

Avon
Pension
Fund



Your pension, your future

Pensions Administration Strategy 2025

DRAFT

Contents

Introduction	3
Legislation	3
Governance.....	4
Data Protection	5
Roles and Responsibilities	5
Admin authority.....	5
Employers.....	6
Outsourced payroll services and providers.....	7
Change of Payroll Provider.....	8
Training and engagement	8
Objectives and developments of the Fund	9
Performance management and developments of the Fund	9
Employer Service Level Agreement (SLA)	9
LGPS new starter process	10
LGPS leaver process	10
LGPS data queries.....	10
Year End	10
Using i-Connect.....	11
Employer performance	13
Penalty fines	14
Penalty fines associated with i-Connect submissions	15
Target Service Level Agreement (SLA)	16
Online services.....	18
Digital transformation	18
Data.....	19
Paying benefits.....	19
Pensions Administration Strategy (PAS) review.....	19

Introduction

The Local Government Pension Scheme (LGPS) [Regulations 2013 \(regulation 59\)](#) allows Pension Fund Administering Authorities to prepare and publish a Pensions Administration Strategy (PAS), the primary purpose of the PAS is to clearly define the roles and responsibilities of the Fund and scheme employers, under LGPS regulations and related legislation.

The PAS sets out the performance standards and best practice that the Administering Authority (Avon Pension Fund) and fund employers should aim to meet when conducting their scheme functions. The document defines clear roles and responsibilities.

The strategy has been developed to improve the overall standard of administration of the LGPS by the Fund. It's intended to apply in a working partnership with fund employers and their third-party payroll providers, where assistance will be provided by the Fund, to enable employers to improve administrative performance and meet the requirements of the strategy.

The Local Pension Board have responsibility for monitoring the application of the Strategy, including performance standards and will formally report to the Pensions Committee on both.

The PAS applies to the Fund and all its current and new employers.

The PAS will be reviewed every three years as a minimum, to reflect changes to LGPS regulations and Fund policies.

Avon Pension Fund (the Fund) must regularly review its Pensions Administration Strategy and update it whenever there's a major change in its policies that affects the strategy.

Legislation

The Fund and all its employers are required to comply with the statutory requirements specified in this PAS, which sets out the performance standards and expectations of the Administering Authority and employers when conducting their Scheme functions.

The strategy defines clear roles and responsibilities and aims to ensure the delivery of a high-quality service for all stakeholders.

Under [regulation 70](#) it sets out circumstances in which the Fund may consider giving written notice to any of its employers for additional costs. These costs may be incurred on account of an employer's unsatisfactory performance in conducting its Scheme function.

The PAS is linked to the following statutory documents of the Administering Authority which can be found on the Fund's websites.

- Comms Policy (attachment)
- [Funding Strategy Statement](#)
- [Investment Strategy Statement](#)

Under no circumstances does the PAS override any provision or requirement of the LGPS regulations.

Governance

Bath & North East Somerset (B&NES) Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee. The Committee meets quarterly and is the Fund's formal decision-making body. Employers are widely represented within the Committee membership, as well as scheme member representatives and three independent members.

All LGPS funds are required to have a local pension board. The Pension Board is made up of member and employer representatives and they have an advisory role in assisting the Fund by making recommendations about compliance, process, and governance. The Pension Board helps to support the effective and efficient governance of the scheme by ensuring adherence to relevant legislation and compliance with The Pensions Regulator requirements.

The Committee and Board receive quarterly reports on the Fund and employer administrative processes and performance. This is supplemented with compliance information required by The Pensions Regulator regarding data. The Committee and Board review these summary results and act where appropriate. Reports on performance are available to the public via the [Pension Board](#) and [Pension Committee meeting minutes](#).

The Committee regularly reviews all administrative targets and service delivery costs. These reviews continue to inform future changes to the Administration Strategy.

Detailed roles and responsibilities of both the Pensions Committee and Local Pension Board as well as the terms of reference can be found on [our website](#).

The Fund's governance arrangements are in line with The Pension Regulator's expectations as set out in its [General Code of Practice](#).

The Fund has conducted a gap analysis and has an action plan in place to meet full compliance.

