London Borough of Croydon Pension Fund Administration Strategy

Reviewed September 2026

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Introduction

The Local Government Pension Scheme (LGPS) represents a significant benefit to Scheme members. Much of the success in promoting the Scheme amongst Scheme members and ensuring a high quality service delivery depends upon the relationship between the administering authority and Scheme employers in the day-to-day administration of the Scheme. Good quality administration is essential in the overall promotion of the Scheme and reminds or alerts employees to the value of the LGPS, thereby helping with recruitment, retention and motivation of employees.

An administration strategy, as required by the LGPS regulations, is seen as one of the tools which can help in delivering a high-quality administration service to Scheme members and other interested parties. Delivery of a high-quality administration service is not the responsibility of one person or organisation but is rather a result of the joint working / partnership of several different parties.

This is the Administration Strategy Statement (Strategy) of the London Borough of Croydon Pension Fund (the Fund), administered by Croydon Council (the Administering Authority). It has been developed following consultation with employers in the Fund.

The aim of this Strategy is to set out the quality and performance standards expected of the Administering Authority, other Scheme employers and the Pensions Team. It seeks to promote good working relationships, improve efficiency and the quality of data and documents and to ensure that Scheme members have the best possible experience.

The Strategy sets out the expected levels of performance of both the Administering Authority and the Scheme employers as well as details on how performance levels are monitored and the action that might be taken where persistent failure occurs.

The Strategy is effective from 15 September 2026.

Any enquiries in relation to the Strategy should be sent to:

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Telephone: 0208 726 6000 ex 44034

Email: pensions@croydon.gov.uk

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Regulatory framework

Regulation 59 of the Local Government Pension Scheme Regulations 2013 as amended by Regulation 8 of the of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 requires an administering authority to prepare, keep under review, consult employers and other persons the authority considers appropriate and publish an administration strategy at least once in every valuation period and whenever any content has materially changed.

In addition, regulation 59(6) of the LGPS Regulations also requires that, where an administration strategy is published, a copy is issued to each of their relevant employing authorities. Similarly, when the strategy is revised at any future time the administering authority (after say a material change to any policies contained within the strategy) must notify all its Scheme employers.

Both the administering authority and its Scheme employers must comply with the current version of any pension administration strategy when carrying out their functions under the LGPS Regulations.

In addition, Regulation 70 of the LGPS Regulations 2013 as amended by Regulation 9 of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 allows an administering authority to recover additional costs from a Scheme employer where, in its opinion, they are directly related to the poor performance of that employer. Where this situation arises, the administering authority is required to give written notice to the employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

The following Strategy, therefore, sets out the information required in accordance with Regulation 59(1) and forms the basis of the day-to-day relationship between the Administering Authority and the Scheme employers of the Fund. It also sets out the circumstances under Regulation 70 of the LGPS Regulations 2013 where additional costs are incurred as a result of the poor performance of a Scheme employer, together with the steps that would be taken before any such action were taken.

Responsibilities and procedures

3.1 Introduction

The delivery of a high-quality administration service is not solely the responsibility of the Administering Authority, but depends on joint working with a number of individuals in different organisations to ensure that Scheme members and other interested parties receive an appropriate level of service and that statutory requirements are met.

This Strategy has been developed following consultation with Scheme employers and other interested parties. It takes account of Scheme employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the level of service can be delivered to the required standard.

Procedures have been agreed for the liaison and communication between the Fund and its Scheme employers. Full details are provided within the Fund's Communications Policy, which is available on the Fund's website at https://www.croydonpensionscheme.org/resources/communication-policy/

3.2 Legislation, codes and guidance

In carrying out their roles and responsibilities in relation to the administration of the Scheme the Administering Authority and Scheme employers, as a minimum, comply with overriding Legislation and statutory guidance and codes, including:

- The Pensions Acts 1993, 1995, 2004 and 2014
- The Local Government Pension Scheme Regulations 1995,1997 and 2008 as still applicable
- The 2004, 2006 and 2014 Finance Acts
- The Public Sector Pensions Act 2013
- The Local Government Pension Scheme Regulations 2013 (As amended)
- The Local Government Pension Scheme Regulations 2014
- Public Service Pensions Regulations 2014
- The Occupational and Personal Pension Schemes Regulations in force and as amended
- Freedom of Information Act 2014
- Under the Public Sector Pensions Act the LGPS is regulated by The Pensions Regulator
- Data Protection Act 2018 (as amended January 2021)
- The Equality Act 2021
- UK GDPR Regulations 2021
- Data (Use and Access) Act 2025 (DUAA)
- Health and Safety legislation
- The Pensions Regulator
- The Scheme Advisory Board (SAB) Good Governance Requirements
- Local Government Pension Scheme (Amendment) (Governance) Regulations 2026
- Statutory guidance – Local Government Pension Scheme: fund governance
- Statutory guidance – Local Government Pension Scheme: asset pooling
- Statutory guidance – Local Government Pension Scheme: preparing and maintaining an Investment Strategy Statement
- Pension Schemes Act 2026

3.3 Internal standards

In addition to compliance with legislation, codes and guidance, the Administering Authority and Scheme employers ensure that all functions/tasks are carried out to agreed quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the Employer Procedural Guide;
- work to be completed in the required format and/or on the appropriate forms contained within the Employer Procedural Guide;
- information to be legible and accurate;
- communications to be in a plain language style;
- information provided to be checked for accuracy by an appropriately qualified member of staff;
- information provided to be authorised by an agreed signatory; and actions carried out, or information provided, within the timescales set out in this Strategy or within statutory requirements.

3.4 Performance

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the Scheme. In addition, the Scheme itself sets out a number of its own requirements in respect of Scheme members and prospective Scheme members, dependants, other pension providers and other regulatory bodies. Local performance standards have been agreed which cover all aspects of the administration of the Scheme, where appropriate going beyond the overriding legislative requirements. These locally agreed standards for the Fund are set out below.

3.4.1 Standards

The LGPS prescribes that certain decisions be taken by either the Administering Authority or the Scheme employer, in relation to the rights and entitlements of individual Scheme members. In order to meet these obligations in a timely and accurate manner, and also to comply with overriding disclosure requirements, the Fund has agreed levels of performance between itself and Scheme employers which are set out in Appendix 2.

The Fund continually reviews the performance of the Administering Authority and Scheme employers against the targets and standards set out in this Strategy and addresses with Scheme employers any issues that might be highlighted. The Fund also monitors success against the targets set out in the three years rolling service improvement plan, and takes all necessary action where shortcomings are identified.

