

Hampshire Pension Fund Administration Strategy

1 Introduction

- 1.1 Hampshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Hampshire Pension Fund (HPF). The LGPS is governed by statutory regulations.
- 1.2 HPF provides a high quality pension service to members and employers, to ensure members receive their correct pension benefits. This is best achieved where HPF and the employers are clear about their roles and responsibilities and work in partnership.
- 1.3 This strategy statement:
 - sets out the roles and responsibilities of HPF and the employers
 - specifies the level of services HPF and the employers will provide to each other
 - explains the performance measures used to evaluate them
 - is an agreement between HPF and the employers

2 Pension Administration Strategy

- 2.1 This strategy is an agreement between the Hampshire Pension Fund and all participating bodies. All parties commit to the following principles:
 - provide a high quality pension service to members
 - continually develop efficient working arrangements
 - meet HPF's service standards
 - an annual report of performance
 - take responsibility to provide accurate and timely information
 - keep the pension administration strategy under review and revise where appropriate.
- 2.2 This strategy statement was produced by HPF in consultation with the employers and is effective from 1 March 2012. It is hereby agreed that each of the parties as defined in this agreement and the scheme regulations, shall abide by the requirements of this agreement.
 - HPF shall monitor the requirements of this agreement and report its findings to the Hampshire Pension Fund Panel.
 - Changes are subject to consultation with the employers. Variations must be agreed with HPF and confirmed in writing.
- 2.3 Please keep a copy of this strategy for your records. The original will be held at the offices of the Hampshire Pension Fund and will be made available to any scheme member, past or present, wishing to have sight of the document.

3 Roles and responsibilities

- 3.1 The quality of service to members depends on the supply of accurate and timely information.
- 3.2 Employer duties, responsibilities and discretions are listed in Appendix A to this agreement.
- 3.3 HPF's duties and responsibilities are listed in Appendix B to this agreement.

4 The Regulations – effect on strategy

- 4.1 This strategy sets out certain duties and responsibilities.
 - It does not override any provision or requirement in the Regulations or any overriding legislation.
 - The intentions of the Regulations in their application to current members, potential members, deferred members and retired members must be complied with.
- 4.2 This agreement is based on the following regulations
 - the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (referred to as the Benefits Regulations) and any amendments;
 - the Local Government Pension Scheme (Administration) Regulations 2008 (referred to as the Administration Regulations) and any amendments;
 - the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (referred to as the Transitional Regulations) and any amendments
 - the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2000 (referred to as the Compensation Regulations) and any amendments
 - the Occupational Pension Scheme (Disclosure of Information) Regulations 1996 (referred to as the Disclosure Regulations) and any amendments

5 Communication

- 5.1 HPF routinely provides information and resources for employers using
 - its website, www.hants.gov.uk/pensions with an employers' section
 - an electronic newsletter called Pension Matters
 - an employer manual and other guides available on the HPF website.
- 5.2 Employers should provide contact details at least annually, and whenever a named contact changes, on the Employer Authorisation form.
- 5.3 Employers may provide information about members to HPF in a variety of ways, including electronic and paper forms, directly updating electronic pension records, or using an interface between payroll and the pensions system. Forms used must be up to date, and are available on the HPF website. HPF supports employers who update electronic pension records directly.

6 Performance measurement and reporting

- 6.1 The Pension Fund Panel (the Panel) will monitor, measure and report on the HPF's and the employers' compliance with the agreed service standards.

- 6.2 Where this information reveals problems in meeting the standards, HPF will consult and work with the relevant employers to improve compliance and performance levels by providing appropriate support, guidance, and training.
- 6.3 HPF will carry out its responsibilities to members according to its service standards. It will also monitor, measure and report on its performance against those standards and its performance targets.

7 Costs

- 7.1 HPF's charging policy is set out in the Funding Strategy Statement (FSS) which summarises the HPF's approach to funding liabilities.
- 7.2 The costs of administration, including actuarial fees for routine work, are charged directly to HPF. These costs are taken into account in assessing the employers' contribution rates.
- 7.3 Where additional services (actuarial or other) are required by, or result from the actions of, the employer and costs are incurred by HPF, the employer will be required to reimburse HPF for the costs involved. Where appropriate, an estimate of these costs will be provided and the employer's agreement obtained before proceeding to instruct the service provider.
- 7.4 If HPF incurs interest charges as a result of a late notification of retirement from the employer, it may recharge to the employer the interest incurred on the late payment of the lump sum.

