

Agenda Item 8



Regulatory and Other Committee

Open Report on behalf of Pete Moore - Executive Director of Finance and Public Protection

Report to:	Pensions Committee
Date:	10 January 2019
Subject:	Employer Monthly Submissions Update

Summary:

This paper provides the Pensions Committee with up to date information on Employer Monthly Submissions for the financial year 2018/19.

Recommendation(s):

That the Pensions Committee note the report and consider if there are any further actions they wish to take against employers submitting late or inaccurate payments or data.

Background

- 1 At their meeting in July 2018 the Pensions Board received information on the employer monthly returns for the financial year 2017/18. In considering the report, the Board were concerned about the number of late contributions or late data submissions during the financial year 2017/18. In light of this the Board has requested this information is presented to them quarterly so they can consider if any action is required against employers submitting late or inaccurate payments or data. This information will also be presented to the Pensions Committee on a quarterly basis for the Committee to consider if they want to take any further action.
- 2 There are just over 250 employers within the Lincolnshire Pension Fund. All employers have a statutory responsibility, as set out within the Pensions Act 1995, to ensure that they pay over any contributions due to the Fund by the 19th of the month following their payroll. The Fund considers an employer a 'late payer' if either the cash and/or the data is received after this date.
- 3 The Fund has in place robust processes for monitoring the receipt of payments and data from employers. Within the Pensions Team, the Finance Technician post is responsible for employer contributions monitoring. Additional checks are also undertaken by the West Yorkshire Finance Team on the detail within the data submissions, and the pensions system itself identifies errors, queries, or where further information is required from the employer (e.g. additional leavers' information).

- 4 After any late payment (including data submission) an email is sent to the employer reminding them of their responsibilities. In addition to emailing employers, the Lincolnshire Pension Fund Finance Technician is in regular contact with employers and their payroll providers to prompt payments/data submissions and clarify any queries. Much work has been put into building a good relationship with the employers and payroll providers, to assist in understanding the process and the data required.
- 5 A summary of all late contributions or data submissions since April 2018 is set out in table one below and details of the individual employers for quarter two can be found at **Appendix A**.

Table One: Late contributions and data submissions to September 2018

Month	Payment of Contributions		Submission of Data	
April	6	2.4%	15	6.0%
May	2	0.8%	23	9.1%
June	5	2.0%	7	2.8%
July	4	1.6%	9	3.6%
August	5	2.0%	6	2.4%
September	2	0.8%	2	0.8%
Total for 2018/19	24		62	

- 6 The analysis shows the number of employers making late contributions is a relatively small percentage of the overall number of employers. The high number of late data submissions at the beginning of the financial year arose as a result of changes to a number of payroll providers payroll systems. These problems have now been resolved by payroll providers and late submission of data has decreased, with just two employers being determined as late with their September data.
- 7 None of these breaches individually have been material and therefore have not been reported to the Pensions Regulator; however, they have been included en masse in the breaches register.
- 8 If any employer makes contribution payments or submits data late in three out of six months on a rolling basis, they will receive a fine, unless they are able to offer extenuating circumstances. Fines are currently set at a minimum of £96. Details of fines issued since April 2018 are set out in table two below.

Table Two: Late contributions fines to September 2018

April	May	June	July	August	September
No fines	3	2	4	3	2

Conclusion

- 9 This report provides monitoring information on the timeliness and accuracy of employer monthly submissions to help the Pensions Committee understand if there are any issues arising from late payments or data and if there are any further actions which are required to address employers not meeting their statutory responsibilities.
- 10 Employer submissions have increased in prominence as the number of employers within the scheme has increased. The Fund has responded to this by having a dedicated resource to monitor employer submissions and working closely with West Yorkshire and employers to reduce the numbers of late payers.

Consultation

a) Have Risks and Impact Analysis been carried out?

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Appendices

These are listed below and attached at the back of the report	
Appendix A	List of Late Contributions Payments or Late Data Submissions Quarter Two (July – September 2018)

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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