3.4.2 External providers

The Administering Authority or its Scheme employers, whichever body is responsible for contracting any external service providers with responsibility for carrying out any functions relating to the administration of the LGPS (such as external pension administration providers, payroll and HR providers), ensure that they are made aware of the standards to be met. and monitor compliance against them.

3.4.3 Procedures for ensuring compliance with statutory requirements and levels of performance.

Ensuring compliance is the responsibility of the Administering Authority and its Scheme employers. We work closely with all Scheme employers to ensure compliance with all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, codes of practice, guidance or in this Strategy. We also work with employers to ensure that overall quality and timeliness standards are met. Various means are employed to ensure such compliance and service improvement after first seeking views from as wide an audience as possible.

3.4.4 Monitoring

The Fund monitors performance against specific tasks from the event date (e.g. date of leaving/retirement, etc.) to the date of the completion of the task (notwithstanding that service levels for benchmarking purposes are measured from the date that all necessary data has been received/is available). We monitor the performance of the Administering Authority in carrying out its responsibilities in relation to the Scheme.

The Administering Authority regularly monitors performance by benchmarking with other administering authorities through benchmarking clubs and other comparators available. Quality and standards of performance are included in performance monitoring and benchmarking.

The Fund will seek, at the earliest opportunity, to work closely with Scheme employers in identifying any areas of poor performance, provide the necessary training and development and put in place appropriate processes to improve the level of service delivery. Consideration for seeking additional administration costs where persistent failure occurs and no improvement is demonstrated by a Scheme employer would be seen as a failure and should only be taken once all opportunities to resolve any issues identified are exhausted. The following sets out the steps we will take in dealing with poor performance by a Scheme employer:

- write to the Scheme employer, setting out area(s) of poor performance;
- meet with the Scheme employer, to discuss area(s) of poor performance and how these can be addressed;
- issue formal written notice, where no improvement is demonstrated by the Scheme employer or there is a failure by the Scheme employer to take agreed action, setting out the area(s) of poor performance that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will be reclaimed;
- clearly set out the calculations of any loss resulting to the Fund or Administering Authority, or additional cost, taking account of time and resources in resolving the specific area of poor performance;
- make claim against the Scheme employer, setting out reasons for doing so, in accordance with the LGPS Regulations; and set out clearly the date or dates by which payments must be made.

3.4.5 Audit

The Fund is subject to regular audits of its processes and internal controls. The Fund and its Scheme employers are expected to comply fully with any requests for information from both internal and approved external auditors. Any subsequent recommendations made are considered by the Fund and, where appropriate and following discussions with Scheme employers where necessary, implemented.

3.4.6 Communications

The Fund Communications Policy Statement includes specific details on monitoring the compliance of the Administering Authority and its Scheme employers in their communications with various parties associated with the LGPS. This Statement is included as an appendix to this Strategy. Specific features of the communications of the Fund are:

• Employer liaison officers

Each Scheme employer designates a named individual to act as a scheme liaison officer; being the main contact regarding any aspect of administering the LGPS. It is the responsibility of the Scheme Employer to keep the Administering Authority informed of any changes of contact details in good time.

• Employer forum

An annual remote meeting takes place with representatives of the Fund and its Scheme employers to discuss recent developments within the LGPS or pensions generally, to promote and ensure statutory compliance and to monitor and review communication strategies. It is mandatory for named acting liaison officers to attend.

• Scheme Employer Procedural Guide

If appropriate the Fund updates the employer procedural guide to reflect changes to processes, forms and/or responsibilities highlighted as a result of the monitoring of quality and timeliness.

• Newsletters

Newsletters are issued to all pensioners annually informing them of the pension increase award.

• Annual Benefit Statements

The Fund will notify Scheme employers when Annual Benefit Statements are available. Scheme employers must notify their employees that Annual Benefit Statements are available online via the Member Self-Service portal.

• Training

Training resources are provided for employers to access on the Fund website.

Good communication reminds, or alerts, employees to the value of the LGPS and aids recruitment, retention and the motivation of the workforce. Effective communication between authorities reduces errors, improves efficiency and leads to good working relationships.

Where areas of improvement are identified from benchmarking or performance monitoring as indicated in the above section the Fund is responsible for working closely with the Scheme employers in improving the identified weaknesses.

Review process

The Fund will review this Strategy to ensure it remains up to date and meets the necessary regulatory requirements at least every three years. A current version of the Strategy will always be

available on our website at www.croydonpensionscheme.org and paper copies will be available on request.

Consultation

In preparing this Strategy we have consulted with the relevant Scheme employers and other persons considered appropriate. Where it is necessary to revise the Strategy the relevant Scheme employers will be notified in writing of the changes and where a copy of the revised Strategy may be obtained.

Appendix 1 - Summary of communication and liaison

An annual remote meeting will be held with Scheme employers. This is a forum for employers to meet and discuss pension issues, speak to the Pensions Team and be kept informed of changes to the Scheme and the Fund Investments. It is mandatory for your named acting liaison officer to attend.

Updates on Pension Scheme changes will be sent to Scheme employers, to forward on to staff as and when required.

Newsletters are issued to all pensioners annually informing them of the pension increase award.

Annual Benefits Statements will be available to Scheme members on Member Self-Service. Any queries which may arise from the statements which result from information an employer has provided will be referred back to the employer to investigate.

Employers will be notified when the annual benefit statements have been published and must make all employees aware.

Consulting with Scheme employers in preparing or reviewing the Fund's policies and discretions. This will specifically include discussing the results of the triennial valuation.

Pension Fund Report - this annual report includes Fund investment information and statistics of the Scheme membership profile. It also includes details of the Pensions Team and the Fund performance levels.

Appendix 2 – Performance standards

Liaison and Communication Fund to Employers		
Function / Task	**Performance Target**	**Responsibility**
Confirm nominated representative	30 working days of employer joining fund or change to nominated representative	Scheme employer
Publish and keep under review the London Borough of Croydon Pension Fund Administration Strategy	Put in place and then review a Fund Admin Strategy at least once in every triennial valuation period (every three years) –Within 1 month of Committee agreement of draft policy, circulate and publish for consultation to scheme employers and stakeholders. Publish and circulate final version to employers within 1 month of Committee agreement.	Administering Authority
Issue and keep up to date employer procedural guide to employer	30 working days from admission of new employer or date of change/amendment	Administering Authority
Issue and keep up to date pension website, scheme guide and all other literature for issue to Scheme members	Within 30 days of documents being agreed.	Administering Authority
Formulate and publish policies in relation to all areas where the Administering Authority may exercise a discretion within the scheme	Within 30 working days of policy being agreed by the London Borough of Croydon Committee	Administering Authority
Host remote employer forum	Annually	Administering Authority
Notify Scheme employers and Scheme members of changes to Scheme rules or relevant legislation	Within one month of the change(s) coming into effect	Administering Authority
Notify Scheme employer (including London Borough of Croydon in its role as a Scheme employer) of issues relating to Scheme employer's poor performance (including arranging a meeting if required)	Within 5 working days of performance issue being identified	Administering Authority
Notify Scheme employer (including London Borough of Croydon in its role as a Scheme employer) of a decision to recover additional costs associated with the Scheme employer's poor performance (including any interest that may be due)	Within 10 working days of taking the decision to recover monies as a result of scheme employer failure to improve performance, as agreed	Administering Authority