8 Penalties

- 8.1 Commitment to the principles of this statement (see 2.1) should mean that any non-compliance is addressed promptly, with no need to resort to a penalty. However, the following actions are possible:
 - In the event of a failure to meet its requirements, the HPF will be penalised in accordance with the Disclosure Regulations.
 - Persistent failure to comply with contributions payment requirements will result in HPF informing The Pensions Regulator as required of Scheme Administrators by the Pensions Act 1995.
 - Where the employer fails to comply with their scheme duties, including failure to pay contributions due, HPF reserves the right to notify the member(s) involved and to notify all members employed by the employer in the event of serious or persistent failure.
 - If additional and disproportionate resources are deployed by HPF because of an employer's poor performance, the cost of the additional resources may be re-charged to the employer according to powers available under scheme regulations. Written notice will be given of the reasons for the re-charge, how the cost was calculated, and the part of this statement which, in HPF's opinion, was contravened.
- 8.2 Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by HPF, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.

9 Definitions

For the purpose of this Administration Agreement:

- **“Administering Authority”** or ‘Hampshire Pension Fund (HPF) means Hampshire County Council;
- **“Employing authority”** or **“employer”** means an employer within the Hampshire Pension Fund; and
- **“Scheme”** means the Local Government Pension Scheme, and
- **The Panel means the ‘ Hampshire Pension Fund Panel’**

10 Hampshire Pension Fund contacts

Member and employer queries	
Pensions customer support team 01962 845588 pensions@hants.gov.uk Website www.hants.gov.uk/finance/pensions	
Employer queries	
Service development team servdev.pensions@hants.gov.uk	Barbara Compton Pensions technical officer Linda Calder Assistant head of Pensions (Service development)
End of year and associated matters	
System team pensions.system.team@hants.gov.uk	Richard Passmore AXIS system manager

Appendix A - Employer Responsibilities

1 Duties set out in the regulations

The main duties of the employers as set out in the Regulations are to:

- decide who is eligible to become a member of the LGPS and the date from which membership of the LGPS starts (backdating membership is not usually possible);
- decide whether that person is employed in a full time, part time, term time or variable time capacity. If the employee is not full time, the employer must determine the proportion which the employee's contractual hours bear to the hours of a comparable full time employee;
- determine an employee's pay for the purposes of calculating pension contributions;
- determine the rate of employee contributions to be deducted from the employee's pensionable pay and, where the employee holds more than one post, the rate that should be applied to each post;
- determine final pay for the purposes of calculating benefits due from the Scheme;
- when an employee's ceases membership of the LGPS, to determine the reason for leaving and entitlement to benefit and notify the HPF;
- supply timely and accurate information to HPF so that benefits payable from the LGPS are calculated correctly;
- collect and pay to the HPF, and account for the deduction of, the correct rate of pension contributions payable by the employee and the employer, including any additional employee contributions of any kind;
- When notified by an employee to pay, vary the amount or cease Additional Voluntary Contributions (or Shared Cost Additional Voluntary Contributions where applicable), to apply the notification accordingly and, where applicable, deduct from a member's pay and pay over to the specified AVC provider the contributions as instructed by HPF in accordance with statutory timescales;
- use an independent registered medical practitioner qualified in occupational health medicine (who has been approved by HPF) in determining ill health retirement.

This is a summary of employers' main duties including those mentioned in the Regulations. If in doubt the Regulations must be consulted for clarification.

2 Contributions

Collecting employee and employer contributions

- Collect and account for the deduction of contributions payable by the employee and the employer, including any ARCs or added years.
- The correct rate of employer contributions is specified on the Rates and Adjustments Certificate issued by the Fund Actuary as part of the triennial valuation of the Pension Fund

Paying employee and employer contributions to HPF

- The employer will pay contributions to HPF by the 19th day of the month following the month in which contributions were deducted. This is the statutory maximum time allowed.

