



North East Scotland Pension Fund  
**nespf**

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## **Record Keeping Policy**

**August 2020**

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<b>Author &amp; Team</b>	M Suttie - Governance
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## Purpose Statement

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This Policy has been prepared on behalf of Aberdeen City Council, as the administering authority, to set out the record keeping arrangements for the North East Scotland Pension Fund and the Aberdeen City Council Transport Fund (the Fund).

It has been prepared, taking into consideration the legal requirements of The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 (the Record Keeping Regulations), the latest data protection requirements and guidance issued by the Pensions Regulator (tPR).

## Application and Scope

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The Fund must establish record keeping requirements and ensure their effective operation at all times. Failure to maintain complete and accurate records and put in place effective internal controls to achieve this can affect a Funds ability to carry out basic functions and places it at risk of failing to meet its legal obligations.

Good record management will provide evidence of what the Pension Fund does and why. It is a vital part of running a Pension Fund in an efficient and accountable manner.

Records are defined as all those documents which facilitate the business carried out by the Fund and what are, thereafter, retained for a period to provide evidence of its transactions or activities. These records may be created or received, and then stored, in paper copy or digital form.

### Member Data

Pension Fund records contain 2 data types:

- Common data – applicable to all schemes; data used to identify members e.g. names, addresses, date of birth, national insurance numbers and expected retirement date.
- Conditional data – scheme specific and required to calculate benefit entitlements e.g. GMP benefit entitlements, pension sharing orders, employment and contributions history.

The Pensions Regulator requires Scheme's to submit additional information about their data as part of the annual pension scheme return:

- confirming the date of last data review; and
- confirming common and conditional data scores i.e. the percentage of members for which the Scheme has full and accurate data.

### Employer and Fund Responsibilities

The Pension Fund requires participating employers to provide timely and accurate data to fulfil our legal obligations. The Fund works closely with employers to establish processes to enable transmission of complete and accurate data from the outset. The Pension Fund requires all employers to submit

monthly data electronically through i-Connect by way of a monthly file extracted from their payroll system or by completing electronic forms for individual members.

The Pension Fund works closely with employers to ensure that they understand the key member events which require information to be passed from them to the Fund, for example when an employee joins or leaves the Pension Fund, changes their rate of contributions, changes their name, address or member status.

The Pension Fund ensures that appropriate procedures and timescales are in place for employers to provide updated information when member data changes, for reconciling Fund data against employer data and for receiving information which may affect the profile of the Fund. These requirements and timescales are set out in the Pensions Administration Strategy (PAS) which was revised and approved by the Pensions Committee in 2017.

If an employer fails to act in accordance with procedures and regulatory requirements, the Pension Fund (and others under a duty to report) shall consider their statutory duty under section 70 of the Pensions Act 2004 to report breaches of the law. The Pension Funds Breaches of Law Policy is reviewed annually and the accompanying Breaches Register monitored on an ongoing basis.

To enable the Pension Fund to meet its statutory obligations under the Local Government Pension Scheme (Scotland) Regulations, the following information will be held:

- The name of each member and of each beneficiary
- The date of birth of each member and of each beneficiary
- The last known postal address for each member and of each beneficiary
- The dates on which each member joins and leaves the Pension Fund
- Each member's identification number in respect of the Pension Fund
- Where a national insurance number has been allocated, that number in respect of each member and of each beneficiary; and
- Each member's employment with any employer participating in the Fund including (but not limited to):- the member's employee identification number, the period of pensionable service in that employment and the amount of pensionable earnings in each year of that employment
- The revaluation percentage to be applied to a member's pension rights in each year in the Career Average Revalued Earnings Scheme and to a member's accrued rights in the Final Salary Scheme
- Any information relevant to calculate a member's rights under the Scheme which are attributable to a pension credit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999
- Any information relevant to calculate a reduction in the member's rights under the Scheme which are attributable to a pension debit under section 29(1)(b) of the Welfare Reform and Pensions Act 1999

The Pension Fund will ensure that member data across all membership categories, as specified in the Record Keeping Regulations, is complete and accurate. Member data is subject to regular data evaluation, to enable the right benefits to be paid to the right person (including all beneficiaries) at the right time.

## Transactions

The Pension Fund shall be able to trace the flow of funds into and out of the Fund and reconcile these against expected contributions and Fund costs.

The Pension Fund will keep, and be able to demonstrate that they keep, records of transactions made to and from the Fund.

To meet these requirements all transactions, contributions and costs are monitored and reconciled on an ongoing basis. This will provide the Pension Fund with a clear oversight of the core transactions and should allow the Fund to mitigate risks swiftly.