Issue annual benefit statements to active members, deferred members and pension credit members as at 31 March each year	Within 5 months of the end of the Scheme year to which it relates	Administering Authority
Full response to written enquiries (excluding emails)	Within 10 working days of receipt of enquiry. Acknowledgement of receipt to be given within 3 working days	Administering Authority
Response to email enquiries	Acknowledgement Within 7 working days of receipt of enquiry. Full reply within 5 working days of completion of investigation and determination of enquiry.	Administering Authority
Response to telephone enquiries	Within 5 seconds. If response to enquiry cannot be given immediately the caller will be given an expected call back date and time	Administering Authority

Scheme Employer to Fund		
Formulate and publish policies in relation to all areas where the Scheme employer may exercise a discretion within the scheme (including providing a copy of the policy decision(s) to the Fund)	Within 30 working days of policy being agreed by the Scheme employer	Scheme employer
Remit and provide schedule and make payment of employer/employee contributions	By the 19th calendar day of month after deduction	Scheme employer
Respond to enquiries from Administering Authority	5 working days from receipt of enquiry	Scheme employer
Provide year end information required by the Fund in a format agreed with the Fund	By 30 April following the year end for employers using the manual template or who have used it within the relevant year and partial I-Connect users. By 19 April for employers using I-Connect (in the form of the month 12 I-Connect submission.	Scheme employer
Ensure payment of additional costs to the Fund associated with the poor performance of the Scheme employer	Within 30 working days of receipt of invoice from the Fund	Scheme employer
Distribute any information provided by the Fund to Scheme members/potential Scheme members	Within 15 days of its receipt	Scheme employer
Notification to the Fund (to enable them to liaise with actuary) of material changes to workforce/assumption related areas (e.g. restructurings/pay reviews/employer going to cease/ contracting out of services).	No later than 5 working days after notice has been given to individuals or the total workforce	Scheme employer
Provide new/prospective Scheme members with Scheme information and new joiner forms	5 working days of commencement of employment, change in contractual conditions or as a result of auto enrolment staging	Scheme employer

Fund Governance		
Function / Task	**Performance Target**	**Responsibility**
Issue formal valuation results (including individual employer details)	By 31 March-after the valuation end date (ie valuation date 31/03/2025, deadline date 31/03/2026	Administering Authority
Carry out interim valuation exercise on cessation of admission agreements or Scheme employer ceasing participation in the Fund	Upon each cessation or occasion where a scheme employer ceases participation in the Fund	Administering Authority
Publish, and keep under review, the Fund's Governance Policy Statement	To be reviewed at each triennial valuation, following consultation with Scheme employers and the Fund's actuary. Revised statement to be issued with the final valuation report and published within 30 days of being approved by the Pension Committee	Administering Authority
Publish and keep under review the London Borough of Croydon Pension Fund Funding Strategy Statement	To be reviewed at each triennial valuation, following consultation with Scheme employers and the Fund's actuary. Revised statement to be issued with the final valuation report and published within 30 days of being approved by the Pension Committee	Administering Authority
Publish the Pension Fund Annual Report and any report from the auditor	By 30 September (or any other date stipulated in Regulations) following the year end which it relates	Administering Authority
All new prospective admission bodies to provide a bond or guarantee if required as specified by the Fund Actuary.	To be completed before the body can be admitted to the Fund	Scheme Employer
Publish and keep under review the London Borough of Croydon Pension Fund policy on the abatement of pension on reemployment under previous regulations	Notify Scheme members and Scheme employers within one month of any changes or revisions to the policy	Administering Authority
All admission bodies to provide amended bonds as required reviewed periodically by the Fund Actuary.	Annually, or such other period as may be agreed with the Fund	Scheme Employer
Payment of additional fund payments in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency retirement	Within 30 working days of receipt of invoice from the Fund or within timescales specified in each case	Scheme Employer

Providing scheme members with an accurate and secure income for life is the responsibility of all involved in the administration of the scheme. Failure on to meet these responsibilities will ultimately impact our members and their financial future. The below responsibility ensures our members can be confident their pension benefits will be dealt with in an accurate and timely fashion. The responsibilities for the administration of member benefits should be a priority for scheme employers and the administering authority alike.

Scheme Administration – Administering Authority		
Function / Task	**Performance Target**	**Responsibility**
Send a notification of joining the LGPS to a scheme member	30 working days of receipt of all necessary information	Administering Authority
Inform a scheme member of their calculated benefits (refund or deferred)	40 working days from date of notification (from employer or scheme member) or receipt of all necessary information	Administering Authority
To process and pay a refund	40 working days from the date of request or receipt of all necessary information	Administering Authority
Obtain transfer details for transfer in, calculate and provide quotation to member	40 working days from the date of receipt of all necessary information	Administering Authority
Notify the amount of retirement benefits	20 working days from date of retirement or receipt of all necessary information	Administering Authority
Provide a retirement quotation on request	15 working days from date of request or receipt of all necessary information	Administering Authority
Acknowledgement of death notification	Respond and commence action as soon as possible following notification of death but no late than 10 working days	Administering Authority
Calculate and notify (dependent(s) of amount of death benefits	20 working days from receipt of all information	Administering Authority
Provide all active and deferred members with annual benefit statements each year	By 31st August	Administering Authority

Provide responses to Scheme members/Scheme employers/personal representatives/dependents and other authorised persons	10 working days from date of enquiry	Administering Authority

