



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

Report to:	Pensions Committee
Date:	22 September 2022
Subject:	Employer Monthly Submissions Update

Summary:

This paper provides the Committee with up-to-date information on Employer Monthly Submissions for the first quarter of the financial year 2022/23 (April to June inclusive).

Recommendation(s):

That the Committee consider the report and 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 over 270 contributing 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 2022 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 June 2022

Month	Payment of Contributions		Submission of Data		Payment of Contributions and Submission of Data		Data and Payments do not Match / Incorrect Rate	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
April	0	0.0%	6	2.2%	1	0.4%	5	1.8%
May	2	0.7%	9	3.3%	0	0.0%	2	0.7%
June	4	1.5%	10	3.7%	0	0.0%	6	2.2%
Total	6		25		1		13	

- 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. The occurrences of late data submissions are higher and have risen, when compared to the second half of 2021/22. The increased number of late data submissions in April is likely to be linked to year-end work demands across payroll providers. For May and June, there were late contributions from two payroll providers, who in total, manage contributions for six employers in the Fund. Serious IT issues, relating to upgrades on payroll systems, have caused these late contributions. The Fund is in regular contact with the payroll providers and employers and has been monitoring the situation closely. Complete resolutions at both payroll providers is close. Should these six employers (who historically have excellent track records) have not been late, May and June performance would have been in line with the good performance seen in the second half of 2021/22.
- 1.6 The first quarter of 2022/23 has also shown an increase in number of data submissions not matching the cash payments made to the Fund. Generally, these discrepancies are small in cash terms, however, employers have, and will continue to be contacted asking why these differences have arisen and to review their processes to ensure variances do not occur on future submissions. If there are issues with the data submitted, the Fund will liaise with employers and WYPF to ensure the necessary amendments are made.
- 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 2022.

Table Two: Late contributions fines to June 2022

April	May	June
0	0	0

1.9 There were no fines issued in 2022/23 quarter one, however, there are four employers at immediate risk of receiving a fine should any of their cash or data be late in the coming 2-4 months. These employers have been notified of this risk and reminded of their responsibilities.

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 one 2022/23 (April - June 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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