



FIREFIGHTERS' PENSION SCHEME

SERVICE-LEVEL AGREEMENT



Lancashire Pensions Services

THE BEST FOR LANCASHIRE AND BEYOND

Jan 07

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1 INTRODUCTION

- The Agreement

This agreement is between Lancashire Pensions Services and Lancashire Fire and Rescue Service for the provision of a range of pensions administration services and support as prescribed within the agreement.

The agreement is for the administration of the **Firefighters' Pension Scheme (OFPS)** as specified in **The Fireman's Pension Scheme Order 1992** (as amended) and the New Firefighters' Pension Scheme 2006 (NFPS).

- Service Specification

A range of services are specified in this agreement and performance standards have been incorporated in the service specification.

Quarterly performance statistics will be provided showing performance achievement relative to the standards as shown in Section 3 of this agreement. Any significant shortfall of service standards (ie an average of 5% or more) a meeting will be convened by Lancashire Fire and Rescue Service, where deemed necessary, to ensure an action plan is instigated to rectify the matter. If service standards remain consistently below the agreed standards a full review of the SLA will be invoked.

2 PERIOD OF AGREEMENT

This agreement will remain in force until terminated by one of the parties to the agreement giving six months' notice before the start of the financial year.

The agreement will also be subject to review as and when any legislative change arises affecting the terms of the agreement and, in any case, will be reviewed annually.

3. SERVICES & STANDARDS

(a) Communications

Lancashire Pensions Services will provide OFPS and NFPS information **in compliance with overriding statutory requirements**, in particular; **The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 (as amended)**.

Scheme Information

- All new fire fighters will, be required to complete documentation, provided by Lancashire Pensions Services and issued by Lancashire Fire and Rescue Service, in order to confirm entry into the pension

scheme (or right to opt out), and to declare previous pension rights for potential transfer.

- A comprehensive Scheme Guide will be issued by the Lancashire Fire and Rescue Service for all members on request.
- Lancashire Fire and Rescue Service will be responsible for the cost and maintenance of the scheme guide in liaison with the Lancashire Pensions Services.
- **Factsheets will be made available when deemed appropriate, providing scheme members with information relating to specific topics within the pension scheme.**
- A statement of particulars will be issued by Lancashire Pensions Services upon commencement in the pension scheme, setting out start date of scheme membership and the extent to which any previous service counts in this period of membership.

Member Communication

- Lancashire Pensions Services will nominate persons who will act as primary contact in respect of the following areas:
 - SLA Compliance
 - Administration
 - Communication
- Pensions Helpdesk facility

A Pensions Helpdesk will be made available between 0845 and 1630 hours providing a single access point for general information relating to the OFPS and NFPS. A voicemail facility will also be made available out of office hours enabling a message to be left for future attention by a member of staff.

- Newsletters

Annual Newsletters will be provided to all OPPS and NPPS members by Lancashire Pensions Services. In addition, where a material or regulatory change occurs, Lancashire Pensions Services will inform Scheme members as appropriate.

Training Courses

- The following Training Courses will be attended by Lancashire Pensions Services in conjunction with Lancashire Fire and Rescue Service.
 - New Recruits
 - Pre-Retirement

- Attendance by Lancashire Pensions Services will be subject to a maximum of 5 working days per year. Attendance in excess of 5 working days will be provided at a daily rate to be negotiated separately by the parties to this agreement.

(b) **Systems and Maintenance**

Lancashire Pensions Services will be responsible for the provision and upkeep of pensions and payroll computer systems during the term of this agreement including:

- Licensing and maintenance.
- Development needs arising from legislative change, Lancashire Pensions Services processing requirements and E Government requirements.
- The development of Interfaces

(c) Pensions Policy and Technical Services

Lancashire Pensions Services will provide the following services to Lancashire Fire and Rescue Service in respect of policy and technical services.

- Maintaining an up to date and current copy of the OFPS and NFPS regulations.
- Attendance will be maintained at Department for Communities and Local Government Regional Pension Groups and any other meeting assessed as being of benefit to the administration of the OFPS and NFPS.
- **Ensuring the following by compliance with the relevant legislation:**
 - Maintaining contracted-out status
 - Maintaining exempt approved status
 - Registration with the Registrar of Pension Schemes.
- Ensuring that OFPS and NFPS administration complies with the Disclosure Regulations 1996, the Financial Services Act 1986 and the **Data Protection Act 1998, and any other overriding legislation in force for the time being.**
- Ensuring that the technical content of Lancashire Pensions Services communication material is correct.
- Liaising with the Department for Communities and Local Government on all requirements of the OFPS and NFPS including provision of all

actuarial tables for the calculation of benefits and options, and provision of one-off technical factors as required.

- Liaising with the Department for Communities and Local Government on matters relating to the OFPS and NFPS administration and design.
- Assess the general implications of legislative, social, political and economic trends, and of Regulations from the Department for Communities and Local Government, and other government agencies

(d) Active and Deferred Member Services

Lancashire Pensions Services will provide the following services to the Lancashire Fire and Rescue Service in respect of active members (current employees who are members of the OFPS and NFPS) and deferred members (former employees who have a frozen pension benefit).

- Maintaining current records of full-time and part-time active members; members on career breaks or maternity leave.
- Maintaining records for Free-standing AVCs (FSAVCs), including liaison with FSAVC providers when such members leave the service, retire or die.
- Calculating and processing of transfer-in requests for NPPS and collecting transfer payments.
- Processing of inter-brigade transfers for OFPS and NFPS.
- Providing information on request in respect of Pension Sharing on Divorce
- Implementing Pension Sharing Orders in accordance with the associated legislation.
- Providing estimates (including options) of benefits in relation to retirement, leaving service or on death including responding to routine enquiries.
- Calculating and paying all retirement benefits and death in service lump sums in accordance with OFPS and NFPS rules, members' options and statutory limits, in response to an agreed notification. Lancashire Fire and Rescue Service will provide details of the rates of pay in the final year of scheme membership (and previous years where appropriate), to enable the pensionable pay to be determined. The service to include the recalculation and payment of benefits as a result of amended data received from Lancashire Fire and Rescue Service.

