

COMPLIANCE WITH THE PENSION REGULATOR'S CODES OF PRACTICE

Report of the County Treasurer

Please note that the following recommendation is subject to consideration and determination by the Board before taking effect.

Recommendations: that the Board notes the report and actions being undertaken by officers to ensure compliance and best practice.

1. Introduction

- 1.1. The Public Service Pensions Act 2013 introduced the governance framework for the public sector pension schemes. The Pension Regulator's role was expanded to include the public sector schemes including the Local Government Pension Scheme (LGPS) from April 2015.
- 1.2. The regulator has a number of regulatory tools, including issuing codes of practice, to enable it to meet its statutory objectives. Codes of practice provide practical guidance on the requirements of pensions legislation and set out standards of conduct and practice expected of those who must meet the requirements.
- 1.3. Codes of practice are not statements of the law and there is no penalty for failing to comply with them. It is not necessary for all the provisions of a code of practice to be followed in every circumstance. Any alternative approach to that appearing in the code of practice will nevertheless need to meet the underlying legal requirements, and a penalty may be imposed if these requirements are not met.

2. Code of Practice 14 – Governance and Administration of Public Sector Pension schemes

2.1. Code of Practice No 14 covers the following issues:

- Governing your scheme
 - Knowledge and understanding required by pension board members
 - Conflicts of interest and representation
 - Publishing information about schemes
- Managing risks
 - Internal Controls
- Administration
 - Scheme record-keeping
 - Maintaining contributions
 - Providing information to members
- Resolving issues
 - Internal dispute resolution
 - Reporting breaches of the law

2.2. The Code provides practical guidance and sets expected standards of practice in relation to legal requirements. The practical guidance sections of the Code are not intended to prescribe the process for every scenario. They do however provide principles, examples and benchmarks against which the Pension Fund and individual Employers can consider whether or not they are reasonably complying with their duties and obligations

3. Compliance with the code

3.1. Officers have undertaken a review of current practise compared to the code. There are no major gaps identified in the analysis undertaken to date. Some actions were identified though these in the main related to new legislation requirements such as the setting up of the pension board and ensuring that they receive the appropriate training.

3.2. There is a requirement for public sector schemes to issue an Annual Benefit Statement to active and deferred members each year. The LGPS regulations further state that these statements must be issued by 31st August. Only approximately 93% of statements were issued within the deadline this year. Work continues to issue the remaining statements and additional temporary team resources have recently been approved to ensure that we meet the requirements next year.

3.3. Peninsula Pensions is currently undertaking an analysis of the membership data in order to ensure compliance with The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014. An update on this work will be provided to the pension board as soon as possible.

4. Conclusion

4.1. A summary of actions currently being undertaken by officers to ensure compliance and best practise can be found in Appendix 1.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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