

Pensions Sub-Committee

Agenda

Tuesday 27 February 2018

7.00 pm

Committee Room 3 - Hammersmith Town Hall

MEMBERSHIP

Administration	Opposition
Councillor Iain Cassidy (Chair) Councillor PJ Murphy Councillor Guy Vincent	Councillor Michael Adam Councillor Nicholas Botterill

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Pensions Sub-Committee Agenda

27 February 2018

<u>Item</u>		<u>Pages</u>
1. MINUTES OF THE PREVIOUS MEETING		1 - 4
	To approve the minutes of the meeting held on 21 November 2017.	
2. APOLOGIES FOR ABSENCE		
3. DECLARATIONS OF INTEREST		
	If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.	
	At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a disclosable pecuniary interest or other significant interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken.	
	Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.	
	Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Audit, Pensions and Standards Committee.	
4. DRAFT PENSIONS BOARD MINUTES		5 - 7
	The Pensions Board meeting held on 7 February 2018 was not quorate but an informal briefing session took place and the notes of that meeting are presented for information.	
5. LONDON CIV UPDATE		8
	The Committee will receive a presentation from Chris Bilsland, a non-executive director at the London CIV, who will discuss the future direction of travel for LCIV as well as providing a general update.	

- 6. LONDON CIV GOVERNANCE REVIEW** 9 - 11
This report details the governance review carried out by Willis Towers Watson on the London CIV.
- 7. QUARTERLY UPDATE REPORT** 12 - 29
This report provides an update for the quarter that ended on 31 December 2017.
- 8. ADDITIONAL VOLUNTARY CONTRIBUTIONS PROVIDER TRANSITION UPDATE** 30 - 70
This report provides an update of the AVC provider, Zurich Corporate Savings, transitioning their existing portfolio of London Borough of Hammersmith and Fulham Pension Fund Member assets to a new platform.
- 9. EXCLUSION OF THE PUBLIC AND PRESS**
The Committee is invited to resolve, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.
- 10. LONDON CIV UPDATE - EXEMPT ELEMENTS**
Exempt elements of Item 5.
- 11. LONDON CIV GOVERNANCE REVIEW - EXEMPT ELEMENTS**
Exempt elements of Item 6.



London Borough of Hammersmith & Fulham

Pensions Sub- Committee Minutes

Tuesday 21 November 2017

PRESENT

Committee members: Councillors Iain Cassidy (Chair), PJ Murphy, Guy Vincent, Michael Adam and Nicholas Botterill

Officers: Matthew Hopson (Strategic Finance Manager, Pensions), Peter Worth (Interim Director of Treasury and Pensions), and Amrita Gill (Assistant Committee Co-ordinator)

Guests: Alistair Sutherland and Kevin Humperson (Deloitte)

1. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 19 September 2017 were approved and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies of absence were received from Sue Hands (Interim Finance Manager, Pensions)

Apologies for lateness were received from Councillor PJ Murphy.

Apologies for lateness were received from Councillor Nicholas Botterill.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. DRAFT PENSIONS BOARD MINUTES

There were no declarations of interest.

5. QUARTERLY UPDATE

Peter Worth presented the quarterly update report for the quarter that ended 30 September 2017.

Kevin Humperson, referring to page 17 of the agenda noted that over the quarter the total fund underperformed its fixed weight benchmark by 0.1% on a net of fees basis. This was largely as a result of the underperformance from Ruffer, as well as negative contributions from Insight and Partners Group Infrastructure. Over the 12-month period, the fund delivered a net return of 8.4%, outperforming the benchmark by 0.1%. The fund remained ahead of the benchmark over the three and five-year periods and was performing as we had expected.

Standard Life Aberdeen had announced their new management team of their joint real estate business. This had no impact on the property funds, however property transactions were now logged and agreed through a Committee under the new regime.

Peter Worth, referring to appendix 3 of the agenda, noted that the forecast indicated that there would be sufficient cash available to fund pension payments and infrastructure drawdowns until April 2018, however the cash flow position would need to be monitored, as Partners Group were only able to advise of capital calls up to a month in advance. Councillor Nicholas Botterill with reference to the drawdowns on page 47 of the agenda, asked what they referred to. Peter Worth noted that these would be taken out of the liquidity fund.

Councillor Nicholas Botterill asked how accurate the budgeting was for the Council. Matthew Hopson noted that it was fairly accurate, however a new cash flow forecast was being piloted in Hammersmith and Fulham to ensure further accuracy.

Councillor Michael Adam, referring to page 20 of the agenda, asked how the Council would fund the projected annual deficit in 2018. Peter Worth said that the Council would need to set aside income from all funds, however wouldn't need to sell the assets.

Peter Worth noted that the risk register had been reviewed in line with the standardised approach set out in the current Business Plan. Risk 9 had also been included as a new risk factor, namely the possible impact on membership.

RESOLVED

That the Sub-committee noted the report.

6. MIFID II AND MEMBER TRAINING

Peter Worth presented the report that provided an update of progress regarding opting up applications for professional client status under the Markets in Financial Instrument Directive (MIFID II). The key issue arising from the opting up application process was the need for member training and to be able to demonstrate that this had been provided and taken up. Opting up applications had been sent to all investment advisors, investment managers and the custodian – the Council was waiting for feedback.

Councillor Nicholas Botterill asked why this had taken so long. Peter Worth said that there was a lot of information to collate and additional information was also requested from some fund managers which meant that this was a time-consuming process.

Peter Worth noted that the MiFID II update application process had indicated the need to revisit existing training arrangements for Sub-Committee members – effectively as a form of continuous professional development programme.

Councillor Nicholas Botterill said that Councillors were there to bring democratic oversight and to exercise their judgement and knowledge. They also had extensive experience to ensure that the relevant questions were asked and the role of the officers was to supply technical advice and guidance. Peter Worth said that there was a statutory requirement that the Council needed to demonstrate that relevant training had been provided to Councillors.

RESOLVED

1. That the Sub-Committee noted the update.
2. That the Sub-Committee approved the suggested training programme.

7. LONDON CIV UPDATE

Matthew Hopson presented the report and noted that the key items of interest for the Sub-Committee was the launch of the new infrastructure and low carbon working groups. Hugh Grover had now left his position as Chief Executive of the London CIV and Mark Hyde-Harrison had been appointed interim Chief Executive.

Since transitioning to the London CIV, the Pension Fund had paid slightly higher fees in absolute terms. The reason for this higher fee was a result of switching the fee structure in the Majedie portfolio; the fee structure had switched from 35 basis points plus a performance fee; to a flat 60 basis points fee. Ruffer had delivered the fee savings expected by the transition to the London CIV. This supported the transfer of assets from Majedie to the Ruffer Absolute Return fund.

RESOLVED

That the Sub-Committee noted the update.

8. INFRASTRUCTURE TRANSITION UPDATE

Matthew Hopson presented the report and noted that the Sub Committee had already taken the decision to transfer £30m from the Majedie Focus Fund to Aviva Infrastructure Income Fund (AIIF) due to an overweight position in equities and a desire to move into infrastructure. The documentation and contracts had now been reviewed by all parties and were signed week commencing 6 November 2017. Since the 19 September 2017 AIIF had experienced significant queuing of funds for deployments in recent months

and it was anticipated that the Hammersmith and Fulham Pension Fund would be unable to draw down on the existing commitment for 9-12 months. To mitigate the short-term exposure risk, it would be prudent to transfer the £30m commitment to Ruffer until required from drawn down and there were no additional transaction costs for doing so.

Councillor Michael Adam asked if the queue had grown since September and why a decision wasn't made sooner to avoid delay in the transfer process. Peter Worth said that the queue had grown and a Pensions Sub-Committee meeting was required in accordance to the Council's constitution to make a formal decision. Councillor Michael Adam asked for the constitution to be reviewed and feedback to be provided.

Action: Peter Worth/ Amrita Gill

RESOLVED

That the Sub-Committee recommended the divestment of 30m from Majedie Focus Fund and transfer to the Ruffer absolute return fund while Aviva draws down its commitment.

9. DATE OF THE NEXT MEETING

The next meeting was scheduled for 27 February 2018.

Meeting started: 7:00pm

Meeting ended: 8:05pm

Chair

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London Borough of Hammersmith & Fulham

Pensions Board Notes of the Meeting



Wednesday 7 February 2018

NOTE: This meeting was not quorate but an informal briefing session took place. These are the notes of that briefing.

PRESENT

Committee members: Councillor Rory Vaughan

Co-opted members: Orin Miller

Officers: Phil Triggs (Director of Treasury and Pensions), David Coates (HR and Payroll), and Amrita Gill (Assistant Committee Coordinator)

1. MINUTES OF THE PREVIOUS MEETING

The minutes were noted.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Ali Hashem, Matt Hopson, Neil Netwon and Eric Kersey.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES OF PENSIONS SUB-COMMITTEE

The minutes of the Pensions Sub-Committee were noted.

5. PENSIONS FUND QUARTLEY UPDATE

Phil Triggs (Director of Treasury and Pensions) presented the quarterly update pack for the quarter ended 30 September 2017. He noted that over the 12-month period, the fund delivered a net return of 8.4%, outperforming the benchmark by 0.1%. The fund remained ahead of the benchmark over the three and five-year periods by 2.4% p.a and 5.3% p.a, respectively.

The Sub-Committee decided to make a £30m investment to the Aviva's infrastructure income fund which would be funded from the Majedie holdings. This

investment, along with the undrawn partners group infrastructure investment, would rebalance the fund back to the benchmark weights, once both products had been fully drawn down.

Councillor Vaughan, referring to page 59 of the agenda, noted that Risk 18 had a particularly high score and asked if there was cause for concern. Phil Triggs said that all the mitigating actions were in place and the risk needed to be re-scored to reflect that.

Councillor Vaughan, referring to page 55 of the agenda, noted that Risk 9 was out of date as the MiFID II process had been completed. He suggested it should be removed from the risk register.

Orin Miller noted that the Council needed to notify members of the Local Pensions Scheme (LGPS) that there were no risks to the fund following the profit warning issued by Interserve. He suggested improving communication by sending out a newsletter, reassuring and updating members of their pensions funds. David Coates said a newsletter would be sent in April to all members of the Pensions Scheme. Furthermore, he reassured members that the Council was the guarantor of the LGPS therefore the pension funds were safe. Additionally, scheme members would be contacted advising them of the arrangements put into place and reassuring them that their contributions were secure.

6. PENSION ADMINISTRATION UPDATE

David Coates (HR and Payroll) provided an update of the performance of Surrey County Council (SCC) pension administration services to 30 September 2017. In September, 79% of helpdesk queries were handled without the need to refer to another colleague, which indicated that they were reaching their target. All targets apart from the pensioners newsletter had been achieved for annual exercises and monthly pensioner payroll.

Day-to-day work had a target of 100%, however projections requests from employees had a score of 51% which was not ideal however would expect this to improve as the new system allowed employees to run their own projections. SCC were also processing monthly BT files for starters, changes, and leavers from April 2017 therefore the score for deferred benefits would also improve.

Orin Miller asked how often would Pensioners receive a payslip. David Coates said that payslips were issued twice a year in March and April and pensioners would also be notified if there was a difference in their net pay from the previous month.

David Coates, in reference to page 121 of the agenda, provided an update on the inherited Capita backlog performance and noted that there were 138 cases that had not yet been brought into payment. These cases were being traced as members could not be contacted at their last known address. Tracing services were being introduced to identify individuals.

David Coates said that overall, he was satisfied with how SCC had performed. Councillor Vaughan thanked David Coates for providing a report on the performance and acknowledged the good work and efforts made by SCC.

7. LONDON CIV UPDATE (EXEMPT)

NOTE: While the original item was exempt – the notes below do not contain any confidential information.

Phil Triggs (Director of Treasury and Pensions) introduced the report and noted that an extensive governance review was carried out by Willis Towers Watson on the London Collective investment Vehicle (LCIV). The report highlighted a number of issues within the LCIV and made some recommendations for change and improvement in LCIV's governance arrangements and operating model.


He highlighted that the key concern surrounding the engagement of a wide stakeholder base with conflicting priorities and managing these different groups to achieve joint outcomes. Additionally, the Chief Investment Officer of the London CIV Julian Pendock had also left the organisation, with a search for a replacement yet to formally begin. The London CIV were reluctant to recruit a replacement until they were certain about their strategy going forward.

Phil Triggs said that a meeting would be held with relevant officers and the report would be presented at the Pensions Sub Committee for further discussions. Councillor Vaughan said that it was good to hear that all relevant officers were taking interest and working together to consider the arrangements.

Meeting started: 7:00 pm
Meeting ended: 8:00pm

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Agenda Item 5

<p>London Borough of Hammersmith & Fulham</p> <p>PENSIONS SUB-COMMITTEE</p> <p>27 February 2018</p>	
LONDON CIV UPDATE	
Report of the Strategic Finance Director – Hitesh Jolapara	
Part Exempt Report An exempt appendix to this report can be found in the exempt agenda.	
Classification: For Information Key Decision: No	
Wards Affected: None	
Accountable Director: Philip Triggs, Director of Pensions and Treasury	
Report Author: Matt Hopson, Strategic Finance Manger – Treasury and Pensions	Contact Details: Tel: 0207 641 4126 E-mail: mhopson@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 The Committee will receive a presentation (attached as confidential Appendix 1) from Chris Bilsland, a non-executive director at the London CIV (LCIV), who will discuss the future direction of travel for LCIV as well as providing a general update.

2. RECOMMENDATIONS

- 2.1 The Committee is recommended to note the update.


