

8.1

PenServer, payroll and data responsibilities

An overview

PenServer

8.1.1 PenServer is the computerised software application/system used by **MyCSP** for the administration of Civil Service Pensions (CSP) arrangements.

8.1.2 PenServer must be used to administer the **classic, classic plus, premium** and **nuvos** schemes and associated benefits, such as added pension. PenServer can also be used to administer the Civil Service Compensation Scheme (**CSCS**).

8.1.3 The application has an associated database that is designed to hold information on members, including:

- personal information, such as date of birth, address and death benefit nominees
- pensionable pay and salary history
- service data, including service in other organisations covered by the CSP arrangements and transfers in from other pension schemes.

8.1.4 PenServer deals with all processes through a series of 'workflows'. These set out all the individual administrative tasks needed for every area of scheme administration. This includes calculating scheme benefits and

generating associated letters and benefit statements.

Getting information to PenServer

8.1.5 As the employer you are responsible for your payroll/payroll provider passing correct and accurate information to PenServer by means of an 'interface'. We will tell you about the different types of interface that are available to you starting at paragraph **8.1.12**.

8.1.6 You are further responsible, as the employer, for providing, information about **new employees, changes to existing employees** and **pay**, to your payroll application. This information is then passed to PenServer through the interface, usually on a monthly basis. Smaller employers can pass information less frequently with the agreement of MyCSP.

Responsibility for accuracy of data

8.1.7 The Participation Agreement (PA) places responsibility on you as the employer to ensure that the personal information used for CSP arrangements is current and correct. You are also required to confirm that **MyCSP** is holding current and correct data on the annual Accounting Officer Certificate (AOC) and checklist.

The PA also refers to payroll information. You must ensure that your payroll application can transfer data to PenServer in line with the specification of the interface. If you are an employer who uses or will use, an external payroll provider, you should ensure they have a compatible interface.

8.1.8 Whether you have an in-house payroll or a contract with an external payroll provider you, as employer, must make certain that procedures are in place to guarantee the transfer of accurate data. You will need sufficient understanding of how your payroll application works to ensure that it creates your interface data as required by Penserver. It also helps you meet your statutory obligations (such as those under the Data Protection Act. Your responsibility for accurate data extends to the **CSAVCS**, **partnership** pension and designated **stakeholder** arrangements.

Transferring Interface data

8.1.9 Your payroll interface data must be transferred to **MyCSP** by a secure method. Where the data is written to a USB stick it should be done in a secure environment. The data should be encrypted to AES 256 bit standard and protected by a complex password, which must be at least 10 characters long and has both upper and lowercase letters and at least one numerical digit. If you are sending data manually, this should be transported by secure courier using a tracked service.

8.1.10 If your interface is created by an external provider you must use their 'web based' applications to transfer the data. This ensures that the appropriate security measures, as laid down by Corporate Sponsor for Information

Assurance (CSIA) and National Infrastructure Security Co-ordination Centre (NISCC) are met. Annex A provides further guidance on Web Based Scheduling.

Please note, this does not apply to most **Logica customers**. Logica transfers the data on their behalf using the **GSI/GSe** and **MyCSP CAR** application

Data protection

8.1.11 You are reminded that any data stored electronically is subject to the provisions of the Data Protection Act 1998. Any processing carried out by a data processor (such as an external payroll provider) on your behalf must be done under a written contract or SLA.

Types of Interfaces

8.1.12 There are three 'interface' methods for transferring data from your payroll to PenServer. These are, the **Full**, the **Standard** and the **Manual** Interface processes.

8.1.13 The Full and Standard are electronic interfaces and act in more or less the same way. When the payroll application is run, it creates a set of records and sends them to the PenServer database which enters them on to the correct member record. We recommend that you adopt the Standard Interface as this enables quicker development with lower costs and does not have the complex processing of the Full Interface.

8.1.14 If you are a small employer it may not be cost effective to develop an electronic interface to PenServer. You may therefore decide to use a more suitable method of updating the PenServer records through the Manual

Interface. This is a standardised manual process involving the completion of spreadsheets which mimic the Standard Interface. If you are an employer in this position you will need to get details of the Manual Interface and agree the arrangements with **MyCSP** for updating the PenServer database.

8.1.15 If you are unsure which interface is most suitable for your organisation; please contact **MyCSP** who will be able to advise you and provide the required documents for you and if necessary your Payroll Provider.

Changing payroll provider – managing the development of the interface

8.1.16 You must inform **MyCSP** of any plans to change your payroll at the earliest opportunity. For planning and managing the development and testing of the PenServer Interface, you will require IT and Payroll expertise. The timetable for the development and testing process will vary according to the size and complexity of your payroll. You must ensure that your interface process is in place **before** your new payroll goes live. It is essential that you meet with **MyCSP** at the earliest opportunity to discuss the way forward.

8.1.17 You will have to meet the costs arising from the development and testing of the interface. **MyCSP** may charge for any additional work in validating the test data. You will also have to pay for any involvement by Xafinity Claybrook, the PenServer software owners. Please note that if your new payroll provider already has an existing electronic interface to PenServer, testing will still be needed

to make sure the interface can handle your members data accurately.

Acceptance testing stages

8.1.18 there are two stages to consider, the initial stage is the development and acceptance of the interface, which will map information from your payroll to file formats in accordance with the requirements of PenServer. You will need approval from **MyCSP** to complete this.