Scheme Administration – Employer		
Function / Task	**Performance Target**	**Responsibility**
Make all necessary decisions in relation to new Scheme members (pensionable pay, appropriate contribution pay band, etc)	10 working days of Scheme member joining	Scheme Employer
Provide Administering Authority with Scheme Members' details	10 working days of Scheme member joining/from month end of joining	Scheme Employer
Arrange for the correct deduction of employee contributions from a Scheme member's pensionable pay on becoming a Scheme member	Immediately on joining the Scheme, opting in, auto enrolment or change in circumstances	Scheme Employer
Ensure correct employee contribution rate is applied	Immediately upon commencing Scheme membership and each April payroll thereafter	Scheme Employer
Ensure correct rate of employer contribution is applied	Immediately upon commencing Scheme membership, each April payroll thereafter and at any other time as determined by the Fund Actuary	Scheme Employer
Arrange for reassessment of employee contribution rate in line with employer's policy and notification of any change in rate to affected Scheme member(s)	Review as per policy and notification within 10 working days of change in contribution rate	Scheme Employer
Commence deduction of additional pension contributions or amend such deductions, as appropriate	Month following election to pay contributions or notification received from administering authority	Scheme Employer
Cease deduction of additional pension contributions	Immediately following receipt of election from Scheme member	Scheme Employer
Arrange for the deduction of AVC and payment over of contributions to AVC provider(s)	Commence deduction of AVC in month following the month of election. Pay over contributions to the AVC provider(s) by the 19th of the month following the month of election	Scheme Employer

Refund any Scheme member contributions deducted in error	Month following month of deduction or error discovered	Scheme Employer
Cease deduction of employee contributions where a Scheme member opts to leave the scheme	Month following month of election, or such later date specified by the scheme member	Scheme Employer
Notify material changes in employee's circumstances (e.g. marital or civil partnership status)	Within 10 working days of receipt of notice	Scheme Employer
Notify details of leave of absence with permission (maternity / paternity / secondment / without pay etc. (communications with employee and confirmation to Fund)	Within 10 working days of notice from employee / HR / payroll	Scheme Employer
Determine reason for leaving and provide notification to administering authority of Scheme leavers.	10 working days of leaving/month end of leaving	Scheme Employer
Determine reason for retirement and provide notification to Administering Authority of retiree	Within 10 working days of retirement	Scheme Employer
Accurately assess final pay for each Scheme member who leaves/retire/dies and forward to Fund.	Within 10 working days following date of leaving/retirement/death	Scheme Employer
Notification to Fund of death of Scheme member	To notify the Fund immediately or as soon as reasonable practicable, but no later than 5 working days	Scheme Employer
Appoint an independent medical practitioner qualified in occupational health medicine, in order to consider all ill health retirement applications and agree appointment with the Fund	Within one month of commencing participation in the Fund or date of resignation of existing medical adviser	Scheme Employer
Appoint adjudicator for stage 1 of the pension internal dispute resolution process and provide full details to the Administering Authority	Within one month of commencing participation in the Fund or date of resignation of existing adjudicator	Scheme Employer

Appendix 3 - New entrants and current Scheme members

The Regulations require automatic membership of the Scheme for any person under age 75 who is appointed to work for your organisation where the contract of employment is 3 months or greater. This rule is the same for admission bodies, provided that the person falls within a description of employee specified as such within the Admission Agreement between the admission body and the Council.

More information on eligibility to the Local Government Pension Scheme can be found in the Employer Guides on https://www.lgpsregs.org/employer-resources/guidesetc.php

Any employee who is eligible to join the Scheme may elect to opt out of the Scheme at any time after his/her employment begins. Before making such an election employees will be made aware of the benefits they will be losing.

An employee's right to belong to the Scheme, and the right not to join or to leave the Scheme should be set out in his/her Contract of Employment.

The Pensions Team should be informed about new starters (including any new job roles if a member has multiple roles) within 1 month of the first time the member has pension contributions deducted in each post. A New Starter is anyone who enters the Pension scheme in a new role, for example: they elected to opt into the scheme or were opted in due to auto-enrolment. It is the Employers Responsibility to notify the scheme of all the required information within the statutory deadlines. Those who fail to comply may be failing the Disclosure 2013 Regulations. Please complete a *New Starter Information Form* to inform us of all new starters.

If you use i-connect, we will be automatically informed of the new starters the first month they are paid. This meets your requirements to inform the scheme. If you wish to look into using i-connect to provide data to the scheme please contact the Pensions Team to discuss.
A *Pensions Option Form* and an *Employee's Guide to the Local Government Pension Scheme* are issued to every new employee, both of which can be found at:
https://www.croydonpensionscheme.org/resources/

It is a legal requirement that new employees are informed of their contribution rate and provided with information about the pension scheme in which they have been entered.

Opting out of the Scheme
If a Scheme member wishes to opt out of the Scheme, the election must be given in writing, and sent to his/her employer with the notification of cessation of membership form. A copy of the form must be sent to the Pensions Team along with confirmation that the employee has been removed from the Scheme by the payroll provider or employer. The Pensions Team will determine the member's Scheme benefit entitlement. **Opt out forms must be kept by the employer for at least 7 years.**
The forms for Scheme members to opt out of the Scheme are available from the Pension Website (https://www.croydonpensionscheme.org/resources/opt-out-form/)

If individuals do not have access to a computer a hard copy may be obtained from the Pensions Team.

Auto-Enrolment Employer Duties

The Pensions Act legislation introduced auto-enrolment to workplace pensions. This requires that all eligible employees are to be automatically enrolled into a scheme every 3 years on the autoenrolment staging date for the employer and every time their job role changes, if they are not in the scheme. The Government publishes guidance on the auto-enrolment criteria, this is different from the criteria to be eligible for the Local Government Pensions Scheme eligible.

Employees will then have to opt out if they do not wish to contribute. An employer should not issue opt out forms and it is illegal to discourage people from joining a scheme. Employees should download the opt out form from our website or contact the Pension Team.

All employers should therefore familiarise themselves with their responsibilities.

All maintained schools must provide auto-enrolment figures obtained from their payroll provider when requested by the Pensions Team.

Academies, admitted bodies and voluntary aided schools have their own staging date and auto reenrolment dates dependent on the size of their payroll. It is the employer's responsibility to know their auto-enrolment date and ensure auto-enrolment is properly carried out. Further information can be found on the Government website at https://www.gov.uk/workplace-pensions/joiningaworkplace-pension

Appendix 4 - Early leavers

Scheme members may leave employment and/or the Scheme before becoming entitled to immediate payment of retirement benefits for a number of reasons, which may or may not be known to their employer. Whenever possible, however, the reason for leaving should be ascertained as this may determine the administrative procedures to be followed and/or the information to be given to the Scheme member. If the member is leaving under ill-health retirement, please see Appendix 9.

It is important to remember that any Scheme member who leaves after having completed 2 or more years membership in the Scheme or who has transferred accrued rights from a previous pension scheme into the Scheme, is entitled to deferred benefits and cannot receive a refund of contributions. Scheme employers should always encourage Scheme members to contact the Pensions Team for information with regard to their pension entitlements and not make their own assumptions.

You are legally required to inform the Pensions Team of all employees who leave the scheme. Please complete the *Pensions Leaver form – Notice of Termination of Pensionable Employment* for all

leavers. This should be sent to the Pensions Team along with any with any relevant documents. Please send Leaver Forms on separate emails to forms for new starters.