3. PRESENTATION

- 3.1 The Committee will receive a presentation covering three key areas:
- LCIV operational update
 - Responsible investing
 - Future direction of travel

LOCAL GOVERNMENT ACT 2000 - LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

Appendices: Appendix 1: London CIV Presentation (Exempt)

<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">PENSIONS SUB-COMMITTEE</p> <p style="text-align: center;">27 February 2018</p>	
<p>LONDON CIV GOVERNANCE REVIEW</p>	
<p>Report of the Strategic Finance Director – Hitesh Jolapara</p>	
<p>Part Exempt Report The confidential elements of this report can be found in the exempt agenda.</p>	
<p>Classification: For Information Key Decision: No</p>	
<p>Wards Affected: None</p>	
<p>Accountable Director: Philip Triggs, Director of Pensions and Treasury</p>	
<p>Report Author: Matt Hopson, Strategic Finance Manger – Treasury and Pensions</p>	<p>Contact Details: Tel: 0207 641 4126 E-mail: mhopson@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report informs the Committee of the extensive governance review carried out by Willis Towers Watson (attached as exempt appendix 1) on the London CIV (LCIV).
- 1.2 The report highlights a number of issues within LCIV which are discussed in section 3.
- 1.3 The Report also makes a number of recommendations for change and improvement in LCIV's governance arrangements and operating model

2. RECOMMENDATIONS

- 2.1 The Committee is recommended to note the update.

3 GOVERNANCE REVIEW – KEY POINTS

- 3.1 It should be noted that the governance review highlights several significant concerns and makes a number of key recommendations.
- 3.2 The key concern surrounds the engagement of a wide stakeholder base with conflicting priorities and managing these different groups in order to achieve

joint outcomes. The Investment Advisory Committee (IAC) and the Joint Committee are not perceived to be operating optimally in their current forms.

- 3.3 There is also a perceived lack of transparency from LCIV in a number of areas, with particular concern in relation to manager selection.
- 3.4 There is a fundamental issue with the cost recovery model which is leaving LCIV underfunded and under resourced, especially in client relations and secretariat.
- 3.5 Formal arrangements for submitting priorities from each local authority would assist in holding LCIV to account, but this does not happen in this way and are only submitted ad hoc or not at all.
- 3.6 The Chief Investment Officer of LCIV, Julian Pendock, has now left the organisation, with a search for a replacement yet to formally begin.

4 GOVERNANCE REVIEW – KEY RECOMMENDATIONS

Key Recommendations

- 4.1 The 5 Key recommendations are listed below:
 - Establish and agree a more concise and narrowly defined set of statements of purpose, for LCIV, the Pension Sectoral Joint Committee (PSJC) and the IAC in particular. This is an absolute priority. Consistent and focused communication, with clear linkages with business planning and strategy, of this set of purposes is vital for them to be effectively embedded in practice.
 - The committee meeting cycle should be reviewed, reducing the number of full committee meetings and making greater use of sub-committees and working groups. Each committee should be focused on a clearly defined set of objectives within accompanying measures. The Terms of Reference of the stakeholder committees (PSJC and IAC or replacement equivalents) require concurrent redrafting.
 - A well-resourced Secretariat function is required to support the various committees and governance bodies. This should likely come from LCIV, recognising that this needs to be appropriately funded.
 - There needs to be a recognition of the importance of transparency and cultivating trust, and a clear cultural and strategic shift to embedding this at the heart of LCIV pooling arrangements. LCIV and its stakeholders should take this opportunity to reset their relationship. The client portal offers an excellent mechanism for efficient, open and comprehensive information sharing – it should be set up as a ‘one-stop shop’ to distribute LCIV information to stakeholders, and in turn fully utilised by stakeholders to gather the information they require.

Additional Recommendations

4.2 The Report also laid out five supplementary recommendations below:

- A useful mechanism for stakeholders to express clearly to LCIV their priorities, concerns and key measures of interest would be an annual 'Letter of Expectations'. The PSJC (or similar replacement body) would be the most appropriate vehicle for delivering this.
- The Terms of Reference for the key stakeholders' committees and working groups are significantly below those of good practice investment organisations. There are issues over comprehensiveness as well as over clarity of purpose and scope of responsibilities which need to be remedied.
- LCIV needs to invest significantly in improving its database (quantitative knowledge) and understanding (qualitative knowledge) of the London Local Authority funds. This has systems and resourcing (particularly in the Client Relationships function) implications.
- Reporting to stakeholders should be more streamlined and focused, bringing out strategic KPIs and measures of success.
- It seems appropriate at this stage to move away from the London Councils' governance model, with its associated constraints (including some political separations).

LOCAL GOVERNMENT ACT 2000


LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

Appendices:

Appendix 1: London CIV Governance Review (Exempt)

Agenda Item 7

<p>London Borough of Hammersmith & Fulham</p> <p>PENSIONS SUB-COMMITTEE</p> <p>27 FEBRUARY 2018</p>	
PENSION FUND QUARTERLY UPDATE PACK	
Report of the Strategic Finance Director – Hitesh Jolapara	
Open Report	
Classification: For Information Key Decision: No	
Wards Affected: None	
Accountable Director: Phil Triggs, Director of Pensions and Treasury	
Report Author: Sue Hands, Interim Finance Manager - Pensions	Contact Details: Tel: 0207 641 4331 E-mail: shands@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. This report is the Pension Fund quarterly update pack for the quarter ended 31st December 2017. The scorecard in Appendix 1 provides a high-level view of key pensions issues with more detail provided in the remaining appendices.

2. RECOMMENDATIONS

- 2.1. That the report is noted.

3. REASONS FOR DECISION

- 3.1. Not applicable.

4. PROPOSAL AND ISSUES

- 4.1. This report and associated appendices make up the pack for the quarter ended 31st December 2017. It is designed to provide Pension Sub-Committee members with a high level view of key pensions issues in the scorecard (see Appendix 1) with more detailed information in the remaining appendices.

- 4.2. There are no administration indicators in the scorecard, as they are not yet available.
- 4.3. Appendix 2 provides information about the Fund's investments and performance. Kevin Humpherson from Deloitte will be attending the meeting to present this report.
- 4.4. The actual cashflow for the period October to December 2017 and the forecast up to September 2018 are shown in Appendix 3. An analysis of the differences between the actuals and the forecast for the quarter are also shown, as well as an additional analysis of the invested cash in the LGIM Sterling Liquidity fund.
- 4.5. Appendix 4 shows the Pensions Fund Risk Register, there have been no changes this quarter.
- 4.6. A summary of the voting undertaken by the investment managers running segregated equity portfolios forms Appendix 5, this now also includes both the Majedie and LGIM Global data.
- 4.7. Appendix 6 gives an update on the Forward Plan as at 31st December 2017.

LIST OF APPENDICES:

- Appendix 1: Scorecard at 31st December 2017
- Appendix 2: Deloitte quarterly report for quarter ended 31st December 2017 (This report will be tabled at the meeting)
- Appendix 3: Cashflow monitoring
- Appendix 4: Pension Fund Risk Register
- Appendix 5: Pension Fund Voting Summary
- Appendix 6: Pensions Board Forward Plan

Appendix 1: Scorecard at 31st December 2017

HAMMERSMITH AND FULHAM PENSION FUND QUARTERLY MONITORING

	Mar 17	Jun 17	Sep 17	Dec 17	Comment/ Report Ref if applicable
LIABILITIES					
Value (£m)	1,002.6	1,001.3	1,011.9	-	Deloitte report not yet available
% return quarter	2.6%	0.1%	0.1%	-	
% return 1 year	18.2%	13.4%	8.4%	-	
LIABILITIES					
Value (£m)	1,076.3	1,074.8	1,074.3	1,084.9	
Deficit (£m)	72.6	59.6	55.5	64.8	
Funding Level	93%	94%	95%	94%	
MEMBERSHIP					
Active members	4,136	4,356	4,356	4,228	
Deferred beneficiaries	5,785	5,753	5,753	5,687	
Pensioners	4,758	4,842	4,842	4,909	
Employers	41	41	41	41	
CASHFLOW					
Cash balance	£2.8m	£2.5m	£5.0m	£1.3m	Appendix 3
Variance from forecast	£1.2m	(£4.5m)	(£0.8m)	(0.5m)	
RISK					
No. of new risks	n/a	0	0	0	Appendix 4 – New Risk Register
No. of ratings changed	n/a	1	0	0	
VOTING					
No. of resolutions voted on by fund managers	5,716	32,183	5,282	4,732	Appendix 5 – LGIM & Majedie this quarter
LGPS REGULATIONS					
New consultations	None	None	None	None	N/A
New sets of regulations	None	None	None	None	

Appendix 3: CASHFLOW MONITORING: October to December 2017

Pension Fund current account cashflow actuals and forecast for period October 2017 to September 2018

	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	Actual	Actual	Actual	Actual	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast
Balance b/f	4,988	2,950	2,670	1,315	168	3,993	4,568	4,143	3,718	4,043	3,618	3,193
Contributions	1,962	2,093	2,010	2,014	2,000	2,000	9,900	2,000	7	2,000	2,000	2,000
Pensions	-2,585	-2,868	-2,904	-2,539	-2,800	-2,800	-2,800	-2,800	-2,800	-2,800	-2,800	-2,800
Lump Sums	-1,325	-838	-1,357	-1,353	-450	-450	-450	-450	-450	-450	-450	-450
Net TVs in/(out)	14	1,361	54	843	200	200	200	200	200	200	200	200
Expenses	-103	-28	88	-112	-125	625	625	625	625	625	625	625
Net cash in/(out) in month	-2,038	-280	-2,108	-1,147	-1,175	-425	7,475	-425	-425	-425	-425	-425
Net movements from invested cash (see overleaf)					5,000							
LCIV Distributions			753			1,000			750			1,000
Balance c/f	2,950	2,670	1,315	168	3,993	4,568	12,043	11,618	11,943	11,518	11,093	11,668

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Current account cashflow actuals compared to forecast in October to December 2017 quarter

	Forecast	Actual	Forecast	Actual	Forecast	Actual	Variance
	£000	£000	£000	£000	£000	£000	£000
Contributions	2,000	1,962	2,000	2,093	2,000	2,010	65
Pensions	-2,800	-2,585	-2,800	-2,868	-2,800	-2,904	43
Lump Sums	-450	-1,325	-450	-838	-450	-1,357	-2,170
Net TVs in/(out)	75	14	75	1,361	75	54	1,205
Expenses	-125	-103	-125	-28	-125	88	332
Withdrawals from Fund Managers		0		0		0	0
LCIV Distributions		0		0		753	753
Totals	-1,300	-2,038	-1,300	-280	-1,300	-2,108	-525

Notes on variances in quarter:




- Net TVs In over the quarter were higher than forecast by £0.7m
- The LCIV distributions relating to pooled Majedie & Ruffer assets are sent to the Pension Fund Nat West current account, in order to reduce the liquidation assets to cover net outgoings.
- Lump Sums & Net Transfers exceed forecasts.




Actuals and forecast of invested cash balance for period October 2017 to September 2018



	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	Actual	Actual	Actual	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast	F'cast
Balance b/f	9,262	8,799	8,799	12,268	12,268	7,268	7,393	7,393	9,772	11,279	11,279	11,394
Interest			10			10			9			9
Distributions												
Private Equity			535			115		115			115	
Multi Asset Credit	2,056		3,819						1,498			1,498
Infrastructure								2,264				
Drawdowns paid to Infrastructure fund	(2,519)		(895)									
Paid to/from current account (see table above)					(5,000)							
Balance c/f	8,799	8,799	12,268	12,268	7,268	7,393	7,393	9,772	11,279	11,279	11,394	12,901




The forecast indicates that there should be sufficient cash available to fund pension payments and infrastructure drawdowns until September 2018, however, the cash flow position will still need to be closely monitored, as Partners Group are only able to advise of capital calls up to a month in advance.



Appendix 4 - Pension Fund risk register, December 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
1	STRATEGIC: INVESTMENT That the combination of assets in the investment portfolio fails to fund the liabilities in the long term.	<ul style="list-style-type: none"> Investment strategy in place and reviewed periodically. Performance is measured against a liability based benchmark. Fund performance is reviewed quarterly. 	2	5		Low 10 	Strategic Finance Director	Dec 2017
2	STRATEGIC: INVESTMENT Fund managers fail to achieve the returns agreed in their management agreements.	<ul style="list-style-type: none"> Independent monitoring of fund manager performance by custodian against targets. Investment adviser retained to keep watching brief. Fund manager performance is reviewed quarterly. 	3	4		Medium 12 	Strategic Finance Director	Dec 2017
3	STRATEGIC: INVESTMENT Failure of custodian or counterparty.	<ul style="list-style-type: none"> At time of appointment, ensure assets are separately registered and segregated by owner. Review of internal control reports on an annual basis. Credit rating kept under review. 	2	5		Low 10 	Strategic Finance Director	Dec 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
4	STRATEGIC: FUNDING The level of inflation and interest rates assumed in the valuation may be inaccurate leading to higher than expected liabilities.	<ul style="list-style-type: none"> Review at each triennial valuation and challenge actuary as required. Growth assets and inflation linked assets in the portfolio should rise as inflation rises. 	3	4		Medium 12 	Strategic Finance Director	Dec 2017
5	STRATEGIC: FUNDING There is insufficient cash available in the Fund to meet pension payments leading to investment assets being sold at sub-optimal prices to meet pension payments.	<ul style="list-style-type: none"> Cashflow forecast maintained and monitored. Cashflow position reported to sub-committee quarterly. Cashflow requirement is a factor in current investment strategy review. 	1	4		Low 4 	Strategic Finance Director	Dec 2017
6	STRATEGIC: FUNDING Scheme members live longer than expected leading to higher than expected liabilities.	<ul style="list-style-type: none"> Review at each triennial valuation and challenge actuary as required. 	3	4		Medium 12 	Strategic Finance Director	Dec 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
7	STRATEGIC: FUNDING Scheme matures more quickly than expected due to public sector spending cuts, resulting in contributions reducing and pension payments increasing.	<ul style="list-style-type: none"> Review maturity of scheme at each triennial valuation. Deficit contributions specified as lump sums, rather than percentage of payroll to maintain monetary value of contributions. Cashflow position monitored monthly. 	2		4	Low 8 	Strategic Finance Director	Dec 2017
8	STRATEGIC: REGULATION Pensions legislation or regulation changes resulting in an increase in the cost of the scheme or increased administration.	<ul style="list-style-type: none"> Maintain links with central government and national bodies to keep abreast of national issues. Respond to all consultations and lobby as appropriate to ensure consequences of changes to legislation are understood. 	3	3		Low 9 	Strategic Finance Director and Director of People Services	Dec 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
9	STRATEGIC: REGULATION Introduction of European Directive MiFID II results in a restriction of Fund's investment options and an increase in costs	<ul style="list-style-type: none"> Officers are engaging with Fund Managers to understand the position better Knowledge and Skills Policy in place for Officers and Members of the Committee Maintain links with central government and national bodies to keep abreast of national issues. 	3	5		Medium 15 	Strategic Finance Director	Dec 2017
10	OPERATIONAL: GOVERNANCE Failure to comply with legislation leads to ultra vires actions resulting in financial loss and/or reputational damage.	<ul style="list-style-type: none"> Officers maintain knowledge of legal framework for routine decisions. Eversheds retained for consultation on non-routine matters. 	2	4		Low 8 	Strategic Finance Director	Dec 2017
11	OPERATIONAL: GOVERNANCE Committee members do not have appropriate skills or knowledge to discharge their responsibility leading to inappropriate decisions.	<ul style="list-style-type: none"> External professional advice is sought where required Knowledge and skills policy in place (subject to Committee Approval) 	3	3		Low 9 	Strategic Finance Director	Dec 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	I Impact No's			
12	OPERATIONAL: GOVERNANCE Officers do not have appropriate skills and knowledge to perform their roles resulting in the service not being provided in line with best practice and legal requirements. Succession planning is not in place leading to reduction of knowledge when an officer leaves.	<ul style="list-style-type: none"> Person specifications are used at recruitment to appoint officers with relevant skills and experience. Training plans are in place for all officers as part of the performance appraisal arrangements. Shared service nature of the pensions team provides resilience and sharing of knowledge. 	3	3		Low 9 	Strategic Finance Director and Director of People Services	Dec 2017
13	OPERATIONAL: GOVERNANCE Inadequate, inappropriate or incomplete investment or actuarial advice is actioned leading to a financial loss or breach of legislation.	<ul style="list-style-type: none"> At time of appointment ensure advisers have appropriate professional qualifications and quality assurance procedures in place. Committee and officers scrutinise and challenge advice provided. 	2	4		Low 8 	Strategic Finance Director	Dec 2017



Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
14	OPERATIONAL: GOVERNANCE London CIV has inadequate resources to monitor the implementation of investment strategy and as a consequence are unable to address underachieving fund managers.	<ul style="list-style-type: none"> Pension Fund Committee Chair is a member of the Joint member Committee responsible for the oversight of the CIV and can monitor and challenge the level of resources through that forum. Tri-Borough Strategic Finance Director is a member of the officer Investment Advisory Committee which gives the Fund influence over the work of the London CIV. 	2	4		Low 8 	Strategic Finance Director	Dec 2017
15	OPERATIONAL: FUNDING Failure of an admitted or scheduled body leads to unpaid liabilities being left in the Fund to be met by others.	<ul style="list-style-type: none"> Transferee admission bodies required to have bonds in place at time of signing the admission agreement. Regular monitoring of employers and follow up of expiring bonds. 	3	4		Medium 12 	Strategic Finance Director and Director of People Services	Dec 2017

Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	I Impact No's			
16	OPERATIONAL: FUNDING Ill health costs may exceed "budget" allocations made by the actuary resulting in higher than expected liabilities particularly for smaller employers.	<ul style="list-style-type: none"> Review "budgets" at each triennial valuation and challenge actuary as required. Charge capital cost of ill health retirements to admitted bodies at the time of occurring. Occupational health services provided by the Council and other large employers to address potential ill health issues early. 	2	2		Low 4 	Strategic Finance Director and Director of People Services	Dec 2017
17	OPERATIONAL: FUNDING Transfers out increase significantly as members transfer to DC funds to access cash through new pension freedoms.	<ul style="list-style-type: none"> Monitor numbers and values of transfers out being processed. If required, commission transfer value report from Fund Actuary for application to Treasury for reduction in transfer values. 	2	1		Low 2 	Strategic Finance Director and Director of People Services	Dec 2017

Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
18	OPERATIONAL: ADMINISTRATION Loss of funds through fraud or misappropriation leading to negative impact on reputation of the Fund as well as financial loss.	<ul style="list-style-type: none"> • Third parties regulated by the FCA and separation of duties and independent reconciliation procedures in place. • Review of third party internal control reports. • Regular reconciliations of pension payments undertaken by Pensions Finance Team. • Periodic internal audits of Pensions Finance and HR teams. 	4	4		High 16 	Strategic Finance Director and Director of People Services	Dec 2017
19	OPERATIONAL: ADMINISTRATION Failure of fund manager or other service provider without notice resulting in a period of time without the service being provided or an alternative needing to be quickly identified and put in place.	<ul style="list-style-type: none"> • Contract monitoring in place with all providers. • Procurement team send alerts whenever credit scoring for any provider changes for follow up action. 	2	5		Low 10 	Strategic Finance Director and Director of People Services	Dec 2017

Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
20	OPERATIONAL: ADMINISTRATION Failure of financial system leading to lump sum payments to scheme members and supplier payments not being made and Fund accounting not being possible.	<ul style="list-style-type: none"> Contract in place with BT to provide service enabling smooth processing of supplier payments Process in place for Surrey CC to generate lump sum payments to members as they are due. Officers undertaking additional testing and reconciliation work to verify accounting transactions 	2		5	Low 10 	Strategic Finance Director	Dec 2017
21	OPERATIONAL: ADMINISTRATION Failure of pension payroll system resulting in pensioners not being paid in a timely manner.	<ul style="list-style-type: none"> In the event of a pension payroll failure we would consider submitting the previous months BACS file to pay pensioners a second time if a file could not be recovered by the pension administrators and our software suppliers. 	1		5	Low 5 	Director of People Services	Dec 2017

Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
22	OPERATIONAL: ADMINISTRATION Failure to pay pension benefits accurately leading to under or over payments.	<ul style="list-style-type: none"> There are occasional circumstances where under or over payments are identified. Where under payments occur arrears are paid as soon as possible usually in the next monthly pension payment. Where an overpayment occurs, the member is contacted and the pension corrected in the next month. Repayment is requested and sometimes we collect this over a number of months. 	2		3	Low 6 	Director of People Services	Dec 2017
23	OPERATIONAL: ADMINISTRATION Failure of pension administration system resulting in loss of records and incorrect pension benefits being paid or delays to payment.	<ul style="list-style-type: none"> Pension administration records are stored on the surrey servers they have a disaster recovery system in place and records should be restored within 24 hours of any issue, files are backed up daily. 	1		5	Low 5 	Director of People Services	Dec 2017

Ref	Risk	Mitigating Actions	Residual risk score			Risk Rating	Officer responsible	Next Review Date
			Likelihood	Impact £'s	Impact No's			
24	OPERATIONAL: ADMINISTRATION Administrators do not have sufficient staff or skills to manage the service leading to poor performance and complaints.	<ul style="list-style-type: none"> Surrey CC administers pensions for Surrey, East Sussex and is taking on our Tri-Borough partners. They have a number of very experienced administrators two of whom tupted to them from LPFA with our contract. Where issues arise the Pensions Liaison Officer reviews directly with the Pensions Manager at Surrey. More detailed performance reports are being developed. 	3		3	Low 9 	Director of People Services	Dec 2017
25	Operational: Administration BT unable to provide monthly or end of year interface files in a format suitable for Surrey CC to update service records and undertake day to day operations. Inaccuracies in service records held on the pensions administration system may impact on the triennial funding valuation at March 2016 and notifications to starters and leavers.	<ul style="list-style-type: none"> Issue has been escalated by the Chief Executive for high level resolution with BT Test files are currently with SCC Actuary undertakes data cleansing on the service records and is confident this will mitigate the inaccuracies in service records 	1		5	Low 5 	Director of People Services	Dec 2017

Appendix 5: Pension Fund Voting Summary: October to December 2017

The investment managers managing the Fund's assets on a segregated basis are able to report on how they have voted the Fund's specific holdings at AGMs and EGMs of companies the Fund is invested in.

LCIV Majedie voting information is as follows:

VOTING	
No. of companies	24
No. of meetings	26
No. of resolutions	216

LCIV Ruffer voting information is as follows:

VOTING	
No. of companies	6
No. of meetings	7
No. of resolutions	28

LGIM, who manage the global passive equity portfolio on behalf of the Fund, undertake extensive engagement with the companies they are invested in as well as voting. Below is a summary of the meetings they voted at and the engagement they undertook during the October to December 2017 quarter.


VOTING	
No. of companies	469
No. of meetings	484
No. of resolutions	4,488

ENGAGEMENT	
No. of companies	60
No. of meetings	73
Top 3 themes	Board Composition Strategy Remuneration

Forward Plan for Pensions sub-committee – March 2017

Area of work	Jun 2018	Sep 2018	Nov 2018	Mar 2019
Governance	Quarterly Update Pack Pension Board minutes Business Plan Internal Audit Report	Quarterly Update Pack Annual report of Pension Board activities Annual Report	Quarterly Update Pack Pension Board minutes	Quarterly Update Pack Pension Board minutes
Investments	Fund Manager monitoring Annual report to Scheme Advisory Board re pooling arrangements	Investment Strategy Review	Fund Manager monitoring	Fund Manager monitoring
Funding				

Agenda Item 8

<p>London Borough of Hammersmith & Fulham</p> <p>PENSIONS SUB-COMMITTEE</p> <p>27 February 2018</p>	
ADDITIONAL VOLUNTARY CONTRIBUTIONS PROVIDER TRANSITION UPDATE	
Report of the Strategic Finance Director – Hitesh Jolapara	
Open Report	
Classification: For Information Key Decision: No	
Wards Affected: None	
Accountable Director: Philip Triggs, Director of Pensions and Treasury	
Report Author: Matt Hopson, Strategic Finance Manger – Treasury and Pensions	Contact Details: Tel: 0207 641 4126 E-mail: mhopson@westminster.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report provides an update of the AVC provider, Zurich Corporate Savings, transitioning their existing portfolio of London Borough of Hammersmith and Fulham Pension Fund Member assets to a new platform.
- 1.2 The transition aims to provide members with a better service by utilising an online platform where members can check their benefits and receive up to date information.
- 1.3 The implementation will require key contributions from Human Resources in communicating this change to affected members.

2. RECOMMENDATIONS

- 2.1 The Committee is recommended to note the update.

3 TRANSITION OVERVIEW

- 3.1 An initial call was held between Zurich and LBHF pensions representatives on 14 February 2018 to initiate the project launch.
- 3.2 Zurich have communicated their timetable for the transition and the key dates are listed below:

Milestone	Date
Project Launch	14/02/2018
Service Agreement signed and returned	23/02/2018
Define and agree all requirements	02/03/2018
Zurich - Employee/member letter issued	13/03/2018
New scheme 'live' on Zurich system	27/03/2018
Literature approved	29/03/2018
Administration, Upload and Payroll process - training completed	29/03/2018
New infosite live and member literature available online	03/04/2018
Member blackout starts (no access to DCP) but can still request switches via phone	16/04/2018
Existing scheme members uploaded to new scheme	17/04/2018
Release scheme administrator access for new scheme	26/04/2018
Go/No Go call	27/04/2018
Member blackout on DCP scheme prior to asset transition	01/05/2018
Transfer effective date	08/05/2018
Member records updated	23/05/2018
Transfer confirmation letters Issued	24/05/2018
Reconciliation report issued	25/05/2018

3.3 Whilst the majority of the transition will be handled by Zurich, there are a few decisions that need to be taken by LBHF. The biggest decision will be the communication strategy, of which there are two options:

- Utilise the communication material provided by Zurich (attached at Appendices 1-3) if deemed appropriate, although no modifications to this material at all are allowed by Zurich's assurance team.
- If it is deemed that the material is not sufficient, LBHF can either provide supplementary communications, or devise bespoke communication from scratch.

3.4 The second decision that needs to be made is what investment products will be transitioned to the new platform. The proposal is to transfer all members into the equivalent products on the new platform and utilise those products accordingly.

3.5 The exception for this will be ten members who are currently in the "with profits" investment product as this is no longer going to be provided in the new platform. These members will need to be advised of this and a new investment product proposed. If members do not elect to transfer to a new product one will need to be selected for them.

4 NEXT STEPS

- 4.1 The first step is to sign and return the service agreement (Appendix 4).
- 4.2 LBHF Human Resources will need to liaise closely with Zurich to ensure that communication to members is provided in a timely fashion as the project moves towards completion.
- 4.3 The Pensions Sub-Committee will be provided with an update of the transition at the next meeting.

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES:

Appendix 1: Zurich communication material – Trust announcement letter
Appendix 2: Zurich communication material – Q&A
Appendix 3: Zurich communication material – Timelines
Appendix 4: LBHF service agreement

<Title> <Initials> <Surname>
 <Member Postal Address Line 1>
 <Member Postal Address Line 2>
 <Member Postal Address Line 3>
 <Member Postal Address Line 4>
 <Member Postal Address Line 5>

Date: <Date>

Scheme: <Scheme name>

Membership number: <Plan number>

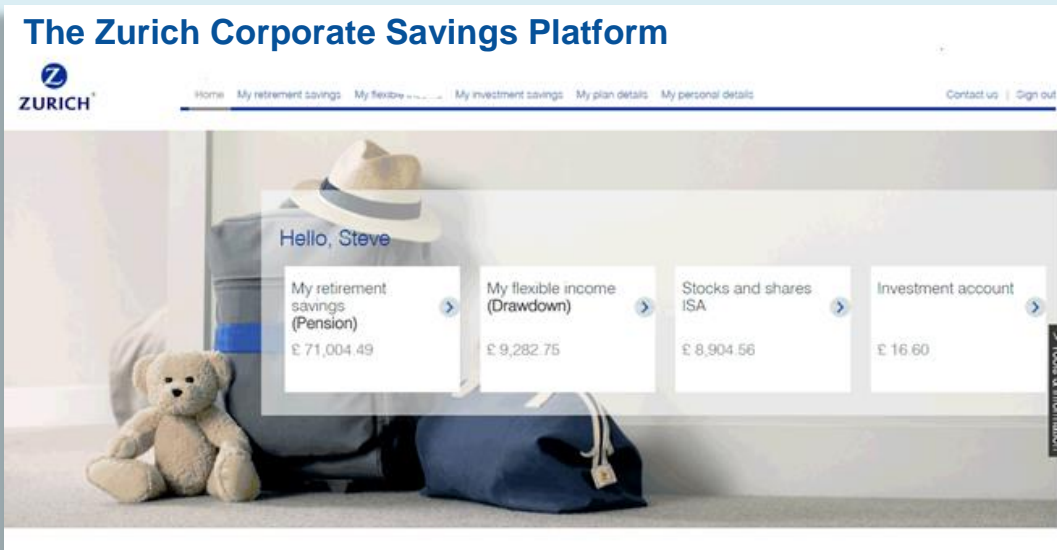
Dear <Title and Surname of member>

Important information – please read

As a member of the **London Borough of Hammersmith and Fulham AVC Scheme** we would like to let you know about some changes being made to your existing Retirement Account.

