

WEST MIDLANDS



PENSION FUND



Administering Authority Policy Statement

April 2009

Under LGPS regulations, the Fund is required to formally publish its policy on 'discretions'. 'Discretions' is taken to include where the administering authority is required to carry out a task, but an element of choice is seen to exist as to how the task is completed.

Unless stated otherwise, the references to regulations are to the Local Government Pension Scheme (Administration) Regulations 2008, the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended), the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 & the Local Government Pension Scheme Regulations 1997 (as amended).

The following prefixes will be used in this document to indicate the relevant regulations.

- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Admission of Admission Bodies [Regulation A5 & A6]

The Fund is obliged to admit transferee admission bodies, for example, as a result of the transfer of the service or assets by means of a contract or other arrangement. The Fund will usually admit community admission bodies, provided it is satisfied about the long-term financial security of the body or it has a public sector guarantee.

Further Restrictions on Eligibility [Regulation A12]

The Fund will review individually all possible admissions to the Scheme, where a person may be a member of the Scheme despite being entitled to be a member of

the National Health Service Pension Scheme for England and Wales ('the NHS Scheme').

Right to Terminate Admission Agreement [ASch3]

The Fund shall retain the right to terminate an admission agreement in the event of:

- (a) the insolvency, winding up or liquidation of the transferee admission body;
- (b) a breach by that body of any of its obligations under the admission agreement (but where the breach is capable of remedy only where it has not been remedied within a reasonable time); or
- (c) a failure by that body to pay any sums due to the Fund within a reasonable period after receipt of a notice from the administering authority requiring it to do so.

Intervals for Payment of Employee Contributions [Regulation B3]

The Fund requires that all contributions (apart from AVCs) should be credited to the Fund by the 19th of the month following that in which they were deducted.

Right to Extend Period for Cancelling Notice to be Submitted [Regulation A19]

The Fund reserves the right to extend normal 12 month period following end of relevant reserve forces leave for 'cancelling notice' to be submitted requesting that the service should not be treated as relevant reserve forces service.

Distribution of Death Grant [Regulation B23, B32, B35, TSch1 & L155]

Normally, the Fund will pay a death grant to nominated beneficiaries. Where no nomination has been made, the Fund will pay a death grant to the deceased's personal representatives. Where both of these options are seen to be inappropriate or impossible, the Fund may pay the grant (as determined by the Chief Legal Officer) between surviving nominees or personal representatives, or any

person appearing to the Fund to have been a relative or dependant of the deceased at any time.

Where a death grant does not exceed £5,000, the Fund will usually pay it without the production of grant of probate, a will or letters of administration.

Financial Dependence of Nominated Cohabitee on Scheme Member or Financial Interdependence of Nominated Cohabitee and Scheme Member [Regulation B25]

The Fund will provide the appropriate parties with the details of the evidence required to determine financial dependence of nominated cohabitee on a Scheme member or financial interdependence of nominated cohabitee and a Scheme member.

Child's Pension - Ignoring Breaks in Education or Training [Regulation B26]

The Fund will accept short breaks, and also gap years, as being interruptions in education and will restart a suspended children's pension at the end of such a break or gap. When the Fund has determined that education has ceased, we are unlikely to restart a child's pension.

Child's Pension – Determining Recipients [Regulation B28, B34 & B37]

Where there is more than one eligible child, the Fund will normally divide a children's pension equally between the eligible children. Where a child is under 17, we will normally pay his/her pension to the person who has the care of the child, to be applied for the benefit of that child.

Commutation of Small Pensions [Regulation B39 & T14]

The Fund will normally commute pensions that are below certain amounts.

No Double Entitlement Benefits Due Under Two or More Regulations [Regulation B42]

Where no relevant election is held, the Fund will decide, and notify the member or their representatives, which benefit should be paid, if benefits are due under two or more regulations, in respect of the same period of Scheme membership.

Agreement with Employing Authority to Include Cost of Augmentation in Employer Contributions [Regulation A40]

When an employer augments a member's service, the Fund will usually want the cost of this paid to the Fund in advance of payment to the member. For some employers – mainly local authorities – we will also allow the extra cost to be funded via extra employer contributions over a period as agreed by the Fund's actuary.

Agreeing Extension to Period for Payment for Augmentation as Lump-Sum [Regulation A40]

The Fund will require an employer to pay the cost of augmentation in advance. We will only grant an extension to the standard payment procedures in exceptional circumstances.

