



Pension Fund Committee Friday, 10 June 2016

ADDENDA

Please note that Cllr Patrick Greene has been omitted in error from the front cover of the Agenda under the Committee's Membership'.

8. Collaboration Update

The Chairman would appreciate it if all members of the Pension Fund Committee and of the Local Pension Board would attend the seminar on Collaboration, to be held at **County Hall on Monday 13 June 2016 in Meeting Room 2 at 10am**, as this will be the final opportunity to hear about this very complicated topic that is changing all the time. It will also be the final opportunity to shape the paper which will be considered by all 10 Authorities who form Project Brunel at each of their special meetings at the end of the month, beginning of next month. The Oxfordshire Special Meeting is scheduled to take place on Friday 1 July at 10am, to which members of the Local Pension Board have been invited, and again, all are asked to attend please.

12. Review of Pension Fund Policies

Two further responses to the consultation on the Oxfordshire Pension Fund Administration Strategy, as below:

The comments I would have on the Administration Strategy are as follows:

- Member estimates – what would happen if we needed more than one per annum (e.g. if we were in a restructuring situation?) as it's currently limited.
- Re the schedule of charges, I agree with other comments about the scale of the charges. The strategy as proposed creates the nonsensical situation where an employer with 51 members would be fined 5 times the amount charged to an employer with 50 members. I think the bands and the charges could reviewed, even taking into account your comments today about the amount of work an incorrect return causes.

- In addition, I think that the fine of £500 per chase for any scheme with more than 51 members is excessive.

I believe that there is a legal principle that any such fines should be commensurate with the effort required by the fining body and I cannot see how anyone could justify £500 for a simple email reminder.

Many of the difficulties experienced by yourselves in dealing with academies are a result of decisions taken by the County Council, first in promoting academies and multiplying the number of employers and secondly in deciding to withdraw from payroll services. We are all working in difficult circumstances; however I am hopeful that if we get the opportunity to pause for breath and consolidate we will get to a steadier state.

I have taken another look at the Administration Strategy document and my comments are as follows:

1. Charges for errors and lateness.

Given the scale of charges proposed, a more accurate term for them might be “fines”. They are punitive and the document provides no explanation or justification of their basis as charges rather than fines.

Employers in LGPS have no freedom to select an alternative pension scheme and as such the trustees operate an effective monopoly. As such they have an ethical responsibility for operating on fair and reasonable terms that do not exploit the employers’ lack of choice of pension scheme or manager.

The charging structure makes no distinction between regular offenders and occasional offenders nor between those who submit an isolated error and those who submit comprehensive, systemic errors. This is not fair or reasonable.

Employers will seek to pass onto their payroll bureaux charges for which the bureaux are responsible. No commercial payroll bureaux will accept charges that are not fair and reasonable – and they will not accept these. The complexity of the LGPS already makes it difficult to find payroll bureaux that are competent to run the payroll or software able to operate it without significant customisation. We are not in a strong position with those we find, as it is – they know our options are limited.

2. Acknowledgement of submissions

Does the Scheme Manager send an acknowledgement of receipt of returns such as the MAR and the End of Year return? If so, it would be most helpful to be copied in on that receipt, to help keep track of our payroll bureau’s performance.

3. Communication

It would have been helpful if the cover email explained briefly the content and the specific important and urgent ACTIONS required of us, not merely our attention for information purposes.

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