Data Protection

The main legislation governing personal data is the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

Scheme employers are under a statutory obligation, as detailed in [Regulation 80 of the LGPS Regulations](#), to provide certain personal data relating to its members on an annual basis. This includes name, gender, date of birth, national insurance number, pensionable pay, employer and employee pension contributions, details of any additional pension contributions and additional voluntary contributions. Full details are set out in our [Memorandum of Understanding](#).

Data must be securely transferred to the Fund by i-Connect or Globalscape as explained on [the Fund's employer website](#).

Pension related data must be retained in accordance with the Fund's [Data Retention Policy](#). There is separate guidance for employers about our expectations for the retention of personal data we may require when administering the Scheme.

Further details on how the Fund uses, manages and shares data can be found in our [privacy notice](#).

Roles and Responsibilities

Admin authority

The main duties, responsibilities, and obligations for the Administering Authority are to:

- administer the LGPS for all scheme members (Active, Deferred and Pensioner members) in accordance with this Strategy
- maintain and review the Fund's policies, strategies, statements, reports, and all other matters relating to the governance of the scheme
- communicate and engage with employers on administration and LGPS matters
- provide support and training to scheme employers
- maintain and develop an effective web presence for the benefit of members and scheme employers
- establish levels of performance and set targets which the admin authority and scheme employers are expected to achieve when conducting their scheme functions, in line with regulatory requirements
- adhere to all legal and regulatory requirements, including the Pensions Dashboards Regulations 2022
- ensure accurate and timely data submission to the Pensions Dashboard
- maintain up-to-date records of pension scheme members.
- pay pension in line with regulatory requirements.

The key regulatory requirements of the Administering Authority are to:

- prepare and publish the Pension Fund Annual Report
- prepare, publish and maintain its Funding Strategy Statement
- prepare, publish and maintain its Communications Policy
- commission and obtain a valuation of Fund assets and liabilities as at the 31 March in every third year and to obtain a report and a rates & adjustments certificate prepared by an Actuary, in respect of that valuation
- issue annual pension statements for its active, deferred, and pension credit members
- issue a P60 by 31 May, to members who were receiving pension payments on 5 April
- make monthly pension payments by BACS into nominated accounts
- stop pension payments as soon as possible after a death is reported
- adjust pensions accounts each year by the index rate adjustment, from the date the increase would apply (Pensions (Increase) Act 1971)
- appoint an adjudicator in relation to Internal Dispute Resolution Procedure (IDRP) to consider applications from members.

Employers

The key regulatory responsibilities for the scheme employer are to:

- comply with obligations under Data Protection Law and LGPS Regulations and any other overriding regulations
- assess and communicate details of the LGPS to eligible staff
- enrol employees into the scheme under [contractual enrolment rules](#) of the scheme and apply auto enrolment rules where applicable
- provide secure accurate membership data to Avon Pension Fund monthly
- ensure the correct level of pension contributions are collected and paid across to the fund no later than the 19th of the following month after deduction
- provide accurate data for Year End purposes
- provide a prompt response to data requests, in line with service level agreement
- designate a main contact/lead officer to liaise with the Fund to help support and develop a successful working relationship
- roles and permissions for the lead officer can be found on [our website](#).

Employers must also make first-instance decisions in respect of their employees' pension entitlement and benefits in the scheme. In the LGPS employers are responsible for deciding [whether a member is entitled to benefits](#), including their right to join, the contributions they pay and the scheme and the benefits they receive upon leaving.

Employers must notify members of these decisions in writing, explaining the reasoning, providing further information, and outlining the right to appeal under the Internal Dispute Resolution Procedure (IDRP).

The key regulatory responsibilities tasks for employers are to:

- inform members of the right to appeal against any decisions you the employer make that may impact on them
- [appoint an IDRP representative](#) for any disputes between the member and employer
- at the end of the Scheme Year, provide the Fund with a statement of details of every employee, to comply with Year End Requirements.

The above list is not exhaustive, the [LGPS Regulations](#) should be referred to in the event of any doubt.

Performance reviews – where necessary, the Fund offer one-to-one meetings, online or at the workplace. These meetings can be initiated by the Fund, for instance, in cases of underperforming employers; or requested by employers seeking additional support with administrative issues.

For more information about any of the above services, please [contact the Employer Relations team](#).

