



Buckinghamshire County Council Pension Fund
Annual Report
2009 – 2010

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INTRODUCTION FROM THE HEAD OF FINANCE & COMMERCIAL SERVICES

Contained within this publication are the report and accounts of the Buckinghamshire County Council Pension Fund. The Fund is a part of the statutory Local Government Pension Scheme (LGPS) and is administered by Buckinghamshire County Council (BCC). The LGPS is a Government regulated, defined benefit, final salary scheme.

Pensions & Investments Team

A new structure for the Team was approved and implemented; in response to the number of members of the LGPS Scheme and the number of Admission Agreements for the Scheme experiencing rapid growth the Governance and Employer Liaison Team was created to deal with increasingly complex Admission Agreements and strengthen the Fund's governance.

Actuarial Valuation

The next triennial valuation is due based on the value of the Fund as at 31 March 2010 and this will be undertaken by the Fund's actuary, Barnett Waddingham LLP. It will inform employer contribution rates for the next three years effective from 1 April 2011.

Pension Fund Management

Compared to its peer group of nearly 100 other local government pension funds, the BCC Fund was ranked in the top half for performance over the past 3 and 5 years. The quarterly and annual performance recorded each quarter can be volatile, particularly in the current economic climate, however our three year and five year performance demonstrate that the Fund is a strong performer compared to its peer group.

The Pension Fund Committee implemented a new investment strategy in September 2009 and consequently appointed DB Advisors, Investec and Schrodgers to manage the Fund's global equity mandates. Royal London and Partners Group were also appointed to manage core plus bonds and private equity fund of funds mandates respectively. The Fund's strategy seeks to maximise the value of the Fund without increasing its exposure to risk. All strategy decisions were made in accordance with our Statement of Investment Principles.

As always, we welcome any comments you have on this publication, or any matter relating to pensions administration, using the contact details available on the pensions website, www.buckscc.gov.uk/pensions, or within our newsletters.

Richard Ambrose

Head of Finance and Commercial Services
Buckinghamshire County Council



THE PENSIONS AND INVESTMENTS TEAM

There are five teams in the Pensions and Investments Team; three teams which administer the Local Government Pension Scheme (“the scheme”) – the Benefits Administration Team, Governance and Employer Liaison Team and the Systems Team. The remaining two teams are the Teachers Pay and Pensions Team and the Treasury Team.

Benefits Administration Team

We deal with 20,500 current employees on behalf of Buckinghamshire County Council, as well as 12,000 pensioners and 15,000 ex-employees. The Benefits Administration Team deal with all aspects of benefits work, from new entrants to the scheme through to retirement and death. The team’s work also includes refunds, pension estimates, pensioner queries, pension sharing on divorce and transfers of previous pension rights in or out of the scheme.

Governance & Employer Liaison Team

The Governance & Employer Liaison Team deal with pension enquiries from scheme members, members’ representatives, the employing authorities, as well as other outside bodies, such as HM Revenue and Customs and other pension schemes. The Governance & Employer Liaison Team deal with pension fund year-end procedures and support the benefits administration team where possible. Our employers include scheduled bodies (major and smaller), admitted bodies and independent schools in Buckinghamshire.

Systems Team

The Systems Team are responsible for the specialist computer systems within Pensions, including the management of AXIS (our pension administration system), document imaging, pensioner payroll and workflow management. AXIS enables us to store our members’ paperwork electronically by scanning all correspondence to the individual’s record. All work is recorded and monitored on our workflow system.

Teachers Pay and Pensions Team

The Teachers Pay and Pensions Team supports school governing bodies and teachers. It deals with any queries teachers have about their pension benefits and assists the school bursars with Teacher’s Pay and Conditions queries.

Treasury Team

The Treasury Team is responsible for implementing, reviewing and monitoring the Pension Fund’s investments. The Team also provides the Council’s treasury function.

Scheme Administration Costs

Buckinghamshire County Council LGPS pensions administration participates in the CIPFA Benchmarking Club. Data is submitted annually and the Council is measured against the other Administering Authorities that participate.

Annually data is supplied on cost measures, workload measures, staff related measures and Industry Standard Performance Indicators. Data supplied includes the number of entrants to the scheme, early leavers, retirements and deaths; details of

how calculations are processed, staffing experience such as salary and pensions experience. Key findings from the 2009/10 report are as follows:

Indicator	Buckinghamshire	Club Average	Outsourced Average	In House Average
Admin Cost per member	£17.47	£22.72	£21.11	£22.85

Membership of the Fund

The table below shows the membership of the Fund for the previous five years:

	31/03/2006	31/03/2007	31/03/2008	31/03/2009	31/03/2010
Active Members	18,029	18,570	19,332	20,086	20,571
Deferred Pensioners	10,899	12,369	13,881	14,803	15,522
Pensioners (inc. Dependents)	9,572	10,115	10,776	11,431	12,213

* also pay Teachers Enhanced Pensions. As at 31 March 2010 1,395 payments per month were made on the monthly payroll.

Internal Dispute Resolution Procedure

Part 6 of the Local Government Pension Scheme (Administration) Regulations 2008 provides the mechanism by which disputes are resolved within the Local Government Pension Scheme (LGPS).

The appeal process is a two stage process. Stage 1 appeals are dealt with by the relevant employing authority where the decision is being appealed against was made by that authority. In cases where the appeal is a decision made by the Pensions & Investments Team, first stage appeals are dealt with by the Principal Pensions Officers.

If the appeal is unresolved at stage 1, the member or their representatives, can invoke stage 2; stage 2 appeals are dealt with by the Legal Service of Buckinghamshire County Council.

In 2009/10 14 new appeals were received. Of these 14, 10 were appealing against the decision to either refuse ill health retirement or the level of ill health retirement awarded. The remaining cases involved disputes over contribution bandings, estimates of benefits provided and transfers in to the LGPS.

Of the 14 cases, 4 cases were found in favour of the applicant at stage 1. Of stage 2 appeals, none were found in favour of the applicant.



BENEFITS

The Local Government Pension Scheme (LGPS) is a statutory funded pension scheme. Its benefits are defined, guaranteed in law and provide significant benefits to its members.

Highlights of the benefits provided by the LGPS are:

- Guaranteed benefits based on the member's final pay
- Flexible lump sum options, available at retirement
- Ability to increase retirement benefits by paying extra contributions
- Voluntary retirement from age 60
- Retirement from age 55 with the employer's consent
- Ill health benefits from any age
- Redundancy cover from age 55
- Death in service lump sum of three times actual pay
- Surviving spouse's/civil partner's/nominated cohabiting partner's pensions
- Dependant child's pension
- Index-linking of benefits to ensure that they keep pace with inflation

Contributions

Employee contributions are between 5.5% and 7.5%, deducted from the pay received from contractual hours. The rate paid depends on which pay band the member falls into.

Band	Whole Time Equivalent pay rate *	Contribution rate
1	£0 - £12,600.00	5.5%
2	More than £12,601.00 up to £14,700.00	5.8%
3	More than £14,701.00 up to £18,900.00	5.9%
4	More than £18,901.00 up to £31,500.00	6.5%
5	More than £31,501.00 up to £42,000.00	6.8%
6	More than £42,001.00 up to £78,700.00	7.2%
7	More than £78,700 or over	7.5%

* Band ranges increase each April

The employer also contributes to the Fund, covering the full cost of providing the benefits. Membership of the scheme entitles the employee to receive tax relief on contributions and because the scheme is contracted out of the State Second Pension (S2P), contributors pay reduced National Insurance.

Retirement

The scheme is funded on the basis that the benefits will become available at age 65 (normal scheme retirement age), though members can remain in the scheme up to age 75. Employees retain the right to voluntarily retire from age 60.

Payment of pensions will be made in the following circumstances:

- Aged 65
- Aged 60+ with 25 years membership (for protected older workers)
- Aged 55+ if the employer retires the member on the grounds of redundancy or efficiency (after three months membership)
- Aged 55+ and the member requests early payment of benefits (subject to employer's consent)

Pensions are calculated based on the member's total years of membership and final pay. Benefits on any membership up to 31 March 2008 will be calculated as follows:

$\text{Pension} = \frac{\text{Years Membership} \times \text{Final Salary}}{80}$ $\text{Lump Sum} = 3 \times \text{Pension}$
--

Benefits on membership after 1 April 2008 will be calculated as follows:

$\text{Pension} = \frac{\text{Years Membership} \times \text{Final Salary}}{60}$
--

On membership after 1 April 2008, members will have the flexible option to take a lump sum by giving up some of their pension. For each £1 of pension given up, a lump sum of £12 will be paid, up to the point where the total lump sum is equal to 25% of the capital value of all their pension benefits.

III Health Retirement

If a member's employment is terminated because of permanent ill health and the member has at least two years membership, the pension payable is to be based on the member's accrued membership plus:

First Tier

- 100% of prospective membership between leaving and age 65 where the member has no reasonable prospect of being capable of obtaining gainful employment before age 65, or

Second Tier

- 25% of prospective membership between leaving and age 65 where the member is unlikely to be capable of obtaining gainful employment within a reasonable period of time but is likely to be capable of obtaining gainful employment before age 65.

Third Tier

- With no enhancement where the member is likely to be able to obtain gainful employment within three years of leaving and are payable for so long as he is not in gainful employment.

Death in Service

A lump sum death grant, which is three times the member's actual pay, is issued regardless of length of membership. In addition to the lump sum death grant,

pensions are payable to surviving spouses/civil partners/nominated cohabiting partners and children up to the age of 17, or while still in full time education up to age 23, which is based on the deceased member's final pay and total years membership. The member may nominate a person, or persons, to receive their death grant.

Death in Retirement

Surviving spouse's/civil partner's/nominated cohabiting partner's and children's pensions will be paid in the same way as above, but it will be based on the former employee's pension. If the death occurs before ten years of the pension has been paid and before the member reached age 75, the balance will be paid as a lump sum.



WHO'S WHO

Administering Authority:	Buckinghamshire County Council (BCC)
Pension Fund Committee: (BCC unless stated)	Cllr Frank Downes (Chairman) Cllr Peter Hardy (Vice Chairman) Cllr Trevor Egleton Cllr Chester Jones Cllr Zahir Mohammed Cllr Richard Scott Cllr Sam Crooks (Thames Valley Police Authority) Cllr Bill Jennings (Chiltern District Council) Cllr Cec Tallack (Milton Keynes Council)
Advisers:	Mercer Investment Consulting Carolyn Dobson
Fund Managers:	Aviva Investors BlackRock Blackstone Alternative Asset Management DB Advisors Investec Asset Management Legal & General Investment Management Mirabaud Investment Management Pantheon Private Equity Partners Group Schroders Royal London Asset Management Standard Life Investments
AVC Providers:	Clerical Medical Prudential
Custodian:	BNY Mellon
Actuary:	Barnett Waddingham LLP
Auditor:	Audit Commission



MARKET BACKGROUND

2009/10, saw a sharp recovery in equity markets from the lows following the crisis that began in 2007. The average fund in the WM local authority universe increased by 35.2%, as shown in Table 1 below.

The table also provides a breakdown of returns by sector for the past five years. Pacific equities have performed the best over the five year period.

Table 1: Annual Returns 2005/06 to 2009/10

	2005/06 %	2006/07 %	2007/08 %	2008/09 %	2009/10 %	2005/06 to 2009/10 %
UK Equities	27.0	10.7	-8.9	-29.1	51.9	6.7
Overseas Equities:	37.4	3.6	-0.6	-22.4	49.4	10.4
▪ North America	24.4	-2.9	-6.8	-16.6	42.9	6.0
▪ Continental Europe	37.2	10.9	1.2	-30.0	47.4	9.7
▪ Japan	49.0	-10.8	-16.3	-14.0	32.6	4.9
▪ Pacific	36.8	17.3	11.2	-20.5	64.8	18.5
▪ Other International	53.8	4.7	12.2	-25.6	65.8	17.4
UK Bonds	8.3	0.9	2.1	-1.7	16.9	5.1
Overseas Bonds	6.2	-3.1	8.0	9.2	13.6	6.6
Index-Linked	8.0	2.7	11.8	-1.5	11.6	6.4
Cash	6.1	4.2	4.5	3.0	2.0	3.9
Alternatives	25.6	7.8	7.8	-7.8	4.3	7.0
Property	21.4	16.2	-9.6	-27.1	9.9	0.4
Total Assets	24.9	7.0	-2.8	-19.9	35.2	7.1



Buckinghamshire County Council Pension Fund (“the Fund”) achieved an overall return of 32.3% in 2009/10, -2.9% below the WM local authority average of +35.2%. Overall in 2009/10, the Fund ranked in the 68th percentile. In 2008/09 the Fund ranked in the 42nd percentile and in 2007/08 in the 31st percentile.

The relative performance of the Fund can be attributed both to the weighting of the various categories of investments (asset allocation) and to the choice of stocks within those categories (stock selection). The Fund’s asset allocation had a negative impact, decreasing return expectations by -1.5%. Table 2 below shows the asset allocation at the start and end of 2009/10 for the BCC Fund and the WM local authority average.

Table 2: Asset allocation 2009/10

	BCC Fund % 1 Apr 2009	BCC Fund % 31 Mar 2010	WM local authority % 1 Apr 2009	WM local authority % 31 Mar 2010
UK Equities	26.7	26.7	29.4	28.7
Global Pooled inc UK	-	-	1.8	2.6
Overseas Equities:	30.6	32.3	31.3	34.7
▪ North America	12.0	8.5	9.7	10.8
▪ Continental Europe	9.3	11.6	8.9	9.3
▪ Far East	6.0	7.1	7.3	7.6
• Other International	3.3	5.1	5.4	7.0
UK Bonds	19.3	11.4	11.0	10.1
Overseas Bonds	0.2	0.0	2.7	2.0
UK Index-Linked	4.8	3.5	5.9	4.4
Cash	4.3	1.7	4.3	4.0
Alternatives	7.4	8.1	6.6	6.6
Property	6.7	8.8	6.7	6.1
Total	100.0	100.0	100.0	100.0

The impact of stock selection on return was -0.6%. Table 3 below shows fund managers’ annual performance.

Table 2: Fund Managers’ Annual Performance 2009/10

Fund Manager & Mandate	Net Performance %	Benchmark %	Net Relative Return %
Aviva - Property Fund of Funds	2.8	11.7	-8.9
BlackRock - Cash Inflation Plus	22.2	4.4	17.8
Blackstone - Hedge Fund of Funds	16.1	0.4	15.7
Legal & General - Passive Equities and Bonds	42.4	42.3	0.1
Mirabaud - UK Equities	50.7	52.3	-1.6
Pantheon (Asia V) – Private equity fund of funds	12.2	51.2	-39.0
Pantheon (Europe V) – Private equity fund of funds	-0.9	50.0	-50.9
Pantheon (Europe VI) – Private equity fund of funds	-4.6	50.0	-54.6
Pantheon (USA VII) – Private equity fund of funds	-4.4	44.0	-48.4
Pantheon (USA VIII) – Private equity fund of funds	-12.8	44.0	-56.8
Standard Life – less constrained UK Equities	49.8	52.3	-2.5
Fund Total	32.3	36.1	-3.8

Performance for the Legal & General Investment Management (LGIM) mandate was close to the benchmark. BlackRock and Blackstone outperformed their benchmarks by 17.8% and 15.7% respectively. Aviva, Mirabaud and Standard Life underperformed their benchmarks by 8.9%, 1.6% and 2.5% respectively. The underperformance reported by Pantheon should be interpreted cautiously since returns in the early years of a private equity fund's life are not generally meaningful. This is because these investments take time to make a profit; many private equity investments are initially loss making, followed by recovery and finally a move into profit.

Long Term Performance

The WM Company monitors the performance of the Fund, Table 4 illustrates the relative performance of the fund over five, three and one year periods.

Table 4: Investment Performance

	5 years %	3 years %	1 year %
WM Local Authority Average	+7.1	+1.7	+35.2
BCC Fund	+7.1	+1.5	+32.7
Relative	0.0	-0.2	-2.5
Percentile	43	46	71

Over the three years 2007/08 to 2009/10, the Fund underperformed against the WM local authority average by -0.2%.



ACTUARY'S STATEMENT AS AT 31 MARCH 2010

Introduction

The last full triennial valuation of the Buckinghamshire County Council Pension Fund was carried out by Barnett Waddingham as at 31 March 2007 in accordance with Regulation 77(1) of the Local Government Pension Scheme Regulations 1997 (as amended). The results were published in our report dated March 2008.

2007 Valuation

The 2007 valuation certified a common contribution rate of 19.2% of pensionable pay to be paid by each employing body participating in the Buckinghamshire County Council Pension Fund. In addition to this each employing body has to pay an individual adjustment to reflect its own particular circumstances and funding position within the Fund. Details of each employer's contribution rate are contained in the Statement to the Rates and Adjustment Certificate in the triennial valuation report.

The results for the Fund were as follows

- The funding level was determined to be 81.5%, i.e. the value of the accumulated assets represented 81.5% of the value of the accrued liabilities of Fund as at the valuation date.
- The common contribution rate was set at 19.2% of payroll assuming the funding level was to be restored over a 20 year period.
- In addition, adjustments were made, where appropriate, to individual Employers' contribution rates as set out in the Rates and Adjustments Certificate.
- The funding level of the Fund had increased from 66% at the 2004 triennial valuation.

Contribution rates

The contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet

- The additional annual accrual of benefits allowing for future pay increases and increases to pension in payment when these fall due
- plus an amount to reflect each participating employer's notional share of value of the Fund's assets compared with 100% of their liabilities in the Fund.

Asset Value and Key Financial Assumptions

The value of the Fund's assets as at 31 March 2007 for valuation purposes was £1,223m.

The contribution rates were calculated using the Projected Unit Method taking account of market conditions as that date as follows.

Rate of return on investments	6.8% per annum
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Rate of increase in pay 4.8% per annum

Rate of increase to pensions in payment 3.3% per annum

Post Valuation Events

Actual returns have been lower than the long term assumption although the expected increase in the value of the liabilities has also been less than expected due to an increase in the real discount rate underlying the valuation funding model.

Overall there has been a deterioration in the funding level since the last valuation.

The next actuarial valuation is due as at 31 March 2010 and the resulting contribution rates required by the employers will take effect from 1 April 2011.



Graeme D Muir FFA
Partner
31 August 2010



STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities:

The Council is required to:

Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Assistant Head of Finance (Planning and Reporting), who is currently acting as the designated Section 151 Officer
Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets

Approve the Statement of Accounts

The Responsibilities of the Section 151 Officer:

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in United Kingdom ("the SORP").

In preparing this Statement of Accounts, the Section 151 Officer has:

Selected suitable accounting policies and then applied them consistently

Made judgements and estimates that were reasonable and prudent

Complied with the SORP

The Section 151 Officer has also:

Kept proper accounting records which were up to date; and

Taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate of the Section 151 Officer:

I certify that this Statement of Accounts for the year ended 31 March 2010 gives a true and fair view of the financial position of the Council as at 31 March 2010 and its income and expenditure for the year ended 31 March 2010.

Richard Schmidt

Date: 28 September 2010

Assistant Head of Finance (Planning and Reporting)

Approval of the Statement of Accounts:

In accordance with Section 10 of the Accounts and Audit Regulations 2003 I confirm that the Statement of Accounts was approved by the Regulatory and Audit Committee at its meeting held on 28 September 2010.

