



PENSIONS COMMITTEE

Subject Heading:

THE LOCAL GOVERNMENT PENSION
SCHEME CHARGING POLICY

SLT Lead:

Jane West
Section 151 Officer

Report Author and contact details:

Caroline Berry
01708 432185
caroline.berry@onesource.co.uk

Policy context:

Local Government Pension Scheme
Regulations 2013

Financial summary:

The policy is in place to ensure there is no adverse financial impact on the Fund regarding the growing numbers of scheme employers and their obligations.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

SUMMARY

The charging policy was originally introduced in November 2014 to formally set out the Pension Fund policy relating to the actuarial and legal charges for specific areas of work along with more general costs such as strain costs or charges relating to poor performance and late payment of scheme contributions.

The charging policy has been reviewed to ensure that it is still fit for purpose and includes the most recent guidance from the Pensions Regulator. The Main changes to the 2018 policy have been to the terminology used, to make the guide more user friendly, and to ensure the regulatory references are up to date. At the

request of the Local Pensions Board, charges relating to late payment of employee and employer contributions have been made clearer.

RECOMMENDATIONS

The committee is recommended to:

- Note the Draft Charging Policy
- Delegate to the Section 151 Chief Operating Officer the approval of the final Charging Policy

REPORT DETAIL

The Pension Fund introduced a charging policy to formally set out the policy relating to charges for specific areas of work carried out for scheme employers together with other issues that may give rise to employer charges such as strain costs, poor performance and late payment of contributions. The policy is designed to improve the scheme employer's knowledge and understanding of their obligations and liabilities in the Scheme and ensure a consistent approach to the monitoring of employer performance. At its meeting on 23 September 2014, the Pensions Committee noted the draft charging policy which was subsequently implemented in November 2014.

The charging policy has been reviewed to ensure that the content is still fit for purpose and includes the most recent guidance from the Pension Regulator's code of practice 14 concerning the governance and administration of public service pension schemes.

With the continued increase in the number of scheme employers, setting out a charging policy is currently the most appropriate way to minimise employer risk of failing to comply with the information requirements. It can also ensure the fund is not placed at risk of increased costs in supporting the growing numbers of scheme employers.

The draft charging policy was circulated to all scheme employers for comment. I received 5 responses and the comments received have been considered and incorporated into the policy where appropriate.

Following the comments of the Pensions Committee, the draft charging policy will be finalised and submitted to Section 151 Officer for approval and published for implementation in January 2019.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising directly from this report.

However, the establishment of a charging policy would ensure that the cost of additional administration are charged fairly as possible amongst employers and that resources allocated in the most appropriate manner.

Legal implications and risks:

Whilst not a formal consultation the Committee should pay regard to the responses received from scheme employers before making any recommendations as to the final content of the Charging strategy.

Human Resources implications and risks:

There appear to be no HR implications or risks arising directly that impact on the Councils workforce.

Equalities implications and risks:

There are no direct equality implications regarding this matter.