Outsourced payroll services and providers

Where an employer outsources its payroll services to a third-party provider, the regulatory responsibility remains with the employer, including the submission of monthly data returns via i-Connect.

When procuring or changing payroll services and systems, all employers must ensure the new payroll providers do the following:

- securely store and retain the personal and financial data of its scheme members, as required by the Funds data retention policy and GDPR regulations
- use i-Connect (the Fund's data sharing portal) for monthly data returns
- provide accurate data submissions and relevant documentation via i-Connect to meet the reporting requirements of the Fund
- make all data submissions through i-Connect no later than the 22nd of the following month after contribution deduction.

Change of Payroll Provider

When appointing a new payroll provider the employer must:

Inform the Fund immediately and ensure the new service provider...

- has full knowledge of the requirements of the Fund and LGPS, in terms of data supply and reporting
- has a suitable software system in place, that can meet those requirements
- has sufficient knowledge of its duties and responsibilities, to seamlessly take over the supply of data submissions and manage data queries.

i-Connect and changes in payroll systems or providers

The Fund will support employers through any changes in payroll provider or system to ensure continuity of data. Employers must implement a clear process for access control and account management to ensure best practices for protecting user and member data is maintained.

[More information on appointing or changing payroll providers.](#)

The above summary of duties defines the main functions of the employer role, which enables the Fund to deliver an efficient, accurate and high-quality pension service to members.

For more information on employer duties, please refer to our [employer responsibilities web page](#).

Training and engagement

To effectively manage the scheme on an ongoing basis, it is essential that both Employers and the Fund ensure their staff possess the appropriate skills and knowledge. They must demonstrate a solid understanding of current LGPS regulations and administrative procedures. Therefore, the primary contact or lead officer for the employer plays a crucial role in ensuring themselves and relevant team members maintain sufficient knowledge and skills to comply with statutory LGPS responsibilities.

The Fund offers a comprehensive training programme to all employers within the LGPS and their role in administering the scheme. Training and workshop sessions typically cover the full range of administrative and regulatory responsibilities, as well as specific topics such as *employer discretionary policies*.

Upcoming training and workshop events are announced in the quarterly employer newsletter, along with instructions on how to book your place via the Fund's employer website.

Available sessions include:

- Employer responsibilities
- i-Connect implementation
- Support through payroll/payroll provider changes
- HR responsibilities training
- Data requirement sessions
- Refresher training sessions

A full list of the Fund's services to employers can be found [on our employer website](#).

Objectives and developments of the Fund

Performance management and developments of the Fund

Effective performance management and ongoing developments within the Fund are critical to ensuring high-quality service delivery and long-term sustainability. The fund's capacity to meet its Service Level Agreement objectives is contingent upon employers fulfilling their obligations in a timely and accurate manner.

Employer Service Level Agreement (SLA)

SLAs for scheme employers have been set by the fund to ensure both parties meet their regulatory requirements.

Employers participating in the LGPS agree to:

- ensure accurate and timely submission of member data
- deduct and remit employee and employer contributions within the statutory deadlines
- provide a leaver form for all retirements, early retirements, and ill-health retirements and deaths in service
- submit annual payroll and pension data as required for valuations and pension statements
- inform members about their pension rights and provide LGPS updates where necessary.

With regards to performance standards & reporting, employers must:

- maintain high standards of accuracy in employee records and payroll reporting
- ensure all submissions meet statutory deadlines, with delays subject to review and potential penalties
- respond to queries from the Fund within 5 business days
- ensure any new payroll provider submits data via the i-Connect portal within 3 months of the contract starting.

New Employers must ensure that data is submitted via the i-Connect portal within 3 months of joining the scheme.

LGPS new starter process

Employers must:

- notify the Fund of any new starters via the data submission system (i-Connect), the month of the new employee start date
- provide accurate employment details, including salary, pensionable pay, and contract type
- inform employees about their rights, contributions, and benefits under LGPS
- process opt-outs if employees choose to leave the scheme within the statutory timeframe.

LGPS leaver process

Employers must:

- provide final pensionable pay details for accurate benefit calculations
- submit required leaver forms (age 55 and over members) via the APF [employer website](#) within 15 days of the date of leaving
- detail the reason for leaving (resignation, retirement, ill health, redundancy) on each leaver form
- submit required leaver forms (underage of 55) via the i-Connect data submission system
- process refunds for any member opting out within 3 months of joining.