Peter Hardy

Date: 28 September 2010

Chairman of the Regulatory & Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUCKINGHAMSHIRE COUNTY COUNCIL

Opinion on the pension fund accounting statements

I have audited the pension fund accounting statements for the year ended 31 March 2010. The pension fund accounting statements comprise the Fund Account, the Net Assets Statement and the related notes. The pension fund accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Buckinghamshire County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

Respective responsibilities of the Head of Finance and Commercial Services and auditor

The Head of Finance and Commercial Services responsibilities for preparing the pension fund accounting statements, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice.

In preparing this pension fund accounting statements, the Head of Finance and Commercial Services is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that were reasonable and prudent;
- keeping proper accounting records which were up to date;
- taking reasonable steps for the prevention and detection of fraud and other irregularities

My responsibility is to audit the pension fund accounting statements and related notes in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the pension fund accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, the financial transactions of the pension fund during the year and the amount and disposition of the fund's assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

I also report to you whether, in my opinion, the information which comprises the commentary on the financial performance included within the Pension Fund Annual Report, is consistent with the pension fund accounting statements. That information comprises the introduction from the Head of Finance and Commercial Services and the market background.

I review whether the governance compliance statement published in the Pension Fund Annual Report reflects compliance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008 and related guidance. I report if it does not meet the requirements specified by the Department of Communities and Local

Government or if the statement is misleading or inconsistent with other information I am aware of from my audit of the accounting statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read other information published with the pension fund accounting statements and related notes and consider whether it is consistent with the audited pension fund accounting statements. This other information comprises the sections of the Pension Fund Annual Report on the Pensions & Investment Team, the Pensions Administration Strategy, the Communications Policy, the Funding Strategy Statement and Statement of Investment Principles. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the pension fund accounting statements and related notes. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the pension fund accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the pension fund accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the pension fund accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the pension fund accounting statements and related notes.

Opinion

In my opinion:

- the pension fund accounting statements and related notes give a true and fair view, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial transactions of the Pension Fund during the year ended 31 March 2010, and the amount and disposition of the fund's assets and liabilities as at 31 March 2010, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- the information given in the commentary on financial performance included within the Pension Fund Annual Report is consistent with the pension fund accounting statements.

Mick West

Officer of the Audit Commission

Audit Commission, Unit 5, Isis Business Centre, Horspath Road, Cowley, OXFORD OX4 2RD

28 September 2010

PENSION FUND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

1. Introduction

Buckinghamshire County Council administers a Pension Fund covering staff employed by the County Council, Milton Keynes Council, the district and parish Councils of Buckinghamshire, Thames Valley Police Authority, Buckinghamshire Fire and Rescue Service, and other scheduled and admitted bodies. These are listed in Note 19 to these Financial Statements. Teachers, fire fighters and police officers, for whom separate pension schemes apply, are excluded from the Pension Fund.

The purpose of the Pension Fund is to provide defined benefits for employees and their widows, widowers and children, based on pay and past service.

2. Membership of Fund

The following summarises the membership of the Fund:

31 March 2009	Membership of the Fund	31 March 2010
20,071	Contributors	20,571
11,426	Pensioners	12,213
14,775	Deferred Pensioners	15,522
46,272	Total Membership of the Fund	48,306

3. Statement of Investment Principles (SIP)

In order to ensure the proper management of the Fund, the Council has adopted a Statement of Investment Principles (SIP) in relation to the investment of the Pension Fund's assets. The SIP can be viewed on the Council's pension website <http://www.buckscc.gov.uk/bcc/pensions/investments/introduction.page>

4. Further Information

The County Council publishes a separate Annual Report on the Pension Fund, which gives more detailed information, to request a copy please send an email to pensions@buckscc.gov.uk



Pension Fund Account for the Year Ended 31 March 2010

31 March 2009	Pension Fund Account (All values are shown £000)	Note	31 March 2010
	Contributions Receivable	3	
70,273	Employers		79,678
25,058	Employees and Members		27,666
9,431	Transfers in		13,694
104,762	Total Contributions Receivable		121,038
	Benefits Payable	5	
(47,433)	Pensions		(51,852)
(16,960)	Lump Sums		(18,274)
	Payments to and on Account of Leavers	6	
(35)	Refunds of contributions		(36)
(5,333)	Transfers out		(9,993)
(1,487)	Administrative expenses	7	(1,433)
(71,248)			(81,588)
33,514	Net Additions from Dealings with Members		39,450
	Returns on Investments		
24,853	Investment income	8	26,940
(255,725)	Change in market value of investments	9	306,048
-	Taxation	14	(1,055)
(2,386)	Investment management expenses	10	(3,003)
(233,258)	Net Return on Investments		328,930
(199,744)	Net Increase/(Decrease) in Fund During the Year		368,380
1,207,157	Net Assets of the Fund as at 1 April		1,007,413
1,007,413	Net Assets of the Fund as at 31 March		1,375,793

Net Assets Statement

31 March 2009	Net Assets Statement (All values are shown £000)	Note	31 March 2010
	Investments	11	
	Fixed Interest Securities		
78,215	- Public Sector		27,531
71,606	- Other		63,397
299,990	Equities		535,765
38,014	Index-linked Securities		32,016
404,549	Managed Funds - Other		565,454
65,503	Unit Trusts - Property		116,995
41,408	Cash Deposits		15,061
-	Derivative Contracts		(16)
-	Dividend income receivable		3,623
999,285	Net Investments		1,359,826
8,128	Net Current Assets	13	15,967
1,007,413	Net Assets at 31 March		1,375,793

1. Accounting Policies

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Statement of Recommended Practice on Financial Reports of Pension Schemes (Revised May 2007).

The accounts summarise the transactions and net assets of the Fund and do not take account of liabilities to pay pensions and other benefits in the future. These are addressed by a triennial valuation (see Note 15).

The Pension Fund does not form part of the Accounts of Buckinghamshire County Council.

2. Basis of Preparation

The financial statements are prepared on an accruals basis, unless otherwise stated. That is, income and expenditure are recognised as they are earned or incurred, not as they are received or paid.

Foreign currency transactions are translated into sterling at the exchange rate ruling at the date of transaction.

3. Contributions

Contributions relating to wages and salaries paid up to 31 March 2010 have been included in these accounts.

2008/09	Contributions (All values are shown £000)	2009/10
	Employers	
25,003	Administering Authority	31,622
39,987	Scheduled Bodies	43,442
4,929	Admitted Bodies	4,536
	Employers Augmentation Costs	
31	Administering Authority	-
323	Scheduled Bodies	78
-	Admitted Bodies	-
	Members	
7,583	Administering Authority	9,417
15,769	Scheduled Bodies	16,160
1,706	Admitted Bodies	2,089
95,331	Total Contributions	107,344

4. Transfer Values

The individual transfer values relate to transfers, which have been received and paid during the financial year i.e. included on a cash basis.

On 31 March 2010 there were 6 transfer values out greater than £50,000, for which £1.180m had not been paid; there were 8 transfer values in greater than £50,000, for which £1.511m had not been received.

5. Benefits Payable

Benefits payable includes all valid benefit claims notified during the financial year.

2008/09	Benefits Payable (All values are shown £000)	2009/10
	Pensions	
19,944	Administering Authority	21,494
23,061	Scheduled Bodies	25,485
4,428	Admitted Bodies	4,873
15,509	Commutations and lump sum retirement benefits	16,242
1,451	Lump sum death benefits	2,032
64,393	Total Benefits Payable	70,126

6. Payments to and on Account of Leavers

2008/09	Payments to and on Account of Leavers (All values are shown £000)	2009/10
28	Refunds to members leaving service	26
7	Payments for members joining the state scheme	10
-	Group transfers to other schemes	-
5,333	Individual transfers to other schemes	9,993
5,368	Total Payments to and on Account of Leavers	10,029

7. Administrative Expenses

2008/09	Administrative Expenses (All values are shown £000)	2009/10
1,329	Administration of benefits	1,289
64	Actuarial fees	60
94	Legal and performance measurement fees	84
1,487	Total Administrative Expenses	1,433

8. Investment Income

2008/09	Investment Income (All values are shown £000)	2009/10
7,934	Income from fixed interest securities	5,787
11,809	Dividends from equities	13,079
650	Income from index-linked securities	507
902	Interest on cash deposits	168
3,512	Income from property unit trust	3,539
46	Other	3,860
24,853	Total Investment Income	26,940

Other investment income in 2008/09 was offset by taxation costs of £0.96m, 2009/10 taxation costs are reported as a separate line in the Fund Account.

9. Investments

All investments are valued on a fair value basis and where there is an active market the bid price is the appropriate quoted market price. The investment accounting information is provided by BNY Mellon, the Fund's custodian bank.

Investments (All values are shown £000)	Value at 31 March 2009	Purchases at Cost	Sales Proceeds	Change in Market Value	Value at 31 March 2010
Fixed interest securities	149,821	530,579	(597,509)	8,037	90,928
Equities	299,990	1,082,067	(1,002,669)	156,377	535,765
Index-linked securities	38,014	174,378	(183,084)	2,708	32,016
Managed funds	404,549	132,311	(112,379)	140,973	565,454
Unitised property funds	65,503	55,364	(5,908)	2,036	116,995
Derivative Contracts	-	1,265	(972)	(309)	(16)
Cash deposits	41,408		(9,864)	(16,483)	15,061
	999,285	1,975,964	(1,912,385)	293,339	1,356,203
Outstanding dividends, accrued interest and recoverable taxes	4,165				3,623
	1,003,450				1,359,826

Managed funds are pooled funds, which mean that the Pension Fund is not the named owner of specific investments. The funds include the following types of investments:

- Equities
- Fixed interest securities
- Index linked securities
- Hedge fund of funds
- Private equity fund of funds

The change in the fair value of investments during the year comprises all increases and decreases in the fair value of investments held at any time during the year, including profits and losses realised on sales of investments during the year. Following a change in investment strategy a major transition took place during 2009/10 resulting in higher sales and purchases activity than usual.

The purchase costs of investments include transaction costs, brokerage commission and other fees incurred in the acquisition of investments.

On 31 March 2010 the assets which exceed 5% of the total value of the net assets of the Fund are a £95.5m investment in Legal & General Investment Management's UK Equity Index and a £155.8m investment in Legal & General's (ex UK) Equity Index.



10. Investment Management Expenses

The value of the fund with the fund managers as at 31 March 2010 was £1,360m. Fund manager fees have been calculated according to the specific mandate and the associated contract agreement as follows:

Fund Manager	Mandate	Negotiated Fee Basis	Proportion of Fund
Aviva Investors	Property	Percentage of fund	9%
BlackRock	Cash / inflation plus	Percentage of fund	2%
Blackstone Alternative Asset Management	Hedge fund of funds	Percentage of fund	4%
DB Advisors	Less constrained global equities	Performance related fee	7%
Investec Asset Management	Less constrained global equities	Performance related fee	7%
Legal & General Investment Management	Passive index-tracker	Percentage of fund	31%
Mirabaud Investment Management Limited	UK equities	Percentage of fund	11%
Pantheon Private Equity	Private Equity	Percentage of Funds Committed & Incentive Fee	3%
Partners Group	Private Equity	Percentage of fund	1%
Royal London Asset Management	Core Plus Bonds	Performance related fee	9%
Schroders	Less constrained UK equities	Performance related fee	7%
Standard Life Investments	Less constrained UK equities	Performance related fee	8%

11. Analysis of the Value of Investments

2008/09	Analysis of the Value of Investments (All values are shown £000)	2009/10
	Fixed Interest Securities	
78,215	UK public sector	27,531
71,606	UK other	63,397
149,821	Total Fixed Interest Securities	90,928
	Equities	
144,813	UK listed	238,961
155,177	Overseas listed	296,804
299,990	Total Equities	535,765
	Other	
38,014	UK Index-linked securities	32,016
404,549	Managed funds	565,454
65,503	Unitised property funds	116,995
-	Dividend income receivable	3,623
-	Derivatives	(16)
41,408	Cash deposits - sterling and foreign cash	15,061
549,474	Total Other	733,133
999,285	Total Value of Investments	1,359,826

The £12.7m cash balances held by the pension fund manage daily cash flow and to pay pensions due were included as cash deposits in Note 11 in the investment assets in 2008/09, the equivalent £12.6m in 2009/10 is reported within Note 13 current debtors as cash balances (not forming part of the investment assets) £3.623m dividend income receivable in 2009/10 is included in Note 11 the investment assets, £4.165m dividend income receivable in 2008/09 was reported as a current debtor in Note 13.

12. Related Parties

Since summer 2009 the Pension Fund's surplus cash held for day to day cash flow purposes has been invested in a call account. A small residual balance is pooled with the County Council's cash balances. Cash balances were high in the first quarter prior to funding a major transition that the Fund undertook during 2009/10 so the Fund had an average investment balance of £2.3m earning interest of £9.5k.

13. Current Assets and Liabilities

2008/09	Current Assets and Liabilities (All values are shown £000)	2009/10
	Current Debtors (Assets)	
4,886	Contributions due 31 March	8,312
4,165	Dividend income receivable	-
-	Cash balances (not forming part of the investment assets)	12,601
2,047	Sundry debtors and prepayments	1,649
11,098	Total Debtors	22,562
	Current Creditors (Liabilities)	
(585)	Management charges	(668)
(601)	HM Revenue and Customs	(650)
(1,038)	Unpaid benefits	(1,349)
-	Borrowings	(3,520)
(746)	Sundry accruals	(408)
(2,970)	Total Creditors	(6,595)
8,128	Net Current Debtors or (Creditors)	15,967

The £12.7m cash balances held by the pension fund manage daily cash flow and to pay pensions due were included as cash deposits in Note 11 in the investment assets in 2008/09, the equivalent £12.6m in 2009/10 is reported within Note 13 current debtors as cash balances (not forming part of the investment assets) £3.623m dividend income receivable in 2009/10 is included in Note 11 the investment assets, £4.165m dividend income receivable in 2008/09 was reported as a current debtor in Note 13.

14. Taxation

The Fund is unable to reclaim Advance Corporation Tax (ACT). However, the fund retains the following taxation status:

- (i) VAT input tax is recoverable on all fund activities by virtue of Buckinghamshire County Council being the administering authority.
- (ii) The fund is an exempt approved fund under the Income Taxes Act 1988 and is therefore not liable to UK income tax or capital gains tax.
- (iii) Income earned from investments overseas in the United States and certain other countries is exempt from national taxation and therefore not subject to withholding tax.

15. Actuarial Position of the Fund

In accordance with the Local Government Pension Scheme Regulations 1997 as amended, actuarial valuations are currently made at three-yearly intervals.

The main purposes of actuarial valuations are:

- (a) to assess the contributions required to provide for benefits currently accruing to active members;
- (b) to assess whether the funds in hand are sufficient to meet the existing commitments.

If funds are not sufficient, additional employers' contributions are payable, whereas if the funds are more than sufficient these may be reduced.

The Fund's Actuary, Barnett Waddingham LLP, undertook a valuation of the Fund as at 31 March 2007 in compliance with Regulation 77(1) of the Local Government Pension Scheme Regulations 1997 (SI 1997 No 1612) as amended. On that date the market value of the assets held were £1,205,218m, sufficient to cover 81% of the accrued liabilities assessed on an ongoing basis. The revised employers' contribution arrangements were effective from 1 April 2008 and these are set to recover the deficiency over a twenty-year period.

The main assumptions used in the valuation were:

(i)	Investment return - equities	7.6%	per annum
(ii)	Investment return - gilts	4.7%	per annum
(iii)	Investment return - bonds and property	5.4%	per annum
(iv)	Investment return - discount rate	6.8%	per annum
(v)	Pay increases	4.8%	per annum
(vi)	Price inflation / pension increases	3.3%	per annum

An interim valuation took place as at 31 March 2009 which showed that the funding level had decreased to 63%. The outcome of the next triennial valuation as at 31 March 2010 will be published in Autumn 2010

16. Contractual Commitments

Contractual commitments that the Fund has entered into by 31 March 2010 are:

Contractual Commitments	Amount Paid as at 31 March 2010	Total Contractual Commitment
	\$000	\$000
Pantheon Asia Fund V LP	9,000	25,000
Pantheon USA Fund VII Limited	7,565	21,250
Pantheon USA Fund VIII Feeder LP	12,075	75,000
Pantheon Global Secondary Fund IV Feeder LP	-	15,000
Partners Group Global Resources 2009, LP	5,506	22,644
	€000	€000
Pantheon Europe Fund V "A" LP	8,791	18,125
Pantheon Europe Fund VI LP	13,650	65,000
Partners Group Global Real Estate 2008 SICAR	7,472	21,998
Partners Group Global Infrastructure 2009 SICAR	4,030	22,259

17. Additional Voluntary Contributions (AVCs)

AVC providers secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. The AVC providers to the Fund are Prudential and Clerical Medical. Prudential invests in several funds including a with profits accumulation fund, a deposit fund and a discretionary fund. Clerical Medical invests in with profits and unit-linked funds, the financial year for this fund is 1 November to 31 October and the financial information included is for this period. These amounts are not included in the Pension Fund Accounts in accordance with regulation 5(2)c of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831.)

2008/09	Prudential (All values are shown £000)	2009/10
4,615	Value of AVC fund at beginning of year	4,367
835	Employees contributions	848
(76)	Investment income	126
(1,007)	Benefits paid and transfers out	(736)
4,367	Value of AVC fund at year end	4,605

1.11.2007 - 31.10.2008	Clerical Medical (All values are shown £000)	1.11.2008 - 31.10.2009
4,128	Value of AVC fund at beginning of year	3,836
523	Employees contributions	388
(747)	Investment income	37
(68)	Benefits paid and transfers out	(610)
3,836	Value of AVC fund at year end	3,651

18. Contingent Liability

The Pension Fund is currently in arbitration with one of the Scheduled Bodies within the Fund, depending on the outcome of the arbitration there is a possibility that a sundry debtor account of £64,000 will not be paid.

