

**Open Report on behalf of Andrew Crookham,  
Executive Director – Resources**

Report to:	<b>Pensions Committee</b>
Date:	<b>18 July 2019</b>
Subject:	<b>Employer Monthly Submissions Update</b>

**Summary:**

This paper provides the Committee with up to date information on Employer Monthly Submissions for the fourth quarter of the financial year 2018/19 (January to March).

**Recommendation(s):**

The 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 There are just under 270 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.
- 2 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).
- 3 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.

- 4 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 four can be found at **Appendix A**.

**Table One: Late contributions and data submissions to March 2019**

Month	Payment of Contributions		Submission of Data	
<i>April</i>	6	2.4%	15	6.0%
<i>May</i>	2	0.8%	23	9.1%
<i>June</i>	5	2.0%	7	2.8%
<i>July</i>	4	1.6%	9	3.6%
<i>August</i>	5	2.0%	6	2.4%
<i>September</i>	2	0.8%	2	0.8%
<i>October</i>	3	1.1%	13	4.9%
<i>November</i>	0	0.0%	8	3.0%
<i>December</i>	3	1.1%	11	4.1%
January	0	0.0%	13	4.9%
February	1	0.4%	3	1.1%
March	4	1.5%	7	2.7%
<b>Total for 2018/19</b>	<b>35</b>		<b>117</b>	

- 5 The analysis shows the number of employers making late contributions is a relatively small percentage of the overall number of employers. A higher number of employers submit their data returns late, or have made an incorrect submission by the deadline date (i.e. their data contains errors, or does not agree to the contributions paid across). A number of reasons have been identified for late returns. These include:
- Staff changes at a number of employers;
  - Merger of a number of schools into a larger academy trust; and
  - Change of payroll providers at a number of employers.
- 6 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.
- 7 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 £136. Details of fines issued since April 2018 are set out in table two over page.

**Table Two: Late contributions fines to March 2019**

<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>
<i>No fines</i>	3	2	4	3	2
<i>October</i>	<i>November</i>	<i>December</i>	January	February	March
<i>No fines</i>	3	2	2	0	3

## **Conclusion**

- 8 This report provides quarterly monitoring information on the timeliness and accuracy of employer submissions to help the Pensions Committee understand if there are any issues arising from late payments or data and any further actions which are required to address employers not meeting their statutory responsibilities.
- 9 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 Four (January to March 2019)

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