Following recent consultation with the Trustees, we are moving the plan to the Zurich Corporate Savings Platform and will set up a new Retirement Account for you.

The new plan will be called <new scheme name> and all future payments will be made to your new Retirement Account.



The Zurich Corporate Savings Platform

Home My retirement savings My flexible income My investment savings My plan details My personal details Contact us Sign out

Hello, Steve

My retirement savings (Pension) £ 71,004.49	My flexible income (Drawdown) £ 9,282.75	Stocks and shares ISA £ 8,904.56	Investment account £ 16.60
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Tools & information

The **Zurich Corporate Savings Platform** gives you an enhanced online experience making it easier to manage your retirement savings. With its contemporary look and feel, and many new features and benefits, it is intuitive to use and easier to navigate to access relevant information. In addition, it's mobile device-friendly meaning you can view your retirement savings on smart phones and tablets.

What does this mean for me?

From <month> all future payments towards your retirement savings will be invested in your new Retirement Account on the Corporate Savings Platform. You will receive a:

- welcome letter which includes details of your new membership number and logon ID, and
- letter with details of your temporary password.

This is a great opportunity to review your retirement savings to see how your money is performing. Are you on track to meet your retirement goals? It's important to keep an eye on things.



You will have access to a new website at www.zurich.co.uk/save/<schemeurl> from <date>. You will still be able to access your existing website until your existing Retirement Account is moved across to your new one.

As part of this move, there will be no change to your provider, Zurich Assurance Ltd. However, you may also see references to Sterling ISA Managers Limited in your literature and online. Sterling ISA Managers Limited is the Zurich Corporate Savings Platform Operator. See question 11 in the enclosed Q&A document for more information.

Between <date> and <date> your retirement savings in your existing Retirement Account will be moved across to your new Retirement Account. You will not be able to make any online transactions on your existing Retirement Account while this is happening. This is known as a 'blackout period'. Once your retirement savings in your existing Retirement Account have been moved, your existing Retirement Account will close. As soon as the blackout period starts, you will no longer be able to login to your existing Retirement Account.

If you do want to make any fund switches during the blackout period you can call our Support Centre who will be able to help. However, we can only accept requests made before <date>.

After a short period, you will be able to access details about your existing Retirement Account using your new logon ID and password. See the enclosed Q&A document for more information.

Your future payments will automatically be invested in line with your current investment strategy. You can find details of all the investments available to you on the website. Once you have your new logon ID and password, you can log in to the website to make any changes.

Include where customer has Secure and/or With Profits holdings:

Important information about specific investments no longer available under your new Retirement Account

Your new Retirement Account does not offer the <Secure><With Profits> fund. Any holdings and future payments will be invested in the default lifestyle strategy. For information about the default lifestyle strategy please visit at www.zurich.co.uk/save/<schemeurl>

What happens next?

The enclosed timeline details what will happen and when. It also gives details of the communications you'll receive.

Where can I get more information?

We hope the enclosed Q&A document will help answer any queries you may have. If you have any further questions, please call us on <telephone number>. Our lines are open from 8am to 5:30pm, Monday to Friday – we'll be happy to help. We may record or monitor calls to improve our service.

Yours sincerely



Sarah McDonald
Customer Services Delivery Manager

Enclosures:

- Q&A document
- What will happen and when?

Zurich Assurance Ltd

Zurich Corporate Savings, PO Box 135, Cheltenham, Gloucestershire, GL52 8ZP
Telephone: 0800 030 4428. We may record or monitor calls to help improve our service.
Zurich Assurance Ltd, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
Registered in England and Wales under company number 02456671
Registered Office: The Grange, Bishops Cleeve, Cheltenham, GL52 8XX.



Your questions answered

Following consultation with the Trustees, your pension scheme is moving to Zurich's Corporate Savings Platform. This document is designed to help answer any questions you may have about this.

1. Why am I moving?

Zurich's Corporate Savings Platform gives you an enhanced online experience making it easier for you to manage your retirement savings. With its contemporary look and feel, and many new features and benefits, it is intuitive to use and easier to navigate to access relevant information. In addition, it's mobile device-friendly meaning you can view your Retirement Account on smart phones and tablets.

2. Will I have a new membership number?

Yes – this will be detailed in your Welcome letter.

3. What will happen to benefits in my existing Retirement Account?

All of your retirement savings in your existing Retirement Account will be moved across to your new Retirement Account. Your existing Retirement Account will then close and you will no longer have access to it. Within a few weeks of receiving your new login details, we will place the following document about your existing Retirement Account in the 'My Library' section of your new online account:

- Retirement Account summary – this document shows details of payments made into your existing Retirement Account, in addition to historic and previous claim information (if applicable).

To access 'My Library' you will need to login to the new website.

If you are unable to access this document and would like a copy, please contact our Support Centre.

4. What action do I need to take?

There is no action for you to take. However, you may wish to review your investments. You will be able to make changes to where future payments are invested once you have your new login details for your new Retirement Account. Once your retirement savings in your existing Retirement Account have been moved across to your new Retirement Account you will then be able to review and make changes to those should you wish to do so. You may choose to invest in the default lifestyle choice, in self-select funds, or a combination of the default lifestyle choice and self-select funds – the latter is a new feature available on the Corporate Savings Platform.

When you log in to your new Retirement Account, you may be asked to provide additional identification (even if you have supplied this before) to satisfy Anti Money Laundering regulations.

5. Will my payments change?

No – unless you want to review the amount you are paying and make changes. If you are making Additional Voluntary Contributions these will also remain the same unless you wish to change them.

6. Will I need to complete a new Expression of Wish form?

No. If you have previously completed an Expression of Wish form, this will remain valid.

If you haven't previously completed an Expression of Wish form you may wish to consider doing so. You can download a copy from the new website.

7. I'm currently in the process of transferring some previous benefits to you. What will happen to these?

We aim to complete your transfer before we move your retirement savings in your existing Retirement Account to your new Retirement Account. However, if the transfer hasn't been completed before your new Retirement Account

is set up, please contact our Support Centre, with your new membership number, as they will need to send you some new forms. You will need to complete these new forms for the transfer to proceed.

8. What happens if I want to make a claim?

If you wish to make a full claim and do not want to make any further payments before these changes take place, then you shouldn't be affected by this change and will not receive a new Welcome letter. You can contact our Support Centre and they will guide you through the next steps about claiming on your existing Retirement Account.

If you are making a partial claim we will aim to complete this before we move your retirement savings in your existing Retirement Account to your new Retirement Account. However, if the claim hasn't been completed before your new Retirement Account is set up, please contact our Support Centre, with your new membership number, as they will need to send you some new forms. You will need to complete these new forms for the transfer to proceed.

If you wish to make a claim after your new Retirement Account has been set up, please quote your new membership number.

9. What if I'm close to retirement?

If you've received a retirement letter from us, the retirement process will continue once your new Retirement Account has been set up. If you don't respond, your selected retirement age will be moved to your 75th birthday. If you are invested in a lifestyle option, this will end and your money will be moved into the individual funds that made up the lifestyle option. Please bear in mind that these will be funds which have lower growth potential but are less likely to have wide fluctuations in value, and their value may not keep up with inflation. You therefore may wish to review your investments.

10. Will there be any changes to the website?

Yes – you will have access to a new website. You can find the address in the covering letter. Please update your bookmarks/favourites with this new address. We will be closing the existing website on the date detailed in the covering letter.

11. Who is Sterling ISA Managers Limited?

Sterling ISA Managers Limited has been appointed by your product provider, Zurich Assurance Ltd, to provide online access to your Retirement Account via the Corporate Savings Platform. Sterling ISA Managers Limited is part of Zurich's UK Life business which is a member of the Zurich Group.

12. Will I still receive a benefit statement?

Yes. You will continue to receive your statements once a year as normal.

13. Will I need to complete a new Letter of Authority?

Yes. If you have previously completed a Letter of Authority, we will need a new one. Please send this to us with a note of your new membership number.



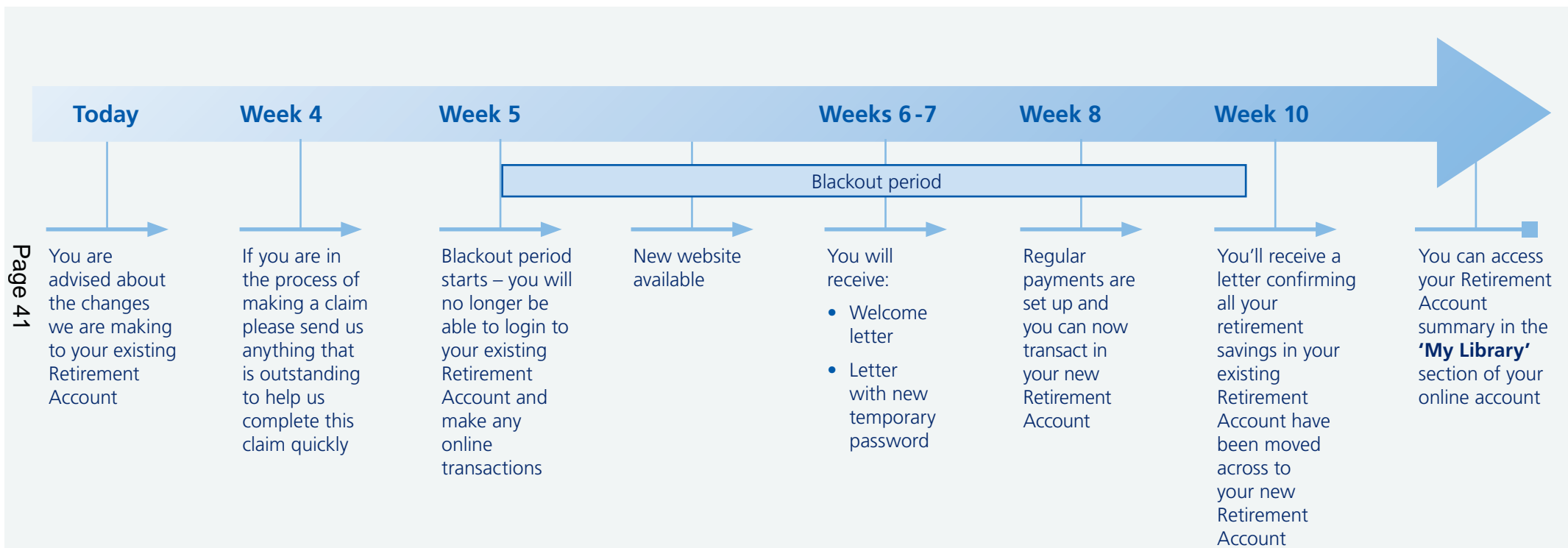
Zurich Assurance Ltd.

Registered in England and Wales under company number 02456671.

Registered Office: The Grange, Bishops Cleeve, Cheltenham, GL52 8XX.

What will happen and when

This timeline details the steps involved in moving your existing Retirement Account across to your new Retirement Account. Please note the dates give you a guideline on when things will happen but they may change slightly throughout the process.



Dated _____ **2018**

(1) ZURICH ASSURANCE LTD

(2) STERLING ISA MANAGERS LIMITED

**(3) THE MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF HAMMERSMITH AND FULHAM**

OCCUPATIONAL MONEY PURCHASE PLAN (AVC ONLY)
SERVICE AGREEMENT

BETWEEN:

- (1) **ZURICH ASSURANCE LTD**, a company registered in England under company number 02456671, whose registered office is at The Grange, Bishops Cleeve, Cheltenham, Gloucestershire GL52 8XX (“the **Provider**”);
- (2) **STERLING ISA MANAGERS LIMITED**, a company incorporated in England company number 02395416 whose registered office is at The Grange, Bishops Cleeve, Cheltenham, Gloucestershire GL52 8XX (“the **Platform Operator**”); and
- (3) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM**, Town Hall Extension, King Street, London, W6 9JU (“the **Trustee**”),

together the “**parties**” and each a “**party**”.

BACKGROUND:

- (A) The Provider is the provider of the Zurich Occupational Money Purchase Plan (“the **Plan**”) which is a linked long-term contract of insurance issued to trustees of occupational pension schemes as a means to invest payments from sponsoring employers and members of the pension scheme.
- (B) The Plan was formerly administered on the Provider’s own computer system known as the “DC Platform”. The Provider and the Trustee have agreed to transfer the Plan to the Platform Operator’s computer system as this provides a more modern service and greater flexibility.
- (C) The Platform Operator is the operator of the Zurich Money4Life™ workplace savings platform. The platform provides on-line access to the Plan.
- (D) The Trustee is the trustee of the sponsoring employer’s occupational pension scheme and shall enter into this agreement in its capacity as Trustee of the pension scheme with the purpose of securing the provision of services from the Provider and from the Platform Operator.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“**Account Manager**” means the person appointed by the Provider to liaise with the Trustee in respect of the Plan and Services;

“**Active Member**” means a Member who is recorded as “employed” and has a payment basis which is more than zero marked on the Retirement Account and has units allocated to their Retirement Account;

“**Administrator**” means the persons (other than the Provider) appointed by the Trustee to carry out the processes that are available on the Platform;

“**Affiliate**” means in relation to each party, any subsidiary or holding company of the party and each subsidiary of such holding company (excluding the party in question) and in the case of Zurich shall include the Zurich Group;

“**Agreement**” means this Occupational Money Purchase Plan (AVC Only) Service Agreement for the provision of services in respect of the Plan;

“Applicable Laws and Regulatory Requirements” means common law, all applicable statutes, statutory instruments, regulations, instruments, provisions and any code of practice applicable to the parties as amended from time to time and in particular, without limitation, the rules, principles and guidance stipulated by any Regulator;

“Annual Allowance” means the annual limit on the amount of tax relieved savings which can be made by, or in respect of, an individual in all registered pension schemes each tax year before the individual becomes liable to a tax charge;

“AUM” means the total value of assets held within the Plan;

“Blended Fund” means a blend of Zurich Pension Funds used to create one single Zurich Pension Fund that invests in a mix of assets;

“Business Day” means a day on which commercial banks are open in London for business except a Saturday, Sunday or a bank holiday in England;

“Cease Active Membership” means that an Active Member or the Trustee has stopped making payments to the Plan after the expiry of the Statutory Opt Out Period;

“Charges and Funds Schedule” means the document containing the Plan charges;

“Confidential Information” means all information or data (including all oral and visual information or data recorded in writing or in any other medium) relating to operations, processes, plans, intentions, product information, trade secrets, software, market opportunities, customers and business affairs disclosed by one party to the other and in the case of the Provider, includes any information disclosed by the Provider concerning or belonging to the Zurich Group;

“Core Services” means the services set out in Schedule 1 (Core Services).

