

Brief Employer Guide

What the LPFA needs from you to administer your employees' pensions and the pension fund smoothly

Clean and accurate data

This means that we need to know details of all changes to your employees regarding their pension. This includes:

- Joining the scheme
- Changing their working hours and/or working weeks
- Any unpaid leave (i.e. authorised absences, whether maternity/paternity/adoption leave, or ordinary unpaid leave)
- Any unauthorised absences (these are automatically entered as breaks in service as the member is not allowed to repay pension contributions for that period)
- Any strike periods
- Any reductions in pay
- Leaving the scheme (whether opting out, normal leaver or retiring)

The quickest and easiest way of informing the LPFA of any of the above changes is by completing the relevant online form that is available through www.yourfund.co.uk.

It is also a key requirement under the Pension Administration Strategy.

We also need accurate data for the end of year returns. This enables us to identify any missing data in our records quickly, thus enabling accurate valuation of the fund and thereby keeping employer contribution rates down.

Brief Summaries of Actions needed

Joining the scheme

If you are using the online joiner form to notify us of a new member (a time- and cost-saving method), we will need all the information mentioned below, and the form should preferably be completed as soon as the member begins employment and we will send the member the appropriate section of the paper LG/1 form. The online form must be completed with the following information:

- date from which the member first had contributions deducted
- the contribution rate
- the weekly hours the member works, and, if appropriate, the weeks per year that they work
- what pensionable pay the member receives, and, if appropriate, the full-time equivalent pensionable pay
- confirmation that the member has a contract of employment that lasts at least three months

If using the paper joining form (also known as the LG/1 form), it must be given to new employees either before they begin their employment with you, or at the commencement of their employment. Once they have completed their part and returned it to you, your section must be completed with all of the above mentioned information and then forwarded to the LPFA.*

Change of hours

The online Change of Hours form must be completed when you need to inform the LPFA that a member has changed their weekly working hours, their working weeks per year, or both. We will need to know the hours (and/or weeks) they are changing to, and also the hours (and/or weeks) that they have changed from to enable us to check that our records are completely up to date. Form LG/172 is the correct paper form needed. *

Sick Leave

The LPFA does not need to be informed if a member of the scheme is placed on reduced pay, or no pay due to sick leave.

Unauthorised Absence

It is not common for an employee to have a leave of absence that is not authorised by their employer. However, if a member does have such a period, we do need to be informed as this period will not count towards the calculation of their benefits and they will not have the opportunity to repay the contributions for that period. Therefore, please write to the LPFA if such a situation occurs, informing us of the member's name, NI number and the dates to and from for this period.

Unpaid leave (inc. maternity/paternity/adoption leave)

Any period of ordinary unpaid leave (or leave on reduced pay) that lasts less than 31 days does not need to be notified to LPFA, although the member MUST have contributions for that period deducted from his pay on his return, and employer contributions must also be paid.

If the ordinary unpaid leave (or leave on reduced pay) lasts 31 days or more, then the LPFA MUST be informed. The online Notification of Absence and Return from Absence forms must be completed, or paper forms LG/210, 211 and 212 must be completed and forwarded to the LPFA as appropriate. *

A strike period must be treated differently to ordinary unpaid leave, but it is not classified as unauthorised absence. The online Notification of Absence and Return from Absence forms must be completed, or paper forms LG/210, 211 (TD) and 212 must be completed and sent to the LPFA. *

A member who goes on parental leaves must continue to have contributions deducted, but on the pay that they are actually receiving (including any statutory entitlement), not the pay they would have received, but for being on leave.

Once the member goes onto unpaid parental leave, the online Notification of Absence form must be completed, or paper form LG/210 must be completed and sent to the LPFA. Form LG/211 (MA) must be sent to the member at this time, and either the online form Return from Absence or paper form LG/212 must be completed on their return to work. *

The LPFA do not need to be informed if a member has a period of leave to enable them to perform jury service, but the contributions for that period must be paid by both employer and employee and must be based upon the pay that the member would have received if not performing jury service.

Leaving the scheme

It is essential that the LPFA receives accurate, timely information regarding a member's pay when they cease to contribute to the pension scheme. When a member leaves the scheme, please complete the online Leaver form, or paper forms LG/101 and 102 and forward these to the LPFA*. The appropriate ill health declaration, form LG/103, must also be completed if the member is retiring on the grounds of ill-health.

A member who opts-out of the scheme with less than three months membership must have their pension contributions refunded to them via your payroll and will be treated as never having been in the scheme. In such cases, either complete the online Leaver form or paper form LG/101*. In both cases, the member's completed LG/X must be returned to us, stating that the contributions have been repaid.

If a member leaves your employment with less than three months membership, the LPFA will refund their contributions. Please complete the online Leaver form, or paper forms LG/101 and 102 and return them to the LPFA*.

Monthly remittance/End of year returns

Each month, form LG/221 must be completed and the contributions must be forwarded to the LPFA. Form LG/221 can be found online at www.yourfund.org.uk and must be completed with details of:

- Total pensionable remuneration against which contributions calculated
- The total employees' contributions
- The total employer's contributions
- Any cash payments that may be due from the employer
- The payment method and date

The form must be completed by one person and authorised by another. The completed form and the contributions must be received by the LPFA within 19 days of the end of the month within which they were deducted from the employees' pay.

