	Committee and date	Item 10
	Pensions Board 17 November 2017 10.00am	Public

Breaches of LGPS Regulations

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1. **Summary**
   The report provides Pension Board Members with the latest Breaches of LGPS regulations affecting the Shropshire County Pension Fund.

2. **Recommendations**
   Pension Board Members are asked to note the contents of this report

REPORT

3. **Risk Assessment and Opportunities Appraisal**

   3.1 **Risk Management**
   By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

   3.2 **Human Rights Act Appraisal**
   The recommendations contained in this report are compatible with the Human Rights Act 1998.

   3.3 **Environmental Appraisal**
   There is no direct environmental, equalities or climate change consequence of this report.

   3.4 **Financial Implications**
   Currently there are no direct financial implications arising from this report.

4. **Recording and reporting of breaches**

   4.1 Section 70 of the Pensions Act 2004 imposes a requirement on the following persons to report a breach of law:

   - a trustee or manager of an occupational or personal pension scheme;
   - a member of the pension board of a public service pension scheme;
   - a person who is otherwise involved in the administration of such an occupational or personal pension scheme;
   - the employer in relation to an occupational pension scheme;
   - a professional adviser in relation to such a scheme; and
   - a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme,

4.1 When deciding whether a breach is likely to be of material significance to the Pensions Regulator, the cause, effect, reaction to and wider implications of the breach should all be considered and, if a breach has occurred that is deemed material, it should be reported to the Pensions Regulator.

4.2 Any potential breaches by the Administration Team or Fund Employers' are recorded on the Breaches Log and reported quarterly to Pension's Committee through an exempt paper. Pension Board members receive a copy of this paper for discussion at each Board meeting, however an annual update can be provided at the end of each financial year.

4.3 Reference should be made to Item 8 'Breaches of the LGPS regulations' report which was presented to the Pensions Board in July 2017. Largely, the breaches recorded and shared with the Pensions Committee up until in 30th June 2017 were due to employers Scheme contributions and/or data not being submitted on time or the employer not submitting a Discretions Policy.

4.4 So far in 2017/18 year to 30th September 2017 there were 5 employers who appeared on the breaches log with a total of 5 or more breaches for late payment of contributions and/or submission of accompanying data. Of these employers 4 shared the same payroll provider and the breaches were mostly related to an ongoing issue with setting up on the data transfer system. This issue was resolved in August. The fifth employer has been contacted and the Fund is continuing to work with them to improve their practices.

4.5 Breaches in relation to outstanding leavers forms related to 22 individual breaches recorded over this quarter from 3 different employers. All 22 breaches were resolved once reported to the employer.

4.6 No breach has yet been assessed as material and therefore none have needed to be reported to the Pensions Regulator.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)   Pensions Committee Meeting 17 March 2017 Record of Breaches Report (Exempt paper)   Pensions Committee Meeting 23 June 2017 Record of Breaches Report (Exempt paper)   Pensions Board Meeting 7 July 2017 Breaches of the LGPS Regulations   Pensions Committee Meeting 22 September 2017 Record of Breaches Report (Exempt paper)
Cabinet Member (Portfolio Holder)   NA
Local Member   NA
Appendices   NA