“Data Controller” has the meaning given to it in the Data Protection Act 1998;

“Data Processor” has the meaning given to it in the Data Protection Act 1998;

“Data Protection Laws” means the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as amended) and where applicable, the Data Protection Regulation (EU) 2016/679;

“Deferred Member” means a Member who is either recorded as “left company” or is recorded as “employed” but with a status of “ceased active membership” or “opted out” on their Retirement Account and has units allocated to their Retirement Account;

“Effective Date” means the date on which the last signatory to this Agreement executes this Agreement;

“Enhancement” means improving and updating the functionality and technology which is designed to deliver the Services from time to time in line with Good Industry Practice and technological development;

“Exit Period” means the six (6) month period, or such shorter period of not less than three (3) months as the Trustee may direct, following the date on which this Agreement is terminated in accordance with Clause 11;

“Ex-Member” means a person who was previously either an Active or Deferred Member of the Plan but no longer has units allocated to their Retirement Account;

“Exit Plan” means the plan agreed between the parties during the notice period to terminate this Agreement in accordance with Clause 12.3;

“FCA” means the Financial Conduct Authority and/or any successor or replacement authority, body or organisation responsible for the regulation of relevant financial services firms in the United Kingdom;

“Good Industry Practice” means the exercise of the degree of skill, care and diligence which would reasonably and ordinarily be expected from a skilled and experienced product provider engaged in the same type of business under the same or similar circumstances;

“HMRC” means HM Revenue & Customs and/ or any successor or replacement authority, body or organisation responsible for taxation in the UK;

“Intellectual Property Rights” means copyrights, patents, utility models, trademarks, service marks, design rights (whether registered or unregistered), database rights, semiconductor topography rights, proprietary information rights and all other proprietary information rights as may exist anywhere in the world together with applications associated to any such rights;

“Investment Change Exercise” means an exercise to make changes to the make up of one or more existing Lifestyle Investment Profiles and/or the underlying structure or make up of one or more Blended Funds and where there are multiple changes these are carried out in the same calendar month;

“Lifestyle Investment Profile” means an investment option that invests in one or more Zurich Pension Funds, the mix of which automatically changes relative to the Member's selected retirement age in accordance with an agreed investment profile schedule;

“Member” means any member of the Pension Scheme who has a Retirement Account within the Plan and is either an Active Member or a Deferred Member;

“Money Purchase Annual Allowance” means the annual limit on the amount of tax relieved savings which can be made by, or in respect of, an individual in all defined contribution arrangements under all registered pension schemes if they flexibly access defined contribution benefits on or after 6 April 2015;

“Opt Out” and “Opted Out” means a Member has exercised their Statutory Opt Out Right and opted out of the Plan;

“Optional Services” means the services set out in Schedule 2 (Optional Services);

“Participating Employer” means each employer who is formally participating in the Pension Scheme and whose details have been provided to the Provider by the Trustee from time to time;

“Paycentre” means a notional part of the Pension Scheme by which employees are segregated as regards the administration of the Plan including the maintenance of payroll, for example those on different pay periods or at different locations;

“Pay Centre Administrator” means the pay centre administrator(s) appointed by the Trustee to carry out the processes that are available on the Platform for a specified Paycentre;

“Pension Input Period” has the meaning given to it in section 238 of the Finance Act 2004;

“Pensions Liberation” means any device or arrangement which permits any of its members to access some or all of their pension funds in breach of Applicable Laws and Regulatory Requirements including, for example, permitting the payment of pension monies before normal retirement date where the member in question is in good health.

“Pension Scheme” means the Local Government Pension Scheme for the London Borough of Hammersmith and Fulham which is an occupational pension scheme;

“Personal Data” has the meaning given to it in the Data Protection Act 1998;

“Plan” means the Zurich Occupational Money Purchase Plan (AVC Only) issued by the Provider to the Trustee;

“Plan Terms and Conditions” means the terms and conditions of the Plan issued by the Provider to the Trustee;

“Platform” means Zurich Money4Life™, the on-line secure transactional portal provided by the Platform Operator to provide on-line access to the Plan including the ability to (i) upload information in respect of the Plan and Retirement Accounts including Member data, (ii) send payments to the Plan and (iii), send buy, sell and switch instructions in respect of the Plan;

“PRA” means the Prudential Regulation Authority and/or any successor or replacement authority, body or organisation responsible for the regulation of relevant financial services firms in the United Kingdom;

“Regulator” means any court, governmental body or regulatory or supervisory authority or organisation having authority over all or any part of the Services and shall include the UK Information Commissioner, the FCA and/or PRA as applicable, the Pensions Regulator and HMRC;

“Retirement Account” means an account set up under the Plan where Units are allocated to each Member;

“Safeguarded Benefits” has the meaning given to it in section 48(8) of the Pension Scheme Act 2015;

“Services” means the Core Services and any Optional Services;

“Short Service Refund” means a payment of the value of a Retirement Account in the event that a Member becomes entitled to a short service refund under Applicable Laws and Regulatory Requirements;

“Subcontractor” means a third party appointed by the Provider and/ or the Platform Operator from time to time to carry out one or more of the Services on their behalf;

“Statutory Opt Out Period” means the period in which Members are able to exercise their Statutory Opt Out Right as required by Applicable Laws and Regulatory Requirements and determined by the Provider using estimates of the time it shall take a Member to receive all information required to exercise their Statutory Opt Out Right;

“Statutory Opt Out Right” means any right of Members to opt out of the Pension Scheme under Applicable Laws and Regulatory Requirements;

“Termination Date” means the date on which this Agreement terminates on expiry of the Exit Period in accordance with the provisions of Clause 12;

“Trust Deed and Rules” means the definitive trust deed and rules governing the Pension Scheme from time to time;

“UK” means the United Kingdom of England, Northern Ireland, Scotland and Wales which does not include the Isle of Man or the Channel Islands;

“Units” mean the units within each Zurich pension fund used to value the Plan at any time in accordance with the Plan Terms and Conditions;

“Utility Services” means the services provided by Zurich Group Pension Services Ltd, a company registered in England under company number 05718984 to a Participating Employer as set out in the service agreement in place between the Participating Employer and Zurich Group Pension Services Ltd;

“Zurich Group” means Zurich Insurance Group Ltd, a company registered in Switzerland under company number CH-020.3.023.083-6, its successors and its direct and indirect subsidiary companies, including branches of such subsidiary companies, from time to time;

“Zurich IT Security Policy” means the information technology and security policies of the Provider and its Affiliates which are centrally managed by Zurich Insurance Group Ltd as revised and updated from time to time; and

“Zurich Pension Fund” means a pension fund that invests in assets which can also be structured as a Blended Fund.

- 1.2 The headings of the Clauses in this Agreement are for convenience only and shall not affect its construction or interpretation. References to Clauses and Schedules are references to the clauses and schedules to this Agreement. References to Paragraphs are to the paragraphs in the Schedules.
- 1.3 Words importing the singular include the plural and vice versa and words importing a gender shall include all genders. The words “include” and “including” shall not be construed as words of limitation.
- 1.4 References to any statute, statutory provision or statutory instrument include a reference to that statute, statutory provision or statutory instrument together with all rules and regulations made under it or them all as from time to time amended, consolidated or re-enacted.
- 1.5 If there is a conflict between the definitions in this Agreement and the definitions in the Plan Terms and Conditions, the definitions in the Plan Terms and Conditions shall prevail.
- 1.6 In the event of any inconsistency between this Agreement and the documents referred to or attached to this Agreement (save for the Plan Terms and Conditions) this Agreement shall prevail. In the event of any inconsistency between the Plan Terms and Conditions and the terms of this Agreement, the Plan Terms and Conditions shall prevail.

2. ROLES AND RESPONSIBILITIES OF THE PARTIES

- 2.1 The parties acknowledge and agree the following:
 - 2.1.1 the Trustee shall enter into this Agreement in its capacity as the current trustee(s) of the Pension Scheme with the purpose of securing the provision of the Services;
 - 2.1.2 the Trustee is, and shall remain, the “scheme administrator” of the Pension Scheme for the purposes of section 270 of the Finance Act 2004;
 - 2.1.3 the Trustee is responsible for ensuring that it complies with its duties under Applicable Laws and Regulatory Requirements and those set out in the Trust Deed and Rules;
 - 2.1.4 the Trustee is responsible for supplying all information relating to the Plan (including Member data) in the format specified by the Platform Operator and/ or the Provider and must ensure that it is accurate, complete and up to date;
 - 2.1.5 the Provider and/ or Platform Operator is not required to supply any automatic enrolment information to a Member that the Member’s Participating Employer is obliged to supply under Applicable Laws and Regulatory Requirements, including the Pensions Act 2008;
 - 2.1.6 the Services do not include actuarial services or constitute any of the prescribed functions set out in section 47(3) of the Pensions Act 1995;
 - 2.1.7 the Provider is responsible for:
 - (a) investing payments in the Plan;
 - (b) processing investment instructions in accordance with the Plan Terms and Conditions;
 - (c) paying claims payments to the Platform Operator to satisfy claims made under the Plan;
 - 2.1.8 the Platform Operator is responsible for:
 - (a) operating the Platform including its availability on-line via the portal;
 - (b) collecting payments via the Platform’s payroll system and paying them to the Provider;

- (c) receiving investment instructions in respect of the Plan and sending them onto the Provider;
- (d) processing claims payments received from the Provider and paying these to the Trustee and/ or appropriate beneficiaries; and

2.1.9 nothing in this Agreement shall require, unless any terms within the Schedules specifically state otherwise, the Provider to advise the Trustee or a Member where it believes that a payment into the Plan or a claims payment out of the Plan is, or may be, a reportable event for the purposes of the Finance Act 2004.

2.2 The Services comprise the Core Services set out in Schedule 1 (Core Services) and the Optional Services set out in Schedule 2 (Optional Services). For the avoidance of doubt, some of the Services are provided by the Provider and some of the Services are provided by the Platform Operator as set out in Paragraph 1 of Schedule 1 (Core Services) and Paragraph 1 of Schedule 2 (Optional Services).

2.3 The Provider is responsible for its provision of the Core Services and any Optional Services in accordance with Clause 3.

2.4 The Platform Operator is responsible for its provision of the Core Services and any Optional Services in accordance with Clause 3.

2.5 In the event of any issue arising in respect of the Provider's provision of Services and/ or the Platform Operator's provision of Services, the Trustee may contact the Account Manager in the first instance.

3. PROVISION OF THE SERVICES

3.1 With effect from the Effective Date and until termination of this Agreement is effected in accordance with Clause 11, the Provider and the Platform Operator shall provide the Services to the Trustee in accordance with Good Industry Practice and Applicable Laws and Regulatory Requirements.

3.2 The Provider and the Platform Operator shall maintain all necessary legal and regulatory authorisations and approvals to provide the Services.

3.3 The Provider and the Platform Operator may delegate the performance of one or part of their Services to an Affiliate or a Subcontractor. Where the performance of a Service is delegated to an Affiliate or a Subcontractor, the Provider and the Platform Operator (as applicable) shall be responsible for the acts and omissions of the Affiliate or Subcontractor as if it were their own act or omission.

3.4 In addition to any specific obligation under this Agreement, the parties agree to co-operate with each other with a view to ensuring the proper and cost effective provision of the Services. In particular, the Provider and the Platform Operator agree to provide to the Trustee such information and explanations about the provision of the Services as the Trustee may reasonably require from time to time.

4. APPOINTMENT OF ADMINISTRATORS AND PAYCENTRE ADMINISTRATORS

4.1 The Trustee shall appoint at least two persons to act as an Administrator and at least two persons to act as a Paycentre Administrator in respect of the Plan. The Trustee shall notify the Provider of the persons that it has appointed and of any change to those appointments as soon as is reasonably practicable following the change.

4.2 Where reference is made throughout this Agreement to the Trustee carrying out any of the day to day administrative duties in relation to the Plan, this shall include any Administrator or Paycentre Administrator where appropriate.

4.3 The Provider and the Platform Operator shall be entitled to act and rely upon any instruction or direction provided by an Administrator or Paycentre Administrator including the accuracy of data and/ or information concerning a Member supplied by an Administrator, Paycentre Administrator or via the Utility Services without reference to the Trustee.

4.4 The Trustee shall at all times remain responsible for the acts and/ or omissions of an Administrator or a Paycentre Administrator.

5. DATA PROTECTION

5.1 The parties agree that the Provider and the Platform Operator are Data Controllers in common with the Trustee in respect of Personal Data that is uploaded by the Trustee to the Platform:

5.2 Each party confirms that:

5.2.1 it has and shall maintain adequate registrations and notifications required by the Data Protection Laws;

5.2.2 it undertakes to comply with the provisions of the Data Protection Laws in so far as they apply to each of them;

5.2.3 it shall not do or omit to do anything which would cause any party to be in breach of its obligations under the Data Protection Laws; and

5.2.4 it shall co-operate with each party in so far as is reasonable in complying with any subject access request and/or responding to any enquiry made, or investigation or assessment of processing initiated by any competent supervisory authority in respect of Personal Data.

