

## Regulatory and Other Committee

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

Report to:	<b>Pensions Committee</b>
Date:	<b>15 October 2020</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 first quarter of the financial year 2020/21 (April to June).

#### **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 contributions due to the Fund on a timely basis. The date these are due is set out in the Fund's Administration Strategy, which all employers have signed up to, and has been set as 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 is responsible for monitoring employer contributions monthly. Additional checks on the detailed data submissions and employer rates are undertaken by the West Yorkshire Finance Team. The pensions system itself also 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, both the Lincolnshire and West Yorkshire Pension Fund teams are 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.

**Table One: Late contributions and data submissions to June 2020**

Month	Payment of Contributions		Submission of Data		Payment of Conts & Submission of Data		Data and Payment do not Match	
April	3	1.1%	14	5.1%	4	1.5%	2	0.7%
May	0	0.0%	2	0.7%	1	0.4%	5	1.8%
June	5	1.8%	8	2.9%	3	1.1%	0	0.0%
<b>Total</b>	<b>11</b>		<b>25</b>		<b>8</b>		<b>7</b>	

- 4 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 submitted 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). The first month of the year saw the highest number of late data submissions. This related to teething problems for a number of employers who switched payroll provider from April 2020 and one of the larger payroll providers having difficulty submitting their data returns on the portal. In June again the same payroll provider struggled to submit all their data on time through the portal. This payroll provider has been referred to the Pension Fund Representatives at West Yorkshire for further support and training.
- 5 None of the 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.
- 6 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. Table two below sets out the number of fines issued since April 2020. There have been no fines issued in the quarter April to June 2020.

**Table Two: Late contributions fines to June 2020**

April	May	June
0	0	0

## 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 submissions 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	Employers late data contributions or payments – quarter one (April to June 2020)

## 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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