19. List of Scheduled and Admitted Bodies

Scheduled Bodies

Buckinghamshire County Council	West Wycombe Parish Council
Buckinghamshire & Milton Keynes Fire Authority	Winslow Town Council
Thames Valley Police Authority	Woburn Sands Town Council
Aylesbury Vale District Council	Wolverton & Greenleys Town Council
Chiltern District Council	Wooburn Parish Council
Milton Keynes Council	
South Bucks District Council	Amersham & Wycombe College
Wycombe District Council	Aylesbury College
	Aylesbury Vale Academy
Amersham Town Council	Buckinghamshire New University
Aston Clinton Parish Council	Beaconsfield High School
Aylesbury Town Council	Beechview Middle School
Bletchley & Fenny Stratford Town Council	Brookmead School
Buckingham Town Council	Brushwood Middle School
Bucks Valuation Tribunal Service	Castlefield School
Burnham Parish Council	Chalfonts Community College
Campbell Park Parish Council	Cottesloe School
Chalfont St Giles Parish Council	Cressex School
Chalfont St Peter Parish Council	Danesfield School
Chepping Wycombe Parish Council	Denbigh School
Chesham Bois Parish Council	Germander Park School
Chesham Town Council	Gerrards Cross C E School
Chiltern Crematorium	Glastonbury Thorn First School
Chilterns Conservation Board	Great Marlow School
Denham Parish Council	Hamilton Primary School
Farnham Royal Parish Council	Lord Grey School
Gerrards Cross Parish Council	Loudwater Combined School
Great Missenden Parish Council	Loughton Middle School
Hambleden Parish Council	Milton Keynes College
Hazlemere Parish Council	New Bradwell Combined School
Iver Parish Council	Ousedale School
Lane End Parish Council	Overstone Combined School
Little Marlow Parish Council	Portfields Combined School
Marlow Town Council	Radcliffe School
Newport Pagnell Town Council	Royal Grammar School, Wycombe
Olney Town Council	St Paul's RC School
Piddington & West End Parish Council	Shenley Brook End School
Princes Risborough Town Council	Sir Frank Markham School
Shenley Brook End and Tattenhoe Parish Council	Southwood Middle School
Shenley Church End Parish Council	Stanton Middle School
Stantonbury Parish Council	Stantonbury Campus
Stony Stratford Town Council	Two Mile Ash School
Wendover Parish Council	Waddesdon C E School
West Bletchley Town Council	

Election Fees:

Aylesbury Vale Local
Aylesbury Vale Parliamentary
Chiltern Local
Chiltern Parliamentary
Milton Keynes Local
Milton Keynes Parliamentary

Wycombe Local
Wycombe Parliamentary
South Bucks Local
South Bucks Parliamentary

Admitted Bodies

AMEY plc
ASM Metal Recycling Limited
Aylesbury Vale Advantage
Aylesbury Vale Dial-a-Ride
Beacon Housing Association
Betterklean
Bucks Association for the Blind
Bucks Association of Local Councils
Bucks Community Action
Busy Bee Cleaning Service
Catermasters
Connaught Housing
Connection (MKC)
Cygnet Foods
Excelcare
Fremantle Trust
Hays Specialist Recruitment
HBS
Heritage Care
Hightown Praetorian and Churches
Housing Association

National Foundation for Educational
Research (NFER)
NFER Publishing
Northgate Arinso
Oxon and Bucks Mental Health Authority
Paradigm Housing Association
Penn School
Pitney Bowes
Police Superintendent's Association
Race Equality Council
Ringway Jacobs
SDK (Environmental)
Serco
Superclean
Vale of Aylesbury Housing Trust
Walton High School
Wolverton & Watling Way Pools Trust
Wycombe Dial-A-Ride



PENSION ADMINISTRATION STRATEGY

Introduction

With 3.5 million members, the Local Government Pension Scheme (LGPS) is one of the largest public sector pension schemes in the UK. The Buckinghamshire County Council Pension Fund has in excess of 150 employers with over 50,000 scheme members in total.

http://www.buckscc.gov.uk/bcc/pensions/employers/contribution_rates.page?

The LGPS is a nationwide scheme and is a valuable part of the pay and reward package for employees working in local government or working for other employers participating in the scheme. Success in promoting the scheme amongst scheme members and ensuring a high quality service delivery depends upon the relationship between the administering authority and participating employers, and the participating employers and their employees.

Good quality administration and communication assists in the overall promotion of the scheme and reminds employees of the value of the LGPS, which in turn aids recruitment, retention and motivation of employees. Providing employees with confidence in the administration of their benefits, in a scheme with ever increasing complexity, is a challenge facing both administering authorities and participating employers.

The Local Government Pension Scheme (Administration) Regulations 2008, as amended, enables an administering authority to prepare a written statement to assist the administering authority and participating employers in working together to provide a high quality service to all parties. This document sets out the pension administration strategy of Buckinghamshire County Council as the administering authority of the Buckinghamshire County Council Pension Fund, after consultation with the Fund's Pension Fund Consultative Group.

The aim of the strategy is to detail the procedures for liaison and communication, and to establish levels of performance for both the administering authority and participating employers. It endeavours to promote good working relationships, provide transparency and improve efficiency and quality. It specifies how performance levels will be monitored and action that can be taken if targets are not met.

The strategy is effective from 1 June 2010. Any enquiries in relation to this strategy should be sent to:

Principal Pensions Officer (Governance & Employer Liaison)
Buckinghamshire County Council
Pensions Section
County Hall
Aylesbury
HP20 1UD

Regulatory Framework

Regulation 65 of The Local Government Pension Scheme (Administration) Regulations 2008 enables an administering authority to prepare a written statement of the authority's policies in relation to the following:

- Procedures for liaison and communication with its participating employers.
- The establishment of levels of performance which the administering authority and its participating employers are expected to achieve in carrying out their scheme functions by:
 - the setting of performance targets
 - the making of agreements about levels of performance and associated matters, or
 - such other means as the administering authority considers appropriate
- Procedures which aim to ensure that the administering authority and its participating employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication of information relating to those functions by an administering authority and its participating employers.
- The circumstances in which an administering authority may consider giving notice to any of its participating employers on account of that employer's unsatisfactory performance in carrying out its scheme functions when measured against levels of performance prescribed in the Service Level Agreement (SLA).
- Such other matters as appear to an administering authority to be suitable for inclusion in the strategy.

Regulation 65(3) states that an administering authority must keep the strategy under review and make appropriate revisions following any material change in its policies in relation to any matters contained within the strategy.

When preparing, reviewing or making revisions to the strategy an administering authority must consult participating employers and any other persons it considers appropriate.

Under Regulation 65(6) the strategy must be published and a copy issued to all relevant participating employers and the Secretary of State. In addition, an administering authority must notify these parties should the strategy be revised.

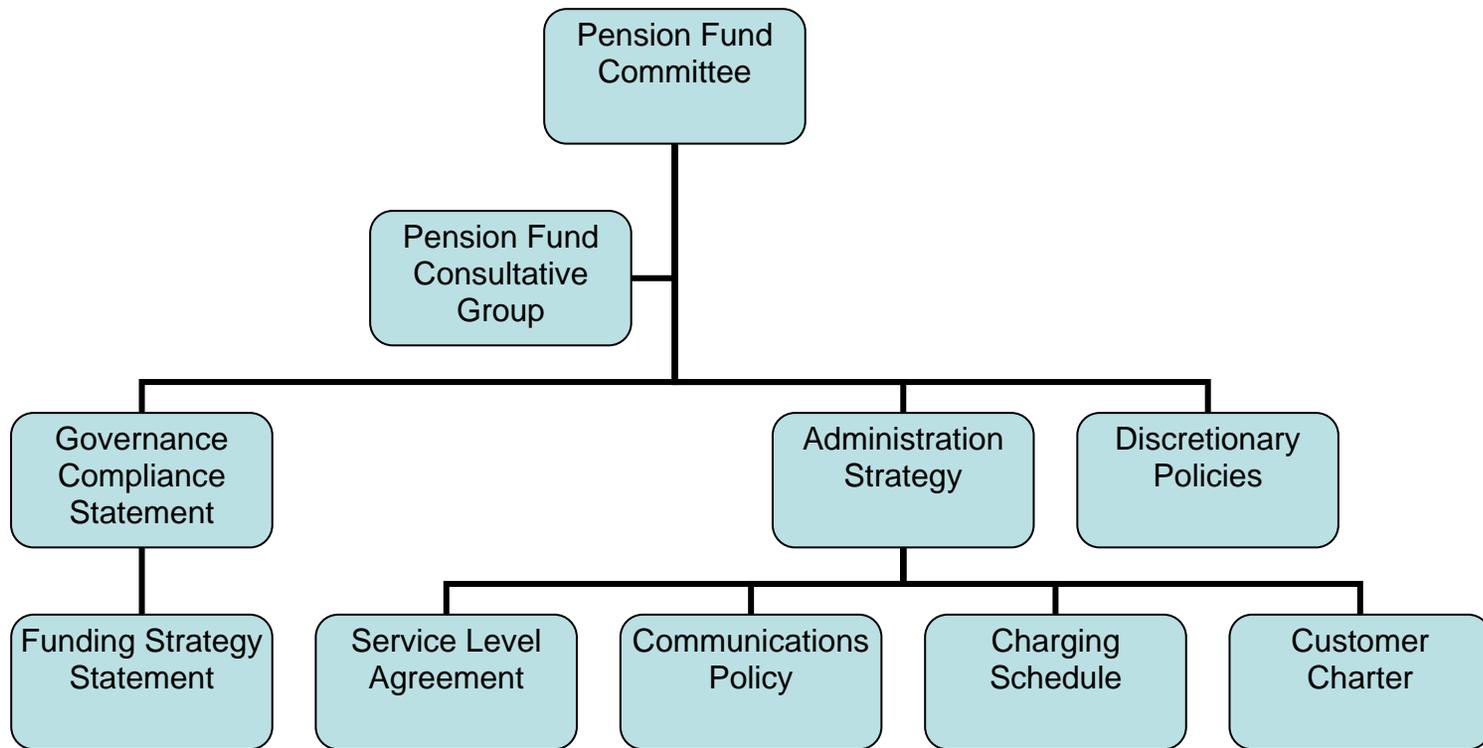
In preparing, reviewing or making revisions to the policy, an administering authority must consult its participating employers. This will be carried out via direct mailing, employer newsletters or the Pension Fund Consultative Group (PFCG).

Full regard must be given to the strategy by both an administering authority and participating employers when performing their functions under the LGPS Regulations.

Regulation 43 of the Administration Regulations permits an administering authority to recover additional costs from a participating employer, where in the administering authority's opinion; they are as a result of the participating employer's poor performance in carrying out its functions under the LGPS Regulations. Should the situation arise, an administering authority may give written notice to the participating employer stating the reasons why, in the administering authority's opinion their performance is poor, the amount of additional costs to be recovered and the basis on which the specified amount has been calculated.

Taking into the account the regulatory framework, this strategy details the requirements in accordance with Regulations 43 and 65 of The Local Government Pension Scheme (Administration) Regulations 2008 and lays the foundation of the day to day relationship between Buckinghamshire County Council as the administering authority and the participating employers of the Buckinghamshire County Council Pension Fund.

The following diagram demonstrates the relationship between the statutory requirements of the Buckinghamshire County Council Pension Fund and its associated policies:



Responsibilities and Procedures

1. Procedures for liaison and communication with participating employers

Delivery of a high quality administration service does not rest solely with the administering authority but is highly dependant on effective partnership working with participating employers and other statutory and advisory bodies.

This strategy takes account of participating employers' current pension knowledge, perception of current administration standards and specific training needs to ensure the required standard can be met.

Procedures for liaison and communication between the Buckinghamshire County Council Pension Fund and participating employers are contained within the Buckinghamshire County Council Pension Fund's Communication Policy.

http://www.buckscc.gov.uk/bcc/pensions/comms_policy.page?

1.1. Procedures for improving communication between the administering authority and participating employers

Effective communication between all parties concerned reduces errors, improves efficiency and nurtures better working relationships. Where performance monitoring shows there is cause for concern, the Principal Pensions Officer (Governance & Employer Liaison) will work closely with the participating employer to improve any weaknesses.

1.1.1. Newsletters

In addition to the quarterly employer newsletter, which notifies participating employers of scheme changes, fund performance and general scheme information, a performance newsletter will be issued twice yearly to coincide with the PFCG meetings highlighting areas where attention is needed.

1.1.2. Training

Buckinghamshire County Council as the administering authority will provide training and support to any participating employer where major issues are identified. At any time a participating employer may request an ad-hoc training session for which a charge may apply.

1.1.3. Website

The Buckinghamshire County Council Pension Fund website is reviewed and updated on a monthly basis. The website has relevant information for participating employers regarding scheme changes and all relevant policies agreed by the administering authority are published on the site. All employer newsletters are also available. The website address is: www.buckscc.gov.uk/pensions

1.2. Establishing levels of performance

1.2.1 Performance Standards

In relation to the entitlement of scheme members, the LGPS stipulates that certain decisions are to be made by either the administering authority or participating employer. In order to fulfil these requirements and also comply with disclosure legislation, Buckinghamshire County Council as the administering authority has agreed levels of performance between itself and participating employers prescribed under a SLA, attached as Appendix A to this strategy.

1.2.2. TUPE Transfers

Any existing participating employer planning a contract likely to involve a TUPE transfer of staff should contact their Employer Liaison Officer at the earliest opportunity. The Employer Liaison Officer will provide a guide detailing all of the options available to the participating employer, the process to be followed if Admitted Body status is required and the relevant charges that may apply including Actuary fees and Bond requirements.

1.2.3. Overriding legislation

In discharging their roles and responsibilities under the LGPS Regulations, the administering authority and participating employers are required to comply with overriding legislation such as:

- Pensions Act 1995 and associated disclosure legislation;
- Freedom of Information Act 2000;
- Age Discrimination Act 1998;
- Data Protection Act 1998;
- Disability Discrimination Act 1995;
- Finance Act 2004; and
- Health and Safety legislation.

The above are minimum requirements and in addition to these there are also local standards and best practice outlined below.

1.2.4. Internal Standards

These are standards detailed in the SLA and include:

- Compliance with all requirements in the SLA;
- Provision of information or notifications in the required format using forms/spreadsheets where relevant as provided in the SLA;
- All information or notifications to be legible and accurate;
- Communications to be in plain language
- Information provided to be checked for accuracy by another member of staff;
- A nominated pensions contact within each participating employer; and
- Information provided or decisions made within the timescales contained within the SLA.

1.2.5. Timeliness

Overriding legislation dictates minimum standards required in relation to certain actions, decisions and information to be provided by an administering authority and participating employers. In addition to these minimum standards the Buckinghamshire County Council Pension Fund has local performance measures to be met and which are used for monitoring purposes. These measures are contained within the SLA.

1.2.6. Data quality

In order to meet the targets set out in the SLA it is imperative that the data provided by participating employers is accurate. Data should be provided using the forms and spreadsheets provided with the SLA. This will ensure member records are correct and will enable the administering authority to submit accurate data as part of the triennial valuation. The administering authority will apply data quality control and review processes.

1.2.7. Employer Liaison Officers

Each participating employer will be allocated a specific Employer Liaison Officer as their main point of contact regarding any aspect of administering the LGPS.

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

Ensuring compliance is the responsibility of the administering authority and participating employers. The administering authority will work with its participating employers to adhere to all the appropriate legislation and provide support to ensure quality and timeliness of provision of data is continually improved. Various methods will be used to ensure compliance and service improvement such as:

2.1. Audit

The Buckinghamshire County Council Pension Fund will be subject to an annual audit of its processes and internal controls, with the County Council's Regulatory and Audit Committee applying scrutiny to the Fund. Both the administering authority and participating employers will be expected to comply with requests for information from internal and external auditors in a timely manner. Any subsequent recommendations will be implemented into the appropriate document.

2.2 Performance monitoring

The administering authority will report on each participating employer quarterly against specific tasks outlined in the Service Level Agreement. The administering authority will also monitor its own performance in accordance with the SLA and report outcomes to the Pension Fund Consultative Group. The Chartered Institute of Public Finance and Accountancy (CIPFA) Benchmarking will also be used to monitor performance.

2.3. Employer liaison meetings

Meetings with a member of the Employer Liaison Team and each participating employer will take place at least once during the triennial valuation period to review performance against targets and the quality of data exchange. More frequent meetings will be arranged for larger employers or where deemed necessary by either party.

2.4. Pension Fund Consultative Group

Regular reports on performance and other associated matters will be discussed at the Pension Fund Consultative Group (PFCG) at its twice yearly meetings.

2.5. Pension Fund Committee

The PFCG and the Pensions & Investments Team are ultimately accountable to the Pension Fund Committee (PFC). Any participating employer may be asked to attend a committee meeting for a particular purpose. The PFC's Terms of Reference can be found at:

http://www.buckscc.gov.uk/assets/content/bcc/docs/policy_plans_performance/constitution/constitution_3h_pension_fund_committee.pdf

2.6. Valuation

The Buckinghamshire County Council Pension Fund is subject to a triennial full valuation of its assets in accordance with the LGPS Regulatory Framework. Interim mini-valuations may also be undertaken at the discretion of the Pension Fund Committee. Both the administering authority and participating employers will be expected to comply with requests for information from the Actuary in a timely manner.

2.7. Year End and Annual Benefit Statements.

Annual year end processes will be circulated to all participating employers in a timely manner and be accompanied by a year end timetable which should be complied with. Outline details are within the SLA. Annual Benefit Statements will be sent to all participating employers by 31 March the following year for circulating to Scheme members. Further details on Annual Benefit Statements are outlined in the Communications Policy.

2.8. Treasury Management

A service level agreement exists between Buckinghamshire County Council's Treasury Management Service and the Pensions Team which is approved by the Pension Fund Committee.

Circumstances where the administering authority may levy costs associated with a participating employer's poor performance

Routine and cyclical activity is not directly charged to a participating employer.

Any additional costs incurred by the administering authority as a direct result of poor performance will be recovered from the participating employer or third party service provider. The circumstances where additional costs will be recovered include:

- Constant failure to provide relevant information to the administering authority, scheme member or other relevant party in accordance with the Service Level Agreement;
- Failure to pass relevant information to the scheme member or potential members due to poor quality or within the prescribed timescale;
- Failure to deduct and pay over correct employee and employer contributions to the Buckinghamshire Pension Fund within the prescribed timescales; and
- Payment of fines being levied on the administering authority due to an participating employers under-performance by the Pensions Regulator, Pensions Ombudsman or any other regulatory body.

The administering authority may also charge for other services. Details of all the charges that apply are detailed at Appendix B.

Procedures to address poor performance

The Principal Pensions Officer (Governance & Employer Liaison) will work with a participating employer at the earliest opportunity should they be failing to meet the requirements of the performance levels required under the SLA and ultimately this strategy. They will identify any underlying issues and assist any necessary training and development required to address the performance.

Steps to recover additional administration costs will only be taken where persistent failure occurs after intervention and support has been offered and undertaken by the Principal Pensions Officer (Governance & Employer Liaison). These steps will only be implemented once all opportunity to address performance issues are exhausted. The steps to be taken in these circumstances are:

- The participating employer will be written to setting out the areas of poor performance
- A meeting will be arranged with the participating employer to discuss the poor performance and to formulate a plan on how to address those areas
- Where a participating employer does not agree to a meeting or does not show improvement in line with action agreed during the meeting, a formal notice will be issued. This will detail the areas of poor performance identified, the steps taken to resolve those areas and that the additional costs will be recovered;
- The costs to be recovered will be clearly set out taking into account the time taken by the administering authority to resolve the specific area of poor performance; and
- Make the claim against the participating employer, giving reasons for doing so, in accordance with the Regulations.

Administering Authority poor performance will be reported to the Pension Fund Committee via the Pension Fund Consultative Group if applicable. Performance is monitored against the SLA and [Customer Charter](#).

Review Process

The administration strategy will be reviewed every 3 years unless circumstances dictate more regular review is required. The current version of the administration strategy will be available on our website www.buckscc.gov.uk/pensions under Policies and hard copies will be made available on request.