5.3 The Trustee authorises the Provider and the Platform Operator to process data (including Personal Data) on its behalf for the purpose of providing the Plan and the Services. Where the Provider and the Platform Operator process data (including Personal Data), they shall:

5.3.1 keep the Personal Data confidential and shall not disclose Personal Data to any third party without the prior written consent of the Trustee except:

(a) where required by Applicable Laws and Regulatory Requirements and/ or a Regulator to disclose the Personal Data;

(b) where disclosure to an Affiliate or a Subcontractor is necessary to enable the Affiliate or Subcontractor to carry out any of the Services;

5.3.2 not transfer Personal Data outside of the European Economic Area (other than any country deemed adequate by the European Commission pursuant to Article 25(b) of Directive 95/46/EC) without the prior written consent of the Trustee, which shall not be unreasonably withheld or delayed.

5.4 The Trustee authorises the Provider and the Platform Operator to market its products and services to Members provided such marketing activity is carried out in accordance with Applicable Laws and Regulatory Requirements including any requirements of the Data Protection Laws and their respective privacy policies.

5.5 The Trustee authorises the Provider and the Platform Operator to share relevant data and information concerning the Plan and the Pension Scheme including Personal Data belonging to Members with each other and with their Affiliates within the Zurich Group strictly for the following purposes:

5.5.1 data matching and data validation;

5.5.2 to ensure the effective provision of the Services;

5.5.3 to allow effective business administration and governance;

5.5.4 direct marketing to Members where permitted by Applicable Laws and Regulatory Requirements (including any requirements of the Data Protection Laws) and in strict accordance with the privacy policy published by the Affiliate; and

5.4.5 as otherwise permitted by the Data Protection Laws.

- 5.6 The Trustee acknowledges that it is responsible for ensuring that it complies with any requirements required of the Data Protection Laws to permit the Trustee to send Member data and information (including any Personal Data) to the Provider and the Platform Operator as contemplated by this Agreement.
- 5.7 The Trustee acknowledges that the Provider and the Platform Operator may carry out such processing themselves or through an Affiliate or a Subcontractor. In carrying out such processing, the Provider and the Platform Operator shall, and shall procure that their agents, Affiliates and Subcontractors:
- 5.7.1 take appropriate technical and organisational measures to prevent the unauthorised or unlawful processing of Personal Data and against the accidental loss or destruction of, or damage to, Personal Data; and
- 5.7.2 process any Personal Data promptly and accurately so that the data is kept up to date and accurate.
- 5.8 Where processing is carried out by an Affiliate or a Subcontractor, the Provider and the Platform Operator (as applicable) shall be responsible for the acts and omissions of the Affiliate or Subcontractor as if it were their own act or omission.
- 5.9 The Provider and the Platform Operator shall provide the Trustee with such information as it may from time to time reasonably request to enable the Trustee to comply with, assess or verify its compliance with its obligations as a Data Controller in common under the Data Protection Laws and to meet any subject access requests under the Data Protection Laws.
- 5.10 If a Member gives a data protection opt out notice regarding direct marketing to the Trustee, then the Trustee undertakes as soon as practicable to notify the Zurich Data Privacy Manager, Tricentre One, New Bridge Square, Swindon SN1 1HN.
- 5.11 The Provider and the Platform Operator shall ensure that it has best practice data and information security policies and measures in place as set out in the Zurich IT Security Policy.

6. CONFIDENTIALITY

- 6.1 The parties shall keep confidential all Confidential Information which comes into their possession or control and shall not copy or disclose the Confidential Information to any third party without the prior written consent of the other party.
- 6.2 A party shall be permitted to disclose Confidential Information belonging to the other party (including the terms of this Agreement and Personal Data) to its Affiliates, personnel, agents, contractors, Subcontractors and professional advisers only as is reasonably necessary for the purpose of complying with that party's obligations under this Agreement, provided that the disclosing party ensures that the individual or entity is obliged to keep the Confidential Information confidential on terms at least equivalent to those set out in this Clause 6.
- 6.3 The provisions of this Clause 6 shall not apply to any Confidential Information which is:
- 6.3.1 or becomes public knowledge other than by breach of this Agreement;
- 6.3.2 received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
- 6.3.3 independently developed.
- 6.4 The Provider and the Platform Operator shall use reasonable endeavours to preserve the records and other property of the Trustees that it has in its possession or control against loss by fire, burglary, accidental removal or computer failure.

- 6.5 The Provider and the Platform Operator shall use reasonable endeavours to ensure that their computer hardware and software systems are adequate to protect against any corruption, degradation or loss to the Trustees records or property. The Provider and the Platform Operator shall be responsible for maintaining back-ups of records in electronic format and keeping the records secure.

7. INTELLECTUAL PROPERTY RIGHTS

- 7.1 Each party acknowledges and agrees that, except as expressly provided in this Agreement, it does not by virtue of this Agreement obtain any rights to use, or any other rights in or to, any Intellectual Property Rights belonging to the other party.
- 7.2 Should the Trustee require the Provider and the Platform Operator to use and/ or reproduce any form of Intellectual Property Rights in relation to the Pension Scheme, it shall ensure that it has obtained appropriate authority from the owner of the Intellectual Property Rights to grant a non-exclusive, royalty-free, irrevocable licence to the Provider and the Platform Operator to use and reproduce the Intellectual Property Rights for the duration of this Agreement.

8. CHARGES FOR SERVICES

- 8.1 The charges for the provision of the Core Services and any Optional Services chosen by the Trustee are included in the charges applied under the Plan in accordance with the Plan Terms and Conditions. The charges that apply are set out in the Charges and Funds Schedule.
- 8.2 Should the Trustee request that the Provider or the Platform Operator (as applicable) provide any other service which is not a Core Service or an Optional Service, the Provider or the Platform Operator (as applicable) may charge the Trustee a fee for providing the service. The fee shall be calculated using a standard charge rate. The standard charge rate at the Effective Date is £73.80 per hour plus VAT which shall increase at the end of each calendar year by an amount equal to the latest Average Weekly Earnings rate published by the Office for National Statistics divided by the Average Weekly Earnings rate published by the Office of National Statistics for the previous end of calendar year.
- 8.3 Following receipt of a request to provide a service, the Provider or Platform Operator (as applicable) shall assess the individual request and record on a requisition form the following information:
- 8.3.1 detail of the request;
 - 8.3.2 background information;
 - 8.3.3 a full breakdown of the work to be carried out; and
 - 8.3.4 a full breakdown of the fee.
- 8.4 The requisition form shall be presented to the Trustee for authorisation to proceed. Once authorisation has been given by the Trustee, the Provider or Platform Operator (as applicable) and the Trustee shall agree reasonable timescales to complete the work.
- 8.5 The fee for the provision of the service shall be paid in a manner agreed between the Provider or the Platform Operator (as applicable) and the Trustee.
- 8.6 Should the Trustee request changes to the investment options made available to Members under the Plan following the Effective Date, the Provider shall:
- 8.6.1 charge a fee of £5,125 for each new Zurich Pension Fund to be made available that is not set up as a Blended Fund;
 - 8.6.2 charge a fee of £9,225 if a new Zurich Pension Fund is to be set up as a Blended Fund;
 - 8.6.3 charge a fee of £2,050 for the set up of each new Lifestyle Investment Profile;

- 8.6.4 action one Investment Change Exercise to the Lifestyle Investment Profiles and/ or to the underlying structure or make up of the Blended Funds in any twenty four (24) month period at no additional cost; and
- 8.6.5 if more than one Investment Change Exercise is requested in any twenty four (24) month period, the Provider shall charge a fee of £2,050 in respect of any further individual changes to a Lifestyle Investment Profile or a Blended Fund;
- 8.7 Where a Blended Fund is used within a Lifestyle Investment Profile, changing the make up of the Blended Fund will not count as a change to the make up of the Lifestyle Investment Profile.
- 8.8 The fees in respect of Investment Change Exercises shall be applied such that the exercise which would otherwise have incurred the highest fee during any twenty four (24) month period shall be the one provided at no additional cost in the period, as referred to in Clause 8.6.4.
- 8.9 The fees set out in Clause 8.6 are exclusive of VAT (which will be added as applicable) and shall increase at the end of each calendar year by the increase in the National Average Weekly Earnings Index for the whole economy as published by the Office for National Statistics during that calendar year.
- 8.10 The Provider shall invoice the Trustee for payment of any fees that become due and payable under Clause 8.6.
- 8.11 If the Trustee fails to pay any amount due and payable to the Provider under this Agreement, the Provider shall be entitled to charge interest on the overdue amount from the due date up to the date of actual payment, after as well as before judgment, at the rate of two (2) per cent per annum above the base rate for the time being of the Bank of England. Such interest shall accrue on a daily basis and shall be payable by the Trustee on demand.

9. VARIATION TO CHARGES AND SERVICES

- 9.1 The Provider may vary, increase or introduce new charges applied under the Plan in accordance with the Plan Terms and Conditions.
- 9.2 The Provider may also vary, increase or introduce new charges applied under the Plan in the event that a Participating Employer commences or ceases to use the Utility Services.
- 9.3 The Provider and the Platform Operator may vary their Services to the extent necessary to:
- 9.3.1 comply with changes to Applicable Laws and Regulatory Requirements;
 - 9.3.2 comply with a decision of a court, governmental body, ombudsmen, regulator, industry body or other similar body;
 - 9.3.3 reflect changes in Good Industry Practice or the general business environment; and
 - 9.3.4 administer the Services with greater efficiency.
- 9.4 The Provider and the Platform Operator shall endeavour to provide three (3) months' written notice to the Trustee of any variation to the Services. Where this is not possible, the Provider or the Platform Operator (as applicable) shall notify the Trustee as soon as reasonably practicable.
- 9.5 The Provider and the Platform Operator may cease to provide any Service which the Trustee has not used for a period of twenty four (24) months upon providing three (3) months' written notice to the Trustee.
- 9.6 The Provider and the Platform Operator may cease to provide any Service as a result of changes in Applicable Laws and Regulatory Requirements and shall endeavour to provide three (3) months' written

notice to the Trustee. Where this is not possible, the Provider or the Platform Operator (as applicable) shall notify the Trustee as soon as reasonably practicable.

- 9.7 The Provider may cease to provide any Optional Service set out in Schedule 2 (Optional Services) and/or increase the charges applied under the Plan in the event that there is a significant fall in the amount of regular payments being made in to the Plan or AUM following the Effective Date upon providing three (3) months' written notice to the Trustee.

10. CEASING PAYMENTS TO THE PLAN

- 10.1 Where payments to the Plan cease, for as long as Deferred Members remain secured under the Plan:
- 10.1.1 the Provider and the Platform Operator shall continue to provide such of the Services that are relevant to the ongoing servicing of the Plan; and
- 10.1.2 the Trustee shall continue to carry out its obligations under this Agreement that are relevant to the ongoing servicing of the Plan.

11. TERMINATION OF THIS AGREEMENT

- 11.1 The Provider may terminate this Agreement in respect of all or parts of the Services (including those Services provided by the Platform Operator) at any time by giving not less than twelve (12) months' written notice to the Trustee.
- 11.2 The Trustee may terminate this Agreement at any time by giving not less than twelve (12) months' written notice to the Provider.
- 11.3 Where notice is given to terminate this Agreement in accordance with this Clause 11, the Provider and the Platform Operator shall be obliged to continue to provide those Services which the Trustee requires for the duration of the Exit Period, and in accordance with the Exit Plan, to facilitate the transfer of the Services to the Trustee and/or a substitute provider (as directed by the Trustee). For the avoidance of doubt, the provisions of this Agreement shall continue in force and govern the provision of the Services by the Provider and the Platform Operator unless otherwise agreed between the parties. In such event, the parties shall continue to comply with their obligations under this Agreement during the Exit Period.
- 11.4 This Agreement shall terminate automatically when there are no benefits remaining in the Plan. For the avoidance of doubt, no benefits remaining in the Plan means that all claims payments have been fully paid to the appropriate beneficiaries.

12. CONSEQUENCES OF TERMINATION AND EXIT

- 12.1 The termination of this Agreement by the Provider or the Trustee is without prejudice to any other rights and remedies of that party (whether arising out of, in connection with or relating to this Agreement or otherwise).
- 12.2 The termination or expiry of this Agreement shall not affect the accrued rights and liabilities of the parties or the enforceability of any provisions of this Agreement that are intended to remain in force after its termination. The parties agree that Clauses 5 (Data Protection), 6 (Confidentiality), 7 (Intellectual Property Rights), 13 (Liability and Indemnity), 14 (Dispute Resolution), 20 (Assignment) and 23 (Third Party Rights) are intended to, and shall survive, termination.
- 12.3 The parties shall agree an Exit Plan during the notice period following receipt of written notice to terminate this Agreement under Clauses 11.1 or 11.2. Upon expiry of such notice period, the parties shall start the implementation of the Exit Plan in accordance with its terms and the parties shall comply with the obligations set out in the Exit Plan.
- 12.4 During the Exit Period, and notwithstanding the Exit Plan, the Provider and the Platform Operator shall give all reasonable assistance to the Trustee and shall cooperate fully with the Trustee's requests in relation to the transfer of the Services to the Trustee or to another provider chosen by the Trustee,

including (but not limited to) providing all such information relating to the Services and the Plan as the Trustees may reasonably require to achieve a smooth transition of the Services.

12.5 Notwithstanding any other provision of this Agreement, the Trustee may at any time, whether before or after termination of the Plan, disclose any information (other than Confidential Information of the Provider unless the Provider has specifically consented to any such disclosure in writing) relating to the Services, the charges, the costs and arrangements involved in the provision of the Services (including any arrangements under the Exit Plan) and the transfer of the provision of the Services to:

12.5.1 any potential or actual substitute provider; and

12.5.2 any other person for the purpose of the potential or actual appointment of any substitute provider (including as part of any tender process for the provision of the Services or any similar services) and/or the provision of the Services or any similar services by one or more substitute providers.