- Providing information to Lancashire Fire and Rescue for the calculation of capital-equivalent charge payments for ill health retirements.
- Providing a statement of benefit entitlement on leaving service.
- Providing an annual statement of benefit entitlement to all active and deferred members.
- Calculating and paying refunds of pension contributions, including deducting statutory deductions in accordance with HMRC and DSS regulations.
- Responding to correspondence from members, Lancashire Fire and Rescue Service, the Department for Communities and Local Government, and third parties in relation to Firefighters Pension Schemes.
- Maintaining records of deferred members including establishing the pensioner's address at retirement age.
- Calculating and paying deferred benefits on death or retirement in accordance with member's options and statutory limits, in response to the agreed notification.
- Calculating, notifying and paying transfer values to other pension providers.

(e) **Pensioner Member Services**

Lancashire Pensions Services will provide the following services to Lancashire Fire and Rescue Service in respect of pensioners as appropriate.

- Maintaining current and historical records of all pensioners.
- Arrange and make payment of monthly pensions where required and administering third party arrangements.
- Ensuring application of PAYE tax routines including production and distribution of P60s.
- Checking benefits to ensure that statutory limits are not infringed.
- Calculating and quoting of benefits on death of pensioners.
- Referring overpayments to Lancashire Fire and Rescue Service and administering the subsequent recovery where necessary.

- Ensuring that annual pension increases are applied.
- Ensuring that changes to pensioner circumstances are actioned.
- Undertaking annual reviews to establish continuing entitlements to pension for all children over age 17.
- Providing information on request in respect of Pension Sharing Orders.
- Implementing Pension Sharing Orders in accordance with the relevant legislation.
- Responding to correspondence from pensioners, beneficiaries and third parties, in relation to the OFPS and NFPS.

(f) Performance Standards

Lancashire Pensions Services will aim to achieve the following service standards:

Active & Deferred Members

<u>Performance Standard</u>	<u>Minimum Targets</u>
Amend personal records within 15 working days of receipt of required documentation.	90%
Calculation of additional membership for transfer values within 15 working days of receipt of transfer details.	90%
Action agreed transfer values within 15 days of receipt of acceptance.	90%
Provide information on request in respect of Pension Sharing on Divorce within legislative timescales.	100%
Implement Pension Sharing Orders within legislative timescales.	100%
Provide a statement of deferred benefit entitlement on leaving service within 20 working days of date of leaving or receipt of notification, whichever is later.	90%
Respond to requests for estimates of benefits within 15 working days following receipt of request	90%
Respond to applications for payment of refunds within 6 weeks of receipt of notification.	90%

Acknowledge general correspondence within 5 working days of receipt.	100%
Respond to general correspondence within 15 working days of receipt.	90%
Payment of retirement benefits within 10 working days of receipt of notification or date of entitlement to benefit; whichever is later.	90%
Advise transfer value out within 15 working days of receipt of necessary documentation.	90%
Action agreed transfer values out within 15 working days of receipt of acceptance.	90%

Pensioner Members

<u>Performance Standard</u>	<u>Target</u>
Make payment of pensions on due date.	100%
Production and distribution of annual P60s to pensioners within statutory deadlines.	100%
Implementation of annual pension increases by payment due date.	100%
Implementation of change in pensioner circumstance by payment due date.	95%
Provide information on request in respect of Pension Sharing on Divorce within legislative timescales.	100%
Implement Pension Sharing Orders within legislative timescales	100%
Acknowledge general correspondence within 5 working days of receipt.	100%
Respond to general correspondence within 15 working days of receipt.	90%
Undertake annual reviews in accordance with section 3(e) of this agreement	100%

All services, standards and targets specified within this agreement are dependent upon receipt of the necessary information and documentation from Lancashire Fire and Rescue Service, the member or relevant third party administrator.

Any overpayment due to an administrative error will be rectified by Lancashire Pensions Services.

4. FINANCIAL SERVICES

(a) Accountancy and Taxation

Lancashire Pensions Services will ensure the OFPS and NFPS receive accountancy and taxation services as appropriate.

(b) Membership Data

Lancashire Pensions Services will provide data on membership of the OFPS and NFPS in a format which will be agreed:

- FRS17 – Annually;
- Department for Communities and Local Government data – Annually;
- Valuation purposes – four yearly.

(c) Internal Audit

Lancashire Pensions Services will allow the OFPS and NFPS internal auditors full access to the Service.

5. CHARGES

Members are defined as the total of pensioners, plus deferred beneficiaries, plus contributors. For pricing purposes the average of the total number of members at the beginning and the end of the financial year will be used as a basis:

Invoices for the services will be rendered quarterly in arrears and are due for settlement within one month of the invoice date.

6. CONTACTS

(a) Lancashire Pensions Services

Bill Brown, Group Head

Diane Lister, Pensions Services Manager (SLA Compliance)

Diane Lambert, Processing Manager (Administration & Communication)

(b) Lancashire Fire and Rescue Service

Brendan Hamilton, Head of Human Resources

Jayne Hutchinson, Office Manager

Signed on behalf of Lancashire Pensions Services:

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(name & title)

Signed on behalf of Lancashire Fire and Rescue Service:

.....
(name & title)

Dated: