

Open Report on behalf of Andrew Crookham – (Executive Director of Resources)

Report to:	Lincolnshire Pension Board
Date:	15 July 2021
Subject:	Employer Monthly Submissions Update

Summary:

This paper provides the Board with up-to-date information on Employer Monthly Submissions for the fourth quarter of the financial year 2020/21 (January to March inclusive).

Recommendation(s):

The Board 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

- 1.1 There are approximately 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.
- 1.2 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).
- 1.3 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 employers and payroll providers, to assist in understanding the monthly process they need to complete and the data they are required to supply.

1.4 A summary of all late contributions or data submissions since April 2020 is set out in table one below. Appendix A sets out the employers who were late, and details when the outstanding payment or information was received.

Table One: Late contributions and data submissions to March 2021

Month	Payment of Contributions		Submission of Data		Payment of Conts & Submission of Data		Data and Payments do not Match / Incorrect Rate	
<i>April</i>	3	1.1%	14	5.1%	4	1.5%	2	0.7%
<i>May</i>	0	0.0%	2	0.7%	1	0.4%	5	1.8%
<i>June</i>	5	1.8%	8	2.9%	3	1.1%	0	0.0%
<i>July</i>	3	1.1%	8	3.0%	1	0.4%	0	0.0%
<i>August</i>	1	0.4%	14	5.2%	0	0.0%	6	2.2%
<i>September</i>	1	0.4%	11	4.1%	1	0.4%	3	1.1%
<i>October</i>	5	1.9%	18	6.7%	1	0.4%	2	0.7%
<i>November</i>	0	0.0%	22	8.2%	1	0.4%	4	1.5%
<i>December</i>	0	0.0%	8	3.0%	1	0.4%	3	1.1%
January	1	0.4%	0	0.0%	0	0.0%	1	0.4%
February	1	0.4%	3	1.1%	0	0.0%	1	0.4%
March	0	0.0%	3	1.1%	0	0.0%	1	0.4%
Total	20		111		13		28	

1.5 The analysis shows the number of employers making a late payment of contributions, missing both payment of contributions and data, or submitting data and payments that did not match, is a relatively small percentage of the overall number of employers. A higher number of employers submitted their data returns late.

1.6 The final quarter of 2020/21 has seen good compliance from all employers. The issues seen earlier in the financial year for one of the Fund's larger payroll providers was fully resolved for the quarter four submissions.

1.7 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.

1.8 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 £136. Table two sets out the number of fines issued since April 2020. There have been no fines issued in the quarter January to March 2021.

Table Two: Late contributions fines to March 2021

<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>
0	0	0	1	2	1
<i>October</i>	<i>November</i>	<i>December</i>	January	February	March
0	2	2	0	0	0

Conclusion

- 2.1 This report provides quarterly monitoring information on the timeliness and accuracy of employer submissions to help the Pension Board 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.
- 2.2 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) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the Head of Pensions.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Employers late data contributions or data - quarter four 2020/21 (January to March inclusive)

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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