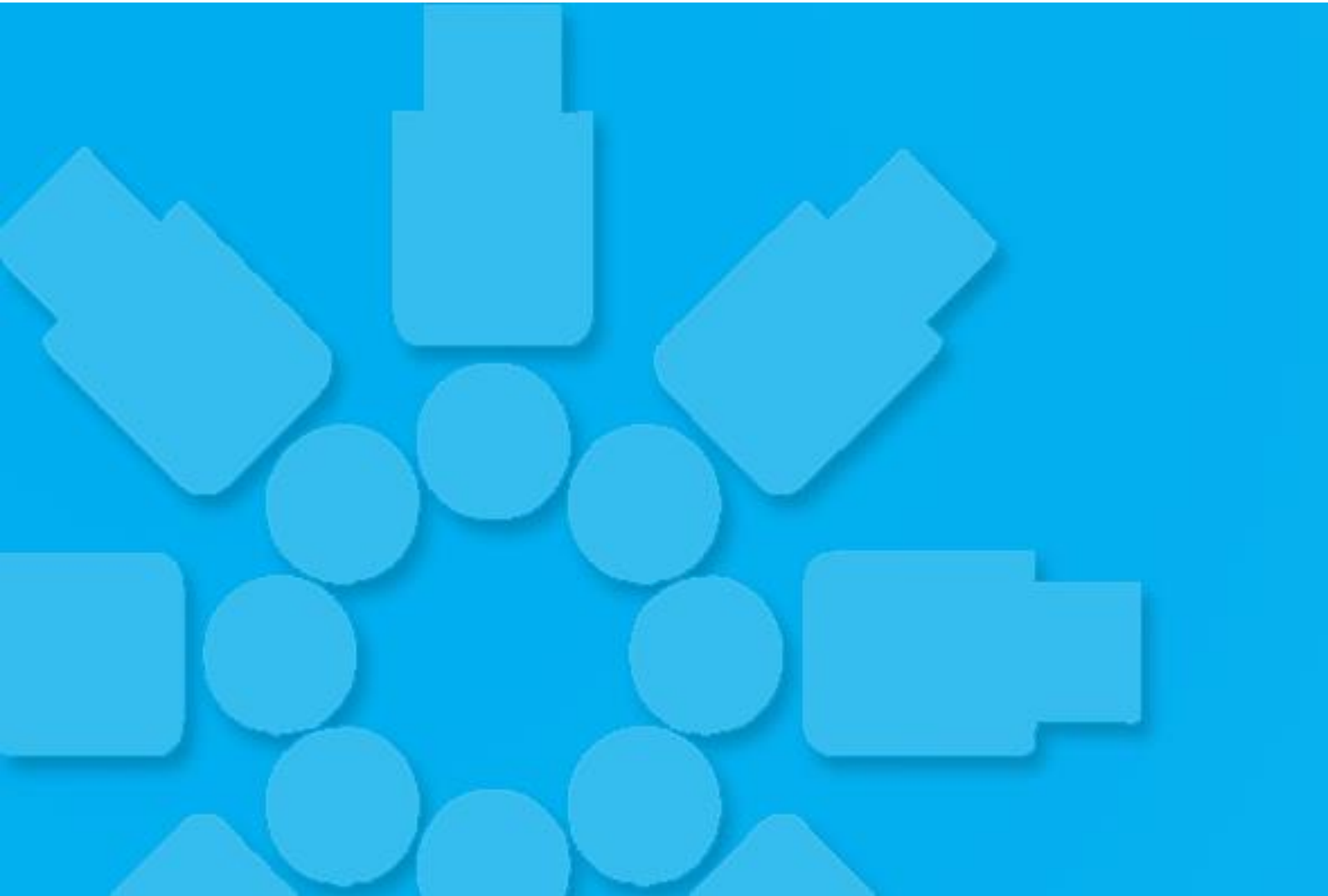


Northern Ireland Local Government Officers' Superannuation Committee

# **Pension Administration Strategy: Summary of Consultation Responses**



**March 2024**

# Northern Ireland Local Government Officers' Superannuation Committee

## Summary of Consultation Responses

### 1. Background

- 1.1 NILGOSC is the administering body for the Local Government Pension Scheme (LGPS) in Northern Ireland. NILGOSC was set up by the Government in April 1950 to operate a pension scheme for local councils and other similar bodies in Northern Ireland. The pension scheme ('the Scheme') is known as the Local Government Pension Scheme (Northern Ireland) and is a defined benefit scheme. The Scheme is funded by contributions paid by Scheme employers and their employees.
- 1.2 NILGOSC's role is to administer the LGPS Regulations, both in terms of pension scheme administration, including the calculation and payment of benefits, and the management of the investment fund. The Regulations are made by the Department for Communities and, while NILGOSC will respond actively to any consultation process, it does not have any power to change the regulations or determine their content.
- 1.3 Regulation 65 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 states that NILGOSC may prepare a written statement of its policies in relation to certain administrative matters. The Regulations refer to such a statement as a Pension Administration Strategy ('the Strategy').
- 1.4 The aim of the Strategy is to provide a framework for the delivery of a cost-effective and high quality pension administration service. The delivery of such a service is dependant on effective administration procedures being in place between employers and NILGOSC, specifically the timely exchange of accurate information in respect of scheme members. The Strategy sets out the service standards and performance targets for both NILGOSC, as the Scheme administrator, and for Scheme employers.
- 1.5 The Strategy also explains the circumstances in which NILGOSC may recharge to a scheme employer any additional costs arising from the employer's level of performance, or any additional costs relating to non-routine services or administration.

### 2 Consultation Process

- 2.1 NILGOSC recognises the importance of consultation with Scheme employers in the preparation of its Pension Administration Strategy. It is also a requirement of the Regulations that NILGOSC's consults with scheme employers when preparing or reviewing its Strategy.
- 2.2 A 10 week consultation process was launched on 22 September 2023 seeking views on the draft Pension Administration Strategy. The draft strategy was sent to all current employing authorities in the Scheme, under cover of NILGOSC Circular 11/2023 with a closing date of 1 December 2023.
- 2.3 The updated Strategy will replace the 2017 version with effect from 1 April 2024 and will apply to all Scheme employers.
- 2.4 The revised Strategy incorporates minor clarifications and changes in the following key areas:
  - Amendments to employer service standards to aid the timeliness of the receipt of data to allow NILGOSC to fulfil its statutory obligations.

