

April 2009

TO ALL CHIEF OFFICERS OR SENIOR PENSION OFFICERS

SERVICE LEVEL AGREEMENT

NILGOSC has a statutory duty to administer the Local Government Pension Scheme Regulations (Northern Ireland) on your behalf. To enable NILGOSC to provide the level of service which our stakeholders deserve and expect, it is necessary to further develop the relationship with you, the employer, for our mutual benefit.

Pensions legislation has become increasingly complex and contentious and only by shared responsibility can we hope to go forward and continue to maintain a first class service to scheme members.

The Committee aims to invest the assets of the Scheme prudently, to ensure that the benefits promised to members are provided and to provide reasonable stability in contribution rates for the employers. This service level agreement is for both the Committee and Employers to set standards and levels of performance so that the administration costs of the pension scheme are kept to a minimum and that contribution and other income due to the fund by employers is paid promptly, so as to maximise investment returns.

I attach the Service Level Agreement effective from 1 January 2005 and updated from 1 April 2009 in association with the new regulations from that date. I have tried to keep the agreement concise and jargon-free so that there is no ambiguity regarding the targets set for the Employer or NILGOSC. Any requests for amendment should be made before the effective date.

In preparing the statement the following pieces of legislation have been taken into consideration:

- 1) The Local Government Pension Scheme legislation referred to in 1.2 of the statement.
- 2) The legislative requirements governed by The Pensions Regulator (formerly OPRA) which exists to monitor that legislative requirements are adhered to. The Pensions Regulator also has the authority to levy fines for non-compliance under The Pensions (N.I.) Order 1995.
- 3) The Data Protection Act 1998.
- 4) The Occupational Pension Schemes (Disclosure of Information) Regulations (N.I.) 1997.
- 5) The Occupational Pensions Schemes (Contracting-Out) Regulations (N.I.) 1996.

Please read instructions inside booklet for completion of forms.

D W Morrice (Secretary)

SERVICE LEVEL AGREEMENT

A charter of co-operation between the N. Ireland Local Government Officers' Superannuation Committee (NILGOSC) and

Commencement Date:

1 THE REGULATIONS

1.1 This Charter is concerned with the routine but important duties and responsibilities of administering the Local Government Pension Scheme (Northern Ireland). It does not override any provision or requirement in the LGPS Regulations (N.I.) 2009 or in any other associated legislation.

1.2 The principal Regulations forming the basis of this agreement are:

The LGPS (Administration) Regulations (N.I.) 2009

The LGPS (Benefits, Membership and Contributions) Regulations (N.I.) 2009

The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (N.I.) 2007

2 REVIEW OF THE AGREEMENT

2.1 This Agreement will be reviewed every 3 years.

3 EMPLOYER DUTIES AND RESPONSIBILITIES

3.1 The employer shall:

- Nominate a person who will act as the NILGOSC primary contact.
- Nominate an authorised officer(s) who will validate forms and requests for information.
- Ensure all pension scheme forms and requests for information sent to NILGOSC are signed by an "authorised officer(s)" responsible for the information whose name(s) and specimen signature(s) is held by NILGOSC.
- Ensure that details of the "primary contact" and the "authorised officers" and their signatures are kept up to date with changes notified immediately to NILGOSC.
- Provide NILGOSC with year-end information to 31st March each year (in lieu of monthly returns) in an approved format no later than the last working day in May.

The information provided must include a final statement, duly authorised, reconciling the amounts paid during the year with the total contributions deducted and the total contributions due. A separate return and reconciliation is required for members paying Equitable Life additional voluntary contributions (AVCs).

3.2 During the year the employer will use its best endeavours to forward notifications to NILGOSC within a target of 95% of cases, as follows:

TASK	STANDARD (Working Days)
Employee joining Scheme (LGS 1)	Within 10 days of starting date.
Change in member's circumstances (LGS 24, 25 & 34)	Within 2 months of event.
Member leaving the scheme (LGS 15) (Not entitled to immediate benefits)	Within 10 days of leaving date or date of final payment (if later).
Member leaving the scheme (LGS 15) (With entitlement to immediate benefits)	Within the period of 5 days before and 5 days after retirement date or date of final payment (if later).
Death in membership (LGS 15)	Within 10 days of date of death or date of final payment to representatives.
Notifications to employees or personal representatives:	
Member leaving the scheme (LGS 5 & 10) (Not entitled to immediate benefits)	Within 10 days of leaving date or date of final payment (if later).
Member leaving the scheme (LGS 16) (With entitlement to immediate benefits)	At least 3 months to 5 days prior to retirement date or within 5 days of date of final payment
Death in membership (LGS 18)	Within 10 days of date of death.