At the end of each year, a full submission of contributions must be submitted by each employer via the Your Fund website. Full details of how to use the submission process are included on the website. Please note that late submission of end of year returns will result in delayed annual benefit statements being sent to your employers, and could result in the fund being incorrectly valued, leading to an increase in your employer contribution rate.

Using online forms

To fully co-operate with the terms of the Pension Administration Strategy, online forms must be used. To enable you to do this, a member of staff must be nominated to be your "Site Administrator" who will be able to/responsible for:

- Set up new users and determine their access levels
- Reset usernames and password
- Unlock locked accounts
- Disable user accounts
- Keeping your organisation's contact details up to date

In this way, you can retain control over who has access to the site and is able to input the information required. The Site Administrator will also be our first contact for any news on updates to the website.

***Where paper forms are referenced, please note that the LPFA preference is for online forms. Please see the SLA for further details.**

Nothing in this guide can override the information given in the Employer's Guide, the provisions of the Pension Regulations, or related legislation. The guide was up-to-date at the time of publication in January 2010. It is for general use and cannot cover every personal circumstance, nor does it cover specific protected rights that apply to a very limited number of employees. In the event of any dispute over a member's pension benefits, the appropriate legislation will prevail as this guide does not confer any contractual or statutory rights and is provided for information purposes only. LPFA will not be held responsible for any loss, damage or inconvenience caused as a result of any inaccuracy or error.

Employer Support

The LPFA has a number of different methods of support available to its employing authorities to help out with any problem that may be encountered whilst completing the administration work for your employees who are members of the LGPS. As well as all the resources listed below, please feel free to contact any member of the administration team at the LPFA, who will be happy to help.

Employer's Guide

Regularly updated to reflect any and all procedural and legislative changes, the Employer Guide contains details of all the duties that employing authorities need to perform to ensure the smooth administration of their employees' benefits and prompt payment of said benefits.

The guide also contains details of the discretionary powers that each employing authority has with regards to its employees; i.e. awarding of additional pension or years of membership.

Employer Visits

Representatives of the LPFA are always willing to make visits to employing authorities to hold presentations for members and potential members, or to provide information to policy contacts or HR members who do the pension administration. All such visits will be at the request of the employing authority, tailored to their needs and may be subject to a charge under the Service Level Agreement.

CPT Team Member visit

If problems are encountered in completing the end of year data, a member of the CPT team can be requested to visit an employing authority to provide assistance in the correct completion of the forms and identifying what data is required and in what format. All such visits will be at the request of the employing authority, tailored to their needs and may be subject to a charge under the Service Level Agreement.

Online Forms

Online forms are a new initiative whereby some of the most commonly completed forms can be completed via a secure website and the details immediately forwarded to the LPFA and entered onto our database. Any errors or inconsistencies in the data can be quickly identified and can be remedied.

Data Matching

Data matching has strong similarities to the end of year return in that details of each employing authority's members is submitted to the LPFA and compared with the details held on the member database. However, with regular use (whether monthly, quarterly or semi-annually) it can be a good tool for tracking any improvement or decline in the quality of data being submitted. Such a tool can help correct mistakes early and support can be given from LPFA staff so that the next end of year return has cleaner data.

Seminars

To address complex and changing issues within the LGPS, the LPFA will, where necessary, organise and host seminar sessions at the LPFA offices. Representatives of all employing authorities will be invited to attend. Several such seminars were held to explain various details of the "New Look" LGPS which was introduced in 2008. Topics included Payroll Implications, Discretionary Policies and the new Ill-health benefits.

Pensions Update

Pensions Update is a monthly newsletter written by the LPFA with the aim of keeping employing authorities informed of all the latest news to affect the LPFA, not just legislative changes. Adjustments to procedures and technical changes do figure strongly in the newsletter, and urgent news will be included in special bulletin Updates. The newsletter is emailed every month to the contacts that employing authorities have given the LPFA, and employers should notify the LPFA of any changes to those contacts.

Employer Forum

Every year, the LPFA hosts an Employer Forum to report on the achievements of the LPFA and status of the pension fund. It is also a place to announce any forthcoming developments and provides a platform for employer authorities to pose any question they wish to members of the LPFA's management team

Employer Panel

The LPFA is in the process of re-introducing the Employer Panel; this will provide a forum for seeking feedback, and for consulting and testing new ideas with employing authorities.

Website

The LPFA website contains links to other useful website containing information on the LGPS, and is also a good reference tool for any queries that employing authorities may have. All back copies of the LPFA newsletter can be found there, as well as a copy of the Employer Guide.

There is also the secure website that employing authorities may use to enter information regarding their members via the online forms that are currently being introduced to ease the provision of data.

"Open House" i.e. meetings here

As well as visiting any employing authority when requested, the LPFA is happy to hold meetings at our offices to discuss any problems or queries that you might have. This enables several departments to be involved, answering questions and giving advice on all aspects of pension administration. Meetings may be subject to a charge under the Service Level Agreement.