Medical Examination Required for Purchase of ARCs [Regulation A23]

The Fund may require that members wishing to purchase additional membership, provide satisfactory medical evidence to ensure they can be reasonably expected to complete the contract undertaken and not retire due to a pre-existing medical condition on health grounds.

Additional Voluntary Contributions – Minimum Contributions [Regulation A25]

The Fund will require AVC providers to accept AVCs that in amount are at least equal to the minimum amount specified in Regulation 2(8) of the Pension Schemes (Voluntary Contributions Requirements and Voluntary

and Compulsory Membership) Regulations 1987, and also lesser amounts that are in respect of extra life cover.

Investment of AVCs [Regulation A25]

The Funds current AVC providers are Equitable Life Assurance Society & The Prudential Assurance Co Ltd. These providers will be reviewed from time to time.

Purchase of AVC Annuities from Insurance Company [Regulation A26(2)]

As far as is practicable, the Fund will give effect to the member's wishes. In the absence of any preference being expressed, the Fund will provide details of the funds available from the AVC provider to whom contributions were paid.

Provision of Estimates in Relation to Transfers of AVCs/FSAVCs [Regulation A28]

The Fund has determined that it will not charge for such estimates.

Governance Policy [Regulation A31]

The Fund has published a governance policy which is available on the Fund's website at the following address:
<http://www.wmpfonline.com/investments.htm>

Establishment of an 'Admission Agreement Fund' [Regulation A32]

The Fund has chosen not to set up an admission agreement fund.

Production of Funding Strategy Statement [Regulation A35]

The Fund was required to produce a Funding Strategy Statement on or before 31 March 2005. A copy of this document is contained on our website at the following address:
<http://www.wmpfonline.com/investments.htm>

Revision of Employer's Contribution Rate [Regulation A38]

The Fund will obtain additional rate and adjustments certificates regarding employer contributions as appropriate.

Strain on Fund [Regulation A41(2)]

The Fund will require employers to make appropriate payment to the Fund following redundancy, flexible retirement or waiver (in full or in part) of any actuarial reduction on flexible retirement. Such costs should be paid to the Fund prior to the payment of any benefits to a member (where no such allowance has been made in a previous valuation).

Employer Contributions – Dates for Payment [Regulation A42]

All contributions (apart from additional voluntary contributions) should be credited to the Fund without delay by the 19th of the month following that in which they fall due.

Information Provided by Employers about Contributions – Frequency and Format [Regulation A42]

The Fund will provide to employers upon request the specified formats that employers are to use for their year-end returns. A timetable will be issued each year to inform employers of the deadline to submit this data along with any format changes that will be required. The Fund requires this data to be submitted to the Fund no later than the third week in May.

Notice to Recover Costs Due to Employer's Performance [Regulation A43]

The Fund will review from time to time whether to issue an employer with notice to recover additional costs incurred as a result of the employer's level of performance.

Employer Payments – Interest on Overdue Payments [Regulation A44]

The Fund reserves the regulatory prescribed right to require interest to be paid when payments are overdue by more than one month.

Interest due under paragraph A44 (1) or payable to a person under regulation A45(5) (deduction and recovery of member's contributions), A46(2) (rights to return of contributions) or A51 (interest on late payment of certain benefits) must be calculated at one per cent. above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

Extension of Time Period for Capitalisation of Added Years Contract [Regulation TSch1 & L83]

The Fund will apply the prescribed three-month time limit.

Recovery of Unpaid Employee Contributions as Debt/from Benefits [Regulation A45]

The Fund will, where practicable, deduct any unpaid employee contributions from benefits that are derived from membership to which the unpaid contributions relate.

Pensions Increase Payments by Employers to the Fund [Regulation B38]

A former employing authority can have pensions increase liabilities that have not been provided for by employer contributions. If this is certified by the Fund's actuary, we may require further cash payments to be made, at intervals agreed with the Fund's actuary. Depending on the amounts required, the interval specified may be monthly, quarterly or annually.

Making Payments in Respect of Deceased Persons Without Probate, etc [Regulation A52]

The Fund will normally make payments due in respect of deceased persons without the production of probate or letters of administration of estates, where the amounts due are below the amount specified in any order under section 6 of the Administration of Estates (Small Payments) Act 1965.