- Where payment is late more than once in any 12 month period, HPF will issue the employer with a written notice of unsatisfactory performance and may charge interest on the late payment at a daily rate equal to the Bank of England's base rate plus 1%
- The employer will complete the monthly remittance advice fully and accurately
- Payment of invoices must be made within 30 days of receipt.

AVCs

- For AVCs, the employer should deduct from the member's pay the specified amount and pay them over to the AVC provider within statutory timescales

Contributions for periods of absence

- Where a break in membership occurs the employer will notify HPF
- Employers should refer to the employer manual and website to find out how to treat periods of absence, including:
 - Statutory sickness
 - Parental leave
 - Leave without pay
 - Trade dispute or strike absence

3 Member information

To be determined by the employer

As needed, employers should determine:

- whether or not an employee is eligible to become a member of the LGPS and the date from which an employee's membership starts
- an employee's pay in order to calculate the rate of contributions to be deducted from that pay
- whether a member is employed on a whole-time, part-time, variable hours or variable time basis
- if a member is part-time, the proportion that their contractual hours bear relative to those of a comparable whole-time employee
- final pay used to calculate benefits, date and reason for leaving the scheme

Record keeping

- The employer will maintain employment records for each member for the purposes of determining membership and entitlement to benefits.
- When an employee suffers a pay reduction, the employer must keep a full pay history for the 10 years, ending 31 March, before the member leaves the scheme.

New Scheme members (see 3.6 for TUPE transfers)

When an employee enters an employment for which they are eligible for membership of the LGPS, the employer shall, within one month of the employment starting, provide the employee with a pensions starter pack containing:

- membership option form
- transfer booklet
- death grant 'expression of wish' form
- summary scheme guide

These packs are available from HPF via the employers' area of the website.

An employee will be eligible to join the LGPS if they:

- are not eligible to join another public sector scheme in their employment

- have a contract of employment that is for at least 3 months
- are under the age of 75
- are a casual employee, with a mutual obligation casual contract for at least three months

Eligible employees will automatically be admitted into the LGPS by the employer unless

- the employer has received a written election from the employee not to join the scheme
- employed by an admission body, in which cases the employer's admission agreement will apply
- employed by a designating body, in which case the employer's resolution will apply

The employer will refer to the manual for further guidance.

The employer will notify HPF of a new member within 10 working days following the end of the month in which the employee joined the LGPS.

Notifying HPF of changes to a member's status

The following changes to a member's status must be notified to the HPF no later than 10 working days following the end of the month during which date that the change takes effect:

- name (attach relevant documentation);
- partnership status (attach relevant documentation);
- weekly contractual hours;
- contractual weeks worked per year, including paid holiday;
- changed of home address;
- pay/post reference;
- breaks in service (where pension costs are not paid).

Changes to AVCs

When notified by a member to pay, vary the amount or cease Additional Voluntary Contributions or shared cost Additional Voluntary Contributions:

- Amend member's pay to make correct deductions, or cease deductions
- Pay the correct amount to AVC provider as instructed by HPF and according to statutory timescales
- Notify HPF of a member's election to pay, vary or cease AVCs
- Ensure final payments are made to the AVC provider before a member's retirement

TUPE transfers

Special arrangements apply where staff move under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) from one employer to another. Such changes must be notified to HPF as soon as practically possible, in advance of any transfer taking place.

An individual TUPE form must be completed for each member. Part A of the TUPE form must be completed within 10 working days following the end of the month in which the transfer took place by the ceding employer. The TUPE form must then be passed to the new employer who is asked to complete Part B and send this to the administering authority.

No further action is required as the membership is automatically linked. As this is continuous unbroken membership of the scheme it is not necessary to issue the member with a starter pack.

Leavers

- When a member leaves the scheme, the employer will determine the reason for leaving and any entitlement to benefit and notify HPF

Final pay

The employer will provide HPF with the correct final pay figure for the calculation of benefits

- within 20 working days before an employee's retirement date
- within 10 days of the month end during which the employee left employment or opted out
- a final pay figure is not needed for opt-outs under three months (see 3.10)

Non-retirements

- When a member leaves the scheme because their employment has ceased or they have opted out of the LGPS, the employer must notify HPF within 10 working days following the end of the month in which the employee left the scheme.