LGPS data queries

Employers must:

- submit accurate employee pension data and ensure timely updates for changes in salary, hours, and contract status
- respond to LGPS data validation requests within 5 working days, to enable the Fund to meet any regulatory requirements
- rectify discrepancies found in payroll or pension records promptly and within 5 days
- ensure secure data transmission to comply with data protection regulations.

Year End

i-Connect and Online Return employers.

- any queries received with the March data must be answered promptly and within 5 working days
- APF will issue a Data Confirmation spreadsheet upon completion of year end data checks via the portal. A response is required within 10 working days.

- any additional queries must be responded to by the stated Year End completion deadline
- a Year End Data Confirmation Declaration must be submitted as soon as all queries have been responded to and by the stated Year End completion deadline at the latest.

Failure to meet any deadline could incur a fine.

Using i-Connect

i-Connect streamlines the transfer of employee data from employer payroll systems to the fund. It reduces manual data entry, simplifies year-end reconciliation, and ensures accurate member data. By aligning with statutory requirements, it helps avoid penalties from The Pensions Regulator for breaching legislative time limits and other requirements.

As the Fund's main source of member data, the information employers submit via i-Connect allows us to establish benchmarks, monitor employer performance and track key metrics like submission accuracy, processing speed, and compliance rates.

Employers must submit accurate, timely data and ensure third-party payroll provider/systems integrate properly with i-Connect and submit data on time on their behalf. This ensures the Fund has all relevant data to calculate member benefits.

Employers must also adopt new features as they become available.

Employers must:

- ensure monthly i-Connect data submissions are uploaded by 22nd of the following month
- reply to queries before their next monthly file/return is uploaded
- supply no manual data outside of the i-Connect return
- consistently provide monthly data via i-Connect without gaps.

Annex 1: Employer tasks and the deadlines that must be met

Task	Deadline
Pay contributions and send remittance	19th of calendar month following the date of contribution deduction
Submit monthly return via the online data portal	22nd of calendar month following the date of contribution deduction
Pay any AVC/APC/ARC/Added Years contributions to AVC provider and additional contributions to the Fund	22nd of calendar month following the date of contribution deduction
Retirement notification including full data	At least 15 working days before the date of retirement
Death in Service notification including full data and Assumed Pensionable Pay (APP)	Within 5 working days of the following notification to the employer
Individual member additional data requests: Respond to the relevant officer	5 working days of request
Refund contributions through payroll (less than 3 month opt outs)	Next available payroll
Advise the Fund of a change payroll provider and TUPE transfers	At least 3 months before the changes occur.
Process Ill Health Retirements	Immediately upon notification
Appoint IRMP (Independent Registered Medical Practitioner)	Immediately upon notification Appointing and IRMP
Complete ill-health process	Immediately upon notification https://www.apfemployers.org.uk/knowledge-hub/ill-health-retirement/ill-health-retirement-current-employees
To review Tier 3 ill-health pensions in payment	18 months of commencement and, if required after 3 years.
To notify member in writing if Tier 3 ill-health pension ceases	Within 10 working days of receiving IRMP reassessment.
To notify member of any uplift from Tier 3 to Tier 2 benefits	The Fund and Member should be notified within 10 working days of receiving IRMP advice.

Employer performance

The goal of the Pensions Administration Strategy is to improve the administrative processes of the Fund. Both the Fund and each employer must contribute to achieving this goal. However, in cases of persistent poor performance, [Regulation 70 of The Local Government Pension Scheme Regulations 2013](#) provides pension funds with the ability to recover any additional administrative costs that have been incurred, because of a scheme employer's underperformance.

The Fund aims to give a poorly performing employer the opportunity to improve its performance before imposing additional charges. However, if the Fund believes the employer has not improved, it will issue a penalty fine (after consulting the employer). This fine will cover the additional costs incurred by the Fund due to the employer's poor performance, along with any disproportionate work conducted by Fund officers.

The employer has the right to appeal against any penalty fine and should submit any relevant evidence in writing within 30 days of the fine, to support any appeal.

A schedule of penalty fines is detailed in Annex 2 and 3. These fines must be paid within 30 days from the date of issue.

