's expression of wish form where a valid nomination exists.</p> <p>In the absence of a nomination form a will may be considered as a nomination form provided it does not conflict with the provisions of the administration regulations. The ultimate decision in the exercise of this discretion rests with the City Council Head of Finance. Day to day administration is delegated to Pensions Manager.</p> |

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| R81 | Whether, where a person is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to a person having the care of the person entitled, or other such person as the authority may determine, to be applied for the benefit of the person entitled. | The Fund has determined that it will require a trustee arrangement to be put in place in the event that a person is incapable of managing their affairs. The Fund retains the right to vary this decision in respect of special circumstance. |
| R87(5) | Date to which benefits shown on annual benefit statements are calculated | The Fund has determined the date to which benefits shown on annual benefit statements are calculated |
| R96(1)(b) | Agree to bulk transfer | The Fund has determined to agree to bulk transfers |
| R98(6) | Extend normal time limit for acceptance of a transfer value beyond 12 months from joining LGPS | The Fund has determined not to extend normal time limit for acceptance of a transfer value beyond 12 months from joining LGPS |
| R98(7) | Allow transfer of pension rights into the fund | The Fund has determined to only allow 'CLUB TRANSFERS' into the Fund |
| TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & A43(10) | Make election on behalf of deceased member with a certificate of protection of pension benefits i.e determine best pay figure to be used in the benefit calculations (pay cuts/restrictions occurring pre 01/04/15) | The Fund has determined to make election on behalf of deceased member with a certificate of protection of pension benefits i.e determine best pay figure to be used in the benefit calculations (pay cuts/restrictions occurring pre 01/04/15) |
| RSch 1 & TP17(9)(a) | Decide to treat child as being in continuous full time education or vocational training despite a break | The Fund has determined to treat child as being in continuous full time education or vocational training despite a break |
| RSch 1 & TP17(9)(b) | Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member | The Fund has determined the evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member The Fund will publish a list of evidence required to determine financial dependence. The list will be reviewed on an |

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| | | annual basis |
| TP3(11) | Decide policy on abatement of pre 01/04/15 elements of pensions in payment following re-employment | The Fund has determined that it will not abate pensions of pensioner members on re-employment. Pension benefits resulting from the award of additional service to a member by an employer under the Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations where that member has been retired on efficiency or redundancy grounds are still subject to abatement on re-employment as abatement under these provisions is not discretionary. |
| TP15(1)(c) | Extend time period for capitalisation of added years contract | The Fund has determined not to extend the time period for capitalisation of added years contracts |

In the table below, regulations prefixed by “A” refer to The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, prefixed by “B” refer to the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) regulations 2008 and prefixed by “T” refer to the Local Government (Transitional Provisions) (Scotland) Regulations 2008. In relation to scheme members who ceased active membership on or after 01/04/2009 and before 01/14/2015

| Regulation | Discretion | Policy |
|---------------------|---|---|
| A25(2) | Whether to charge the member for provision of an estimate of additional pension that would be provided by the scheme in return for a transfer in of in house AVC / SCAVC funds. | The Fund will not charge members for estimates of additional pension that would be provided by transferring in AVC funds to the LGPS |
| <i>T Schedule 1</i> | Extend time period for capitalisation of added years contracts | The Fund will not extend the time period for capitalisation of added years contracts |
| A40(3) | Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits | Outstanding employee and employer contributions due to the fund will be invoiced to the employer as an outstanding debt to the fund. |

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| A43(10) | Make an election on behalf of a deceased member with a certificate of protection(i.e. determine best pay figure to use in benefit calculations) | The Fund will make an election on behalf of a deceased member with a certificate of protection to determine the best pay figure to use in benefit calculations. |
| A46(7) & (8) | Allow extension of period within which a scheme member must submit election for benefits or alter the date from which he / she elects to have the pension paid. | Members may make an election for payment of benefits from a specific date up to twelve months prior to their intended date of retirement in accordance with Regulation 7 |
| A48(2) | Can pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate/letters of administration | The Fund will use it's discretion in accordance with the regulations and will in the first instance consider the member's expression of wish form where a valid nomination exists. In the absence of a nomination form a will may be considered as a nomination form provided it does not conflict with the provisions of Regulation 48 of the administration regulations. The ultimate decision in the exercise of this discretion rests with the City Head of Finance. Day to day administration is delegated to Pensions Manager. |
| A52(2) | Approve medical advisors used by employers to certify ill health retirement | The Fund shall approve medical advisors and maintain a list of those medical advisors it has approved for use by employers to certify ill health retirement. |
| A59(2) | Whether admin authority should appeal against employer decision or lack of decision. | <p>The Fund will appeal to the Scottish Ministers where an employer fails to reach a decision as required under the regulations.</p> <p>Where the NESPF disagrees with a decision made by an employer, on grounds that it either conflicts with the regulations, or is against the best interests of the member or the fund, attempts will be made to reach an acceptable compromise. Failure to reach a compromise will result in the matter being referred to the Scottish Ministers.</p> |