3.3 Under the Data Protection Act 1998, the employer must protect from improper disclosure, any information about a member contained (where applicable) on the NILGOSC pensions administration system, on member's membership certificates and any other information sent from NILGOSC. The Employer must only use information supplied or made available by NILGOSC for the operation of the Local Government Pension Scheme (N.I.).

3.4 Under the Occupational Pension Schemes (Disclosure of Information) Regulations, the employer will issue to all new members eligible to join the Scheme, at the time of appointment, a copy of the scheme explanatory booklet 'A Short Guide to the Local Government Pension Scheme (Northern Ireland).'

3.5 The employer will publish, maintain and review a set of Policy Discretions afforded to an employer by the LGPS (N.I.) Regulations 2009 and the LGPS (Early Termination of Employment) (Discretionary Compensation) Regulations (N.I.) 2007. A copy of (or amendment to) the policies to be sent to NILGOSC.

3.6 The employer will deduct employee and employer contributions at the correct rate, including any contributions due for leave of absence with reduced or no pay and any additional contributions NILGOSC has requested the employer to collect.

- 3.7 Contributions, or an estimate of the contributions, (including Equitable Life additional voluntary contributions) will be paid to NILGOSC on a monthly basis by bank electronic credit transfer. If an estimate of contributions is paid, any reconciliation balance will be adjusted and accounted for within that month. Details of the payment paid (Form LGS 6 or approved substitute) will be forwarded to NILGOSC before the payment due date. Payment is due on the first working day of the month following the month to which the contributions relate. If payment is made more than 10 days late, interest in accordance with the regulations may be charged.
- 3.8 The AVC contributions to Equitable Life (Form AVC 7) requires to be forwarded at the same time as the LGS 6. AVC contributions to the Prudential will be paid directly by the employer to the Prudential within 10 days of deduction.
- 3.9 If payment of contributions, including AVCs, is not paid by the 19th of the month following the month to which the contributions relate The Pensions Regulator (TPR) may fine NILGOSC under the provisions of the Pensions Act 1995 for the late payment.
- 3.10 In the event of NILGOSC being fined by TPR, for the employer's action or inaction resulting in its failure to comply with the terms of the Pension Acts (e.g. late payment of contributions; the failure to notify a retirement within the time limits), the fine levied will require to be paid by the employer.

4 COMMITTEE DUTIES AND RESPONSIBILITIES

4.1 NILGOSC will act for the employer and be responsible for:

- Issuing membership certificates to new members.
- Maintaining members records accurately in accordance with the information provided by the employer
- Determining, calculating and paying benefits to members, deferred members and pensioners on death, retirement and leaving the scheme.
- Payment on an agency basis, if requested to do so by the employer for leavers up to 31 March 2007 and at an agreed administration cost, and any subsequent dependant's compensation pensions awarded by employers under the Discretionary Compensation Regulations (N.I.) 2003.
- Issuing forms, newsletters, explanatory booklets, technical notes and other information as necessary to employers for the efficient administration of the Scheme together with an Employers Guide to the Scheme.
- Providing employer training seminars and induction, benefit and retirement seminars.
- Issuing annual benefit statements to members within 2 months of receiving valid annual membership data. Statements may not be issued if information is provided late, inaccurate or annual return enquiries remain unanswered.

- 4.2 There is an open invitation for employer's Pension Officers and other relevant staff to visit the NILGOSC office, subject to notice, to discuss any aspect of the scheme.
- 4.3 NILGOSC will use its best efforts to meet the following performance targets in at least 95% (or better) of cases.

TASK	STANDARD (Working Days)
Lump sum retirement payments	10 Days
Death grant payments	10 Days
Leaver options notifications	20 Days
Refund payments	10 Days
Provisional transfer out quotations	20 Days
Transfer out payments	10 Days
Inward transfer quotation requests	10 Days
Inward transfer credit notifications	10 Days
New entrants certificates	20 Days
Letters answered or acknowledged	10 Days
Issue members' annual report	By 31 October
Issue members' annual benefit statement	Within 2 months of receiving valid annual membership data
Individual benefit quotation requests	10 Days
Pensions paid each month	Last banking day of month
P60's issued to all pensioners	By 31 May
Issue of Annual Return queries	Within 12 weeks of receiving correctly formatted details.