Failure to meet the deadline will result in interest being added at base rate plus 1%, as per LGPS 13 regulations.

Penalty fines

Most employers accurately submit data and pay pension contributions on time. However, when data or contributions are submitted late or inaccurately, the resulting costs to the Fund are unfairly distributed among all employers' contributions.

To enhance efficiency, lower costs, and more accurately allocate the expenses of non-compliance, extra charges will be applied see Annex 2 and 3.

Annex 2: Penalty fines for Fund employers

Title	Description	Fee
Overdue payment of contributions	Employer and / or Scheme Member/ MAT contributions	Interest calculated at base rate plus 1% as per the 2013 LGPS regulations, calc based on total late contribution amount.
Repeated late or inaccurate submission of contribution data	Employer and / or Scheme Member/ MAT contributions	Administration fees will be applied proportionally to the time spent addressing the issue: £70 per hour of additional work.
Overdue YE return	returns received after 30 April after the appropriate year end	£500 per occasion plus £100 per month or part thereof.
Unsolved YE data queries after 10 days	failure to respond to requests for information to resolve data queries within 10 working days	Queries more than 10% of membership at year end - £500 per occasion plus £100 per month or part thereof
Disproportionate work	Data submissions or actions that result in a disproportionate amount of work to the fund	£70 per hour of additional work.

Penalty fines associated with i-Connect submissions

The submission of monthly data via i-Connect is mandatory for all employers. The following penalty charges (annex 3) may apply if:

- Any new employer is not live within first 3 months of admission to the scheme.
- Once live a monthly submission is late.

Annex 3: Penalty fines associated with i-Connect submissions, depending on employer size

Number of Active members	Penalty charge for failure to start monthly i-Connect returns	Per additional month late or part thereof	Once i-Connect monthly returns are live, penalty charge for one late return during the tax year (after 22nd of month)	Once i-Connect monthly returns are live, penalty charge for second late return during the tax year (after 22nd of month)	Once i-Connect monthly returns are live, penalty charge for third or more late return during the tax year (after 22nd of month)
0-10	£500	£500	Warning	£500	£500 and report to TPR
11 - 99	£750	£750	Warning	£750	£750 and report to TPR
100 - 999	£1,000	£1,000	Warning	£1,000	£1,000 and report to TPR
1000 +	£1,250	£1,250	Warning	£1,250	£1,250 and report to TPR

Any remedial work required because of an employer's i-Connect data submission being incorrect or corrupting the data integrity of the administration data base, will be treated in line with the disproportionate work charge. Any subsequent third-party charges to rectify system data will also be passed on to the employer.

If poor performance persists and affects the Fund's ability to fulfil statutory functions, or if the employer fails to take corrective measures, the Fund reserves the right to report the employer to The Pension Regulator. Any fine from the regulator to the Fund, as a direct result of an employer performance issue will be passed onto the employer.

Underperformance penalty fines will be applied at the discretion of the Head of Avon Pension Fund and will be calculated based on a combination of the standard tariff of charges plus time spent at the disproportionate hourly rate.

If an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for overdue payment will be charged accordingly. This includes charges and recharges levied for cost recovery.

When a penalty fine is imposed the Fund will send a written notice to the lead officer of the scheme employer, which includes:

(a) The reasons for the Fund's opinion.

(b) The amount the Fund has determined the scheme employer should pay for those costs, along with the basis for calculating the specified amount.

The Fund's ability to meet its performance objectives is contingent upon employer compliance with statutory obligations; instances of non-compliance are formally reported to the Pension Board and Committee, reflected in public disclosures.

Target Service Level Agreement (SLA)

The Fund has a statutory obligation to establish performance standards and disclose both targets, and the results achieved. This aims to monitor ongoing improvements in the administration service to members. Annex 4 outlines the target service level agreements and proposed targets that will be monitored

In line with regulatory guidance and sector benchmarking, the Fund has aligned targets to meet statutory deadlines, ensure timely benefit payments, and support ongoing data cleansing and scheme updates.

The Fund has set the following Service Level Agreement's (SLAs), which outline service standards and response times members can expect from us.

Performance will be monitored and reported to the Pension Board and Committee on a quarterly basis.