Roles and responsibilities of

Participating Employers

(‘the Employer’)

& Third Party Payroll Providers

(‘Payroll Provider’)

and

The Administering Authority

(‘BCC’)

in relation to administration of the

Local Government Pension Scheme 2008 for the

Buckinghamshire Pension Fund

Effective Date: 1 June 2010

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Summary Actions

Topic	Pg	Employer/Payroll Provider Action	BCC Action
New entrants	5-7	<p>Automatically enter an eligible employee into the LGPS from the first day of any new contract of employment.</p> <p>Employer/Payroll Provider will send the spreadsheets to BCC by email to pensions@buckscc.gov.uk by the 15th of each month</p>	Set up a pension record and issue a statutory notification within 6 weeks
Changes	8	On a monthly basis provide a spreadsheet to BCC by email to pensions@buckscc.gov.uk detailing all relevant changes	Update the member's record and issue a statutory notification within 6 weeks
Reduction in Pay	9	Keep payroll data for 11 years	Use the pay notified to them
Monthly Contributions	10	<p>Submit both employee and employer contributions to BCC by the 19th of the month following deduction</p> <p>The spreadsheet should be emailed to treasury@buckscc.gov.uk</p>	Check the monthly return form and allocate contributions within 6 weeks of receipt
Year-end Return	11	Email the annual return to pensions@buckscc.gov.uk no later than 30 April and the subsequent deadlines within the Year-end timetable adhered to	Upload the data and adhere to the subsequent deadlines within the Year-end timetable

Additional Contributions	12-13	Commence, change or cease AVC deductions and pay the monthly contributions to the AVC provider no later than the 19 th of the month following deduction Commence, change and cease ARC deductions and pay over these amounts along with the regular monthly contributions	Notify the Employer/Payroll Provider of AVCs commencing Notify the Employer/Payroll Provider of ARCs commencing, changing or ceasing
Opt-outs	14	Action a request to opt-out and take the necessary refund/leaver action	Forward an opt-out form, email or letter to the Employer/Payroll Provider
Unpaid Leave	15-16	Deduct contributions on any mandatory periods and assess arrears on any optional periods and email the spreadsheet to pensions@buckscc.gov.uk	Update the member's record and issue a statutory notification within 6 weeks
Estimates	17	Email Employer Request for Estimate of Retirement Benefits" form to pensions@buckscc.gov.uk	Will provide estimate of benefits within 10 working days of receipt
Leavers	18	Email a completed leaving form by the 15th of the month following the month in which the member left	Will notify the member of their benefits within 20 working days of receiving the leaving form
Retirement	19-21	Email a completed retirement leaving form and any required certification to BCC at least 3 weeks before a member's retirement date	Calculate the pension benefits and write to the member detailing their options within 10 working days
Death in Service	22	Obtain certification if possible and email the appropriate leaving form to BCC within 5 working days of the Employer/Payroll Provider receiving notification of the member's death	Calculate the benefits due and write to the next of kin within 5 working days

Service Level Agreement

Agreement between

The Pensions Section of Buckinghamshire County Council ('the provider') and XXXX ('the user') for pension services for the period 1 June 2010 to 31 May 2011.

Specification

The services to be provided, agreed with the user are described in the specifications.

Contact point for queries

Provider
Pensions & Investments Manager
Buckinghamshire County Council
Pensions Section
County Hall
Aylesbury
HP20 1UD
01296 383755
pensions@buckscc.gov.uk

User
XXXX

Signed:

Name: Clive Palfreyman
Title: Assistant Head of Finance (Managed Services)
Date: XXXX

Signed: XXXX
Name: XXXX
Title: XXXX
Date: XXXX

1. Basic Agreement

1.1 Service Level Agreement between 'the user' and 'the provider'

'The user' requires the provision by 'the provider' of the services listed herein conforming to the standards specified in this document.

1.2 Definitions

The Participating Employer or Third Party Payroll Provider is hereafter known as 'the user' or 'Employer/Payroll Provider'.

Buckinghamshire County Council is hereafter known as 'the provider' or 'BCC'.

1.3 Period of Agreement

This Agreement shall remain in force for a period of one year from 1 June 2010, unless otherwise specified.

Variation of individual clauses and/or performance standards during the term of the Agreement must be agreed in writing between both parties and, when agreed, shall then become part of the original Agreement.

1.4 Indemnity

BCC indemnifies the user against any claims or loss of income or additional expenditure resulting from the proven negligence of BCC or its officers or any agent or company employed by BCC in the performance of services under this Agreement.

1.5 Monitoring and Review

Meetings shall be held by BCC and the user to monitor and review this Agreement as necessary and full reference will be made to the Pensions Administration Strategy and provisions therein.

In the event that BCC fails, except due to events outside its control, to provide a service in accordance with the Service Level Agreement, including any deadlines therein, it shall meet any reasonable cost or loss incurred by the user, its staff or scheme members.

1.6 Dispute Resolution

Should a disagreement arise in respect of the application of the Pensions Administration Strategy or this Service Level Agreement, both parties will work together to resolve the dispute in an appropriate and timely manner.

New Entrants to the Scheme

All new employees under the age of 75 should be brought into the pension scheme immediately, EXCEPT FOR:

- Casual workers where there is no mutuality of obligation. This group of workers are not eligible to join the scheme.
- Fixed term contracts of less than 3 months. This group of workers are not eligible to join the scheme. If their contract is extended to take them over 3 months, they must be brought in from their next pay day. If you are a Part 1 Scheduled body you must offer the member the option to backdate their membership to the date they started their employment. If you are a Part 2 Scheduled body or an Admitted body the employee cannot backdate their entry to the date they started. Details of Part 1, Part 2 and Admitted Bodies can be found at:
<http://timeline.lge.gov.uk/LGPS2008Regs/SI20093150/20080239.htm#>

Employees will pay contributions in accordance with the table below.

Band	Range (£) *	Contribution Rates (%)
1	0.00 - 12,600.00	5.5
2	12,601.00 - 14,700.00	5.8
3	14,701.00 - 18,900.00	5.9
4	18,901.00 – 31,500.00	6.5
5	31,501.00 – 42,000.00	6.8
6	42,001.00 – 78,700.00	7.2
7	78,700.00 or over	7.5

* The band ranges will increase in line with the Retail Price Index (RPIX) each April from 2011.

Part-time and Term-time workers:

Where a member of the scheme works part-time, their pay is pro-rated to its full-time equivalent for the purpose of assessing which band applies to them.

If the member is a term-time only employee because of the nature of the job (e.g. an employee who works as a learning support assistant at a school), their full-time equivalent is based on the number of term-time weeks plus their holiday entitlement.

For example:

$$\begin{aligned} &39 \text{ weeks term} + 4.6 \text{ weeks holiday} = 43.6 \text{ weeks} \\ &37 \text{ hours per week, } 43.6 \text{ weeks per year} \end{aligned}$$

Where an employee chooses to work term-time only to suit their lifestyle, they are classed as a part-time worker and the above provisions for part-time workers would apply.

Example of part-time employee who voluntarily works term-time weeks:

37 hours per week, but works 43.6 weeks (including holiday entitlement) by choice rather than due to the nature of the employment.

Band Assessment: $\pounds 1,480.09 \times 12 \times 52/43.6 = \pounds 21,182.94$, therefore Band 4 (6.5%) applies.

Actual monthly pay: $\pounds 1,480.09$

Monthly contribution: $\pounds 96.21$

Example of full-time, Term-time only employee:

37 hours per week, term-time only due to the nature of the employment (employed at a school) 43.6 weeks per year.

Band Assessment: $\pounds 1,480.09 \times 12 = \pounds 17,761.08$, therefore Band 3 (5.9%) applies

Actual monthly pay: $\pounds 1,480.09$

Monthly contribution: $\pounds 87.33$

Action required by the Employer/Payroll Provider:

When setting up a new payroll record for an employee, the Employer/Payroll Provider will automatically enter an eligible employee into the pension scheme from the first day of employment.

If an employee who is not a scheme member opts-in to the pension scheme, the Employer/Payroll Provider will bring the employee into the pension scheme from their next pay date. An employee on a fixed term contract of less than 3 months who has it extended beyond 3 months will be entered into the scheme from their next pay date and, if eligible, the option to backdate to the date of starting the employment will be offered.

You must issue the employee with a written notification detailing which band you have allocated them to, notifying them of their right to appeal against this, or any of the decisions you have made in relation to their pensionable status.

On a monthly basis, the Employer/Payroll Provider will provide a spreadsheet to BCC by email to pensions@buckscc.gov.uk, detailing all new entrants to the pension scheme. The spreadsheet should be submitted by 15th of the month following the month payroll action was taken. An example of the spreadsheet is attached. Only the highlighted columns should be completed by the Employer/Payroll Provider and should contain the following information:

- Payroll number
- Home address
- Post code
- NI number
- Surname
- Forenames
- Title
- Sex
- Marital status – optional
- Date of Birth
- Date joined Fund
- Actual remuneration/Full-time equivalent pay
- Contribution rate
- Part-time Indicator
- Part-time hours
- Name of School (if applicable)

Action required by the Employer/Payroll Provider:

Each month the Employer/Payroll Provider will send the spreadsheets to BCC by email to pensions@buckscc.gov.uk by the 15th of the month. The Employer will issue the original statutory notification as detailed below to the employee, retaining the copy for their records.

Action required by BCC:

On receipt of the above spreadsheet, BCC will set up a pension record on their system for each employee. Within 6 weeks a statutory notification will be produced confirming the employee's pensionable status. An original and a copy will be sent to the Employer. The original should be issued to the employee and a copy retained by the Employer for their records.

Changes

Any changes that occur during membership must be notified immediately to BCC. Failure to notify BCC of these changes promptly may; delay the issue of an annual benefit statement, result in an incorrect statement being issued and could also affect the calculation of the member's benefits when they leave or retire. Incorrect data being provided to the Fund Actuary at the triennial valuation will affect the Employer rate set and it could incur an additional administration charge in accordance with the Buckinghamshire County Council Pension Fund Pension Administration Strategy.

You may have decided to review employees' contribution bands where there is a change that will move them from one band to another.

On a monthly basis the Employer/Payroll Provider will provide a spreadsheet to BCC detailing all relevant changes. Examples of the spreadsheets are attached. Only the highlighted columns should be completed by the Employer/Payroll Provider and should contain the following information:

Hour/Band/Name Changes:

- NI number
- Payroll number
- Surname
- Forenames
- Date commenced current pensionable service
- New part time hours or percentage
- Previous part time hours or percentage
- Date of change
- Full time equivalent salary
- Contribution rate

Address Changes:

- NI number
- Address
- Name

Action required by the Employer/Payroll Provider:

Each month the Employer/Payroll Provider will send the spreadsheets to BCC by email to pensions@buckscc.gov.uk, detailing all relevant changes to member's records. The spreadsheet should be submitted by 15th of the month following the month payroll action was taken. This will include changes of hours or weeks worked, change of salary where the change affects the contribution band, change of name and change of address.

The Employer will issue the original statutory notification as detailed below to the employee, retaining the copy for their records.

Action required by BCC:

On receipt of the above spreadsheet, BCC will amend the member's record with the information provided. Within 6 weeks of receiving the spreadsheet a statutory notification will be produced confirming the employee's change of pensionable status. An original and a copy will be sent to the Employer. The original should be issued to the employee and a copy retained by the Employer for their records.

Reduction in Pay

Final pensionable pay is normally based on the full-time equivalent pay for the last 12 months. If either of the two previous years' pay is higher, either of these two preceding years may be used, calculated to the anniversary of the member's last day of service.

If, on or after 1st April 2008 and within 10 years of leaving, a member (voluntarily or compulsorily) has restricted pay, reduces their grade or moves to a position with less responsibility, the employee can choose to use the average of any 3 consecutive years pay in the last 10 years ending on a 31st March (plus RPI from the end of the 3 year period). Certain exclusions apply (reduction as a result of flexible retirement) and the Pensions Section should be contacted for any clarification.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to ensure that payroll data is kept for 11 years in respect of cases falling into this category.

Action required by BCC:

BCC will use the final pensionable pay as notified to them by the Employer/Payroll Provider.

Monthly Contributions

Pension contributions will be paid over to the BCC Pension Fund each month, no later than 19 days following the month in which the deduction was made.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will need to submit both employee and employer contributions to BCC by the 19th of the month following deduction along with an Excel spreadsheet (attached). The spreadsheet allows the Employer/Payroll Provider and BCC to check the contributions paid.

- On the form there are two tabs that have input areas where data needs to be entered and a third tab that only contains data for a look-up table.
- On the **Summary Sheet** and **Employee Data** tabs the data input areas have been highlighted in yellow.
- There are some checks in the **Employee Data** tab – these are meant to be warnings of potential errors and can be ignored if the employer is satisfied that the information is correct.
- The form contains some example data to illustrate how the form works. This dummy data should be deleted before the form is used.

The full instructions for completing the monthly return can be found in the appendices. If you have any questions or require any assistance with completing this form, please email treasury@buckscc.gov.uk . The treasury team will get back to you as soon as possible.

Once completed, the monthly return form should be emailed to treasury@buckscc.gov.uk

Action required by BCC:

With 6 weeks of receipt, BCC will check the monthly return form and allocate the contributions to each Employer.

Year-end Return

A year-end return must be supplied to BCC detailing employee and employer pension contributions up to 31 March. BCC will send an email to the Employer/Payroll Provider in February with the spreadsheets to be used. The spreadsheets must be completed and returned to BCC on or before 30 April.

Action required by Employer/Payroll Provider:

The return should be emailed to pensions@buckscc.gov.uk no later than 30 April. In order to support the year-end process a timetable has been put in place to aid the issue of annual benefit statements and submission of data in relation to the triennial valuation. The timetable can be found in the Appendices.

Action required by Buckinghamshire County Council:

On receipt of the spreadsheet, BCC will load the data onto their system. The employee's pension contributions will be converted to a pensionable pay figure for the year.

If there is an increase of more than 10% or a reduction in pay of any amount, when compared with the previous year's pay figure, an error will be generated. BCC will attempt to clear all errors from information already held. Those errors which cannot be resolved will be sent to the Employer/Payroll Provider to resolve. The main reason for the variance in pay could be a change in hours, the member has left, or had a period of unpaid leave/sickness/maternity leave and BCC have not been notified. All Employers/Payroll Providers will be issued with a guide to assist them with responding to year end queries and providing relevant information to enable those queries to be resolved at the first attempt.

Once all queries have been resolved by the Employer/Payroll Provider, BCC will amend the records on their system. Annual benefit statements can then be produced. These will be issued to the Employer for internal distribution to members, or the Employer may request that BCC issue the statements to members' home addresses. The Employer/Payroll Provider will need to provide an up-to-date spreadsheet of members' home addresses and will be charged for the postage.

Full details of the deadlines applicable can be found in the Year-end Timetable in the Appendices.

Additional Voluntary Contributions (AVCs)

Members may make an election, at any time, to pay AVCs. Members can choose between our two AVC providers, Clerical Medical and Prudential.

New Contributors

Action required by BCC:

Members will be asked to send their application form to BCC. BCC will copy the form for their records and update their system. BCC will then forward the original form with the member's signature on to the Employer/Payroll Provider for action.

Action required by the Employer/Payroll Provider:

On receipt of the original AVC application form from BCC, the Employer/Payroll Provider should check the amount does not exceed 50% of monthly taxable pay and set up the deduction on payroll. The deduction may be expressed as a percentage or as a monetary amount. The Employer/Payroll Provider should NOT action an application form directly from the member. The form should be forwarded to BCC and the Employer/Payroll Provider should take no action unless notified by BCC.

Procedure for changes to AVCs in payment

Action required by the Employer/Payroll Provider:

Members will be told to email or write to the Employer/Payroll Provider if they wish to alter or stop their AVC contributions. The Employer/Payroll Provider should either send a copy of the letter or forward the email to BCC, confirming the necessary action has been taken. The Employer/Payroll Provider is responsible for checking that the revised amount does not exceed 50% of monthly taxable pay.

Action required by BCC:

On receipt of the confirmation from the Employer/Payroll Provider, BCC will update their system.

Monthly AVC pay over

Action required by the Employer/Payroll Provider:

AVC payments in respect of members must be paid over to Clerical Medical and/or Prudential no later than 19 days following the month in which the deduction was made. A schedule is to be emailed to Clerical Medical and/or Prudential showing a breakdown of the amount paid by each member. A new contributor schedule is also to be sent each month, if there have been new contributors that month, detailing the names of new contributors, their NI numbers, amount paid and their chosen investment option.

If you have any queries regarding paying over contributions, please contact the provider directly at:

- Prudential – Natalie Read, email: Natalie.Read@prudential.co.uk
- Clerical Medical – Becky Diamond, email: Rebecca.Diamond@clericalmedical.co.uk

Action required by BCC:

No action is required by BCC.

A member may request an estimate from BCC or use the online calculator available on the BCC website for the purchase of additional pension by means of ARCs. If the member wishes to proceed with the purchase, the contract will commence from their next pay date, for a period chosen by the member. ARCs will always be a fixed monthly amount (but may be subject to review by the Government Actuary's Department).

Some members may be paying additional contributions to buy added years - these contracts are payable up to the eve of the member's earliest retirement age. Elections to purchase added years must have been made by 31 March 2008 so although deductions will continue for contracts in force, there will be no new contracts. A change in hours will require a re-assessment by BCC to the level of membership purchased/amount to be deducted.

Action required by Buckinghamshire County Council:

On receipt of the member's application, BCC will update their records and notify the Employer/Payroll Provider by email to commence ARCs, detailing the deduction period and the deduction amount. On receipt of a change in hour's notification, BCC will re-assess the level of membership being purchased and notify the employer if there is to be any change in the contributions deducted. BCC will confirm via e-mail to the Payroll Provider when any added years contributions should cease.

Action required by the Employer/Payroll Provider:

Upon receipt of the above email, the Employer/Payroll Provider will set up the ARCs as instructed or make changes to the added year's deduction. This will be paid over to BCC each month, along with the standard monthly LGPS contributions.

Opt outs

A member may opt-out of the pension scheme at any time by notifying the Employer/Payroll Provider in writing that they wish to do so. This is normally done by completing the opt-out form available on the website, or by email/letter to the employer's payroll department/provider. Once a member has been in the pension scheme for 3 months (or has transferred in previous pension rights) they cannot have a refund of their contributions.

Action required by the Employer/Payroll Provider:

A member must notify the Employer/Payroll Provider directly if they wish to opt out of the pension scheme by filling in the opt-out form or by email/letter to the Employer/Payroll Provider. The Employer/Payroll Provider must retain a copy of the election to opt out. The employee should be taken out of the scheme from the month in which their election is received.

- If the option is received within 3 months of commencement, the Employer/Payroll Provider will refund all pension contributions deducted and adjust payroll for tax and National Insurance.
- If the member has been in the scheme for more than 3 months, they cannot have a refund of their contributions and the "Early Leaver" form needs to be completed.

If the Employer/Payroll Provider has previously entered this person on the monthly new starter spreadsheet, an email should be sent to BCC notifying them that the member has opted out, confirming that all contributions have been refunded and the necessary adjustments have been made for tax and National Insurance.

If the person has not been entered on the spreadsheet, BCC do not need to be notified that they have not joined.

Action required by BCC:

If BCC receive an opt-out form, letter or email from the member who wants to opt-out, they will forward it to the Employer/Payroll Provider for action.

Authorised Unpaid Leave

Pension contributions must be deducted for the first 30 days of authorised unpaid leave. This can be done either before or after the person takes the leave. If the leave exceeds 30 days, the member may elect to buy back the period in excess of the 30 days, up to a maximum period of 36 months.

The member should elect within 30 days of their return if they want to buy back the period, but the Employer has discretion to extend this deadline. The contributions may be deducted as a one-off lump sum or over a period of time as agreed by the Employer. The contributions must be deducted directly from the member's pay - the member should not send in a cheque, as they will not get the tax relief due. The member may continue to pay AVCs and must pay any amounts in respect of added years or ARCs based on the pay they would have received but for the authorised unpaid leave.

Action required by the Employer/Payroll Provider:

The Employer/Payroll Provider will take pension contributions for the first 30 days of any period of unpaid leave. If the leave exceeds 30 days, the Employer/Payroll Provider will calculate the arrears due for the period and contact the member, giving them the option to pay the arrears in order for the service to count for pension purposes. Whatever the member's decision, BCC must be notified of the dates on a monthly basis and whether or not pension contributions have been paid. This can be done on the Arrears/Absence spreadsheet which should be submitted by 15th of the month following the month payroll action was taken.

Action required by BCC:

On receipt of the confirmation from the Employer/Payroll Provider, BCC will update the member's record with the dates. Within 6 weeks a statutory notification will be produced confirming the employee's pensionable status. An original and a copy will be sent to the Employer. The original should be issued to the employee and a copy retained by the Employer for their records.

Maternity Leave

Contributions should be taken on all pay up to the point where the member goes on to nil pay. The member has the option to pay arrears of contributions for the unpaid period upon their return to work. Employer contributions must be paid on the notional pay the member would have received up until they go onto unpaid leave. The member may continue to pay AVCs and must pay any amounts in respect of added years or ARCs based on the pay they would have received but for the maternity leave.

Action required by the Employer/Payroll Provider:

Calculate the arrears due for the unpaid period and contact the member giving them the option to pay the arrears in order for the service to count for pension purposes. The arrears should be based on the weekly pay in the last week the member was paid, i.e. half pay plus SMP, or just SMP. This should be multiplied by the number of weeks and days (each day expressed as 1/7) multiplied by the contribution rate. Whatever the member's decision, BCC must be notified of the dates and whether or not pension contributions have

been paid. This can be done on the Arrears/Absence spreadsheet which should be submitted by 15th of the month following the month payroll action was taken.

Please note: if the employee elects to pay for the unpaid leave, employer contributions must be paid by the Employer, based on the notional pay the member would have received if they had not been on leave.

Action required by BCC:

Within 6 weeks of receipt of the confirmation from the Employer/Payroll Provider, BCC will update the member's record with the dates and produce a statutory notification. An original and a copy will be sent to the Employer. The original should be issued to the employee and a copy retained by the Employer for their records.

Strike

Pension contributions should not be deducted for strike days. However, the member may elect for contributions to be deducted after the strike. These must be deducted based on 16% of pay for each strike day. The member should elect within 30 days of the strike break in order for the period to count for membership, or such longer period as the Employer allows. Employer contributions are not payable on strike days. The member may continue to pay AVCs and must pay any amounts in respect of added years or ARCs based on the pay they would have received but for the strike days.

Action required by the Employer/Payroll Provider:

BCC need to be notified via the Arrears/Absence spreadsheet, which should be submitted by 15th of the month following the month payroll action was taken, with the names and NI numbers of all members who have taken strike action, confirming whether or not the member elected to buy back the strike days.

Action required by BCC:

On receipt of the confirmation from the Employer/Payroll Provider, BCC will update the member's record with the dates. If the member elected not to pay for a strike period BCC will produce a statutory notification, within 6 weeks of notification. An original and a copy will be sent to the Employer. The original should be issued to the employee and a copy retained by the Employer for their records.

Sick Leave

Contributions should be taken on all pay up to the point where the member goes onto no pay. The member does not have to buy back unpaid sick leave as this automatically counts for pension purposes. Employer contributions are payable on all pay up to the point where the member goes onto no pay.

It will not affect their pension record, but BCC do need to be told when a member goes onto half or no pay, otherwise the lower total contributions notified at year-end will cause an error warning and generate a query. This can be recorded on the Arrears/Absence spreadsheet.

Estimates

BCC will provide estimates of pension benefits upon a request from the Employer. To request an estimate, the Employer should email the "Employer Request for Estimate of Retirement Benefits" form to pensions@buckscc.gov.uk. The form includes the following information:

1. **Member's name**
2. **National Insurance number**
3. **Payroll reference number**
4. Proposed last day
5. Pensionable pay to be used
6. Type of retirement
 - Normal retirement – Age 65
 - Late retirement – After age 65
 - Early retirement – Age 60 to 64
 - Redundancy and efficiency – Age 55
 - Ill health retirement – Any age¹
 - Employer consent – Age 55
 - Flexible retirement - Age 55

Please refer to the section detailing the different types of retirement if you are not sure what type of retirement is required. If in doubt, phone BCC for advice.

Members may request estimates themselves but only for early, normal or late retirement from the age of 60. If a member makes a request, BCC will email the Employer/Payroll Provider for the pensionable pay figure for the 12 months up to the date of the proposed retirement, or the highest of the previous two years if applicable. The Employer/Payroll Provider will provide the pensionable pay figure to BCC within 5 working days of receipt of the request.

All other estimate requests must come from the Employer using the form provided as they are not voluntary and can only be triggered by the Employer.

Figures will be provided within 10 working days of the request providing all the relevant information has been provided and there are no outstanding queries on the member's record.

For redundancy, efficiency, employer consent or flexible retirement estimates, the Employer **must** have a Discretionary Policy.

PLEASE NOTE: BCC will provide two pension estimates per member per year to an Employer as part of this SLA. If further quotes are required in a rolling year BCC will charge £10 plus VAT for each additional estimate.

¹ BCC is unable to provide an ill health retirement estimate until the person has been referred to Occupational Health and the tier of ill health retirement confirmed.

Leavers

When a member leaves the scheme BCC are required to notify the member of their deferred benefit entitlement within 3 months of their last day of scheme membership.

Action required by the Employer/Payroll Provider:

In all cases a completed leaving form is required. This should be emailed to BCC by the 15th of the month following the month in which the member left.

A final pay calculator is provided to assist Employers/Payroll Providers with the calculation of final pay.

Action required by Buckinghamshire County Council:

On receipt of the fully completed leaving form, BCC will calculate the member's deferred benefits and notify the member within 20 working days.

Retirement

Retirement can take many forms:

Normal retirement

Normal retirement occurs when a member ceases employment at the age of 65. The retirement date is the eve of their 65th birthday and the pension comes into payment on their 65th birthday.

Late retirement

A member can remain in the scheme until 2 days before their 75th birthday. If a person retires after age 65 it is considered a late retirement.

Early retirement

A member can elect to retire at any age between 60 and 65 and claim their pension benefits. If the member has reductions to their benefits, their pension benefits are not paid automatically. The member will be given the option to take reduced benefits from the date of retirement, or to leave the benefits preserved until a later date.

Redundancy and efficiency

If a member has attained the age of 55 and leaves on grounds of redundancy or business efficiency, the pension benefits are payable immediately, without reduction for early payment.

Ill Health retirement

If a member's employment is terminated because of permanent ill health, and the member has at least three months membership, the pension payable is to be based on the member's accrued membership;

1st Tier

- plus 100% of prospective membership between leaving and age 65 where the member has no reasonable prospect of being capable of obtaining gainful employment¹ before age 65, or

2nd Tier

- plus 25% of prospective membership between leaving and age 65 where the member is unlikely to be capable of obtaining gainful employment within a reasonable period of time but is likely to be able to be capable of obtaining gainful employment¹ before age 65.

3rd Tier

- with no enhancement where the member is likely to be able to obtain gainful employment² within three years of leaving and are payable for so long as he is not in gainful employment².

¹ Gainful employment is defined as "paid employment for not less than 30 hours per week for a period of not less than 12 months".

If tier 3 is awarded:

The person must inform the authority if they obtain employment; and answer any inquiries made by the authority as to their current employment status, including their pay and working hours.

Once benefits have been in payment to a person for 18 months, the employer must make inquiries as to the person's current employment. If they are not in gainful employment, the employer must obtain a further certificate from an independent registered medical practitioner (IRMP) as to whether:

- the person no longer has a reduced likelihood, in which case the pension should cease
- the tier should remain at tier 3, in which case the employer must review again in a further 18 months time, or
- the tier should be reassessed to tier 2

The employer shall notify BCC to discontinue the payment of benefits under if they consider;

- that the person is in gainful employment; or
- in reliance on the certificate obtained from an IRMP, that they are capable of obtaining such employment
- and may recover any payment made in respect of any period before discontinuance during which they consider them to have been in gainful employment.

The employer shall in any event notify BCC to discontinue the payment of benefits under tier 3 after they have been in payment to a person for three years.

The employer must forthwith notify BCC and the person of any action they have taken as detailed above. If the pension is to cease the employer must confirm to all parties the date that the cessation takes effect. If the tier has been reassessed the employer must provide BCC with a copy of a certificate from an independent registered medical practitioner

Employer consent

A member who has attained the age of 55, and is under the age of 60, can ask for early payment of benefits. The request must be made in writing to the Employer (or former Employer where the member has already left). It will be at the Employer's discretion to agree to payment of benefits.

If the member's age plus relevant service (in complete years) equal 85 or more, the benefits will be paid without reduction; if they do not, they will be reduced accordingly. The Employer may waive any reductions on compassionate grounds. The term 'compassion' is not defined within the Regulations - a decision to exercise compassion must be seen to be fair and justifiable.

The opportunity to request early payment of benefits can be a member-led option or used by the Employer as an alternative to redundancy or efficiency.

Flexible retirement

From the age of 55 and with their employer's consent, a member can retire, draw pension benefits in full or in part and continue to work in the same role, but with a reduction in hours and/or grade. This is an Employer discretion and all employers must have a Flexible Retirement Policy.

Action required by the Employer/Payroll Provider:

In all cases of retirement a completed leaving form is required. This should be emailed to BCC at least 3 weeks before a member's retirement date. You do not need to wait until you have made your final salary payment as BCC do not need the P45 at this stage, the P45 can be sent later. A final pay calculator is provided to assist Employers/Payroll Providers with the calculation of final pay.

If the person is retiring on grounds of:

- a) **Redundancy/Efficiency - The Employer must complete the Early Retirement Certificate. This must be signed by a person authorised by the Employer to sign off early retirements.**
- b) **Employer consent/Flexible retirement– The Employer must complete the Early Retirement Certificate. This must be signed by a person authorised by the Employer to sign off early retirements.**
- c) **Ill Health – The ill health certificate as issued by Occupational Health must be sent to BCC. If the employee is awarded Tier 3 Ill Health Retirement the employer must take the necessary action as defined in the LGPS (Benefits, Membership & Contributions) Regulations, summarised above. They must notify BCC and the employee of any decision they make. They must provide BCC with a copy of the notification they send to the employee.**

For retirements detailed at a) and b), the Employer must have a Discretionary Policy. Please note that pensions are paid on the last working day of each month. The 'close down' for payroll input is the 15th of each month.

Action required by Buckinghamshire County Council:

On receipt of the Leaving form and Early Retirement/Ill Health Certificate (if appropriate), BCC will calculate the pension benefits and write to the member detailing their options within 10 working days.

When the member has returned their forms, BCC will pay the lump sum and commence payment of the member's pension on the next available payment run.

In the case of Tier 3 ill health retirement; on receipt of a revision of tier and ill health certificate, BCC will notify the person of the pension benefits payable within 10 working days. On receipt of a notice to cease an ill health pension, BCC will take the necessary action within 10 working days, including writing to the person to recover any overpayment.

Cost of early retirement (Pension Strain)

When benefits are paid earlier than normal, there may be a cost to the BCC Pension Fund. If an Employer decides to retire someone early (other than on ill health grounds or in some flexible retirement cases) they will be required to pay a contribution to meet the cost of the strain on the fund. This is known as Pension Strain. The cost may be paid as a one-off lump sum or spread over a 5 year period with 7½% compound interest.

If there is a pension strain, BCC will contact the Employer in May each year detailing the pension strain costs for the year. Employers will be asked how they wish to pay, either up front or spread over 5 years.

Death in Service

If a member dies in service there is a death grant payable of three times their annual pensionable pay. If the member has completed a death grant nomination form, the death grant can be paid straight away to the person or persons nominated (subject to the discretion of BCC), otherwise BCC has discretion regarding payment.

If there is a widow, widower, civil or nominated cohabiting partner and/or eligible children, there may be pensions payable to them.

Action required by the Employer/Payroll Provider:

If possible, please obtain a copy of the death certificate and where appropriate copies of the birth and marriage/civil partnership certificates from the widow/widower/civil partner and copies of birth certificates of any eligible children.

The Employer/Payroll Provider will need to notify BCC of the member's death using the "Notification of Employee Leaving where Pension Benefits will be Paid" form, giving the name and address of the person/next of kin to contact. Notification should be made within 5 working days of the Employer receiving notification of the member's death.

Action required by BCC:

On receipt of the leaving form BCC will calculate the benefits due and write to the next of kin within 5 working days.

Requests for general information and advice

From time to time BCC require additional information in order to provide scheme members with details of their pension entitlement. BCC may make additional requests for general information outside of the normal cycle for receipt of information.

From time to time Employers/Payroll Providers may require information or advice from BCC regarding a scheme member's pension entitlement.

Requests from either party for information/advice should be responded to within 5 working days of receipt of the request.

Scheme Literature

Various forms can be obtained from BCC by telephoning 01296 383755, by email request to pensions@buckscc.gov.uk or preferably by accessing our web pages at www.buckscc.gov.uk/pensions

Current literature includes:

- **A Brief Guide to the LGPS**
- **Death Grant Expression of Wish form**
- **Cohabiting Partner Nomination form**
- **Transfer Quote Request Pack**
- **LGPS Interfund Transfer form**
- **LGPS Opt-Out form**
- **LGPS Opt-In form**
- **A retirement guide for members retiring**
- **AVC promotional literature**

BCC offers a variety of presentations available to scheme members and training sessions available to Employers.

Presentations include:

- **Induction – For new employees**
- **Midlife Planning course**
- **Pre-Retirement course**

These courses are available upon request by Employers. Employers must provide the venue and notify employees concerned of its availability. Due to a high demand for courses, BCC cannot offer this service to groups of less than 20 people. A course will be cancelled unless the required number of employees is available. A charge may apply dependant on the number of courses an Employer requests.

To arrange a presentation, please email pensions@buckscc.gov.uk

Training

BCC are happy to visit Employers/Payroll Providers to go through this guide in detail. They will also offer assistance to Employers/Payroll Providers when filling in their annual LGPS returns.

Triennial Meeting

A meeting is held every three years in Autumn in the year prior to the Fund valuation. Reports are given on the performance of the Fund, benefit entitlements and details of any changes due to take place in the following year. There are opportunities for Employers to raise questions. Details of the annual meeting will be publicised in the quarterly employer newsletter.

Employer Discretions

Discretion to permit late inward transfer of pension rights

Members should express their interest to transfer in previous pension rights within 12 months of joining the scheme. If a member applies to transfer in previous pension rights more than 12 months after joining, the late transfer can only be investigated with the Employer's permission.

Discretion to permit flexible retirement

Retirement before the age of 60 is at the Employer's discretion only. Employers must have a policy on Early Retirement, which must be reviewed regularly.

Discretion to permit early payment of pension

An active or deferred member of the pension scheme aged 55 or more may apply for early payment of their retirement benefits. The Employer must have a policy on whether to allow such requests.

Discretion of employer to increase total membership of active member **Augmented years can be granted to a member at any time or any age. Employers do however normally decide to augment at retirement.**

Discretion of employer to award additional pension

Employers can award up to £5,000 additional pension at retirement.

For help or advice on any of the above discretions, please contact the Principal Pensions Officer (Governance & Employer Liaison).

Buckinghamshire Pension Fund
County Hall
Aylesbury
Buckinghamshire
HP20 1UD
01296 383755
pensions@buckscc.gov.uk
www.buckscc.gov.uk/pensions

APPENDICES

- I. Instructions for completing the Monthly Return spreadsheet
- II. Year-end Timetable
- III. Employer Request for Estimate of Retirement Benefits
- IV. Notification of Employee Leaving where Pension Benefits will be Paid
- V. Notification of Employee Leaving Early
- VI. Early retirement certificate
- VII. Notes on Pay: Pensionable, Final & Actual
- VIII. Protected Members/Early Payment of Pensions

Instructions for Completing the Monthly Pension Form

- The purpose of the form is to allow both the Employer and BCC the opportunity to check contributions paid.
- The form has been designed to be completed and returned as an Excel file.
- On the form there are two tabs that have input areas where data needs to be entered and a third tab that only contains data for a look-up table.
- On the *Summary Sheet* and *Employee Data* tabs the data input areas have been highlighted in pale yellow.
- There are some checks in the *Employee Data* tab – these are meant to be warnings of potential errors and can be ignored if the employer is satisfied that the information is correct.
- The form contains some example data to illustrate how the form works. This dummy data should be deleted before the form is used.

The *Summary Sheet* Tab

In the second tab titled “*Summary Sheet*” five pieces of information need to be entered into the highlighted yellow areas: -

1. The employer/contributing body name.
2. The contribution rate that applies to the employer/contribution body.
3. The month the pension contributions relate to.
4. The month the pension contributions were paid over to the Pension Scheme.
5. The employer contribution paid over.

All the other parts of the form summarise information from the *Employee Data* tab and do not require any input.

The *Employee Data* Tab

On the third tab titled “*Employee Data*” tab six pieces of information are required for each employee’s contribution for the month: -

1. Employee’s NI number.
2. Monthly pensionable salary.
3. Employee contributions paid based on pensionable salary.
4. Other employee contributions (excluding AVCs).
5. The percentage of a whole time equivalent that the employee works.
6. The employee’s pension band range.

Once this information has been downloaded/input into the form the columns to the right will be populated confirming employee contribution rates, contribution overpayment/ underpayment, band ranges and a check on whether the pension band range looks reasonable.

These checks are only meant to be a guide to whether the data is correct.

Completion of form

Once the contribution data for the month has been entered into the form's tabs please check the summary form.

In particular, please check that the "total contributions paid over" box on the summary sheet agrees with amount you have paid / are going to pay to BCC.

Return Instructions

On completion the form should be emailed to treasury@buckscc.gov.uk .

Help

If you have any questions or require any assistance with completing this form, please email treasury@buckscc.gov.uk with your query and they will get back to you as soon as possible.