Appendix 5 – Retirements

Retirement or cessation of employment with entitlement to immediate payment of retirement benefits occurs if the following conditions are satisfied:

1. The Scheme member has been a member of the Scheme for a minimum of 2 years,

or

2. The Scheme member has been a member of the Scheme for fewer than 2 years but has transferred in pension rights from another scheme.

AND with a reason for leaving as follows:

- Compulsorily on attaining age 75.
- Voluntarily on or after attaining age 55 but before age 75.
- At any age by reason of permanent ill health
- On or after attaining age 55, by reason of redundancy or in the interests of the efficient exercise of the employer's functions.
- On or after attaining age 55, by reason of flexible retirement.

Note: the above conditions do not apply if a Scheme member attains age 75. Scheme benefits must be released at age 75 whatever the length of the member's Scheme membership. The Scheme member must be notified of his/her entitlement at least three months before attaining the age of 75.

A pension leaver form must be completed in respect of every retiring Scheme member and a copy forwarded to the Pension Team immediately before or as early as possible after, the date of retirement together with any relevant documents.

If retirement is because the Scheme employer has determined that the retirement is because of permanent ill health the notification should be accompanied by a copy of the Independent Registered Medical Practitioner's certification and the employer's decision confirming the IHR and the Tier. Please see Appendix 9 for further information.

Appendix 6 - Early retirement costs recharged to the Scheme employer

Early retirement costs may arise when an employee retires:

- On the grounds of permanent ill-health (at any age)
- On the grounds of redundancy (aged 55 or over)
- On the grounds of efficiency (aged 55 or over)
- On flexible retirement between age 55 and 60 (if the member meets the 85 year rule), or
- When preserved benefits are paid prematurely on ill-health or compassionate grounds.

The cost is the notional value lost by the Fund from the removal of contributions, the loss of investment on those contributions and from paying the pension benefits earlier than anticipated and over a longer term.

The costs will be recovered as follows:

- In cases of ill health if there are only 1 or 2 cases over the 3 year valuation period and the value of them is small (this is unlikely to affect the funding position) – from the Scheme employer's contribution rate ~~or~~
- if ill health insurance has been taken out from the employer directly.
- In all other cases – immediately from the Scheme employer.

Employers should ensure they are aware of the costs and are able to meet the costs before confirming the early retirement. The Pension Administration team will seek confirmation before putting any pension benefits into payment.

Appendix 7 - Death in service

Death in service of an active member may give rise to entitlement to a Death Grant and, in appropriate circumstances, to dependants' pensions.

Dependants include –

A married spouse
A cohabiting partner (certain provisions apply)
A civil partner
Children (certain provisions apply)

The employer should notify the Pension Team as soon as possible upon the notification of the death of a Scheme member, together with details of the Next of Kin and a copy of the death certificate where one is available. You should not delay notification if death certificate is not available.

Appendix 8 - Additional Voluntary Contribution Scheme

The Fund facilitates an in-house Additional Voluntary Contribution (AVC) Scheme with Prudential, who provide a range of investment funds, as well as a facility for Scheme members to purchase additional death in service cover.

Scheme employers may provide Shared Cost AVC schemes and should notify The Pensions Team as soon as possible if they are to be provided.

It is essential that AVC deductions are invested as quickly as possible to maximise the return to each member.

Monthly AVC deductions should be paid directly to Prudential as soon as the payrolls are processed. A schedule must be sent with the payment, giving details of all contributions paid over to Prudential which must reach them by the 19th day of the month following the month they were deducted. Failure to do so is in breach of legislation and may be reported to TPR.

Weekly paid AVCs can be accumulated for 4-5 weeks and paid over at monthly intervals.

Appendix 9 - Ill health retirement

Active members

The Scheme provides ill health retirement cover for active Scheme members that are unable to work because of serious illness.

The member must have qualifying service of at least 2 years and be under normal pension age, which is linked to the state pension age.

Appointment of an Independent Registered Medical Practitioner (IRMP)

Before you can make a decision to award an ill health retirement you must first obtain the appropriate medical certificate from an Independent Registered Medical Practitioner (IRMP).

You may appoint your own IRMP (subject to our approval) or you may use Medigold, Croydon Council's occupational health provider.

"IRMP" means an independent registered medical practitioner who is registered with the General Medical Council and-

(a) holds a diploma in occupational health medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA state; and for the purposes of this definition, "competent authority" has the meaning given by section 55(1) of the Medical Act 1983 **(74)** ; or

(b) is an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA state;

You should refer to the General Medical Council (GMC) specialist register to appoint an IRMP. The IRMP must have an active licence to practise.

Please complete the IRMP Appointment form available on our website or upon request.

The employer must consider and decide two questions before entitlement to an ill health retirement benefit can be awarded. Firstly, they must be satisfied that the member is, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of the employment the member was engaged in. Secondly, they must be satisfied the member is not immediately capable of undertaking gainful employment. They must then further decide which of the three tiers apply.

Tier 1: If a Scheme member has at least 2 years membership in the Scheme and the employer determines that they have no reasonable prospect of being capable of gainful employment before state pension age, ill health benefits are based on the membership built up to the date of leaving plus all the Scheme member's prospective membership from leaving to state pension age (SPA).

Tier 2: If a Scheme member has at least 2 years membership in the Scheme and the employer determines that they are unlikely to be capable of gainful employment within a reasonable period of leaving but may be capable of gainful employment at some date in the future before SPA, ill health benefits are based on membership built up to leaving plus 25% of prospective membership from leaving to SPA.

Tier 3: If the employer determines that it is likely a Scheme member will obtain gainful employment within 3 years; the benefits payable will be the benefits accrued as at the date of leaving. A member receiving benefits under the third tier shall:

- Inform his or her former Scheme employer if further gainful employment has started
- Answer any inquiries in relation to current employment status, pay and working hours.

Payment of Tier 3 benefits shall cease if the member starts gainful employment or fails to answer inquiries made by the employer about their employment status. If gainful employment has been secured the pension must cease and the employer may recover any overpayment.

A member in receipt of Tier 3 benefits who attains state pension age continues to be entitled to receive the pension from that date.

Special provision in respect of members receiving Tier 3 benefits

The scheme employer must review the Tier 3 benefits after they have been in payment for 18 months and must decide about the members continued entitlement after obtaining a further certificate from an IRMP if the member confirms gainful employment has not been secured. started. Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

The decisions available are:

- Continue payment of the Tier 3 benefits for any period up to the maximum permitted of three years from the date the member left employment or
- To award Tier 2 benefits from the date of the review decision providing they are satisfied the member is permanently incapable of discharging efficiently the duties of the employment the member was engaged in, and either is unlikely to be capable of undertaking gainful employment before normal pension age or is unlikely to be capable of undertaking gainful employment within 3 years of leaving the employment, but is likely to be able to undertake gainful employment before reaching normal pension age or
- To cease payment of benefits to the member.