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- Clarification as to how NILGOSC will deal with an employer that does not meet the required performance standard along with a revised charging structure.
- Inclusion of a new section on the use of technology to delivery efficiencies and service improvements such as the move from annual to monthly returns (i-Connect) and the use of the Member self service portal.
- Updated references to the Regulatory framework that both NILGOSC and Scheme employers are required to comply with when discharging their roles and responsibilities.

### **3. Summary of consultation responses**

- 3.1 Five responses were received. A list of respondents is attached at Appendix A.
- 3.2 A summary of the five submissions together with NILGOSC's response is attached at Appendix B.
- 3.3 NILGOSC has subsequently made a number of minor changes to its Pension Administration Strategy as a result of the consultation exercise. A marked-up version of the Strategy is attached at Appendix C.

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## **Summary of Consultation Responses**

### **Appendix A**

#### **Respondents**

Education Authority

Ards and North Down BC

Libraries NI

NI Fire & Rescue Service

NI Housing Executive

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**Appendix B**

**Education Authority**

The Education Authority submitted a detailed response on the Strategy, including comments on individual employer service standards. The response is specific to the systems and bespoke operating arrangements within the Education Authority.

It is therefore not practical to replicate the response in full in this consultation summary.

The key points raised in the response are summarised as follows:

<b>Summary of employer comments</b>	<b>NILGOSC response</b>
EA would like flexibility on the timing of the transition from annual to monthly returns to reflect the scale and complexity of the organisation.	The revised Go Live dates for EA run from April 2025 to March 2026. NILGOSC recognises the challenge this transition will pose for both EA and NILGOSC and we will continue to support and collaborate with EA to move this project forward successfully.
Identification of certain service standards which it considered unattainable given its internal systems and processes.	The majority of service standards are derived from statutory requirements with the remainder based on member expectations that NILGOSC will pay accurate and timely pension benefits. This section of the response was highly bespoke to the internal systems and processes within the Education Authority. NILGOSC recognises the complexities involved in the Education Authority's systems and the implications this has on the provision of information to NILGOSC. Unfortunately, NILGOSC is required to operate within tight statutory timescales but will work with all employers to try and find a mutually acceptable solution. The move to monthly returns will help EA attain the service standards as the financial data will be provided in a more frequent and timely manner, therefore reducing and in some cases removing the requirement to submit paperwork to NILGOSC.