Opt-outs under three months

- If a member opts out
 - within the first three months of joining and
 - there has not been a transfer of pension benefits into the LGPS,the employer should refund contributions paid by the member through the payroll system, automatically adjusting the Income Tax and National Insurance record of the employee.

Death in service

The employer will notify HPF of a member's death and next of kin's details within five working days of the member's death.

Retirements - includes normal age, redundancy, efficiency, ill health and other early retirements

- Once known that a member is to retire, the employer will notify HPF within 20 working days before the date of retirement.
- The employer will provide the correct calculation of the member's final pensionable pay, needed to calculate pension benefits.
- The employer will confirm all changes and hours and weeks worked whilst a member of the pension scheme.
- The employer will provide a completed early retirement authorisation form if necessary.
- The employer should issue the member with a retirement declaration form.
- The employer will pay all early retirement costs as instructed by HPF and in accordance with the Regulations and this Strategy Statement.
- Regulations provide for interest to be payable on lump sums paid after 30 days following the retirement date. Where this deadline is not met because of a delay in information being supplied by the employer to HPF, HPF will issue the employer with a written notice of unsatisfactory performance and may charge the employer for interest that becomes payable.

Ill health retirements

In cases of ill health retirement the employer:

- will use an independent registered medical practitioner qualified in occupational health medicine (who has been approved by HPF) in determining ill health retirement.
- must arrange for the employee to undergo a medical examination with the employer's chosen and approved, independent, registered and qualified occupational health physician, obtaining a certificate detailing that the employee is permanently incapable of performing their duties of employment and the level of ill health retirement that should be applied as determined by the member's ability to obtain gainful employment in the future. This requirement must be met in accordance with the Regulations.
- must then formally notify HPF of their decision, as the employer, regarding ill health retirement and send a completed copy of the relevant certificate to HPF.

- If the employer seeks to appoint a different independent registered and qualified occupational physician to undertake the responsibilities outlined in the Regulations, they must seek the approval of HPF before appointing the new preferred practitioner.

Certificates for processing ill health retirements are on the employer area of the HPF website: www.hants.gov.uk/pensions

Pension estimates

When the employee or employer requests a pension estimate, the employer will provide HPF with details of the member's proposed

- date of leaving
 - reason for leaving
 - estimated final pay
 - hours and membership service history
 - number of additional augmented years (if any) to be granted at the employer discretion
- The employers' estimate request form is on the HPF website with guidance notes.

4 Annual Returns and triennial valuation

- By 30 April each year the employer will provide HPF with an end of year schedule as explained in a guidance note and spreadsheet from HPF.
- The employer will respond within 20 working days of its receipt to requests made by HPF for further information and queries raised from the annual return of contributions.
- The employer will respond within 20 working days of its receipt to requests made by HPF for further information and queries raised from the triennial valuation of the Pension Fund.

5 Employers' discretions

The employer will review and maintain its policy regarding the discretions available under the Regulations and will notify HPF and members of any changes to those policies within 30 working days of the changes taking effect. The discretions afforded to an employer by the 2008 Regulations are set out below.

Mandatory Policy required in respect of the following discretions:

- the employer's power to increase an active member's total membership, by a maximum of 10 years, at any time (Regulation 12 of the Benefit Regulations);
- the employer's power to award an active scheme member additional pension, up to the value of £5,000 a year (Regulation 13 of the Benefit Regulations);
- the employer's power to agree to the flexible retirement of a member once they have met the minimum age (Regulation 18 of the Benefit Regulations);
- an LGPS member's ability to apply to the employer for benefits to be released early if they meet the minimum age requirement (Regulation 30 of the Benefit Regulations).

Additional Policy recommended in respect of the following discretions:

- the employer's power to accept late applications (made more than 30 days after returning to work or, if does not return to work, 30 days after the leaving date) from a member to pay optional contributions for a period of absence (Regulation 22 of the Administration Regulations);

- the employer's power to permit requests for the inward transfer of pension rights made more than 12 months after the member joined the LGPS being accepted (Regulations 16 and 83 of the Administration Regulations)
- the employer's right to determine the frequency with which it will re-assess the rate of employee contributions payable by their members (Regulation 3 of the Benefit Regulations);
- the employer's power to contribute to a Shared Cost Additional Voluntary Contribution Scheme (Regulation 25 of the Administration Regulations).