You must notify the administering authority if the Tier 3 benefits have ceased. That member will then become a deferred pension member and shall not be entitled to any Tier 3 benefits in future.

The employer may, following a request for a review from a member in receipt of Tier 3 benefits or within 3 years after payment of Tier 3 benefits to a member are ceased, make a decision to award Tier 2 benefits if the employer is satisfied after obtaining a further certificate from an IRMP, that the member is permanently incapable of discharging efficiently the duties of the employment the member was engaged in, and either is unlikely of undertaking gainful employment before normal pension age or is unlikely to be capable of undertaking any gainful employment within three years of leaving the employment, but is likely to be able to undertake gainful employment before reaching normal pension age.

Further resources of guidance https://www.lgpslibrary.org/assets/othergov/201511POSIH.pdf

Ill Health Retirement for former employees (deferred members)

A former employee may contact their former employer at any time to request their pension benefits be put into payment on the grounds of ill health.

Employers will need to obtain an Ill Health certificate from an IRMP (see above for details) before making the decision to award ill health retirement.

The employer must be satisfied the deferred member is permanently incapable of discharging efficiently the duties of the employment the member was engaged in because of ill health or infirmity of mind or body; and, if so

Is unlikely to be capable of undertaking gainful employment before normal pension age, or for at least three years, whichever is sooner.

Appendix 10 – Examples of instances where costs may be recharged

Regulation 70 of the LGPS Regulations 2013 provides that an administering authority may recover from a Scheme employer any additional costs associated with the administration of the Scheme incurred as a result of the poor level of performance of that Scheme employer. Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- the reasons in their opinion that the Scheme employer's poor performance contributed to the additional cost;
- the amount of the additional cost incurred;
- the basis on how the additional cost was calculated; and
- the provisions of the Administration Strategy relevant to the decision to give notice.

It is the policy of the Fund to recover all additional costs incurred in the administration of the Scheme as a direct result of the poor performance of the Administering Authority or any Scheme employer or third-party service provider where it is considered financially beneficial to do so, taking account of the resources required to undertake this. The circumstances where such additional costs may be recovered are:

- persistent failure to provide relevant information to the Administering Authority, Scheme member or other interested party in accordance with specified performance targets (either as a result of timeliness of delivery or quality of information);
- failure to pass relevant information to the Scheme member or potential members, either due to poor quality or not meeting the agreed timescales outlined in the performance targets;
- because extra resources will be required to process missing data;

- failure to deduct and pay over correct Scheme member and employer contributions to the Fund within statutory deadlines ~~the stated timescales~~;

- where the performance of a Scheme employer results in fines being levied against the Administering Authority by The Pensions Regulator (TPR), Pensions Ombudsman or any other regulatory body.

- where there is a cost of any remedial action required to be taken by the Fund caused by the failure of a Scheme employer to meet their requirements as set out in regulation or the specified performance targets. Also, any breaches of the regulations such as delays in producing the annual benefit statements will be reported to TPR. The report will detail any delays experienced by the Pensions Team in receiving the data.

- where advice has been supplied from a third-party provider, with or without the consent of the Administering Authority. [Please ensure that your payroll provider is aware of the data requirements of the scheme and that they use i-connect to provide that information as soon as they are ready to be on boarded. Where there is no previous arrangement in place between Employer and third-party provider – the costs incurred will still be re-charged back to the Employer that originally requested work, information or raised queries].

The table below provides examples of situations when the Administering Authority may recharge employers for additional costs. It is not intended to be definitive and the Fund reserves the right to levy an additional charge in any circumstances of poor performance under Regulations 70 and 71 of the LGPS Regulations 2013 and in accordance with this Strategy. For the calculation of additional recharges for poor performance.

		Cost
1	Late notification of a new starter	£50
2	Late notification of changes to personal details	£50
3	Late notification of maternity leave, strike absence, jury service, unpaid leave	£50
4	Late notification of an early leaver	£50
5	Late notification of a member retiring	£50
6	Late notification of death in service	£50
7	Late notification of contribution banding changes	£50
8	Late payment of monthly contributions	£50
9	Late delivery of payroll details in support of monthly contributions	£50
10	Late notification of annual year end information	£250
11	Any fine imposed on the Fund by the Regulator, which is deemed to be the fault of the Employer, will be passed on to that Employer	Fine amount
12	Any fine imposed on the Fund due to failure to provided information for Auto enrolment process	Fine amount

13	Costs of FRS17 report preparation and submission to actuary, plus actuary time	Re-charge amount
14	Costs of FRS17 report preparation and submission to actuary, plus actuary time for Academies	£2,500+ pa
15	Costs arising from queries submitted to third party providers, without prior notification of cost to Employer, will be re-charged back to the Employer which raised the query.	Re-charge amount
16	All legal costs and any other third-party costs incurred from outsourcing, queries, disagreements and not an exhaustive list are to be re-charged back to the employer.	Re-charge amount
18	Costs incurred in querying incorrect information on returns.	£50
19	Any interest applicable under Regulation 71	Amount to be advised in individual cases

The full cost of any engagement with external providers e.g. Actuaries or Solicitors will be recharged back to the Scheme employer. This will include any outsourcing of contracts and FRS17 reports.

Appendix 11 – Co-habiting partners

The Scheme provides for a co-habiting partner, of either the opposite or same sex, to receive a survivor's pension, subject to meeting the relevant criteria laid down in the Scheme regulations i.e. that all of the following conditions have applied for a continuous period of at least 2 years on the date of death of the Scheme member:

- both the Scheme member and their co-habiting partner are, and have been, free to marry each other or enter a civil partnership with each other, and
- the Scheme member and their co-habiting partner have been living together as if they were husband and wife, or civil partners, and
- neither the Scheme member nor their co-habiting partner have been living with someone else as if they were husband and wife or civil partners, and
- either the co-habiting partner is financially dependent on the Scheme member or they are financially interdependent on each other.

An application for a co-habiting partner's pension may be declined if the administering authority is not satisfied the above condition have been met.

Appendix 12 – Payment of monthly contributions by Scheme employers

Under the Scheme Regulations 2013 (Regulations 67-71) employers are required to provide a schedule to the Fund, in a format specified by the Fund, of all employees who have had pension deductions taken from their salaries or who are on nil pay.

The Fund has produced its own template for employers to use which is revised annually. It includes employer notes and member bandings information.

An employer specific version will be issued to individual employers on entry to the Fund and annually thereafter by the Administering Authority. It must be used unless specific authorisation to use an alternative format is given by the Administering Authority and should include details of the employees who have had pension deductions taken or who are on nil pay.

The minimum information required to be shown on monthly schedules is as follows:

- Employer Name
- Month and year to which the schedule applies
- Member National Insurance Number
- Member first name and surname
- Member contribution band percentage rate
- Employer percentage rate
- Additional contribution percentage of APC rate (where applicable), member and employer contribution amount for the current month plus cumulative figures to date
- Pensionable pay including APP
- Monthly and cumulative Scheme member contributions
- Monthly and cumulative employer contributions
- Total monthly and cumulative Scheme member and employer contributions
- Total monthly and cumulative pensionable pay
- Date joined or left the Scheme (if in current year)
- Any lump sum deficit monthly and cumulative amounts and balance (if applicable)

A separate entry on the schedule is required for each employment. Therefore, if a member has multiple roles, they will have a corresponding number of entries on the schedule. It is therefore important to provide job titles for each role to enable data to be allocated to the correct record.

It should be noted that the Fund template requires additional information to be supplied which assists with the calculation and administration of member benefits and reconciling accounts.

Many employers outsource payroll and schedule administration to payroll providers. It should be noted that it is still the responsibility of the employer to ensure all information supplied is accurate, payments match the amounts on the schedules, payments are received by the deadline and that an explanation is provided in respect of any discrepancies. Any queries will need to be followed up by the Pensions Team, resulting in additional work. Persistent occurrences could result in additional charges to the employer being implemented (see payments section).

Schedules must be submitted to the Pension Team at pensionschedules@croydon.gov.uk as soon as the payroll has been run each month but no later than the 19th of the month following the relevant pay period. In order to ensure data is sent securely employers should use Egress to email schedules.

Where this is not possible schedules should be sent password protected and employers should inform the Pensions Team of the password via separate email or through Teams.

The Fund also uses the I-Connect system. Monthly pension data can be uploaded on spreadsheets or via data entry onto a web form. Employers may apply to the Pensions Team should they wish to consider submitting returns in this way.

AVCs

Employers need to notify the Pensions Team of any AVC amounts applicable. A copy of the AVC Schedule should be forwarded to the Pensions Team along with any new applications to pay AVC or any notifications to cease. Payments for these amounts should be made directly to the AVC provider.

Employer Contributions

Employer contributions are expressed as a percentage of pensionable pay (or assumed pensionable pay APP if relevant) and are payable at such rate(s) as may be advised by the Fund following the completion of each triennial or other actuarial valuation of the Fund or in respect of the individual employer. There may be a secondary lump sum deficit applicable to some employers which is an annual lump sum figure (not a percentage of pensionable pay) that is payable in monthly instalments with the usual schedule payments. Further information on how these amounts are determined is contained in the Funding Strategy Statement which can be found on our website https://www.croydonpensionscheme.org/resources/

Payment

Under the Scheme Regulations 2013, employers are required to make payment of sums due in respect of the schedule amount to the Fund. All sums detailed on the schedules shall be paid over no later than the 19th day of the month following the month of account (for example, the May payment must be made by 19 June). Contributions deducted from weekly wages should be accumulated for 4 or 5 weeks and paid over at the appropriate month end.

Payments should be made through BACS and account details will be provided to all employers of the fund.

Under Regulation 71 of the Scheme Regulations 2013, payment of interest may be charged by the Fund where contributions have been received late. Interest payable under this regulation is calculated at one per cent above base rate on a day-to-day basis from the due date to the date of payment and compounded with three-monthly rests.

The Regulations provide that an Administering Authority may recover from an employer any additional costs associated with the administration of the Fund incurred as a result of the unsatisfactory level of performance of that employer. Such circumstances include:

- persistent failure to provide relevant information to the Administering Authority in accordance with specified requirements in terms of either quality or format of information or timeliness of delivery.

- failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales.

- instances where the performance of the employer results in fines being levied against the Administering Authority by TPR, Pensions Ombudsman or other regulatory body.

Late payment of pension contributions by Scheme employers is a serious offence and TPR or the Pensions Ombudsman has significant powers of sanction. TPR can impose fines of up to £50,000 for each instance of persistent offence. The Pensions Act allows the prosecution of employers for late payment of contributions.

Employer Information

The following links are available to provide guidance for employers and payroll providers with pension matters:

Employer Resources https://lgpsregs.org/employer-resources/guidesetc.php

HR Guide https://www.lgpslibrary.org/assets/gas/ew/HRv4.1c.pdf

Payroll Guide https://www.lgpslibrary.org/assets/gas/ew/Pv4.1c.pdf

Additionally, the governance team can be contacted at pensionschedules@croydon.gov.uk if needed.

Employer contributions are usually expressed as a percentage of pensionable pay and are payable at such rate(s) as may be advised by the Fund following the completion of each triennial or other actuarial valuation of the pension fund.

Employee contributions bandings are set nationally and revised annually.

Appendix 13 - Year end procedures

Under regulation 80 (3) of the Scheme Regulations 2013 within three months of the end of each Scheme year, each Scheme employer must provide a statement to the appropriate administering authority giving the following details in respect of each employee who has been an active member at any point during the Scheme year-

- The employee's name and gender
- The employee's date of birth and national insurance number
- A unique reference number relating to each employment in which the employee has been an active member.
- the dates of active membership;
- the pensionable pay received and employee contributions deducted while regulation 9 (contributions) applied;

- the pensionable pay received and employee contributions deducted while regulation 10 (temporary reduction in contributions) applied;
- any contributions by the employer in relation to the employee's pensionable pay;
- any contributions by employee or employer under regulation 16 (additional pension contributions);
- any contributions by employee or employer under regulation 17 (AVC).

Employers who are fully I-Connect will not need to submit a return.

Employers who are partial I-Connect users will be required to submit end of year data on the same form used for monthly submissions. Employers are required to complete the form and submit it to the Pensions Team by 30 April.

The Pensions Team will issue every employer who does not use I-Connect to submit monthly schedules with a standard end of year template in February each year. It covers the period from 1 April to 31 March. Employers are required to complete the form and submit it to the Pensions Team by 30 April. In order to ensure data is sent securely employers should use Egress to email returns. Where this is not possible returns should be sent password protected; employers should inform the Pensions Team of the password via separate email or through Teams.

The template includes a 'Notes' tab which gives information about the data fields on the template. Further assistance is available by emailing pensionsEOY@croydon.gov.uk.

Once the Pensions Team receive the returns, they will validate them and contact employers with any queries and provide a timescale for employers to respond.

Employers should check the returns before submitting them to ensure the data is correct.

If employers anticipate any difficulties in submitting the return by the deadline or resolving any queries raised, then they must contact the Pensions Team by emailing them at pensionsEOY@croydon.gov.uk.

Why are the End of Year returns needed?

The end of year information is needed to update the pensions database. This data is used for all benefit calculations and annual benefit statement illustrations. It is also used for the triennial fund valuation.

What if the information is incomplete or inaccurate?

If information is not complete or accurate, any calculations based on it will also be incorrect. This means that requirements to inform members of their benefits within timescales stipulated in the disclosure regulations may not be met. This could result in a breach which in turn could result in a fine being levied by TPR.

This not only affects member benefit calculations but also the calculation of employer contribution rates. If the data is unreliable the Fund Actuary will take a cautious approach to rate setting and that could result in higher employer percentage contributions.

Many employers outsource payroll and end of year administration to payroll providers. It should be noted that it is still the responsibility of the Employer to ensure all information supplied is accurate, that it is received by the deadline and that an explanation is provided in respect of any discrepancies. Any queries will need to be followed up by the Pensions Team, resulting in additional work. Noncompliance could result in additional charges to the employer being implemented by the Administering Authority (see payments section) as well as fines being imposed by TPR.

Appendix 14 - Additional pension contributions (APCs)

Buying additional pension

Active scheme members may choose to buy extra annual pension, up to a statutory maximum, using an Additional Pension Contribution (APC) contract.

The pension purchased is linked to Normal Pension Age and is for the member only, there is no provision for a dependant's pension.

To buy extra pension, the Scheme member may choose to make a one-off contribution or regular additional contributions through the payroll, in order to buy a set amount of additional pension. The cost (a cash amount NOT a percentage of pay) is determined by the Scheme member's age and the amount they wish to purchase.

An employer may, if it wishes, agree to meet some or all of the cost of any additional pension purchased for an active member. An employer may also choose to purchase additional pension up to six months after an employee has left provided they have left employment on the ground of redundancy or efficiency. Employers should ensure they have a policy on this discretion.

Note that a Scheme member cannot commence an APC contract if they are in the 50/50 section.

Authorised Unpaid Leave

Authorised Unpaid Leave Commencing Before 1 April 2026

The pre-1 April 2026 rules continue to apply where an authorised unpaid leave period started before 1 April 2026. Under these rules, the unpaid period does not automatically count for pension purposes. Employees may choose to buy back the pension lost during the absence by paying Additional Pension Contributions (APCs)

Where an employee elects to purchase the lost pension within 30 days of returning to work, the cost is shared between the employee and employer. Employers may choose to contribute towards the cost where the election is made after the 30-day period.

Employers should:

- Inform employees of their option to purchase lost pension through an APC arrangement.
- Provide the employee with details of the pensionable pay lost during the unpaid absence, which is required to calculate the cost of the APC.

- Signpost the employee to the Buy Lost Pension Calculator, available on the LGPS member website.

Unpaid Leave of Less Than 15 Days
From 1 April 2026, authorised unpaid leave lasting less than 15 calendar days will count automatically for LGPS pension purposes. The employee and employer must pay the pension contributions that would have been due if the employee had remained at work on their normal contractual pay. This also applies to unpaid jury service absences of less than 15 days.
Employers should ensure payroll processes correctly calculate contributions on any lost pensionable pay and include the pensionable pay and contributions in data submitted to the administering authority. No additional reporting is required specifically because of these absences.

Unpaid Leave of 15 Days or More
Where authorised unpaid leave lasts 15 calendar days or more, the period will not automatically count for pension purposes. Employees can choose to buy back all or part of the pension lost during the absence through a **Qualifying Additional Pension Arrangement (QAPA)**. The same applies to unpaid jury service absences of 15 days or more.
If the employee elects to take out a QAPA within one year of returning to work (or a longer period allowed by the employer), the cost is shared between the employee and employer. Contributions can be paid as a lump sum or through regular payments.
Employers should:

- Inform employees of their pension options following a period of authorised unpaid leave.
- Provide details of the cost of buying back lost pension and the pension that could be restored.
- Use the **QAPA Calculator**, available in the **Employer Resources** section of the LGPS Regulations website, to calculate the employee and employer costs and the additional pension that can be purchased.
- Provide the required QAPA information to the administering authority, including contribution details and payment arrangements where a QAPA is taken out.
- Review payroll and administration processes to ensure the new QAPA requirements are administered correctly.

If an employee makes an election after the 12-month period and you do not choose to extend the period, they may purchase the lost pension, at full cost to themselves, by taking out an APC.

Strike Action
Periods of absence due to a trade dispute do not count for pension purposes unless the employee chooses to buy back the lost pension through an Additional Pension Contribution (APC) arrangement. Unlike authorised unpaid leave, these arrangements are not covered by the QAPA provisions. Employers may need to provide details of lost pensionable pay to help employees explore their options.

Appendix 15 - The 50/50 option

The 2014 Scheme contains two sections – the main section and the 50/50 section. The difference between the two sections is that in the 50/50 section the amount of contributions to be deducted from the Scheme member is half that due under the main section (and, therefore, the member accrues half the normal pension whilst in the 50/50 section).

Note that whilst an individual is in the 50/50 section the employer contribution is still the normal full contribution rate.

The Scheme member may elect to move between the main and 50/50 sections of the Scheme any number of times but each election only takes effect from the next available pay period.

An employer must give an employee who elects for the 50/50 section information on the effect on that person's likely benefits from the 2014 Scheme.

The employer will be required to notify both the payroll administrator and the Pensions Team of the date of the move to a different section and to maintain a record of elections.

At year end (or date of leaving if earlier), employers should confirm to the Administering Authority which section the member was in at that time.

Each employer will need to determine the most effective method of holding the above information. Employers will need to notify the Pensions Team that the employee has elected to move from the main section to the 50/50 section (or vice versa) from the beginning of the next available pay period following the election.

If an employee is in the 50/50 section and goes on to no pay due to sickness or injury, the employee must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time. The person will, of course, have the right to make a further 50/50 election which, if made before the payroll is closed, would mean the member would have continuous 50/50 membership.

If the Scheme member is in the 50/50 section and goes on to no pay during ordinary maternity leave, ordinary adoption leave or paternity leave, the member must be moved back into the main section from the beginning of the next pay period if they are still on nil pay at that time.

If the employee is in the 50/50 section they must be moved back to the main section from the beginning of the pay period following the employers' "automatic re-enrolment date". This would happen irrespective of what category of worker they are for the purposes of the Pensions Act 2008.