Independent Registered Medical Practitioners – Approval by Administering Authority [Regulation A56]

The Fund has a number of approved doctors for the giving of certificates regarding permanent incapacity. Employers are free to refer more for approval. Some smaller employers may only consult from a prescribed and limited list of those that have been approved.

A list of approved doctors is maintained on the Fund's website at the following address:

<http://www.westmids-pensions.org.uk/pdfs/approveddoctors.pdf>

Procedure to be Followed When Exercising Stage 2 Internal Dispute Resolution Procedure Appeals Regarding Administering Authority Decisions [Regulation A60]

You can ask the Fund to take a fresh look at your complaint in any of the following circumstances:

- you are not satisfied with the nominated person's first-stage decision.
- you have not received a decision or an interim letter from the nominated person, and it is three months since you lodged your complaint.
- it is one month after the date by which the nominated person told you (in an interim letter) that they would give you a decision, and you have still not received that decision.

This review would be undertaken by a person not involved in the first stage decision.

You will need to send the Fund your complaint in writing.

The Fund will consider your complaint and give you a decision in writing.

Stage 2 appeals should be sent to:

Mr Richard Carr
Chief Executive
Wolverhampton City Council
Office of the Chief Executive
Civic Centre
St. Peter's Square
Wolverhampton
WV1 1NX

If you are still unhappy following the Fund's second stage decision, you can take your case to the Pensions Ombudsman provided you do so within three years from the date of the original decision (or lack of a decision) about which you are complaining.

Appeal to the Secretary of State Against Employer Decision [Regulation A63]

The Fund will appeal to the Secretary of State if the Fund believes an employer has made (or failed to make) a decision or committed an act that is both wrong in law and material, and where we have been unable to persuade the employer to alter its actions (or inactions).

Specify Information to be Supplied by Employers to Enable Administering Authority to Carry Out its Function [Regulation A64]

The Fund will from time to time set out and specify the information to be supplied by employers to enable the administering authority to discharge its functions; this information will further be supplemented with additional information as and when required in a format to be determined by the administering authority.

Pensions Administration Strategy [Regulation A65]

The Fund may inform employers in a written form from time to time of a written pensions administration strategy and, if so, the matters it will include will be:

- (a) procedures for liaison and communication with employing authorities in relation to which it is the administering authority;
- (b) the establishment of levels of performance which the administering authority and its employing authorities are expected to achieve in carrying out their Scheme functions by:
 - (i) the setting of performance targets,
 - (ii) the making of agreements about levels of performance and associated matters, or
 - (iii) such other means as the administering authority considers appropriate;
- (c) procedures which aim to secure that the administering authority and its employing authorities comply with statutory requirements in respect of those functions and with any agreement about levels of performance;
- (d) procedures for improving the communication by the administering authority and its employing authorities to each other of information relating to those functions;
- (e) the circumstances in which the administering authority may consider giving written notice to any of its employing authorities under Regulation 43(2) on account of that authority's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);
- (f) the publication by the administering authority of annual reports dealing with:
 - (i) the extent to which that authority and its employing authorities have achieved the levels of performance established under sub-paragraph (b), and
 - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and

(g) such other matters as appear to the administering authority, after consulting its employing authorities and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

In the absence of such a policy as detailed above the Fund's current practice and procedures will apply.

Formulate Policy on Functions under Part 7 [Regulation A66]

This document details how the Fund will generally exercise the discretionary functions of the administering authority. An item not covered elsewhere is the provision of a scheme for shared cost additional voluntary contributions.

One of these is created when a Scheme employer so resolves, but thus far no such resolution has been made. If one is created, the Fund will make the necessary arrangements for contributions to be invested.

Communications Policy [Regulation A67]

The Fund has published a communications policy which is available on the Fund's website at the following address: http://www.wmpfonline.com/fund_publications.htm

Provision of Annual Statements [Regulation A68]

The Fund will resolve to issue an annual benefits statement to each of its active, deferred and pension credit members. The first such statement will be issued on or before 1 April 2010 and subsequent statements will be issued on or before 1 April in each year after that year. The statement will contain an illustration of the amount of benefit entitlement, in respect of the rights that may arise under the Scheme.