4.4 NILGOSC will also:

- 4.4.1 Monitor all regulation amendments made by the Department of the Environment and advise the employer of the appropriate action to be taken.
- 4.4.2 In exceptional circumstances, where an employer has not conformed with the Actuary's assumptions, the Committee will require to advise the Scheme Actuary, on the employer's behalf, of any circumstances which may adversely affect the scheme's funding level which may require a separate employer's contribution rate to be paid by the employer e.g. redundancy exercises, high levels of ill-health retirements and unpaid sick leave etc.
- 4.4.3 Communicate with HM Revenue & Customs (HMRC) on the employer's behalf regarding all National Insurance contracted-out employment matters.
- 4.4.4 Produce and distribute to employers an Annual Report and Accounts together with a copy of the Local Government Auditors Report. An abbreviated Members Report will be issued to all members, deferred members (for whom a current address is held) and pensioners.
- 4.4.5 Provide employers as soon as possible after the triennial actuarial valuation with a copy of the Actuary's Report and certificate of the employers' contribution rate to be paid for the ensuing three year period.
- 4.4.5 Monitor Service Level performance of all Scheme Employers and communicate directly with the primary contact where service levels are below the required standards.

5 ADMINISTRATION COSTS & OTHER MATTERS

- 5.1 The costs of administration are directly charged to the Superannuation Fund and the Actuary takes these costs into account in assessing the employer's contribution rate. Exceptionally, where additional costs are incurred for work which is not common to all employers, or which can not be regarded as a cost of administration, e.g. reminder letters about outstanding Annual Return queries; persistent late submission of forms resulting in excessive retirement grant interest; late payment of compensation benefit charges etc; then the Actuary may advise that the employer who occasioned the additional work be required to directly reimburse those additional costs.
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- 5.2 If NILGOSC fails to meet a service standard(s) which effects a service breach to an employer, NILGOSC will ensure that the employer is put in a position as if the maladministration had not occurred. This will include recompense of loss, if appropriate.
- 5.3 Any quality problems experienced by an employer with the service delivery of NILGOSC will be immediately reconciled following investigation. Such problems should in the first instance be submitted to the Pensions Manager at NILGOSC.

INSTRUCTIONS FOR EMPLOYER:

- Please complete pages 6 and 7 of the booklet after considering the contents and retain the booklet in your possession.
- Take photocopies of pages 6 and 7 and send to NILGOSC for retention in your employer's file.
- Should you wish for any alteration to the Agreement for your organisation, you should complete page 8 and return it to NILGOSC for consideration and approval. You will be advised of the Committee's decision.
- Your correspondence should be addressed to the Secretary or Pensions Development Manager who will be monitoring your responses.

Thank you for your co-operation in this important matter.

April 2009

The terms and conditions of this Service Agreement are hereby agreed between the following parties:

Employer		
_____ (Name)		
_____ (Position)	_____ (Date)	
 NILGOSC		
_____ (Name)		
_____ (Position)	_____ (Date)	

SERVICE AGREEMENT- APPENDIX A

Nominated Representative and Authorised Signatories

NAME OR TITLE OF EMPLOYING AUTHORITY

EMPLOYER'S PENSION OFFICER OR NOMINATED REPRESENTATIVE

The Name and Title of the person responsible for pension matters within the above Employing Authority is:

Name:

Title (post held):

AUTHORISED SIGNATURES

The following employees are authorised to sign pension documents on behalf of the above Employing Authority, and their signature is shown below.

NAME	SPECIMEN SIGNATURE	EFFECTIVE DATE

The current version of this document must always form part of this Agreement.

AGREED AND SIGNED ON
BEHALF OF THE
EMPLOYER

POSITION: _____

DATE: _____

AGREED AND SIGNED ON
BEHALF OF NILGOSC

SECRETARY

DATE: _____

SERVICE AGREEMENT- APPENDIX B

Employer request to change Agreement

DETAILS TO BE ENTERED HERE

SIGNED ON BEHALF OF THE EMPLOYER: _____

POSITION: _____

DATE: _____

AGREED AND SIGNED ON BEHALF OF NILGOSC: _____

POSITION: _____

DATE: _____