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| A60(1)(b) | Specify information to be supplied by employers to enable the admin authority to discharge its functions. | <p>Details of information required on an ongoing basis from Employers is contained in the PAS. The PAS is reviewed on an annual basis or following change statutory regulation.</p> <p>Information in respect of year end or actuarial provision is supplied to employers on an annual and triennial basis.</p> <p>Ad hoc requests to employers may be made by the administering authority will a full explanation of the request if required to enable the administering authority to discharge its function</p> |
| B31 | Decide whether deferred beneficiary meets permanent ill health criteria | The Head of Finance has delegated to the Pensions Managers the decision as to whether or not a deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before age 65 |
| B23(2) & B32(2) & B35(2)& A95(4) | Decide to whom a death grant is paid | The decision on the exercise of this discretion rests with the Head of Finance. Day to day administration of the discretion will be delegated Pensions Manager subject to agreed guidelines |
| B25 | Decide evidence required to determine financial dependence of nominated co-habitee on scheme member or financial interdependence of nominated co-habitee and scheme member | <i>The Fund has determined the evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member The Fund will publish a list of evidence required to determine financial dependence. The list will be reviewed on an annual basis</i> |

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| B39 & A98 | Decide whether to commute small pensions | <i>The Fund will commute small pensions on application from the scheme members</i> |
| B40 & A99 | Decide whether to commute pension on grounds of serious ill health | Each case will be considered individually in consultation with the scheme employer and must be supported by a certificate from a fully registered person within the meaning of the Medical act 1983 to the effect that the member's life expectancy is less than one year. |
| B43(1)(c) | Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations in respect of the same period of scheme membership. | In the absence of an election from the member in these circumstances a decision will be made to award the benefit that maximises the member's financial return from the scheme. |
| A86(5) | Decide valuation day for pension sharing order | The valuation day for pension sharing orders shall be date of separation |
| A89(1) & (2) | Decide how to discharge Pension Credit liability | The Fund will discharge pension credit liabilities by either conferring appropriate rights under the scheme on the ex-spouse or ex-civil partner. Alternatively , the ex-spouse or ex-civil partner may request a transfer of those rights to a suitable qualifying arrangement (occupational pension scheme, personal pension scheme, appropriate annuity contract or suitable overseas arrangement) |
| A101 | Decide charges to be levied in Pension Sharing cases. | Charges to be levied in Pension Sharing cases will be set according to guidance issued by the national Association of Pension Funds and will be uprated in line with Pensions Increases awarded each April. |

The following table details the policy of Aberdeen the City Council Pension Fund in the exercise of it's discretions under the Local Government Scotland Regulations 1998 (as amended) in relation to pre 1.4.09 scheme leavers.

| Regulation | Discretion | Policy |
|-------------------|--|--|
| 37(1) & 150(4) | Decide to whom death grant is paid in respect of post 31/03/98 / pre 01/04/09 leavers | The Fund will use it's discretion in accordance with the regulations and will in the first instance consider the member's expression of wish form where a valid nomination exists. In the absence of a nomination form a will may be considered as a nomination form provided it does not conflict with the provisions of the administration regulations. The ultimate decision in the exercise of this discretion rests with the City Head of Finance. Day to day administration is delegated to Pensions Manager. |
| 46(1) | Apportionment of children's pension amongst eligible children (children of post 31/03/98 / pre 01/04/09 leavers) | Divide pension equally amongst the children |
| 48 & 153 | Agree to commutation of small pensions (pre 01/04/09 leavers or pre 01/04/09 pension credit members) | The Fund will commute small pensions on application from the scheme members |
| 49 & 154 | Commute benefits due to exceptional ill-health (pre 01/04/09 leavers or pre 01/04/09 pension credit members) | The Fund will commute benefits only where employees are aware of short life expectancy and in the best interests of member and or dependant. |
| 79(5) | Whether to require any strain on fund costs to be paid 'up front' by employing authority following early payment of a deferred benefit on health grounds or from age 50 with employer consent (pre 01/04/09 leavers) | The Fund requires that 'strain on the fund' costs are either paid 'up front' or spread over a five year period. |