13. LIABILITY AND INDEMNITY

13.1 The parties shall be liable for and indemnify each other against, all direct losses, costs, claims, damages and reasonable expenses arising out of any breach of their obligations under the terms of this Agreement.

13.2 The parties shall not be liable to the other for:

13.2.1 any indirect or consequential loss, damages or costs; or

13.2.2 loss of profit, loss of revenue, loss of business, loss of anticipated savings or damage to goodwill, in each case if and to the extent such loss is indirect loss,

arising out of any breach of their obligations under this Agreement.

13.3 Nothing in this Agreement shall limit or exclude the parties' liability for fraud, fraudulent misrepresentation or any other conduct that may not be excluded by law.

13.4 Notwithstanding Clause 13.1 and Clause 13.2, the Trustee's aggregate liability to the Platform Operator and to the Provider in respect of any and all claims for loss, damages or costs arising out of or in connection with this Agreement (including as a result of breach of contract, negligence or any other tort, under statute or otherwise and including under any indemnity) shall not exceed £1,000,000 (one million pounds sterling).

13.5 Notwithstanding Clause 13.1 and Clause 13.2, the combined aggregate liability of the Provider and the Platform Operator to the Trustee for any and all claims for loss, damages or costs arising out of or in connection with this Agreement (including as a result of breach of contract, negligence or any other tort, under statute or otherwise and including under any indemnity) shall not exceed £1,000,000 (one million pounds sterling).

13.6 The provisions of this Clause 13 shall apply regardless of any exoneration or indemnity that may be available to the Trustee, whether under the Trust Deed and Rules, Applicable Laws and Regulatory Requirements or otherwise.

13.7 In the event that the Provider deals directly with a Member when carrying out its obligations under a Service (including any Service where the Trustee has delegated authority to the Provider to act on the Trustee's behalf), the Trustee shall fully discharge the Provider from any and all liability in the provision of such Service to the Member provided that the Provider has carried out the Service in accordance with the terms of the Service.

14. DISPUTE RESOLUTION

- 14.1 The Provider and the Platform Operator shall not negotiate on any dispute arising between a Member and the Trustee other than to provide factual information to any party (unless restricted in law from doing so).
- 14.2 If any dispute arises between the parties in connection with this Agreement, the parties (including any person appointed to negotiate on a party's behalf) shall use all reasonable endeavours to settle it by negotiation.
- 14.3 If the parties are unable to settle the dispute by negotiation within thirty (30) Business Days of the dispute arising, either party may refer the dispute to mediation in accordance with the published rules of the Centre for Effective Dispute Resolution (CEDR). The commencement of mediation shall not prevent the parties from commencing or continuing with court proceedings but neither party may withdraw from mediation until each party has made its opening presentation and the mediator has met each party separately for at least two hours. The cost of mediation shall be shared equally between the parties.

15. FORCE MAJEURE

No party shall be responsible for any loss or damage suffered by the others, or for any failure to fulfil its obligations under this Agreement, if such loss, damage or failure is caused by, or is directly or indirectly due to, any cause beyond its control. The parties shall use their reasonable endeavours to minimise the effects of such loss, damage or failure.

16. NON-EXCLUSIVITY

Nothing in this Agreement shall prevent the Platform Operator or the Provider from providing the same or similar services provided under this Agreement to any other person, firm or company. The Provider and the Platform Operator shall not be deemed to be effected with notice of, or be under a duty to disclose to, the Trustee any fact or thing which may come to its attention, or the attention of any of its directors, officers, employees or agents, through rendering the same or similar services in the course of its business, or in any other capacity, or in any manner whatsoever, other than in the course of carrying out its duties under this Agreement.

17. ANTI-BRIBERY

- 17.1 The Provider and the Platform Operator undertake that during the term of this Agreement they shall not engage in, or consent to, any activity, practice or conduct which would constitute an offence under the Bribery Act 2010.
- 17.2 The Provider and the Platform Operator shall at all times have in place adequate procedures designed to prevent any person performing services for or on behalf of the Provider, including any Subcontractor, from committing an offence under the Bribery Act 2010.

18. VARIATION

No variation of this Agreement shall be valid unless it is in writing and signed by an authorised representative of each party.

19. NOTICE

- 19.1 The Trustee must serve all notices contemplated by this Agreement on the Provider and the Platform Operator by sending the notice by pre-paid first class post to the Provider's registered office marked for the attention of the Company Secretary. For the avoidance of doubt, notice served on the Provider shall be deemed notice served on the Platform Operator.
- 19.2 The Provider and the Platform Operator shall serve all notices contemplated by this Agreement on the Trustee by sending the notice by pre-paid first class post to the Trustee's of address.

20. ASSIGNMENT

- 20.1 This Agreement shall be binding on the parties and their respective successors and assigns. No party may, or shall have the power to, assign the Agreement without the prior written consent of the other parties which shall not be unreasonably withheld or delayed.
- 20.2 Nothing in this Agreement shall prevent the Provider from effecting a transfer of its rights and obligations under this Agreement to another member of the Zurich Group, whether by novation or pursuant to Part VII of the Financial Services and Markets Act 2000.

21. NO WAIVER

Any failure to exercise or any delay in exercising a right or remedy provided by this Agreement shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies. A waiver of a right or remedy under this Agreement shall only be valid if it is made in writing and signed by an authorised representative of the relevant party.

22. ENTIRE AGREEMENT

This Agreement, including any terms and conditions, appendices or documents referred to in or attached to this Agreement or associated with the Plan, constitutes the entire agreement between the parties in relation to the Services and supersedes all previous agreements in relation to the Services.

23. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of this Agreement.

24. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, all of which when taken together shall constitute one single agreement between the Parties. The transmission of an executed signature page of a counterpart of this Agreement in PDF by e-mail shall take effect as delivery of an executed counterpart of this Agreement. Each Party shall provide the other with the original of such counterpart as soon as reasonably practicable following the transmission of the counterpart in PDF by in e-mail.

25. GOVERNING LAW AND JURISDICTION

This Agreement is subject to English law and the English courts shall have exclusive jurisdiction in relation to all matters arising out of this Agreement, for which purposes the parties submit to such jurisdiction.

This Agreement is signed on behalf of the parties on date appearing page 2 of this Agreement

SIGNED by a duly authorised representative
for and on behalf of
STERLING ISA MANAGERS LIMITED

.....

Print Name

.....

SIGNED by a duly authorised representative
for and on behalf of
ZURICH ASSURANCE LTD

.....

Print Name

.....

SIGNED by a duly authorised representative
for and on behalf of
**THE MAYOR AND BURGESSES OF
THE LONDON BOROUGH OF
HAMMERSMITH AND FULHAM**

.....

Print Name

.....

**Schedule 1
(Core Services)**

1.1 In order to provide the Plan, the Provider shall provide the following Core Services:

A1.1, A1.2, A1.3, A1.6, A1.7, A1.15.1, A1.15.2, A1.15.3, A1.15.4, A1.17.2, A1.18.1, A1.21, A1.22, A1.24, A1.25, A1.26.1, A1.27, A1.29.1, A1.29.3, A1.31, A1.32, A1.40

1.2 To the extent that a Service is to be delivered online and includes the processing of information and data, payments (including claims payments) and associated record keeping in respect of the Plan and Retirement Accounts, the Platform Operator shall provide the following Core Services:

A1.7, A1.8, A1.9.1, A1.9.2, A1.10, A1.11, A1.12, A1.14, A1.15.1, A1.15.2, A1.15.3, A1.15.4, A1.17.2, A1.20, A1.21, A1.22, A1.24, A1.29.1, A1.40

1.3 Core Services:

	Description (Provider Service number in brackets)	Dependent on
A1.1	<p>Account Manager</p> <p>The Provider shall assign an Account Manager to the Plan. The Account Manager shall:</p> <ul style="list-style-type: none"> • establish and maintain regular dialogue with the Trustee and Administrators as appropriate, in order to discuss activity, complaints, unsettled death claims and emerging issues on the Plan; • work with the Trustee and Administrators to ensure that any issues that arise during the lifetime of the Plan are resolved quickly; • provide an agreed level of training to the Trustee and Administrators on the Platform's systems and processes. Training of any subsequent nominated person or third party may be subject to payment of a fee; • arrange seminars for Members and potential Members of the Plan to explain the features and benefits of membership; and • attend Pension Scheme meetings and annual review meetings if requested by the Trustee. The management information to be presented to the Trustee shall be agreed between the Provider and the Trustee prior to the relevant meeting. <p>For the avoidance of doubt, the Account Manager shall not provide financial advice.</p>	<p>Agreement between the Provider and Administrators regarding training requirements.</p> <p>Request by the Trustee for Account Manager attendance at Pension Scheme meetings.</p>

	Description (Provider Service number in brackets)	Dependent on
A1.2	<p>Set up of Plan (1)</p> <p>The Provider shall supply the following Plan set up documentation:</p> <ul style="list-style-type: none"> • Plan application; • This Service Agreement; and • Plan Terms and Conditions. <p>Once documents are completed and signed the Provider shall set up the Plan, funds and lifestyle investment option(s) requested by the Trustee.</p>	<p>Acceptance of Zurich Assurance Ltd as the Provider of the Plan, and receipt of set up documents fully and accurately completed.</p> <p>Agreement by the Provider that the funds and lifestyle investment option(s) requested by the Trustee can be set up.</p>
A1.3	<p>Plan literature (51f),</p> <p>The Provider shall produce and make the following Plan literature items available to view online:</p> <ul style="list-style-type: none"> • Fund Fact Sheets • A guide to selecting pension funds <p>In addition, if requested by the Trustee, the Provider shall make the following literature items available to view online or for Members to request by phone:</p> <ul style="list-style-type: none"> • Member booklet/guide • Expression of Wish form <p>In addition, the Provider can arrange for any of the items listed above to be printed in bulk by a third party supplier should the Trustee or a Participating Employer request copies in order to distribute to Members. The Trustee or Participating Employer making the request shall be responsible for meeting the costs of any printing and shall deal directly with the printer in settling any amount due for that work. Printed items will be distributed to one agreed location only.</p>	<p><u>Request by a Participating Employer or Trustee.</u></p> <p>Agreement between the Provider and the Trustee/ Administrator regarding timescales and location for delivery of bulk literature items and fees to be paid.</p>
A1.4	Not applicable	
A1.5	Not applicable	

	Description (Provider Service number in brackets)	Dependent on
A1.6	<p>Scheme governance reports (82)</p> <p>The Provider shall provide a quarterly report to the Trustee containing the following information specific to the Plan:</p> <ul style="list-style-type: none"> • membership movement details in the reporting period; • payments made to the Plan in the reporting period; • Support Centre performance against Service standards; • details of complaints received in the reporting period; and • investment fund performance for investment funds being used. <p>The Provider shall also send an annual data quality report to the Trustee to assist it in measuring the presence and accuracy of Member data in line with the Pensions Regulator's guidance for scheme record keeping. This report shall show details regarding Members with Units under the Plan only.</p>	
A1.7	<p>Error correction (63)</p> <p>The Provider and the Platform Operator shall correct records where an error has been made.</p> <p>Where the error was caused by incorrect information supplied to the Provider or Platform Operator, the Provider shall charge the Trustee a fee to cover its administration costs, and will advise the Trustee of the amount the Trustee shall need to pay in order to correct the unit holding where additional units need to be purchased.</p>	The Provider calculating costs and timescale for error correction and approval and payment by the Trustee.
A1.8	<p>Member upload (3)</p> <p>Administrators can submit new Member records and re-joiners for each Paycentre online. Automated validation of the data supplied shall be carried out and any invalid records shall be highlighted for correction.</p> <p>Once data is confirmed as valid the Administrator can submit the data to be uploaded to create Retirement Accounts for new Members. For new Members, the Member's investment strategy shall be set initially to the Plan's default investment strategy.</p> <p>For the avoidance of doubt, the Plan shall only ever hold one Retirement Account for a Member regardless of whether a Member claims under the Plan and subsequently re-joins or a Member has more than one employment record or several different periods of employment with a Participating Employer.</p>	Provision of a complete and accurate data file, in a format prescribed by the Platform Operator.