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<b>Summary of employer comments</b>	<b>NILGOSC response</b>
Concern over the revised charging structure and, in light of internal resourcing and financial constraints, requesting flexibility on how these will be applied.	NILGOSC will seek to address under-performance through engagement and education in the first instance. While the charges have increased for employer failure, the charging schedule has been revised and only key processes are now included. As noted above NILGOSC is required to operate within tight statutory timescales and therefore the co-operation of all employers is required. Full transparency over any charges levied and the reason why will be provided to all employers

**Ards and North Down BC**

<b>Summary of employer comments</b>	<b>NILGOSC response</b>
The strategy was reviewed and noticed that there was no service standard for buying back lost pension.	This is intentional. Only key administrative processes are detailed in the strategy both from NILGOSC and an employer perspective.

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**Libraries NI**

<b>Summary of employer comments</b>	<b>NILGOSC response</b>
<p>Thank you for the opportunity to comment on the proposed revisions to the NILGOSC Pension Administration Strategy (to be effective from 1 March 2024). We have reviewed your proposals and from our perspective as a scheme member see no areas of particular concern and in general are content that the proposed changes are both appropriate and proportional in the context of the scheme and its ongoing management.</p> <p>We welcome the proposals to make better use of technology to delivery efficiencies and service improvements. While we have some reservations in regard to how the move from annual to monthly returns will impact on our internal resourcing and work processes, we feel the longer-term benefits should outweigh any adjustments we will need to make to our own processes.</p> <p>We also note and fully support the reiteration of NILGOSC' commitment to the continuous improvement of its communication methods and to working in partnership with employers and look forward to continuing our productive relationship under the umbrella of the revised Administration Strategy.</p> <p>Other than these few rather general remarks we have little else to offer by way of constructive comment other than to restate our general contentment with the proposed changes.</p>	<p>Noted</p>
<p>Our onboarding date elapsed and we were verbally advised the deadline no longer was applicable as NILGOSC did not anticipate the volume of work required for the extracts. I asked what the new deadline was and have been advised 'just as soon as you can get it done'. Can we get confirmation if new onboarding deadlines have been set. I am the nominated person for i-Connect for Libraries NI and I have not received any written confirmation to this effect.</p>	<p>Revised Go Live dates were provided in circular 02/2024 issued on 19 January 2024. Libraries NI have a provisional go live date of 31 March 2024, with a note that if this doesn't happen, it will be included in Phase 5, which runs from April 2024 to March 2025.</p>

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**NI Fire & Rescue Service**

<b>Summary of employer comments</b>	<b>NILGOSC response</b>
I have reviewed the document in conjunction with our payroll office and NILGOSC pension administrators and we are content with the responsibilities and performance levels detailed.	Noted.
'There is just one point in relation to the i-Connect onboarding I would like to clarify: NIFRS fell into Phase 5 of the NILGOSC onboarding project which was due to run from June to September 2023. The i-Connect project is progressing well however I believe that NILGOSC is behind schedule which has delayed completion of our "onboarding".'	NI Fire & Rescue remain in phase 5.
Point 6 of Appendix 2 – 'Charging Schedule' of the attached PAS states that there is a charge if i- Connect is not fully implemented in line with agreed onboarding date and this can be waived at NILGOSC's discretion.  I trust that there will be no charge where the delay is outside of the control of NIFRS?	Revised Go Live dates were provided in circular 02/2024 issued on 19 January 2024. Phase 5 will now run from April 2024 to March 2025. No charge will be levied where any delay or deferral in onboarding has been instigated by NILGOSC.

**NI Housing Executive**

<b>Summary of employer comments</b>	<b>NILGOSC response</b>
I would like to thank you for the opportunity to respond to the consultation.  However, the Housing Executive has no comment to make on this occasion.	Noted.