

MONITORING OF CONTRIBUTIONS

Report of the County Treasurer

Please note that the following recommendation is subject to consideration and determination by the Board before taking effect.

Recommendation: that the Board note the actions taken to monitor contribution payments.

1. Introduction

- 1.1. This report is to update the Pension Board on the current procedures for monitoring of timely payment of contributions from employers
- 1.2. Employers are required to make their monthly contributions to the fund by the 7th of the month in accordance with the Administering Authority discretions. The legal deadline is however later than this on the 19th of month where payment is made by cheque or 21st of the month where payment is made electronically.
- 1.3. Where contributions are received after the legal deadline and the Authority considers that late payment is of material significance, we have the duty to notify the Pensions Regulator of the employer's failure to meet the legal deadline.

2. Monitoring process

- 2.1. Employers are required to submit a remittance advice with their contributions. The Finance team within Peninsula Pensions record the payments received onto the Fund's finance system. Staff in the investment team update a database which records the contributions and also checks that they are in line with the rate certified by the actuary.
- 2.2. The date that the contribution was received is also recorded in order to monitor compliance with the legal requirements.
- 2.3. Table below shows a summary of the monthly contributions received in 2019/20. For each scheme employer, 12 contributions would be recorded and included in the table below.
- 2.4. Of the contributions received late, these were one off events for a number of employers rather than repeat offenders and often received just after the deadline. No action was taken to report these to the Pensions Regulator.

Employer by monthly contribution size	Paid on or before 7th of the month	Paid after 7th but on or before 19th	Paid after 19th	Not paid
£1 - £1000 (43)	357	146	13	0
£1001 - £10k (94)	880	230	18	0
£10k - £50k (71)	709	131	12	0
£50k+ (20)	214	25	1	0
<u>TOTAL</u>	<u>2,160</u>	<u>532</u>	<u>44</u>	<u>0</u>

3. 2020/21 Contributions

3.1. Concerns were raised by the board on whether the fund employers were affected by the COVID pandemic and unable to pay their contributions. Below is a summary of the contributions received for the month of April 2020.

3.2. Officers are in communication with the employer involved in the outstanding contribution.

Employer by monthly contribution size	Paid on or before 7th of the month	Paid after 7th but on or before 19th	Paid after 19th	Not paid
£1 - £1000 (43)	19	20	3	0
£1001 - £10k (94)	74	16	4	0
£10k - £50k (71)	62	5	4	0
£50k+ (20)	24	5	0	1
<u>TOTAL</u>	<u>179</u>	<u>46</u>	<u>11</u>	<u>1</u>

Conclusion

3.3. The Board is asked to review and note the contribution monitoring record.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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