HPF will not give members any expectation as to how the employer will exercise any discretion.

6 Internal dispute resolution procedure (IDRP)

- The employer will nominate a specified person to deal with all cases of dispute raised by their scheme members at Stage 1 of the Internal Dispute Resolution Procedure.
- The employer will notify HPF immediately of any change to their specified person details.

7 Communication

Information and queries

The employer will

- supply timely and accurate information to HPF so that LGPS benefits are calculated correctly
- respond to queries raised by HPF within agreed timescales
- update its contact details yearly on request, and whenever a named contact changes

Distribution of statements and information to members

The employer will distribute annual benefit statements and any other notifications to active members as requested by HPF within 20 working days of receipt.

Workload variations

The employer will advise HPF of any impending major workload, such as estimates for proposed redundancy exercises, as appropriate.

Appendix B - HPF Responsibilities

- The overriding responsibility of HPF is to maintain the Hampshire Pension Fund.
- HPF will provide the following within the timescales shown. A reduced timescale may be agreed in exceptional cases at an employer's request.

1 Strategic

Invest contributions

HPF will invest pension contributions and account for and manage the Pension Fund's assets.

Reconcile contributions

HPF will allocate all contributions submitted by the employer to their respective income codes and reconcile the total contributions paid on a yearly basis.

Appoint AVC provider

HPF will appoint Additional Voluntary Contributions provider(s).

Pension Regulator and Ombudsman

HPF will comply with any orders or instructions issued by The Pensions Regulator or the Pensions Ombudsman. Where the order or instruction requires financial compensation or a fine to be paid by HPF, or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned shall be recharged to the employer.

HMRC reporting requirements

HPF will comply with HMRC reporting requirements regarding pension benefits.

Appoint fund actuary

HPF will appoint an actuary for the purposes of the triennial valuation of the Fund and to provide periodical actuarial advice when required.

Triennial valuation

HPF will provide accurate, timely data to the Fund actuary for the purposes of the triennial actuarial valuation of the Fund and for employer accounting reports (e.g. FRS17) requested.

Fund actuary

- HPF will correspond with and commission any information required of the Fund Actuary on behalf of the employer. HPF will inform the employer of the relevant actuarial charges payable by them.
- HPF will arrange for the triennial valuation of the Pension Fund and provide the employer with a copy of the valuation report and the annual report and statement of accounts.
- HPF will arrange for the annual FRS17 report to be provided to all employers requiring such a report.

Publications

HPF will publish and review the Pension Fund's Policies and Funding Strategy Statement, and prepare annual report and accounts.

Changes to regulations

HPF will notify the employers of any significant changes to:

- Regulations that might affect members in their employ;
- policies made by the administering authority under the Regulations; or

- procedures adopted by it in accordance with this strategy.
- Advice will be given to the employers in respect of matters arising from the interpretation and implementation of the Regulations.

Outsourcing

HPF will assist employers in regard to the pension implications of outsourcing services.

Bulk transfers

HPF will instruct the Fund actuary on behalf of the employer where bulk transfer terms apply.

2 Communication

Consultation on major issues

As the body administering the scheme on behalf of the employer, HPF will consult with the employer on major issues affecting their participation in the LGPS and keep it up to date with relevant information through:

- Website: www.hants.gov.uk/pensions
- regular employer bulletins
- employer visits and meetings
- the annual employer's meeting (AEM)

Publicity and promotion

- HPF will make available to the employer an up to date list of LGPS publications which will be available from the HPF website or as otherwise indicated.
- HPF will communicate to the employer on an ad hoc basis and as required in respect of matters relating to the LGPS.
- HPF will ensure that sufficient information is issued in the form of newsletters, booklets and other materials to satisfy the requirements of The Occupational, Personal and Stakeholder Pension Schemes (Disclosure of Information) (Amendment) Regulations 2010.

Changes to administrative procedures

- HPF will notify the employer of changes to administrative procedures that may arise as a result of changes in pension scheme regulations and update standard documentation on the HPF website.
- HPF will issue forms, newsletters, booklets and such other materials as are necessary in the administration of the LGPS, for members and the employers. This includes providing HMRC with details of early leavers for contracting-out purposes.