Task	Date	Responsibility
Annual Return issued	28 February	Pensions
Completed Annual Return returned	30 April	Employer
Employers with less than 100 Scheme members		
Contributions posted and Pensionable pay update run	Within two weeks of receipt of annual return	Pensions
1 st queries issued to employer	Within one week of pensionable pay update	Pensions
Response to queries received	Within three weeks of receipt of queries	Employer
Responses processed	Within one week of responses being received	Pensions
Further queries issued	Within one week of responses being received	Pensions
Responses to further queries	Within one week of receipt of queries	Employer
Further queries processed	Within one week of receipt	Pensions
Annual Benefit Statements issued	Within two weeks of year end queries being resolved	Pensions

Employers with more than 100 Scheme members		
Contributions posted and Pensionable pay update run	Within one month of receipt of annual return	Pensions
1 st queries issued to employer	Within three weeks of pensionable pay update	Pensions
Response to queries received	Within three weeks of receipt of queries	Employer
Responses processed and any further queries issued	Within two weeks of queries received	Pensions
Responses to further queries	Within two weeks of queries received	Employer
Further queries processed	Within one week of queries received	Employer
Annual Benefit Statements issued	Within two weeks of queries resolved	

NB: Upon receipt of your Annual Return, you will receive confirmation of the above by e-mail, with relevant dates to assist you in planning for year end queries.

Local Government Pension Scheme
Buckinghamshire County Council
Employer Request for Estimate of Retirement Benefits

Requests should be made by the Employer direct to the Pensions Section.

ESTIMATE DETAILS:

Please note an estimate cannot be provided unless ALL boxes below are completed.

Full Name: _____

Date of Birth: _____

NI Number: _____

Proposed last day of service: _____

Proposed type of retirement:

Please enter ONE of the following:

- Redundancy
- Ill Health
- Normal (Age 60+)
- Efficiency
- Employer Consent
- Flexible

If you require an estimate of costs for augmentation, please also indicate the amount to be used here £

If the above named is making additional payments please indicate in the box opposite.

*Please delete as appropriate:
*Added years/*AVCs/*Part-time Buy Back/ARCs

If paying AVCs do you require maximum tax free cash options?

*Yes/*No

Standard benefits will be provided; do you require an estimate showing the maximum retirement grant?

*Yes/*No

Notional Full Time Equivalent Final Pay:
(average of pensionable pay for the 365 days immediately preceding last day of service)

£

CONTACT DETAILS:

Name of person requesting estimate: _____

Job Title/Position: _____

Employer/Organisation Name: _____

Who should the quote be sent to and what is their email address? _____

Local Government Pension Scheme
Buckinghamshire County Council

Notification of Employee leaving where Pension Benefits will be paid

To be completed when an employee is retiring or has died whilst in employment.

EMPLOYEE'S DETAILS

Title (Mr/Mrs/Miss): _____ Surname: _____

Forenames: _____

Date of Birth: _____ NI Number: _____

Address: _____

Postcode: _____ Employment No: _____

EMPLOYMENT DETAILS

1. **Last day of Service:** (the last day of the employment or the last day in the scheme if different) DD/MM/YYYY

2. **Reason for leaving:** (please tick to show which applies)

- | | | | |
|------------------------|--------------------------|--|--------------------------|
| Normal Retirement | <input type="checkbox"/> | Redundancy Retirement * | <input type="checkbox"/> |
| Efficiency Retirement* | <input type="checkbox"/> | Ill-Health Retirement * | <input type="checkbox"/> |
| Flexible Retirement * | <input type="checkbox"/> | Employer Consent * | <input type="checkbox"/> |
| Death | <input type="checkbox"/> | *Please provide the appropriate certificate. | |

3. **Amount of Employee Pension Contributions paid since the last 1st April:** £

4. Employee contribution rate at last day of membership %

5. **Final Pay*** *Full-time Equivalent (FTE):* £
Please show your workings in the box below.
*Please see notes for calculating Final Pay

6. **Actual Pay (FTE) at date of leaving:** £

Please ensure that you also forward the P45 to the Pensions Section so that we can apply the appropriate tax code.

Name of person completing form: _____

Employer/Organisation Name: _____

Date: _____

Local Government Pension Scheme
Buckinghamshire County Council

Notification of Employee Leaving Early

To be completed when an employee leaves employment, for reasons other than retirement.

EMPLOYEE'S DETAILS

Title (Mr/Mrs/Miss): _____ Surname: _____

Forenames: _____

Date of Birth: _____ NI Number: _____

Address: _____

Postcode: _____ Employment No: _____

EMPLOYMENT DETAILS

1. Last day of Service: (the last day of the employment or the last day in the scheme if different) *DD/MM/YYYY*

2. Did the employee leave for any reason other than voluntary resignation? (e.g. dismissal) *YES/NO*

3. Amount of Employee Pension Contributions paid since the last 1st April: £

4. Employee contribution rate at last day of membership %

5. Amount of National Insurance Contracted-Out Earnings since the last 1st April*: £

*Only applicable if employee has less than 3 months LGPS membership.

6. Final Pay* *Full-time Equivalent (FTE)*:
Please show your workings in the box below.

*Please see notes for calculating Final Pay.

7. Actual Pay (FTE) at date of leaving: £

Name of person completing form: _____

Employer/Organisation Name: _____

Date: _____

Local Government Pension Scheme
Buckinghamshire County Council
Early Retirement Certificate

As required under the Local Government Pension Scheme Regulations, I certify that;

Full Name: _____ NI Number: _____

has been retired by _____ (Employing Authority)

on the grounds of:

(Please tick the appropriate box.)

- Redundancy
- The efficient exercise of the Authority's functions
- Employer Consent
- Flexible retirement

Are you awarding augmented years? Yes* No

* If yes, how many years and days are you awarding or how much will you be paying to the pension fund?

_____ years and _____ days **OR**
£ _____ will be paid to the BCC pension fund.

Are you awarding augmented pension? Yes* No

* If yes, how much augmented pension are you awarding or how much will you be paying to the pension fund?

£ _____ augmented pension **OR**
£ _____ will be paid to the BCC pension fund.

This authority undertakes to pay the pension strain to the BCC pension fund in respect of the above early retirement, plus the cost of augmenting service or pension.

Signature: _____ Date: _____
Print Name: _____ Position / Job Title: _____

The LGPS regulations state that an employee's pensionable pay is the total of:

- Salary, wages, fees and other payments made to him for his own use in respect of his employment.
- Any other payment or benefit specified in his contract of employment as being a pensionable emolument.

And does not include:

- Non-contractual overtime
- Travel, subsistence or other allowance paid in respect of employee expenses
- Payment for loss of holiday entitlement
- Payment in lieu of notice of termination of contract
- Payment as inducement not to terminate contract

Pay must be taxable to be pensionable **but** not all taxable pay is pensionable.

Final pay, broadly speaking, is the pay on which contributions were paid, or deemed to have been paid, in the last 365 days of employment. If, on or after 1st April 2008 and within 10 years of leaving, a member (voluntarily or compulsorily) has restricted pay, reduces their grade or moves to a position with less responsibility, the employee can choose to use the average of any 3 consecutive years pay in the last 10 years ending on a 31st March (plus RPI from the end of the 3 year period). Certain exclusions apply (flexible retirement) and the Pensions Section should be contacted for any clarification.

If there is a gap in contributions, due to a leave of absence other than sickness, the final pay should be calculated based on the period actually worked and proportioned to a full year (see examples). In the event of strike break the final pay is assessed on the days payment was received in the last 365 days and the amount is multiplied up to a full year. Where there has been an absence due to sickness, any reduction in pay and contributions is treated as though it had not occurred.

Calculation of final pay

The method of calculation depends upon how the individual is paid i.e. weekly or monthly. The easiest way to show how final pay is calculated is by looking at a few examples.

Monthly Paid

The basic calculation is:

Full-time equivalent annual pensionable salary x Month (and/or proportion of month) x 1/12 = £ A

This above calculation is performed for each different rate of pay throughout the year. Any pensionable allowances should be included in the pensionable salary. We have provided three examples below to illustrate how the calculation is used. In each example we assume a pay award on 1 April.

2. Mr B Example

Date of Leaving: 19 December 2009

01.03.09 to 31.03.09	£12500 x 1	x 1/12 =£1041.67
01.04.09 to 19.12.09	£13600 x (19/31)+8	x 1/12 = <u>£9761.29</u>
Sub-total		=£10802.96

£10802.96/294x365 = £13411.84 (final pay)

NB: Where a member hasn't completed a full year in the scheme, work out the final pay as normal, calculate the days the person was actually in the scheme, divide your sub-total by these days and multiply by 365 to make it up to a full year.

3. Mr C Example

Date of Leaving: 30 May 2010

31.05.09 to 29.03.10	£12500 x (1+29/31) + 9	x 1/12=£10383.06
01.04.10 to 30.05.10	£13600 x (30/31)+1	x 1/12= <u>£ 2230.11</u>
Sub-total		= £12613.17

£12613.17/363x 365 = £12682.66 (final pay)

N.B: Where there has been a break in service **due to strike** during the averaging period, calculate the final pay as normal, excluding the period of the break. Work out the number of days worked in the averaging period, divide the sub-total by the number of days worked and multiply by 365. This gives you the final pay for a full year.

4. Mrs D Example

Date of Leaving: 30 May 2010

Had unpaid maternity leave of 62 days from 05.06.09 to 05.08.09

31.05.09 to 04.06.09	£12500 x (1/31) + (4/30)	x 1/12 =£ 172.49
06.08.09 to 31.03.10	£12500 x (26/31) + 7	x 1/12 =£ 8165.32
01.04.10 to 30.05.10	£13600 x (30/31) + 1	x 1/12 =£ <u>2230.11</u>
		£10567.92

£10567.92 / 303 x 365 = £12730.33 (final pay)

N.B: Where there has been any break in service during the averaging period, calculate the final pay as normal, excluding the period of the break. Work out the number of days worked in the averaging period, divide the sub-total by the number of days worked and multiply by 365. This gives you the final pay for a full year.

Any variable pensionable allowances should be added onto the end of the final pay calculation. Allowances such as 'Sleep-in' duties should not be pro-rated up to full-time. If the employee has worked a part-year these allowances should be added to final pay before the figure is pro-rated up to a full year.

Weekly Paid

The basic calculation is:

Full-time equivalent weekly pensionable salary x No. of weeks (or proportion of week) = £ A

The above calculation is performed for each different rate of pay throughout the year. Any pensionable allowances should be included in the pensionable salary. We have provided three examples below to illustrate how the calculation is used. In each example we assume a pay award on 1 April.

1. Weekly paid employee
2. Weekly paid employee – worked for less than 365 days
3. Weekly paid employee – break of service in the middle.

1. Mr A Example Date of Leaving: 30 May 2010

31.05.09 to 31.03.10 £239.46 x 43.4 = £10392.56
 01.04.10 to 30.05.10 £260.54 x 8.6 = £ 2240.64
 Total Final Pay £12633.20

2. Mr B Example Date of Leaving: 19 December 2009

01.03.09 to 31.03.09 £239.46 x 4.4 =£ 1053.62
 01.04.09 to 19.12.09 £260.54 x 37.6 =£ 9796.30
 Sub-total =£10849.92

£10849.92/294x365 = £13470.14 (final pay)

NB: Where a member hasn't completed a full year in the scheme, work out the final pay as normal, calculate the number of days the person was actually in the scheme, divide your sub-total by these days and multiply by 365 to make it up to a full year.

3. Mr C Example Date of Leaving: 30 May 2010

31.05.09 to 29.03.10 £239.46 x 43 = £10296.78
 01.04.10 to 30.05.10 £260.54 x 8.6 = £ 2240.64
 Sub-total = £12537.42

£12537.42/363x365 = £12606.50 (final pay)

N.B: Where there has been a break in service during the averaging period, calculate the final pay as normal, excluding the period of the break. Work out the number of days worked in the averaging period, divide the sub-total by the number of days worked and multiply by 365. This gives you the final pay for a full year.

Any variable pensionable allowances should be added onto the end of the final pay calculation. Allowances such as 'Sleep-in' duties should not be pro-rated up to full-time. If the employee has worked a part-year these allowances should be added to final pay before the figure is pro-rated up to a full year.

If members voluntarily retire before age 65, their benefits may have reductions applied before they are paid. If they were contributing to the LGPS on 30 September 2006, they may have protected rights regarding early payment of their benefits. The reductions depend on whether they satisfy what is known as “the 85-year rule” and whether they fall into a protected category of membership.

The 85-year rule

Historically the 85-year rule has allowed scheme members to retire before age 65, without reductions, providing that at retirement their age and service (both measured in whole years) adds up to at least 85, e.g. age 65 + 25 years membership = 85.

Where this rule is not met, reductions are applied to the pension and lump sum based on the period between the date the benefits are paid and the date the member would have met the 85-year rule. Where the 85-year rule is not met before age 65, the reductions are based on the period to age 65.

If a member wishes to voluntarily retire between the ages of 55 and 60, employer’s consent is needed before benefits can be paid.

From 1 October 2006 the 85-year rule has been removed from the LGPS, but there are a number of protected categories of membership. It should be noted that if a member would never have satisfied the 85-year rule before age 65, they are not affected by its removal. The full list of categories is as follows:

1. Members who joined the scheme on or after 1 October 2006

The 85-year rule will not apply to any of their service. If benefits are taken before age 65, reductions will apply, based on the period between the date benefits are paid and age 65.

2. Members who joined the scheme before 1 October 2006 who are not age 60 before 1 April 2020

The 85-year rule will apply to any benefits based on service up to 31 March 2008. This means that if they retire before age 65, their benefits will be assessed in two parts:

- The pension and lump sum based on their pre 1 April 2008 service will be reduced if they don’t meet the 85-year rule. The reduction will be based on how far short they are of satisfying the rule. If they meet the 85-year rule at retirement there are no reductions.
- The pension based on the service from 1 April 2008 will be reduced based on the number of years from retirement to their 65th birthday.

3. Members who joined the scheme before 1 October 2006 who are age 60 before 1 April 2016

The protection for the 85-year rule is extended to 31 March 2016. This means that if they retire before age 65, their benefits will be assessed in two parts:

- The pension and lump sum based on their pre 1 April 2016 service will be reduced if they don’t meet the 85-year rule. The reduction will be based on how far short they are of satisfying the rule. If they meet the 85-year rule at retirement there are no reductions.
- The pension based on the service from 1 April 2016 will be reduced based on the number of years from retirement to their 65th birthday.

4. Members who joined the scheme before 1 October 2006 who are age 60 between 1 April 2016 and 31 March 2020

The 85-year rule continues to be applied in full to any benefits based on service up to 31 March 2008. In addition, the benefits based on service from 1 April 2008 to 31 March 2020 will have the 85-year rule applied in part, which gives some protection, but not complete protection. This means that if they retire before age 65, their benefits will be assessed in three parts:

- The pension and lump sum based on their pre 1 April 2008 service will be reduced if they don't meet the 85-year rule. The reduction will be based on how far short they are of satisfying the 85-year rule. If they meet the 85-year rule at retirement there are no reductions.
- The pension based on service from 1 April 2008 to 31 March 2020 will be reduced according to a sliding scale. The sliding scale takes into account both the date they meet the 85-year rule and their 65th birthday, which means that the reduction applied will be less than the full reduction that would have applied if there was no protection.
- The pension based on the service from 1 April 2020 will be reduced based on the number of years from retirement to their 65th birthday.

What reductions will be applied to the Pension and Lump Sum?

The table below shows an extract of the reductions that will apply to the pension and lump sum depending on the number of years from their retirement date to age 65 (or the date the 85-year rule is satisfied, if they are covered by one of the 85-year rule protections highlighted earlier).

No. of years paid early	Pension reduction: men	Pension reduction: women	Lump sum reduction
0	0%	0%	0%
1	6%	5%	2%
2	11%	10%	5%
3	16%	15%	7%
4	20%	19%	9%
5	24%	23%	12%
6	28%	27%	14%
7	32%	30%	16%
8	35%	33%	18%
9	38%	36%	20%
10	41%	39%	22%

Example 1

A female with protected service up to 31 March 2016 where the 85-year rule still applies.

If the female member met the 85-year rule at age 62 and was retiring at age 60, she is retiring 2 years early. From the table it can be seen that her pension would be reduced by 10% and her lump sum by 5%.

Example 2

A female with service only from 1 October 2006 onwards, therefore no protected service.

If the female was retiring at age 62, she is retiring 3 years earlier than age 65; therefore the pension would be reduced by 15% and the lump sum by 7%.

Example 3

A male is retiring 2.5 years early.

Where the number of years early is not a whole number, the reduction will fall somewhere between two whole numbers. So, if a man was retiring 2.5 years early, the reduction would fall between the factor for 2 years early and the factor for 3 years early. In this case, the pension reduction would be 13.5 % (exactly halfway between 11% and 16%) and the lump sum reduction would be 6% (halfway between 5% and 7%).

For more information contact:

Pensions & Investments Team

Buckinghamshire County Council

County Hall

Walton Street

Aylesbury

Buckinghamshire

HP20 1UD

Website: www.buckscc.gov.uk/pensions/

Email: pensions@buckscc.gov.uk

Charging Schedule		
1	Failure to notify BCC of new starters by the 15 th of the month following the month payroll action was taken	£50
2	Failure to notify BCC of a change in hours or a change in member's address by the 15 th of the month following the date where payroll action was taken	£50
3	Failure to notify BCC of unpaid leave, maternity leave or strike breaks by the 15 th of the month following the month in which payroll action was taken	£50
4	Failure to notify BCC of any member leaving by the 15 th of the month following the month in which the member left	£50
5	Failure to notify BCC of any retirement within 3 weeks of the member's retirement date	£50
6	Where as a result of the Employer's/Payroll Providers failure to notify BCC of a retirement interest becomes payable on any lump sum or death grant paid, BCC will recharge the total amount of interest to the Employer/Payroll Provider	Interest calculated in accordance with Regulation 44 of the LGPS (Administration) Regulations 2008
7	Failure to notify BCC of the death in service of a member within 10 working days of notification	£50
8	Failure to pay over monthly contributions to BCC by the 19 th of the month following deduction of the contributions	Interest calculated on a daily basis equal to the Bank of England Base rate plus 1%
9	Failure to provide BCC with the annual year end return by 30 April	£50 per working day from 1 May to date return is received
10	Failure to respond to requests for Year-end information to resolve queries within the prescribed time	£50
11	Estimate requests in excess of two required in a rolling year	£10 per estimate plus VAT per additional request
12	Other non-standard work	Charge dependant on time taken and Officer undertaking the work

Notes to the Charging Schedule

- 1 Notifications of new starters must include all of the information detailed in the New Entrants to the Scheme section of the SLA.
- 2 Notifications of changes in hours and address must include all of the information detailed in the Changes section of the SLA.
- 3 Notification of any unpaid leave, maternity leave or strike breaks must include all of the information detailed in the Unpaid Leave section of the SLA.
- 4 Notifications of leavers must include all of the information required on the 'Notification of Employee Leaving Early form, detailed in the Leavers section of the SLA.
- 5 Notifications of retirements must include all of the information required on the 'Notification of Employee Leaving where Pension Benefits will be Paid' form, detailed in the Retirements section of the SLA.
- 6 Regulation 44 of the LGPS (Administration) Regulations 2008 states that interest must be 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. If late payment of a lump sum or death grant occurs as a result of a failure by the scheme member to provide information to the pension team, the pension fund will be liable for the payment of any interest due.
- 7 Notification of a death in service must include all of the information required on the 'Notification of Employee Leaving where Pension Benefits will be paid' form, detailed in the Death in Service section of the SLA.
- 8 Requirements regarding payment of monthly contributions are set out in the Monthly Contributions section of the SLA.
- 9 Requirements regarding submission of the annual return are set out in the Year-end Return section of the SLA.