	Description (Provider Service number in brackets)	Dependent on
A1.9.1	<p>Re-joiner payments In to the Plan</p> <p>Where a Deferred Member or an Ex-Member who has a Retirement Account is required to become an Active Member the Platform Operator shall reactivate the Retirement Account in an active Paycentre as instructed by the Trustee.</p> <p>Where a Deferred Member is reactivated as Active their investment strategy for future regular payments shall be automatically re-set initially to the Plan's default investment strategy. The investment strategy for the existing assets under their Retirement Account will not be automatically changed.</p> <p>Where an Ex-Member is reactivated as Active their investment strategy shall be re-set initially to the Plan's default investment strategy.</p>	Clear instruction.
A1.9.2	<p>Reinstatement of a Member as Active where the Member was made Deferred in error</p> <p>The Platform Operator cannot accept payments to a Retirement Account unless the Member is an Active Member. If the Member is not an Active Member and there are outstanding payments due as a result of an administration error made by the Trustee the Trustee shall be charged a fee to cover the Platform Operator's administration costs to temporarily reinstate the record as active in order to accept the payments.</p>	Clear instruction. Receipt of fee charged for a temporary reinstatement.
A1.10	<p>Welcome letters, login and password issued to Members and Administrators (140)</p> <p>The Platform Operator shall issue a standard welcome letter to new Members of the Plan. The welcome letter shall include the Member's login ID. The Platform Operator shall also send a password to the Member under separate cover.</p> <p>The Platform Operator shall also send Administrators and Paycentre Administrators their own login ID and password details.</p>	

	Description (Provider Service number in brackets)	Dependent on
A1.11	<p>Payments through the Platform's payroll system</p> <p>The Platform Operator shall make available a customer self-service facility for Administrators and Paycentre Administrators using the Platform's payroll system.</p> <p>Separate Paycentres can be supported.</p> <p>Online validation checks shall ensure that payments through the Platform's payroll system can only be made for Active Members.</p> <p>All regular and single payments shall be collected by the Platform Operator by a Participating Employer or Trustee controlled Direct Debit only.</p> <p>Provided that any payments are due for a Paycentre, the Trustee shall be notified if no payments are received for a Paycentre within 31 days of the statutory due date.</p>	
A1.12	<p>Transfer in processing via Administrators (68c)</p> <p>The Platform Operator shall make available a transfer upload file template to Administrators in order for data related to transfer in payments to be supplied. Any information omitted cannot be supplied at a later date.</p> <p>Completion of the transfer shall require a correctly completed upload file together with the transfer payment and any supporting documentation.</p> <p>Where agreed for a particular bulk transfer exercise the Platform Operator shall transition Member unit holdings from ceding arrangements in a way which minimises out of market risk relating to the investments.</p>	<p>Agreement from the Trustee to the transition strategy, necessary legal documents completed prior to transition, agreement from Fund Managers and other third parties as applicable.</p>
A1.13	Not applicable	

	Description (Provider Service number in brackets)	Dependent on
A1.14	<p>Online bulk change data upload (151)</p> <p>Administrators can submit bulk changes to the data held on the Platform for existing Members online.</p> <p>Items that can be amended using this process include the following:</p> <ul style="list-style-type: none"> • personal details such as name and title • contact details • payment basis • pensionable salary • selected retirement age • leaver notification (cease active membership, left company) • salary sacrifice indicator • pay centre • employee payroll reference • employment start date • country of residence <p>For the avoidance of doubt, change data must be clearly identified, a download of full Member records is not acceptable.</p>	Provision of data in a format prescribed by the Platform Operator.
A1.15.1	<p>Processing change of personal and contact details requests received directly from Members (“Change Request”) (40tbd)</p> <p>The Platform Operator can action a Change Request online or by phone. For the avoidance of doubt, the Provider will not accept a Change Request in writing.</p> <p>Where Change Requests are actioned under this Service online, the Platform Operator shall notify the Administrators via an employee changes report. Requests actioned by phone are not included in the employee changes report.</p> <p>The Trustee has instructed the Provider and Platform Operator not to deal direct with Members in respect of such Change Requests. There will be no online availability for Members to make such changes and where a Member requests the Provider to make a change directly the Provider shall inform them that the Trustee has instructed the Provider not to action such requests and instead to refer them to the Administrators.</p> <p>For the avoidance of doubt, changes of date of birth shall be excluded from this Service and shall be referred to the Administrators, as error correction may be necessary.</p>	Receipt of clear instruction from the Member.

	Description (Provider Service number in brackets)	Dependent on
A1.15.2	<p>Processing change of selected retirement age requests received directly from Members (“Change SRA Requests”) (40t)</p> <p>The Platform Operator can action Change SRA Requests online or by phone. For the avoidance of doubt, the Provider will not accept Change SRA Requests in writing.</p> <p>Such online Change SRA Requests shall only be actioned if the new selected retirement age falls within the parameters allowed for the Member under the Plan.</p> <p>Where Change SRA Requests are actioned under this Service online, the Platform Operator shall notify the Administrators via an employee changes report. Change SRA Requests actioned by phone are not included in the employee changes report.</p> <p>The Trustee has instructed the Provider and Platform Operator not to deal direct with Members in respect of such Change SRA Requests. There will be no online availability for Members to make such changes and where a Member requests the Provider to make a change directly the Provider shall inform them that the Trustee has instructed the Provider not to action such requests and instead to refer them to the Administrators.</p>	Receipt of clear instruction from the Member.
A1.15.3	<p>Processing change contribution basis requests received directly from Active Members (“CCB Requests”) (40tbd)</p> <p>The Platform Operator can action CCB Requests online provided they do not have salary sacrifice recorded on their Retirement Account. For the avoidance of doubt, the Provider will not accept CCB Requests by phone or in writing.</p> <p>Where CCB Requests are actioned under this Service online, the Platform Operator shall notify the Administrators via an employee changes report.</p> <p>The Trustee has instructed the Provider and Platform Operator not to deal direct with Members in respect of such CCB Requests. There will be no online availability for Members to make such changes and where a Member requests the Provider to make a change directly the Provider shall inform them that the Trustee has instructed the Provider not to action such requests and instead to refer them to the Administrators.</p> <p>For the avoidance of doubt, Deferred Members cannot request the Platform Operator or Provider to change their contribution basis, and if they make such requests they will be referred to the Administrators.</p>	Receipt of clear instruction from the Member.

	Description (Provider Service number in brackets)	Dependent on
A1.15.4	<p>Processing cease active membership requests received directly from Active Members (“CAM Requests”)(224)</p> <p>The Platform Operator can action CAM Requests online and the Provider can action CAM requests by phone.</p> <p>Such requests can only be actioned from the period the Active Member is no longer eligible to Opt Out under Applicable Laws and Regulatory Requirements.</p> <p>Where requests are actioned under this Service, the Platform Operator shall notify the Administrators. The Trustee has instructed the Provider and Platform Operator not to deal direct with Members in respect of such CAM Requests. There will be no online availability for Members to make such changes and where a Member requests the Provider to make a change directly the Provider shall inform them that the Trustee has instructed the Provider not to action such requests and instead to refer them to the Administrators.</p>	
A1.16	Not applicable	
A1.17.1	Not applicable	
A1.17.2	<p>Scheme Pays facility</p> <p>The Provider and the Platform Operator shall accept instructions from the Trustee to pay a Member's Annual Allowance Tax Charge or Money Purchase Annual Allowance Tax Charge from the Member's Retirement Account subject to the request meeting HMRC's conditions for Scheme Pays to apply.</p> <p>The Provider shall pay the proceeds of the units disinvested to the Trustee in order for the Trustee to account to HMRC in respect of the tax.</p> <p>For the avoidance of doubt, this Service does not cover the paying of the Member's annual allowance charge on a voluntary basis.</p>	Receipt of authorisation from the Trustees to apply Scheme Pays.
A1.18.1	<p>Divorce – Recording earmarking orders (18) and splitting (17)</p> <p>The Provider shall record an indicator against a Member where the Trustee advises that an earmarking order is in place.</p> <p>The Provider shall process a request to transfer units out of a Retirement Account if instructed to do so by the Trustee as a result of a Pension Share Order.</p>	<p>The Trustee must provide a valid earmarking order to the Provider.</p> <p>Clear instruction from the Trustee.</p>
A1.18.2	Not applicable	
A1.19	Not used	

	Description (Provider Service number in brackets)	Dependent on
A1.20	<p>Concurrent Scheme indicator (181)</p> <p>The Platform Operator shall record a Concurrent Scheme Indicator marked as “Yes” for a Retirement Account if requested to do so. No details of the concurrent Scheme are recorded.</p> <p>If the indicator is set to “Yes”, a statement that the Member is in another scheme for the same Participating Employer shall be included in the Member’s annual benefit statement and in leaver letters if issued.</p>	Instruction from Trustee or Administrators that an indicator is required.
A1.21	<p>Annual benefit statements (7)</p> <p>The Provider will produce and forward annual benefit statements directly to Member’s addresses.</p> <p>The following shall apply:</p> <ul style="list-style-type: none"> • recent copies of the relevant annual benefit statement produced by the Provider shall be available for Members to view on the Platform; • the benefit statement shall be of standard format and content. Plan specific tailoring is not supported, neither is the inclusion of Plan specific inserts with the statement; • statements for Members who are not recorded on the Platform as Employed which are returned “gone away” shall be subject to the Provider’s current gone away tracing process; and • statements for Members who are recorded on the Platform as Employed which are returned “gone away” shall be forwarded to Administrators to pass on to the Member. 	
A1.22	<p>Investment switches and redirections</p> <p>The Platform Operator shall accept instructions from Members online, and the Provider shall accept instructions from Members by phone or in writing to change the investment strategy on their Retirement Account for existing funds and or future payments.</p> <p>In addition the Provider will accept instructions from Administrators by phone or in writing to change the investment strategy on Member’s Retirement Accounts.</p>	Receipt of clear instruction in required format from Members or Administrators.
A1.23	Not applicable	
A1.24	<p>Provide fund values and illustrations requested directly by a Member or authorised third party (40e)</p> <p>Where requested by a Member or authorised third party the Provider and the Platform Operator shall:</p> <ul style="list-style-type: none"> • generate an up to date illustration using a basis determined by the Provider and will print and despatch to the requestor; • advise the requestor verbally or in writing of the current value of their Retirement Account; and • advise the requestor verbally or in writing of a previous value of their Retirement Account at a specified date, provided such date is after the commencement of the Retirement Account. 	Receipt of clear and valid instruction.

	Description (Provider Service number in brackets)	Dependent on
A1.25	<p>Member complaint handling</p> <p>The Provider shall determine the basis for complaints received from Members that relate to the provision of Services by the Provider or the Platform Operator, including any complaints relating to literature items. Any complaints not related to the Services or literature items shall be passed to the Trustee for resolution.</p> <p>Complaints from a Member in relation to a Participating Employer or the Trustee, payment amounts, and pensionable salary values shall be referred to the Trustee for resolution.</p> <p>The Provider shall make a copy of the Trustees Internal Dispute Resolution Procedure available to Members online.</p>	<p>Receipt of complaint.</p> <p>Trustee to supply the Provider with an up to date copy of their Internal Dispute Resolution Procedure.</p>
A1.26.1	<p>Initiation of retirement claims at selected retirement age</p> <p>The Provider shall issue standard “wake up” letters and forms to agreed recipients in accordance with Applicable Laws and Regulatory Requirements.</p>	<p>Agreement of recipients between the Provider and Trustee.</p>
A1.27	<p>Correspondence returned as Gone Away</p> <p>Where correspondence issued to Members by the Provider or Platform Operator is returned marked “gone away” the Provider shall forward such correspondence to the Administrators to pass on to the Member and request the Administrators to supply an up to date address via the bulk change data upload.</p>	
A1.28	Not applicable	

	Description (Provider Service number in brackets)	Dependent on
A1.29.1	<p>Retirement claim</p> <p>The Provider shall sell Units in the Retirement Account and pay the value in accordance with the Trustee's instructions.</p> <p>The Provider shall calculate and the Platform Operator shall record and keep a history of the percentage of the Member's Standard Lifetime Allowance used in respect of claims from the Plan only.</p> <p>The Provider shall not advise the Trustee where it believes that the claim payment causes the Member's Lifetime Allowance to be exceeded.</p> <p>Where an annuity bureau has been selected for the Plan the Provider shall include content online that confirms:</p> <ul style="list-style-type: none"> • the Trustee has selected a particular annuity bureau to assist Members in retirement decision-making; and • details of how to contact the nominated annuity bureau. <p>While the Trustee does not require the Provider to comply with the ABI Code of Conduct on Retirement Choices, the Trustee acknowledges that the Provider's standard communications shall be compliant with this Code and that standard communications shall be issued unless expressly agreed to the contrary with the Trustee. As required by Clause 5, the Trustee must ensure that it obtains the appropriate consent from each Member that permits the Provider to pass any data (including Personal Data) to the nominated annuity bureau.</p>	<p>Receipt of clear instruction.</p> <p>Investment of any pipeline payments and receipt of all required documentation.</p>
A1.29.2	Not applicable	
A1.29.3	<p>Retirement claims parameters</p> <p>The Provider shall:</p> <ul style="list-style-type: none"> • allow up to two retirement claim to be made from a Retirement Account in a tax year without charge; • sell all or some Units in the Retirement Account and pay the value in accordance with the Trustee's instructions as described in Service A1.29.1; • for a given tax year, monitor the number of partial retirement claims requested for a Member; and • reserve the right to charge a fee for processing retirement claims should the number of retirement claims for a Retirement Account exceed two in a tax year; <p>Where the Provider intends to charge a fee the Provider shall:</p> <ul style="list-style-type: none"> • notify the Trustees before processing the claim; and • require authorisation from the Trustees to proceed with processing the claim and applying the fee. <p>Where the Provider does charge a fee it will be applied in accordance with the Plan Terms and Conditions.</p>	<p>Receipt of authorisation from the Trustees to process a claim where the Provider is to charge a fee. Such authorisation to confirm that the Member has given consent to the Trustees.</p>

	Description (Provider Service number in brackets)	Dependent on
A1.30	Not applicable	
A1.31	<p>Death claim</p> <p>The Provider shall:</p> <ul style="list-style-type: none"> • forward any scanned copies of Expression of Wish forms it holds to the Trustee; • sell the Units in the Retirement Account and pay the value to the Trustee; and • deal with the Trustee in respect of death claims. 	<p><u>Receipt of clear instructions from the Trustee.</u></p> <p>Investment of any pipeline payments and receipt of all required documentation.</p>
A1.32	<p>Transfer claim</p> <p>The Provider shall sell the Units in the Retirement Account and pay the value to another registered arrangement in accordance with instructions from the Trustee.</p>	<p>Receipt of clear instruction.</p> <p>Investment of any pipeline payments and receipt of all required documentation.</p>
A1.33	Not applicable	
A1.34	Not applicable	
A1.35	Not used	
A1.36	Not used	
A1.37	Not used	
A1.38	Not applicable	
A1.39	Not applicable	
A1.40	<p>Leaver processing</p> <p>When the Provider or the Platform Operator is informed that a Member has left the service of a Participating Employer or has ceased active membership, the Member's payment basis shall be changed to zero and the Member's status updated. The Member shall be a Deferred Member.</p> <p>The Provider and the Platform Operator shall comply with the Trustee's request not to issue leaver letters to Members outlining their options.</p>	<p>The Provider or the Platform Operator being informed by Administrators, and any delayed processing trigger period agreed with the Trustee to enable any outstanding payments to be submitted.</p>

**Schedule 2
(Optional Services)**

- 1.2 The Trustee may request that the Provider and/ or the Platform Operator (as applicable) perform or provides one of the Optional Services set out below.
- 1.3 If chosen by the Trustee, the following Optional Services shall be provided by the Provider:

none
- 1.4 If chosen by the Trustee, the following Optional Services shall be provided by the Platform Operator:

none
- 1.5 The Provider and/ or the Platform Operator (as applicable) shall only commence the provision of the Optional Service when the fees and timescales have been agreed with the Trustee.