Scheme member enquiries

HPF will answer enquiries made by members within 10 working days or sooner where possible. Where an enquiry will take longer than 10 days to resolve, HPF will notify the member and keep the member updated.

Employing Authority enquiries

HPF will respond to enquiries made by the employer within 10 working days or sooner where possible. Where an enquiry will take longer than 10 days to resolve, HPF will notify the employer and keep the employer updated.

Training, support and guidance for employers

HPF will provide training, guidance and support to staff of employers who have pension related duties as required.

3 Members' information

Scheme member database

- HPF will maintain a database of all members employed by the employer.
- HPF is not responsible for checking the accuracy of information provided by the employer. It is the employer's responsibility to provide service and pay information for active members.
- HPF will inform the employer of significant discrepancies between information provided by the employer and information held from previous notifications.

Accuracy in paying benefits

HPF will take steps at all times to pay benefits only to appropriate beneficiaries and to reduce the possibility of fraud.

Data protection

HPF will comply with Data Protection legislation.

New scheme members

HPF will set up a record for each new member and issue a statutory notification within 20 working days from when it is notified of their membership.

Annual Benefit Statements

HPF will issue annual benefit statements to members via their employer within 6 months of receipt of all relevant year end information from the employer, or in any case no later than 12 months following the year end.

Pensions estimates

HPF will provide an estimate of pension benefits on request from the employer within 20 working days of receipt of all relevant information. Where the estimate is in respect of an early retirement, HPF will provide the employer with details of the full capital costs to be paid by them.

Changes to membership status

HPF will amend a member's record within 20 working days from when the change was notified.

Leavers and retirements

- HPF will calculate all benefits within 20 working days for retirements, or within 40 working days for deferred benefits, on receipt of all information needed to make the final calculation.
- HPF will send to all deferred members a benefit statement showing the accrued benefits to the date of leaving and the other options available to them in accordance with the Regulations.
- HPF will pay all retirement lump sums within 30 days of the retirement date unless the member or the employer has failed to provide all necessary information for HPF to calculate the final benefits.
- Where, as a result of the employer's failure to notify HPF of the final retirement details in a timely manner, payment of any retirement lump sum is not made within 30 days from the date of the member's retirement, HPF will issue the employer with a written notice of unsatisfactory performance and may charge the employer for the interest payment made.

Early retirements

On completion of an early retirement calculation, HPF will provide to the employer, within 10 working days, details of the final capital costs to be paid by the employer into the Pension Fund.

Transfers

HPF will calculate and process transfers of members' pension rights inwards and outwards in accordance with the timescales laid down in the regulations.

Death of a member

- HPF will acknowledge in writing the death of a member within 5 working days.
- HPF will supply survivor beneficiaries with notification of their entitlements including the method of calculation with 20 working days of all the information being received.

Pensions increases

HPF will apply pensions increases annually to the relevant pensions in payment and deferred pensions retained in the Fund in accordance with the Pensions Increase (Review) Order issued by the Government.

4 Discretions

The Fund has published policies on discretions afforded by the Scheme Regulations and other related regulations. The policy statement has been supplied to employers and is available from the Fund's website. Updates to that statement will be published and revised versions provided to employers.

5 Internal Disputes Resolution Procedure (IDRP)

HPF will maintain a complaints procedure in accordance with The Local Government Pension Scheme (Internal Dispute Resolution Procedure) Regulations 1997 including the appointment of a specified person to act as a local referee at Stage 2 of the dispute process and with Part 6 of the Local Government Pension Scheme (Administration) Regulations 2008.

6 Compliance

- Where it is proven that as a result of any non-compliance by the employer in respect of any of the requirements of this strategy, HPF suffers any fine or financial penalty as imposed by The Pensions Regulator or any other statutory body, that penalty shall be transferred to the employer for settlement in accordance with the guidelines issued by the relevant Statutory body at the time that the penalty is imposed.
- Where it is proven that the employer is not responsible for any fine or penalty imposed by The Pensions Regulator or any other statutory body as a result of non-compliance of this Service Level Agreement, any such charge will automatically default to HPF.