

MONITORING OF CONTRIBUTIONS

Report of the Director of Finance and Public Value

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

1) Recommendation

That the Board be asked to:

- (a) Note the actions taken to monitor the contributions

2) Introduction

- 2.1 This report is to update the Pension Board on the current procedures for monitoring of timely payment of contributions from employers.
- 2.2 Employers are required to make their 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 the month where payment is made by cheque or 21st of the month where payment is made electronically.
- 2.3 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.

3) Monitoring process

- 3.1 Employers are required to submit a remittance advice with their contributions. The Finance team withing 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.
- 3.2 The date that the contribution was received is also recorded in order to monitor compliance with the legal requirements.

3.3 The table below shows a summary of the monthly contributions received in Q2 2022/23. For each scheme employer, 3 contributions would be recorded and included in the table below except for those employers who joined or left during the period.

3.4 A total of 15 contributions were received late during this quarter. 7 of these related to Town and Parish councils who were getting themselves up to date following reminders from officers of the fund and legal timescales. Timeliness of contributions for these employers has since improved. The other 8 cases were one off events.

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 (61)	129	27	10	0
£1001 - £10k (144)	391	28	4	0
£10k - £50k (72)	189	21	1	0
£50k+ (23)	69	6	0	0
<u>TOTAL</u>	<u>778</u>	<u>82</u>	<u>8</u>	<u>0</u>

4) Conclusion

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

Angie Sinclair

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Electoral Divisions: All

Local Government Act 1972: List of background papers

Nil

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