8.1.19 The second stage is the acceptance testing by **MyCSP**. In cases where you are moving from an existing payroll, the new payroll will need to produce parallel 'extract files' covering a range of test cases to highlight any inconsistencies. The files should cover the data for a given period of time and should incorporate a defined set of data examples as agreed between you and **MyCSP**

Initial files and the 'cutover' approach

8.1.20 We recommend using a 'cutover' approach on a change of payroll. This assumes that data is already on PenServer before the new payroll starts and that the new payroll interface will only supply data for the period following the new payroll start date. The date of the start of the new payroll is referred to as the 'cutover date'.

8.1.21 With this approach you will first have to supply **MyCSP** with a set of data files relating to data at the date of the cutover to the new payroll. This process should contain data for all employees to be included in the interface.

8.1.22 You must then resubmit the data at the cutover date. The extent to which data is resubmitted will depend on decisions made following discussions between you, **MyCSP**, and your payroll interface developer. As a minimum, it is essential that you include any data which is pensionable whose codes - for example, allowances, bonuses, grading or location - have changed.

nuvos data

8.1.23 **nuvos** is different from the final salary sections of the Civil Service pension scheme (**classic**, **classic plus** and **premium**) in that there is a distinct year-end process. This means that no changes can be made to pensionable earnings after the **nuvos** scheme year ends (the **nuvos** scheme year runs from 1 April to 31 March).

nuvos year-end

8.1.24 The year-end process involves striking a balance on the account, calculating and adding “interest” and producing a benefit statement.. **It is your responsibility to ensure that your payroll sends details of nuvos members to MyCSP in good time so that the year end balance can be struck**

8.1.25 The year-end balance can **not** be processed without pensionable earnings data for the scheme year being transferred to PenServer. For those employers with a full or standard interface that includes **nuvos** members, the year-end process will be run after the last payroll interface data has been transferred to **MyCSP**, usually in April. For those employers without a working interface, the standardised manual interface process must be used for **nuvos** member data.

The year-end processing can then be completed and benefit statements produced.

8.1.26 Please remember, no attempt should be made to adjust a closed year’s earnings data for nuvos members. Pensionable earnings are relevant on the date the payment was made and not on the **date earned**, for example, following a retrospective pay award.

What is web based scheduling?

1. Web based scheduling is a method of sending the monthly schedule with member contribution information and data via the providers' websites. This will replace the schedule your payroll provider currently emails to the money purchase providers every month. Web based scheduling will not only simplify the process through which you send across payments to the providers, it will ensure greater accuracy of data and improve the timeliness of the payments.
2. You can use web based scheduling to automatically deduct the total contributions listed on the schedule from your payroll account. The money is not deducted until you submit your schedule. Alternatively you can use web based scheduling for the transmission of member information but carry on making your payments in the normal way.

Handling of Pension Data

3. Personal member information is classified as restricted and should not be sent via email to an external, non gsi, email address. The monthly schedules are restricted information as they contain the member's National Insurance number which the provider needs to identify the member's account, therefore you should not be using email to transfer this information.
4. Because paper schedules require manual input which takes time and can result in errors, they will not be accepted by the providers after the 19 May 2008 (this is the latest date by which April payments must be received by the providers). Any schedules received by post after this date, or schedules that do not hold the member's National Insurance number will be returned.

Security

5. Web based scheduling provides the most secure way of sending the monthly schedules thereby complying with all the security requirements for sending personal pension data to third party providers. All the providers websites have been rigorously tested by independent specialists, their systems all exceed BS7799 compliance standards and meet financial sector security compliance as required by the Financial Services Authority.

What Payments can be submitted via web-based scheduling?

6. All contributions to the Civil Service money purchase schemes can be submitted via the respective providers secure web sites. They are:

partnership pension account - administered by Standard Life and Scottish Widows;
Stakeholder scheme administered by Standard Life; and

Civil Service AVC scheme - administered by Standard Life and Scottish Widows

New employers – Action

8. Contact the providers and request access to their websites. You will need to contact each provider separately about access; and tell them who in your organisation will be submitting the schedules. It will only take a few minutes to register with each provider.

9, The providers have each developed an information booklet about their secure websites which they will send you on request or you can read or download the booklet from their websites. They are also available to give you any additional information, training and support you may require. The three provider web sites are all easy to use and all meet the highest level of security at least 128 bit inscription.

10. You may receive a phone call from the providers if you are not already submitting your schedules on line asking you to sign up to web-based scheduling in an effort to help all employers start using this method by 30 April 2008. We will be monitoring take up along with the providers and will be writing to those of you who have not registered to use web based scheduling by mid April 2008.

Provider contact details

The details are as follows:

Scottish Widows – Sarah Hawes – Tel: 0845 757 3440
sarah.hawes@scottishwidows.co.uk

Standard Life – Joanne Forrester – Tel: 0131 245 0170
joanne_forrester@standardlife.com

Equitable Life

Unfortunately Equitable Life do not have a web-based scheduling facility but they will accept paper schedules or CD/floppydisk/USB stick if the data is encrypted to AES 256 bit standard and protected by complex password. The data should be transported by secure courier using a tracked service in the same way as you send your payroll interface files to your APAC.