The Pension Fund will keep records of the following transactions:

- Any contribution paid in relation to a member of the Fund
- Payments of pensions and benefits
- Payments made by or on behalf of the Fund to any person including the name and address of the person to whom the payment was made and the reason for that payment
- Any movement or transfer of assets from the Fund to any person including the name and address of the person to whom the assets were moved or transferred and the reason for that transaction
- The receipt or payment of money or assets in respect of the transfer of members into or out of the Fund including the name of that member, the terms of the transfer, the name of the Scheme into or out of which the member has been transferred, the date of the transfer and the date of receipt or payment of money or assets
- Payments made to a member who leaves the Fund, other than on a transfer including the name of that member, the date of leaving, the member's entitlement at that date, the method used for calculating any entitlement under the Scheme and how that entitlement was discharged
- Payments made to the employer
- Other payments to, and payments by, the Fund including the name and address of the person to whom payment was made or from whom it was received

## Pension Board Meetings

The Pension Fund will keep records of NESPF Pension Board meetings including:

- The date, time and place of the meeting
- The name of all the members of the Board invited to the meeting
- The name of any person who attended the meeting and the capacity in which each attended; and
- Any decisions made at the meeting

The Pension Fund will keep records of all decisions made by the Pension Board to ensure that there is a clear and transparent audit trail of the decisions made. The records of Pension Board meetings will also include whether since the previous meeting there has been any occasion when any decisions have

been taken by the Pension Board and, if so, the date, time and place of the decision and the names of members participating in that decision.

The Pension Fund shall also keep records of key discussions, which may include topics such as compliance with policies in relation to the administration of the Fund, where appropriate.

To meet statutory requirements certain information will be published in relation to the operation of the NESPF Pension Board, including meeting and training attendance.

## Data Protection

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The Pension Fund needs to collect, process and retain different types of information about individuals (as data controller) to enable it to comply with its statutory obligations i.e. to administer the Fund in accordance with the Local Government Pension Scheme (Scotland) Regulations 2018.

The General Data Protection Regulation (GDPR), and alongside it the Data Protection Act 2018, set out the requirements and safeguards the Fund must apply in relation to personal data. The Fund shall ensure adequate record keeping is in place to allow it to meet and demonstrate compliance with data protection requirements, in particular around data processing activities and data quality.

### Data Retention & Storage

Although more and more business is being conducted electronically, and most information is kept the same way, the Pension Fund will still create and hold some information in hard copy, which needs to be organised and stored appropriately.

Hard copy information will be organised and stored in secure storage, either within the Pensions Section or externally in the ACC Corporate Record Stores (for information accessed less frequently).

The Pension Fund will regularly review the data it stores, both electronic and hard copy, to ensure the information is proportionate and necessary in relation to its original purpose to comply with requirements under the General Data Protection Regulation.

It is likely data will need to be held for long periods of time i.e. even after a member has retired, to ensure that pension benefits are properly administered over the lifetime of the member and their beneficiaries. The Fund will ensure it has adequate systems and processes to enable the retention of data for the necessary time periods and in accordance with the ACC Data Retention Policy and the NESPF Data Protection Policy.

## Ongoing Monitoring

The Pension Fund shall have in place policies and processes to ensure that data is monitored on an ongoing basis to ensure its accuracy and completeness. This shall be in relation to all membership categories.

The Pension Fund shall adopt a proportionate and risk-based approach to monitoring, based on any known or historical issues that may have occurred in relation to the Fund's administration.

Where there has been a change of administration system/platform, the Pension Fund shall review and cleanse data records and be satisfied that all data is complete and accurate.

TPR Code of Practice 14 requires the Pension Fund to continually review their data and carry out a data review exercise at least annually. The Pension Fund has introduced a Data Quality Improvement Plan to address any issues highlighted through this review. The Plan includes specific data improvement measures which can be monitored and tracked and a defined end date within a reasonable timeframe.

## **Supporting Procedures and Documentation**

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There are various legal requirements for records to be kept in relation to Public Service Pension Schemes, in addition to the requirements set out in the Record Keeping Regulations. Those requirements apply to Scheme Managers, administrators and employers. Not all of the requirements apply to all Public Service Pension Schemes, but some of the key requirements are set out under the following legislation (as amended):

- The Pensions Act 1995 and 2004
- The Pensions Act 2008
- Freedom of Information (Scotland) Act 2002
- The Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013
- The Registered Pension Schemes (Provision of Information) Regulations 2006
- The Data Protection Act 2018
- The General Data Protection Regulation
- The Public Service Pensions Act 2013

The Pension Fund will also ensure compliance with the record keeping requirements detailed in the Pension Regulator's Code of Practice No.14.

## **Responsibilities**

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Day to day responsibility for the implementation of this policy sits with the Chief Officer-Finance and dedicated staff within the Pensions Team.

The Pensions Committee will review this policy annually, or in the event of a policy revision and taking account of any emerging issues.

Any questions or feedback on this document should be forwarded to the **Governance Team**:

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