Late notifications will only be reported where the standards set out in the SLA have not been met as a result of the participating employer's failure to meet the required standards.

Introduction

With over 50,000 Scheme members the Buckinghamshire Pension Fund has a responsibility to provide timely and accurate information to all stakeholders.

To ensure the information reaches all interested parties different media and methods of communication will be used.

This policy statement will outline the Fund's position on:

- The provision of information and publicity about the Scheme to members, employers and representatives of members participating in the Fund.
- The promotion of the Scheme to prospective members and their employing authorities.
- The format, frequency and method of distributing such information or publicity.



Communication with Scheme members

1.1 Printed Literature

The Fund provides a brief Scheme guide which gives broad information on the key aspects of the Scheme, based on the guide produced by the Local Government Employers organisation (LGE). The Scheme guide serves as a reference point for Scheme members and is available on request from the member's employer or direct from the Pensions Section.

The Fund also produces a guide for pensioner members 'Your Retirement', which provides information on the benefits payable and factors for consideration after retirement.

The guides are updated and reprinted when there are major changes to the Regulations.

1.2 Internet

The Fund's website, <http://www.buckscc.gov.uk/pensions>, is the main medium for communicating with Scheme members and changes to the Scheme are regularly added to the website. The website is reviewed monthly and is updated as required.

The website provides a number of online Scheme guides, forms, and fact sheets along with links to other relevant websites. Details of Scheme benefits, pensioner pay dates and other frequently requested information, including contact details for the Pensions Section are available. Electronic copies of the Fund's forms and guides are available for download in PDF format.

1.3 Telephone

The Pensions Section has a dedicated helpline number for member enquiries. The helpline is staffed from 09:00 until 17:30, Monday to Thursday, 09:00 until 17:00, Friday and an answering service is in operation at all other times. All communications published include the helpline number, 01296 383755.

1.4 Fax, Post and Email

The Fund publishes central fax, postal and email contact details for member enquiries. The fax, post and email accounts are monitored daily. All correspondence is date stamped, logged on a workflow monitoring system and scanned directly to the member's record on receipt for appropriate action. Full details are:

Address: Pensions Section, County Hall, Aylesbury, Bucks, HP20 1UD
Fax: 01296 382493
Email: pensions@buckscc.gov.uk

1.5 Pensions Presentations

The Fund offers a variety of presentations available to active scheme members or those wishing to join the Scheme.

Presentations include:

- **Induction – For new employees**
- **Planning for the Future**
- **Pre-Retirement**

These courses are available upon request by employers.

1.6 Newsletters

A member newsletter detailing Scheme updates is compiled and distributed to all active Scheme members when required. Where the newsletter also relates to deferred and pensioner members, they will receive a copy of the newsletter as well.

A pensioner newsletter is prepared and distributed annually detailing the annual pensions increase, pay dates, contact details for the Pensions Section and statutory information.

1.7 Pay slips/P60's

Pensioner members are sent a pay slip every month where there is more than a £1.00 variance in their net monthly payment, or where they have requested a monthly pay slip to be sent.

All pensioner members receive an annual pay slip in April to reflect the pensions increase along with their P60 by the end of May each year.

Short messages can be printed onto pay slips and these can be used to communicate personal changes or more general pension information.

1.8 Annual Benefit Statements

All active and deferred Scheme members receive an annual benefit statement, delivered to their home address where known, otherwise via their employer.

The Fund is legally required to send an annual benefit statement to all active, deferred and pension credit (individuals awarded a pension credit on divorce) members, as per Regulation 68 of The Local Government Pension Scheme (Administration) Regulations 2008.

The annual benefit statement provides Scheme members with:

- an estimate of the current value of Scheme benefits and death benefits
- a projection of benefits at retirement
- an opportunity to check that all details on their record are correct

1.9 Retirement information

When notification of a Scheme member's retirement is received, a benefit statement is prepared to show the pension benefits the member is entitled to. A retirement guide is included and this information is sent to the member's home address.

1.10 Letter of Condolence

When the Fund receives notification of the death of a Scheme member, a letter of condolence is sent to the dependants, beneficiaries or personal representatives, detailing the administrative procedure to be followed.

1.11 Miscellaneous

A birthday card is sent to all pensioners who reach the age of 100.

Communication with employing authorities

Employing authorities in the Buckinghamshire County Council (BCC) Pension Fund include scheduled bodies and admitted bodies as defined in Regulation 4 of The Local Government Pension Scheme (Administration) Regulations 2008.

- **Scheduled Bodies** are required to offer Scheme membership to their employees. Some may have to pass a resolution and/or designate a specific class of employee eligible to be a member.
- **Admitted Authorities** are employers who have entered into an "admission agreement" with BCC to allow their employees to join the Scheme.

2.1 Internet

The Fund's website is accessible to employing authorities and is regularly updated with changes to the Scheme, as well as providing access to Scheme guides and information

2.2 Telephone

The Pensions Section has a dedicated helpline number for employers' enquiries. The helpline is staffed from 09:00 until 17:30, Monday to Thursday, 09:00 until 17:00, Friday and an answering service is in operation at all other times. All communications published include the helpline number, 01296 383755 and each employer has a nominated Employer Liaison Officer should they have any queries

2.3 Fax and Post

The Fund publishes central fax, postal and email address details for employers' enquiries. These are monitored throughout the day. Full details are:

Address: Pensions Section, County Hall, Aylesbury, Bucks, HP20 1UD
Fax: 01296 382493
Email: pensions@buckscc.gov.uk

2.4 Email

Employing authorities are periodically advised, via email, of changes to Scheme legislation, policy and issues currently under debate.

2.5 Newsletter

A quarterly employer newsletter is sent to all employing authorities, which summarises changes to Scheme legislation, policy, issues currently under debate and Scheme administration.

In addition to this, in accordance with the Buckinghamshire County Council Pension Fund Pension Administration Strategy, a performance newsletter will be issued twice a year to coincide with the Pension Fund Consultative Group (PFCG) meetings detailing each employing authority's performance highlighting areas of quality or where attention is needed.

2.6 Pension Fund Consultative Group

The Pension Fund Consultative Group (PFCG) provides a forum for employers and employee representatives for communication and consultation about the activities and governance of the Pension Fund, and to make recommendations to the Pension Fund Committee on matters of note.

Membership of PFCG is as follows:

Member of Buckinghamshire County Council - Chairman of the Pension Fund Committee

Finance Representative – Buckinghamshire County Council

People & Policy Representative – Buckinghamshire County Council

Scheduled Employer Representatives – Aylesbury Vale District Council; Chiltern District Council; Milton Keynes Council (2); South Bucks District Council; Thames Valley Police Authority; Wycombe District Council

Admitted Body Representatives – Fremantle Trust; Heritage Care

Union Representative – Unison

Pensioner Representative

Employee Representatives (2)

Full details of the Group and minutes of all meetings can be found at:

<http://www.buckscc.gov.uk/moderngov/mgCommitteeDetails.aspx?ID=520>

2.6 Year- End Financial Information

Employing authorities receive an annual email/letter requesting year-end financial information. This request includes a covering letter, spreadsheet attachment, accompanying guidance notes for the provision of year-end data and a timetable setting out the requirements of both the administering and employing authorities.

Employers are asked to certify the split between employer's contributions, employee's contributions and any additional contributions. This information is used to accurately reflect employers' and scheme members' contributions in the year-end Statement of Accounts.

Once the contributions have been reconciled on the pension software system (AXISe), it is used to produce the Annual Benefit Statements that are sent to all active and deferred Scheme members each year.

2.7 Annual Reports and Accounts

Copies of the Fund's annual report and accounts are published on the website by the end of October each year. Hard copies are available on request.

2.8 Presentations and meetings

The Pensions Section invites all employing authorities to a meeting in the year prior to the Fund valuation. This meeting serves as a forum for employers to have their questions answered or to raise their concerns before the valuation commences.

Presenters vary depending on key topics of the day but in the past have included BCC's Head of Finance, Assistant Head of Finance, Pensions and Investments Manager, Fund managers and the Scheme's actuary.

2.9 Employer liaison meetings and training sessions

Meetings with a member of the Employer Liaison Team and each employing authority will take place at least once during the triennial valuation period to review performance against targets and the quality of data exchange. More frequent meetings will be arranged for larger employers or where deemed necessary by either party.

Employers can request training sessions for staff involved with the provision of Scheme information to the Fund, including correct completion of pension forms.

Presentations by the Pensions Section are also provided at induction, planning for the future and pre-retirement. Employers must provide the venue and notify employees concerned of its availability. Due to the high demand for courses, the Pensions Section cannot offer this service to groups of less than 15 members.

2.10 FRS17 Report

The FRS17 Report is prepared and published annually and is provided to relevant employing authorities in electronic format via email.

Communication with members' representatives

Members' representatives include any individual or group, enquiring or acting on behalf of a Scheme member, with the Scheme member's authority e.g. trade unions or solicitors.

3.1 Internet

The Fund's website is accessible to member's representatives and is regularly updated with changes to the Scheme, as well as providing access to Scheme guides and information.

The website provides a number of online Scheme guides, forms, and fact sheets along with links to other relevant websites. Details of Scheme benefits, pensioner pay dates and other frequently requested information, including contact details for the Pensions Section are available.

3.2 Telephone

The Pensions Section has a dedicated helpline number for general pension enquiries. The helpline is staffed from 09:00 until 17:30, Monday to Thursday, 09:00 until 17:00, Friday and an answering service is in operation at all other times. All communications published include the helpline number, 01296 383755.

3.3 Fax, Post and Email

The Fund publishes central fax, postal and email contact details for general pension enquiries. The fax, post and email accounts are monitored daily. Full details are:

Address: Pensions Section, County Hall, Aylesbury, Bucks, HP20 1UD

Fax: 01296 382493

Email: pensions@buckscc.gov.uk



Communication with prospective members

4.1 Printed Literature

A Scheme guide incorporating death grant expression of wish, co-habiting partner, and forms for transferring in benefits are included in the employment offer package, sent by the relevant employing authority, to all new employees.

4.2 Internet

The Fund's website provides a number of fact sheets and other frequently requested information, including contact details for the Pensions Section. Electronic copies of the Fund's forms are available for download and guides are available on request. The website is reviewed monthly and regularly updated with changes to the Scheme. A link to the National Local Government Pension Scheme website is provided which has a bespoke section for employees thinking of joining.

4.3 Telephone

The Pensions Section has a dedicated helpline number for employers' enquiries. The helpline is staffed from 09:00 until 17:30, Monday to Thursday, 09:00 until 17:00, Friday and an answering service is in operation at all other times. All communications published include the helpline number.

4.4 Fax, Post and Email

The Fund publishes central fax, postal and email contact details for general pension enquiries from any interested party.

4.5 Induction presentations

An overview of the Scheme is included in the induction programme for BCC staff and other employers where Pension Section representation is

4.6 Press Releases

When there is a change to the Scheme, notification is issued by BCC's Assistant Head of Finance (Managed Services) or the Pensions & Investments Manager to all employing authorities to cascade to all staff. Notifications will be sent via email.

4.7 Miscellaneous

Prospective members can request information, for illustration purposes, of the costs of joining the Scheme from their employer.

The availability and format of Fund publications, frequency and review periods

Communication Material	Formats Available	Available To	When Published	When Reviewed
Scheme guide	Paper, online	All members, prospective members, member's representatives, employing authorities	Included with employment offer and available on request	As required
Fact sheets	Paper, online	All members, prospective members, members representatives, employing authorities	Constantly available	As required
Scheme update newsletter	Paper, online	All Active members. Deferred and Pensioner members where necessary	As needed	As required
Pensioner newsletter	Paper, online	Pensioner members	Annually	Annually
Technical newsletter	Electronically via email	Employing authorities	Quarterly / As needed	As required
Performance newsletter	Electronically via email	Employing authorities	Twice yearly	Twice Yearly
Pay Slips	Paper, online	Pensioner members	Monthly if £1 variance in net pay/if requested by pensioner member	As required
P60's	Paper, online	Pensioner members	Annually	Annually
Annual Benefit Statements	Paper, online	All Active, Deferred and Pension Credit members	Annually	Annually
Retirement guide	Paper, online	Pensioner members	At retirement	As required
Annual Report and Accounts	Paper, online	Employing authorities	Annually	Annually
Fund Valuation Report	Paper, online	Employing authorities	Every three years	Every three years
Training/ Presentations	PowerPoint Presentation	Members, employing authorities,	On request	As required
Press Releases	Electronic	All employing authorities	When Scheme changes	As required
FRS17 Report	Print, Electronic	Relevant employing authorities	Annually	Annually

Access to Communications

The Fund can provide large print versions of all its printed literature on request. The Fund's website is designed to work with assistive technologies e.g. screen readers for visually impaired users.

This communication policy statement will be reviewed annually and a revised version will be re-published following any material change.

1. Introduction

- 1.1 This is the governance compliance statement of the Buckinghamshire Pension Fund which operates as part of the Local Government Pension Scheme and is administered by Buckinghamshire County Council (the Council).
- 1.2 This statement has been prepared as required by the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2007.

2. Governance Arrangements

- 2.1 Under the terms of the Council's Constitution, the functions of the Council as Administering Authority of the Pension Fund are delegated to the Pension Fund Committee and are excluded from the delegation of authority to the Cabinet and other Committees. The Pension Fund Committee is supported by officers of the Council and the Pension Fund Consultative Group. Governance arrangements are outlined in the Pension Fund Governance Policy.
- 2.2 The Pension Fund Committee meets six times a year and its members act in a quasi-trustee capacity. Under the Constitution, it is responsible for administering, investing and managing the Fund. A further two meetings are held for training purposes. Terms of reference are available on the Council's website at http://www.buckscc.gov.uk/assets/content/bcc/docs/policy_plans_performance/constitution/constitution_3h_pension_fund_committee.pdf.
- 2.3 The Pension Fund Consultative Group is an advisory forum making recommendations to the Pension Fund Committee on matters relating to the regulation and administration of the pension scheme including matters relating employers within the scheme and members of the scheme. Meetings are held twice a year. Terms of reference are available on the website. <http://www.buckscc.gov.uk/moderngov/mgConvert2PDF.aspx?ID=11106>

3. Functions and Responsibilities

- 3.1 The Pension Fund Committee approves the Pension Fund's Funding Strategy, the Statement of Investment Principles, The Governance Policy and the Communications Policy. Other key responsibilities of the Committee include:
 - o Policy approval
 - o Appointing Investment Managers
 - o Appointing Advisers and Custodian
 - o Monitoring Fund performance
 - o Monitoring Scheme Governance
- 3.2 The Funding Strategy sets out the aims and purpose of the Fund and the responsibilities of the administering authority as regards funding the scheme. The Statement of Investment Principles (SIP) sets out more detailed responsibilities relating to the overall investment strategy of the fund including the proposed

asset allocation, restrictions on investment types, the type of investment management used, performance monitoring, the Fund's policy on stock lending and a compliance statement with the Myners Principles. The Myners Principles are best practice statements relating to pension fund investment decision making. The SIP also states the Fund's approach to risk and governance issues.

3.4 The Communications Policy details the overall strategy for involving stakeholders in the Pension Fund. The Pension Fund also has a Governance Policy which outlines many of the frameworks identified within this document. Additionally, a Discretions document has been developed stating those discretions found within the scheme that it has adopted. All documentation is published at www.buckscc.gov.uk/pensions

3.5 The Pension Administration Strategy was implemented on 1 June 2010 and will be an important tool in managing and improving the administrative performance of the Fund. It formally sets out the requirements of both Buckinghamshire Council as the Administering Authority and participating employers/third party payroll providers in the Fund in a single document within one framework.

4. Representation

4.1 The Pension Fund Committee has 9 members as follows:

- Six Elected Members from Buckinghamshire County Council
- One Elected Co-Opted Member from Milton Keynes Council
- One Elected Co-Opted Member from Thames Valley Police Authority
- One Elected Co-Opted Member chosen by the four District Councils in Buckinghamshire

Members have Quasi-Trustee status and consequently substitutions are not permitted.

4.2 The Pension Fund Consultative Group has 12 Members.

- One member of the Pension Fund Committee who acts as the Group's Chairman.
- A Union Representative
- Two Employee Representatives
- A County Council HR/OD Representative
- A County Council Finance Representative
- A Pensioner Representative
- A representative of the Thames Valley Police Authority
- A representative of Milton Keynes Council
- One representative selected from the four District Councils within Buckinghamshire.
- Two Admitted Body Representatives



5. Stakeholder Engagement

5.1 An annual meeting of the pension fund is held in October to which all employer representatives and scheme members are welcome. The purpose of the meeting is to report on investment performance and current issues of concern to the Fund stakeholders.

5.2 Mechanisms used to involve stakeholders include:

- Communication with Employers
- Dedicated Employer Liaison Team and Communications Officer
- Training Events
- Meetings with the Actuary and the Auditors
- Meetings with Advisors
- Meetings with Fund Managers
- Buckinghamshire Finance Officers meetings
- The annual report for the Pension Fund
- “In Touch” newsletter

6. Review and Compliance with Best Practice

6.1 This statement will be kept under review and will be revised and published annually or following any material change in the Governance Policy of the Pension Fund.

6.2 The Pension Fund is regularly audited and no material findings have arisen from either our internal or external auditors. A specific Internal Audit review was undertaken to underpin this Statement.

6.3 The Regulations require a statement as to the extent to which the governance arrangements comply with guidance issued by the Secretary of State. This statement is confirming that all the above mentioned mechanisms are in place and are effective and embedded. Any breach of our Governance Policy would be outlined in this document and reported to the Chairman of the Pension Fund Committee. A summary of our compliance with recommended good practice is outlined below.

Responsible Officer: Claire Lewis-Smith, Principal Pensions Officer (Governance & Employer Liaison)



Good Practice Requirement	Met / Not Met
Structure	
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	Met
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Met
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Met
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Met
Representation	
That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - i) Employing authorities (including non-scheme employers, e.g., admitted bodies); ii) Scheme members (including deferred and pensioner scheme members), iii) Independent professional observers, and iv) Expert advisors (on an ad-hoc basis).	Met
That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.	Met
Selection and role of lay members	
That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Met
Voting	
The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Met
Training/facility time/expenses	
That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Met
That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Met
Meetings (frequency/quorum)	
That an administering authority's main committee or committees meet at least quarterly.	Met
That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Met
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	Met
Access	
That subject to any rules in the council constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Met
Scope	
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Met
Publicity	
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Met

Introduction

- 1 The Department for Communities and Local Government (DCLG) requires each LGPS Administering Authority to have a Funding Strategy Statement (FSS).
- 2 This Statement has been prepared by Buckinghamshire County Council (the Administering Authority) to set out the funding strategy for Buckinghamshire Pension Fund, in accordance with Regulation 76A of the Local Government Pension Fund Scheme (LGPS) Regulations 1997 (as amended) and the guidance paper issued in March 2004 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel.
- 3 In preparing the FSS, the Administering Authority must have regard to:
 - The guidance issued by CIPFA for this purpose
 - Its Statement of Investment Principles (SIP) published under Regulation 9A of the LGPS (Management and Investment of Funds) Regulations 1998 (as amended).