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| 79(7)(b) | Agree dates on which instalments under Reg 79(5) are due | Payments should be made on a monthly basis |
| 88(3) | Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits (pre 1/04/09 leavers) | Outstanding employee and employer contributions due to the fund will be invoiced to the employer as an outstanding debt to the fund. |
| 90(4) | Timing of pension increase payments by employers to fund (pre 1/04/09 leavers) | The Fund will charge the employer on a monthly basis |
| 94 | Pay death grant due to personal representatives without need for grant of probate/letters of administration (death of pre 01/04/09 leaver) | Small payment allows payments of less than £5000 to be paid without confirmation of estate. |
| 96(10) | Approve medical advisors used by employers (re ill health benefits for pre 01/04/09 preserved benefits payable on health grounds) | The Fund shall approve medical advisors and maintain a list of those medical advisors it has approved for use by employers to certify ill health retirement. |
| 98 | Decide procedure to follow by admin authority when exercising its IDRPs functions and decide the manner in which those functions are to be exercised (pre 01/04/09 leavers) | First reference is to the Pensions Manager, followed by the Appointed Person who must respond within two months. Then the Scottish ministers who again must respond within two months. The final recourse is the Pensions Ombudsman who will have expected the member to first approach the Occupational Advisory Service. |
| 104(1) | Appeal against employer decision, or lack of a decision (pre 01/04/09 leavers) | <p>The Fund will appeal to the Scottish Ministers where an employer fails to reach a decision as required under the regulations.</p> <p>Where the Fund disagrees with a decision made by an employer, on grounds that it either conflicts with the regulations, or is against the best interests of the member or</p> |

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| | | the fund, attempts will be made to reach an acceptable compromise. Failure to reach a compromise will result in the matter being referred |
| 105A(5) | Date to which benefits shown on annual deferred benefit statement are calculated | Benefit statements will show benefits calculated as at 31st March. |
| 115(4) | Recovery of half payment in lieu from refund of contribution (Under Part 111 of NI act 1965) | The Fund has determined not to pay half payment in lieu from refund of contribution (Under Part 111 of NI act 1965) |
| 118 | Retention of CEP where member transfers out (pre 01/04/09 leavers) | The Fund will retain CEP in the event member transfers benefits to a contracted in scheme |
| 144 | Discharge pension credit liability (pre 01/04/09 pension sharing orders) | The Fund will discharge pension credit liabilities by either conferring appropriate rights under the scheme on the ex-spouse or ex-civil partner. Alternatively, the ex-spouse or ex-civil partner may request a transfer of those rights to a suitable qualifying arrangement (occupational pension scheme, personal pension scheme, appropriate annuity contract or suitable overseas arrangement) |

The following table details the policy of Aberdeen the City Council Pension Fund in the exercise of it's discretions under the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 1998 (as amended)

| Regulation | Discretion | Policy |
|------------|---|---|
| 17(3) | Extending time limit for repayment of a previous refund (16.5.74 to 5.4.78) | The Fund set a normal limit of six months. Information is issued to all new starts in a booklet along with statutory notification. Period will only be extended when booklet is not issued with 6 month time scale |

Note: the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 1998 have been revoked by regulation 2 and Schedule 1 of the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [SSI 2008/229] but notwithstanding their revocation, they continue to apply to:

- a.) pre 1 April 2009 deferred or pensioner members
- b.) any person who may become entitled to a benefit in respect of such a person, and
- c.) any other person whose entitlement to the payment of any pension or other benefit has arisen before 1 April 2009

It is not clear whether the right to repay a refund would fall within (c) above. The Secretariat is seeking clarification from SPPA.

The following table details the policy of Aberdeen the City Council Pension Fund in the exercise of it's discretions under the Local Government Superannuation (Scotland) Regulations 1987 (as amended) in relation to pr 1.4.98 scheme leavers

| Regulation | Discretion | Policy |
|-----------------------------------|--|--|
| E11ZA | Decide to whom death grant is paid in respect of pre 1.4.98. leavers | The Fund will use it's discretion in accordance with the regulations and will in the first instance consider the member's expression of wish form where a valid nomination exists. In the absence of a nomination form a will may be considered as a nomination form provided it does not conflict with the provisions of the administration regulations. The ultimate decision in the exercise of this discretion rests with the City Head of Finance. Day to day administration is delegated to Pensions Manager. |
| Definition of child in Schedule 1 | Treat child as being in continuous education or training despite a break (children of pre 1.4.98. leavers) | To disregard break in continuous education and training only when a child is returning to complete a course, not where change of course is undertaken |
| E9(7) | Apportionment of children's pension amongst eligible children (children of pre 1.4.98. leavers) | Divide pension equally amongst the children |
| E9(7) | Pay child's pension to another person for the benefit of the child (children of pre 1.4.98. leavers) | Payment will be made direct t the child, unless in receipt of legal documentation |

The following table details the policy of Aberdeen the City Council Pension Fund in the exercise of it's discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended)

| Regulation | Discretion | Policy |
|------------|---|---|
| 31(2) | Agree to pay annual compensation on behalf of employer an recharge payments to employer | The Fund will pay compensation on behalf of an employer and recharge payments to the employer/ Payments must be made within 30 days |