



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

Report to:	<b>Pensions Committee</b>
Date:	<b>17 March 2022</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 third quarter of the financial year 2021/22 (October to December inclusive).

**Recommendation(s):**

That 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**

- 1.1 There are just under 275 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 2021 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 December 2021**

Month	Payment of Contributions		Submission of Data		Payment of Contributions and Submission of Data		Data and Payments do not Match / Incorrect Rate	
<i>April</i>	1	0.4%	4	1.5%	0	0.0%	2	0.7%
<i>May</i>	4	1.5%	5	1.9%	0	0.0%	0	0.0%
<i>June</i>	3	1.1%	4	1.5%	1	0.4%	2	0.7%
<i>July</i>	2	0.7%	2	0.7%	1	0.4%	6	2.2%
<i>August</i>	2	0.7%	5	1.8%	0	0.0%	3	1.1%
<i>September</i>	3	1.1%	1	0.4%	2	0.7%	3	1.1%
October	0	0.0%	6	2.2%	0	0.0%	1	0.4%
November	0	0.0%	2	0.7%	1	0.4%	4	1.5%
December	0	0.0%	2	0.7%	0	0.0%	5	1.8%
<b>Total</b>	<b>15</b>		<b>31</b>		<b>5</b>		<b>26</b>	

- 1.5 The analysis shows the number of employers making a late payment of contributions or missing both payment of contributions and data is a relatively small percentage of the overall number of employers. A higher number of employers submitted their data returns late or submitted data that did not match the payment received. The third quarter of 2021/22 has seen good compliance from all employers, particularly with regards to payments. Across the three months only one payment was recorded as late, this was in November, and the employer also failed to submit data by the deadline. There seems to be no trend of any specific employers missing deadlines with regards to data submissions.
- 1.6 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.
- 1.7 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. Table two sets out the number of fines issued since April 2021. There were no fines issued in quarter 3.

**Table Two: Late contributions fines to December 2021**

<i>April</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>August</i>	<i>September</i>
<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
October	November	December			
0	0	0			

## **Conclusion**

- 2.1 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.
- 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 payments and/or data contributions - quarter 3 2021/22 (October to December 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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