Purpose of the FSS in Policy Terms

- 4 The purpose of this FSS is:
 - To establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward
 - To support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
 - To take a prudent long-term view of funding those liabilities
- 5 The intention is for this strategy to be both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting objectives that need to be balanced and reconciled. Whilst the position of individual employers must be reflected in the FSS, it must remain a single strategy for the Administering Authority to implement and maintain.

Aims and Purpose of the Pension Fund

- 6 The aims of the Fund are to:
 - Enable employer contribution rates to be kept as nearly constant as possible and at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies
 - Manage employers' liabilities effectively
 - Ensure that sufficient resources are available to meet all liabilities as they fall due
 - Maximise the returns from investments within reasonable risk parameters

- 7 The purpose of the Fund is to:
- Receive monies in respect of contributions, transfer values and investment income, and
 - Pay out monies in respect of scheme benefits, transfer values, costs, charges and expenses,
(as defined in the Local Government Pension Regulations and in the LGPS (Management and Investment of Funds) Regulations 1998).

Responsibilities of the Key Parties

- 8 Although a number of parties including investment fund managers, investment advisers and external auditors have responsibilities to the Fund, the key parties for the Strategy are considered to be the Administering Authority, each individual employer and the Fund Actuary.
- 9 The Administering Authority should:
- Collect employer and employee contributions
 - Invest surplus monies in accordance with the regulations
 - Ensure that cash is available to meet liabilities as and when they fall due
 - Manage the valuation process in consultation with the Fund's actuary
 - Prepare and maintain an FSS and an SIP, and
 - Monitor all aspects of the Fund's performance and funding and amend FSS / SIP.
- 10 The individual employer should:
- Deduct contributions from employees' pay correctly
 - Pay all contributions, including their own as determined by the actuary, promptly by the due date
 - Exercise discretions within the regulatory framework
 - Make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain, and
 - Notify the Administering Authority promptly of all changes to membership, or as may be proposed, which affect future funding.
- 11 The Fund Actuary should:
- Prepare valuations including the setting of employers' contribution rates after agreeing assumptions with the Administering Authority and having regard to the FSS, and
 - Prepare advice and calculations in connection with bulk transfers and individual benefit-related matters.

Solvency Issues and Target Funding Levels

- 12 The Funding Strategy is based on the following aims:
- To achieve 100% funding of pension liabilities over the long-term, reflecting the statutory position of the employers that make up the core of that scheme
 - To achieve the funding level by a combination of employer contributions and future investment returns

- To maintain employer contribution as stable as possible
- 13 The current actuarial valuation as at 31 March 2007 shows that the overall assets of the Fund are sufficient to meet 81% of its anticipated future liabilities. The employer contributions rates are set to fund the deficiency in the Fund over a maximum period of 20 years. Where there are increases in individual employer contribution rates, these have been stepped over the period 2008/09 to 2010/11 so that the contribution rate is as stable as possible.

Links to Investment Policy set out in the SIP

- 14 The SIP states *“The primary objective of the Fund is to minimise the level of employer contributions in order to meet the cost of pension benefits as required by statute. A related objective is to minimise the volatility of employer contribution rates as investment returns vary from year to year.”*
- 15 The Fund commissioned Mercer Investment Consulting to review Investment Strategy to assist the process of formulating a strategic asset allocation. The modelling process calculates the Fund’s “Least Risk Portfolio”, that is the theoretical combination of index linked and fixed interest gilts whose coupon (and maturity) payments mirror the stream of benefits payable from the Fund.
- 16 Investing assets in line with the Least Risk Portfolio would reduce fluctuations in the funding level and hence also contribution rates. It would serve to maintain the current asset cover for existing liabilities i.e. the funding level would not be expected to deteriorate significantly.
- 17 There would however be an immediate drop in the calculated funding level. By adopting a matched investment strategy, the Administering Authority would remove the prospect of improving the funding level through equity out-performance. This would increase the costs of the Fund, as any deficit would need to be recouped via contributions, rather than investment returns, as the Actuary would no longer be able to assume that assets would outperform the growth in liabilities by a certain amount.
- 18 If no allowance were made for asset out-performance, then the funding level would reduce significantly below 81% at the valuation date. In order to achieve a funding level of 100% the employers’ contributions would need to be significantly increased which contradicts the primary objective of the Fund. The current investment arrangements have a risk estimated to be in the region of 13%, which means that the returns from the Fund’s investments are expected to fall within +/-13% of the expected return with a 2 in 3 chance. This is considered to be an acceptable level of risk to meet the Fund’s objectives.

Identification of Risks and Counter Measures

- 19 Awareness of the risks that may impact on the funding strategy and expectations of future solvency is crucial to determining the appropriate measures to mitigate those risks. These set out in Annex 1.

Monitoring and Review

- 20 The FSS will be reviewed formally at least every three years. The valuation exercise will establish contribution rates for all employers contributing to the Fund for the following three years within the framework provided by the strategy.
- 21 The Administering Authority will monitor the progress of the funding strategy between full actuarial valuations. If considered appropriate, the funding strategy will be reviewed, for example:
 - If there has been significant market volatility, and employers wish to make additional contributions to the Fund
 - If there have been significant changes to the Fund membership
 - If there have been changes to the circumstances of any of the employing authorities to such an extent that they impact on the funding strategy
- 22 When undertaking such reviews, the Administering Authority will:
 - Look at experiences in relation to long-term funding assumptions
 - Consider the implications for the funding strategy and, if significant, determine what action should be taken to review the FSS
 - Evaluate the implications arising from the funding strategy for meeting the liabilities of individual employers for investment strategy and any amendments required to the SIP
 - Consult with individual employers as an integral part of the monitoring and review process.

Buckinghamshire Pension Fund – Funding Strategy Risk Assessment

Risk	Mitigating Actions
Investment markets fail to perform in line with expectations	Set a diversified asset allocation and keep under review
Market yields move at variance with assumptions	Set a diversified asset allocation and keep under review
Investment fund managers fail to achieve performance targets over the longer term	Diversified fund management arrangements. Actively monitor and review performance
Asset reallocations in volatile markets may lock in past losses	Changes in strategic asset allocations managed in line with long-term strategy and not as attempts to 'call the market'
Pay and price inflation significantly more or less than anticipated	Communication with Actuary and Employers
The effect of a possible increase in employer's contribution rate on service delivery and admitted / scheduled bodies	Communication with Actuary and Employers
Mortality rates continue to improve	Communication with Actuary and Employers
Deteriorating pattern of early retirements	Employers made aware of costs at the point of making early retirement decisions on redundancy/efficiency grounds and charged directly
Changes to LGPS regulations or other legislation	Responding to consultations, working with other LGPS bodies and lobbying MPs
Administering authority unaware of structural changes in an employer's membership	Communication with Employers to reinforce their responsibilities
An employer ceasing to exist with sufficient funding or adequacy of a bond	Communication with Employers to reinforce their responsibilities

STATEMENT OF INVESTMENT PRINCIPLES

1 Introduction

- 1.1 This is the Statement of Investment Principles (SIP) adopted by Buckinghamshire County Council (the Council) in relation to the investment of assets of the Council's Pension Fund (the Fund). The County Council is the Administering Authority of the Fund and, in that role, it has responsibility to ensure the proper management of the Fund.
- 1.2 This SIP results from the implementation of The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2009 (Statutory Instrument 2009 No. 3093).
- 1.3 The Pension Fund Committee monitors investment performance on a quarterly basis. Advice is received as required from professional advisers. In addition, the Pension Fund Committee formally reviews the performance of investments compared to other LGPS Funds on an annual basis.
- 1.4 The LGPS is established by statute. The Pension Fund is a legally distinct account with contributions made by employees (fixed percentage of earnings) and employers. The primary objective of the Fund is to minimise the level of employer contributions in order to meet the cost of pension benefits as required by statute. A related objective is to minimise the volatility of employer contribution rates as investment returns vary from year to year.

2 Investment Objectives

- 2.1 It is the Council's current policy that external fund managers are employed to administer the Fund's assets. Currently, the Council employs twelve external fund managers. The approach, however, may vary from time to time. Cash balances arising from the receipt of employer and employee contributions are invested in accordance with the agreement between the administering authority and the Pension Fund Committee.
- 2.2 The investment objective of the Fund is to achieve a return that is sufficient to meet the primary funding objective as set out above in paragraph 1.4, subject to an appropriate level of risk (implicit in the target) and liquidity.
- 2.3 This SIP will be revised within six months on any material change in policy relating to the investment principles.

3 Types of investment to be held

- 3.1 A management agreement is in place for each fund manager, setting out the relevant benchmark, performance target, asset allocation ranges and any statutory restrictions or other restrictions determined by the Pension Fund Committee.
- 3.2 The types of investment which the fund managers may hold are as follows:
 - UK Equities

- Foreign Equities
- UK Fixed Interest Bonds
- Overseas Fixed Interest Bonds
- UK Index-linked Investments
- Overseas Index-linked Investments
- Property Unit Trusts
- Hedge Fund of Funds
- Private Equity Fund of Funds
- Cash Instruments

3.3 The administering authority has decided to increase limits under regulation 11(2A) in compliance with The Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2003 (Statutory Instrument 2003 No. 2719) effective as from 19 November 2003. The limit on the amount invested in any single insurance contract is 35%.

4 Approach to managing the Fund

4.1 At the current time, the Council uses twelve fund managers. This method of asset management is kept under review. Periodically and normally every three to four years, the Pension Fund Committee gives consideration to new managers taking over part of the Fund.

5 Balance between different types of investment

5.1 Local Government Pension Scheme (LGPS) regulations require that funds achieve 'proper diversification'. This may be considered in terms of ensuring that investments are spread through a number of investment types whose movements are not closely correlated.

5.2 Active fund managers are given wide discretion over asset allocation, subject to regular review, and are required to report on a quarterly basis their current asset allocation position against their strategy, and seek approval for variations to their strategies.

6 Risk

6.1 The constant monitoring of performance relative to a performance target constrains fund managers from deviating significantly from the intended approach, whilst permitting flexibility to manage the Fund in such a way as to enhance returns. The appointment of more than one fund manager introduces a level of diversification of manager risk.

6.2 Fund managers are instructed to diversify between investment types and within each investment type so that the prospects of potential losses are reduced. Fund managers are also instructed to observe the Council's constraints in such areas as property, derivatives, stock lending, overseas investment, non-income producing investments and unquoted securities.

6.3 Fund managers will bias their portfolios towards stocks which are expected to out-perform in rising or falling markets but not take such contrarian positions that major under-performance occurs if they are incorrect in their strategies. They are required to operate in such a way that the possibility of under-

performance against the target is kept within an acceptable limit. Managers will use and report on the risk measures employed on a regular basis.

7 Expected return on investments

- 7.1 The Fund is expected to produce a return over the long term in excess of the investment return assumed in the actuarial valuation. The majority of the Fund's assets are managed on an active basis and, overall, the fund is expected to out-perform its benchmarks over the long term.

8 The realisation of investments

- 8.1 Some fund managers are required to maintain portfolios that consist of assets that are readily realisable. The majority of the Fund's investments is quoted on major stock markets and thus may be realised relatively quickly if required. Property investments, private equity fund of funds and hedge fund of funds, which are relatively illiquid, make up a small proportion of the Fund's assets.
- 8.2 The Pension Fund Committee has delegated to the fund managers responsibility for the selection, retention and realisation of assets.

9 Extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments

- 9.1 The extent to which social, environmental and ethical considerations are taken into account in these decisions is left to the discretion of the fund managers. However, the Pension Fund Committee expects that the extent to which social, environmental and ethical issues may have a financial impact on the portfolio will be taken into account by the fund managers in the exercise of their delegated duties and reviewed by the Committee from time to time.

10 Exercise of the rights (including voting rights) attaching to investments

- 10.1 The policy of the Pension Fund Committee is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the fund managers although the Committee has retained rights to scrutinise any voting intention.
- 10.2 In respect of voting rights, fund managers are asked to take into account the extent to which the company concerned complies with best practice in corporate governance.

11 Policy on Stock Lending

- 11.1 The Fund's current policy is not to participate in stock lending.

12 Myners Principles

- 12.1 Local authorities are required to set out in their Statement of Investment Principles the extent to which they comply with these principles, this is set out in Appendix 1 to the SIP.

Assessment against Myners Principles

Principle	Examples of Compliance	Comply
<p>Principle 1: Effective Decision Making</p> <p>Administering authorities should ensure that: Decisions are taken by persons or organisations with the skills, knowledge, advice and resources to make them effectively and monitor their implementation; Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.</p>	<p>The Fund’s Governance Compliance Statement sets out the Fund’s governance arrangements, including its Terms of Reference, structure, representation and delegations.</p> <p>All members and officers of the Committee undertake a periodic training needs analysis. Two training days per year are arranged for the Committee members to deliver training on training needs identified through the analysis. Ad hoc training needs are met through Hot Topic sessions at Committee meetings.</p> <p>The Fund contracts an actuary and an investment consultant. The investment consultant attends all Committee meetings and other expert advisors attend on an ad hoc basis when appropriate. The Fund has an Independent Committee Advisor who attends all Committee meetings and provides advice to the Committee members.</p>	<p>Comply</p>
<p>Principle 2: Clear Objectives</p> <p>An overall investment objective should be set out for the fund that takes account of the scheme’s liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisors and investment managers.</p>	<p>The asset allocation and investment strategy are set out in the Fund’s Statement of Investment Principles (SIP) and Funding Strategy Statement (FSS).</p> <p>The Actuary takes account of a range of factors including the scheme’s liabilities, the potential impact on local tax payers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers in setting contributions rates as part of the valuation process. These are all included in the FSS.</p> <p>The Committee considered the split between equities and bonds in light of the Fund’s forecast liabilities before considering any other asset class. The Committee considered its appetite for risk and that of the employers in the Fund when considering the mix of asset classes. In setting the asset allocation the Committee considered many of the asset classes currently available to investors.</p>	<p>Comply</p>

Principle	Examples of Compliance	Comply
	<p>The Committee has set a scheme specific benchmark and understands the risks associated with its investment strategy.</p> <p>All external procurement of advisors, investment managers and other services is conducted within the EU procurement regulations and the administering authority's own procurement rules.</p> <p>The Fund is aware of the investment management fees charged by the investment managers and other transaction related costs. The investment managers disclose their commission costs half yearly via their Level II reports in line with industry best practice.</p>	
<p>Principle 3: Risk and Liabilities</p> <p>In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities.</p> <p>These include the implications for local tax payers, the strength of the covenant for participating employers, the risk of their default and longevity risk.</p>	<p>In setting the overall investment objective, the Committee has considered the appropriate risk and return profile given the Fund's views on its liabilities, financial risk and employers' ongoing ability to pay contributions.</p> <p>The triennial valuation sets out the liability profile for each individual employer within the Fund. The strength of the covenant of each employing body and risk of default is taken into consideration when setting the employer contribution rate and period over which any deficit will be recovered. The Fund's liabilities are long term in nature and the investment strategy reflects this liability profile by investing in long term return generating assets.</p> <p>The Fund maintains a Risk Register which consolidates the significant risks to the Fund; it is updated on a regular basis and reviewed by the Pension Fund Committee every six months.</p> <p>The Committee annually receives the external auditor's Annual Governance Report which states their assessment of the risk management process.</p>	Comply
<p>Principle 4: Performance assessment</p> <p>Arrangements should be in place for the</p>	<p>The Fund's performance against its investment objective is reviewed by the Pension Fund Committee quarterly. The Committee in consultation with its investment advisors assesses whether any action is required. Annually the Committee reviews the Fund's</p>	Partial complia

Principle	Examples of Compliance	Comply
<p>formal measurement of performance of the investments, investment managers and advisors.</p> <p>Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to the scheme members.</p>	<p>activities against the WM local authority universe for comparative information only.</p> <p>The fund managers attend the Pension Fund Committee periodically. The Committee arranges manager attendance on a risk basis. Officers meet with fund managers on a more regular basis and this is reported to the Pension Fund Committee.</p> <p>Services provided by advisors are market tested periodically, a review of the advice received needs to be assessed by the Pension Fund Committee in order to comply with this principle.</p> <p>An Annual Report is presented to the Cabinet on the Pension Fund's activities and decisions taking during the previous year.</p> <p>The Pension Fund Committee will need to fully develop a process of self assessment in order to fully comply with this principle. A number of strands of this process are already established (such as training needs assessments) however, a mechanism for assessing decision making effectiveness should also be designed.</p>	
<p>Principle 5: Responsible ownership</p> <p>Administering authorities should: Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents, include a statement of their policy on responsible ownership in the statement of investment principles.</p> <p>Report periodically to scheme members on the discharge of such responsibilities.</p>	<p>All of the Fund's investment managers have adopted the Institutional Shareholders' Committee Statement of Principles.</p> <p>The Pension Fund Committee expects that the extent to which social, environmental and ethical issues may have a financial impact on the portfolio will be taken into account by the fund managers in the exercise of their delegated duties and reviewed by the Committee from time to time. The Fund's policy on responsible ownership is set out in its Statement of Investment Principles. The extent to which social, environmental and ethical considerations are taken into account in the selection, retention and realisation of investments is left to the discretion of the fund managers.</p> <p>The outcomes of any significant issues arising over the course of the year in the areas of responsible investment are reported as part of the newsletter or annual report (as appropriate) to scheme members.</p>	Comply

Principle	Examples of Compliance	Comply
<p data-bbox="113 235 579 305">Principle 6: Transparency and reporting</p> <p data-bbox="113 342 575 375">Administering authorities should:</p> <p data-bbox="113 418 655 630">Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives.</p> <p data-bbox="113 673 596 776">Provide regular communication to scheme members in the form they consider most appropriate.</p>	<p data-bbox="730 235 1965 410">The Fund publishes the following statements: a Governance Policy Statement, a Communications Strategy, a Funding Strategy Statement, a Statement of Investment Principles and a Pensions Administration Strategy. These statements are reviewed and updated regularly, they are approved by the Pension Fund Committee and included in the published Annual Report and Accounts.</p> <p data-bbox="730 454 1871 519">Fund Manager performance data is available through review of the Pension Fund Committee minutes.</p> <p data-bbox="730 563 1965 813">The published Annual Report and Accounts includes a review of the Fund's performance and activities during the year. It provides scheme members and employers information about the Fund, its investment and administration strategies and its performance as well as its financial statements and auditors opinion. A copy of the Annual Report is on the Fund's website http://www.buckscc.gov.uk/assets/content/bcc/docs/pensions/AnnualReport1%20(2).pdf and hard copies are available on request.</p> <p data-bbox="730 857 1923 1107">The Fund's employers receive a quarterly newsletter updating them on LGP bulletins and circulars, investment performance and policy updates. The Pension Fund Consultative Group is a forum for employers and employee representatives for communication and consultation about the activities and governance of the Pension Fund, and to make recommendations to the Pension Fund Committee on matters of note, the Group meets twice a year. Other employers within the Fund are consulted with on an ad hoc basis.</p> <p data-bbox="730 1151 1965 1289">Active and deferred members receive an Annual Benefits Statement with a Guide to the content of the Statement and an update on any changes to the LGPS benefits. Pensioner members receive one newsletter per year detailing any information affecting pensions in payment as well as their annual P60 statement.</p>	<p data-bbox="2001 235 2100 267">Comply</p>