Abatement of Pensions on Re-employment [Regulation A70]

The Fund has resolved (with effect from 1 September 2006) not to abate pensions on re-employment, having regard to the enactment of regulations introducing flexible retirement. Some pensioners have been awarded extra pensions by their former employing authorities to compensate them for retiring early. When this happens,

the extra pensions, called additional compensatory benefits, are often paid along with the Fund's retirement pension.

These extra pensions may be abated upon re-employment or upon subsequent retirement, in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended).

Bulk Transfers (Transfers of Undertakings etc.) [Regulation A81]

The Fund will agree to pay or transfer to the trustees or managers of the new Scheme, for the benefit of the relevant members, an amount equal to that becoming due under Regulation A81, as amended.

Transfers Into the Fund [Regulation A83]

The Fund will allow the acceptance of a transfer value and credit it to its pension fund, where a request under paragraph A83 (1) is duly made:

If a person who becomes an active member has relevant pension rights, he may request his fund authority to accept a transfer value for some or all of those rights from the relevant transferor.

Transfers Into the Fund Extension of the 12-Month Time Limit [Regulations TSch1 & L122A]

Subject to the written permission of the appropriate employing body/authority, the Fund will agree to accept a payment where an extension of the 12-month time limit has been granted by the employer.

Occupational Pension Schemes (Transfer Values) Regulations 1996

The Fund will provide statements of transfer values in accordance with the above regulations. If a request for a statement is made within a year of an earlier request, the Fund reserves the right to charge for this information (we will provide the statement at a charge of £150 plus VAT).

Spouses' Pensions Arising Under 1995 Regulations Payable for Life

The Fund has deemed that any spouses' pension that comes into payment is payable for life. This does not apply to spouses' pensions that ceased prior to 1 April 1998.

Charging of Administration Costs to the Fund [Regulation L4 (3) LGPSR 1995]

We have decided to pay out of the Fund the costs of its normal administration. These costs include those relating to investments. Some costs are recharged to employers – for example, fees for special actuarial work.

Time Limits for Acceptance of Restitution Transfer Values [TSch1 & L122A]

The Fund will review each case on its individual merits before determining if such a payment can be accepted.

Partial Restitution Payments [TSch1 & L122A]

The Fund will review each case on its individual merits before determining if such a payment can be accepted.

Pension Credit Liability [TSch1 & L147]

Where awarded, pension credit members will be dealt with as bona fide members of the LGPS.

Contact Information

West Midlands Pension Fund
PO Box 3948
Wolverhampton
WV1 1XP

Telephone: **0300 111 1665**

Fax: **0845 230 1565**

Minicom/Typetalk: **01902 554607**

Website: **wmpfonline.com**

Email: **PensionFundEnquiries@wolverhampton.gov.uk**

Text WMPF + your message to 60066.

Standard short code network charges apply.

Lines are open during the following times:

8:30am to 5.00pm Monday-Thursday

8:30am to 4.30pm Friday

Calls may be monitored for training purposes

Help and Information

Further information

We will ensure that all of our members are provided with relevant further information on request.

Comments and complaints

We welcome and value your comments on the standards of service we provide. If you have any comments you wish to make, please contact us at the above address.

We would also like to hear from you if you are not satisfied with the way you have been treated. If you wish, you can speak to Brian Bailey, Director of Pensions, on his personal number (01902) 552020 on any weekday between 9.00 and 9.30am or via email: brian.bailey@wolverhampton.gov.uk

If you wish to make a formal complaint, write to:

Complaints and Compliments

Office of the Chief Executive, Civic Centre,
St. Peter's Square, Wolverhampton WV1 1NX

Data Protection

To protect any personal information held on computer, Wolverhampton City Council is registered under the Data Protection Act 1998. This allows members to check that their details held are accurate. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider. Members who wish to apply to access their data on Data Protection Act grounds should contact the City Council's Data Protection Officer on (01902) 554498, via e-mail at dataprotection@wolverhampton.gov.uk

This authority is under a duty to protect the public funds it administers, and to this end may use information for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.

Information produced by the Fund can be made available in several formats including large sight text, Braille and several community languages. If you have any special requirements or would like to speak face to face with a member of staff, please contact us to arrange how we may best meet your needs.

Please remember that special requirements may take a little longer than normal to organise, but you have our assurance that we will do our best to ensure you receive the information in the most appropriate and efficient manner possible.

West Midlands Pension Fund
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