Annex 4: The Fund's Target Service Levels for service to members

Service	Target KPI	Legal Requirement 100%
New starter welcome letter	80% within 15 working days	Two months from start date
Transfer in quote	80% within 15 working days	Two months from date of request to provide quote
Transfer in confirmation	80% within 15 working days	
Benefit estimate	85% within 15 working days	No more than two months from date of request unless there has been a request in the last 12 months
Annual Pension Statement	95% issued annually (by 31 August)	31 st August each year
Retirement quote	90% within 15 working days	No more than two months from date of initial notification (from employer or member)
Retirement confirmation & payment	90% within 15 working days	
Death acknowledgment	90% within 5 working days	As soon as possible or no more than two months from initial notification
Death confirmation & payment	90% within 10 working days	
Early leavers with over 2 years service	80% within 25 working days	No more than two months from date of initial notification (from employer or member)
Refund quote	90% within 10 working days	No more than two months from date of initial notification (from employer or member)
Refund confirmation & payment	90% within 10 working days	
Transfer out quote	80% within 15 working days	No more than three months from the date of request
Transfer out confirmation & payment	80% within 15 working days	
Changes of details	95% within 5 working days	
Divorce quote	80% within 15 working days	No more than three months from the date of request
Divorce confirmation	80% within 15 working days	
Pension Payments	100% RTI reporting to HMRC must be completed on or before the pension payment is received.	

Online services

The Fund has two websites, one for scheme members and the public, one for employers.

[The Fund's public website](#), for scheme members, prospective members, and the public, is the primary information hub providing up-to-date details on all aspects of the LGPS. Members can access their secure online pension account, to update personal information including expression of wish forms, review Annual Pension Statements, generate pension estimates, and submit queries to the Fund.

Pensioner members can view their Pension Payment Advice slips and P60s and notify the Fund of any changes to their bank or building society details.

[The Fund's employer website](#) provides comprehensive information and guidance on areas such as Scheme responsibilities, contributions and payments, managing employee membership, plus information on training and support available. The site features online forms and a knowledge hub where employers can learn about topics such as Assumed Pensionable Pay (APP). Additionally, there is a section dedicated to the latest news and updates from the Fund.

Both websites and our member self-service portal are accessible and compatible with mobile devices.

Digital transformation

We are transforming the fund by embracing a fully digital experience to benefit members and employers. Members will gain easier access to pension management through an improved member portal, offering intuitive tools, personalised dashboards, and clearer retirement planning support.

Employers will experience streamlined processes that reduce admin burdens and improve efficiency. Smart automation and digital communication will make interactions faster, more responsive, and tailored to individual needs.

To achieve this, the Fund will harness the power of our administration systems, using automation to simplify tasks and free up time for better support. Data-driven insights will refine our services, and a paperless, tech-driven approach will enhance security and compliance.

At the same time, we will adapt our internal processes, finding faster, more efficient ways to communicate with both employers and members. By modernising our portal, workflows, and engagement methods, we will create a seamless, future-ready pension experience that is smarter, more accessible, and built around the people it serves.

Data

The Pensions Regulator's codes of practice mandates that scheme managers maintain records of both common and scheme-specific data for all membership categories. The fund will ensure that any data errors will be identified within The Pension Regulators requirements. The Pensions Board will independently scrutinize and assist the Fund with regulatory compliance, holding the authority to report any serious concerns to The Pensions Regulator (TPR).

The Fund has a Data Improvement Plan, to support and demonstrate compliance.

Data Improvement Plan [Link will be added when finalised](#)

Paying benefits

The Fund reserves the right to calculate and pay benefits based on the best available information, where members' benefits are unduly delayed, due to employers' underperformance in providing accurate data and information. The calculation basis will be explained to both the member and employer in each case, following the completion of the additional administration charges process. Any costs arising from the need to revise benefits will be charged to the employer.

Pensions Administration Strategy (PAS) review

This Administration Strategy sets the standards for performance and best practices that Avon Pension Fund and the Fund's employers should follow. It will start from 2026, after Committee approval and consultation with scheme employers. The Fund will regularly review and update the PAS to reflect changes in regulations and practices. The Pension Board will monitor the PAS to ensure efficient administration and governance.

The Strategy will be reviewed every 3 years.