

MONITORING OF CONTRIBUTIONS AND BREACHES

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 payment of contributions.

2) Introduction

- 2.1 This report is to update the Pension Board on the current procedures for the 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 the 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 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 check 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 the quarter to 31 December 2023. 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 8 contributions were received late during this quarter. The majority of these related to admitted bodies in the fund and one parish council. All were one-off incidents.
- 3.5 Officers have however contacted one multi academy trust regarding outstanding contributions data which has delayed the allocation of receipts within the pension fund.
- 3.6 Officers have been working on streamlining the contribution process for multi academy trusts. In some circumstances it is possible to combine all contributions under one employer code in the fund rather than splitting the payment across all the schools in that trust which saves time for both the employer and fund officers. The overall number of contributions monitored in the table below have therefore reduced.

Employer by monthly contribution size	Paid on or before 7th of the month	Paid after 7th but on or before 21st	Paid after 21st	Not paid
£1 - £1000 (61)	120	22	0	0
£1001 - £10k (144)	359	63	8	0
£10k - £50k (72)	181	13	0	0
£50k+ (23)	65	12	0	0
<u>TOTAL</u>	<u>725</u>	<u>110</u>	<u>8</u>	<u>0</u>

4) Breaches

- 4.1 No other breaches occurred during the quarter to 31 December 2023.
- 4.2 Peninsula Pensions are still working with Devon Audit Partnership on a tool to provide a report on key employer performance areas with the aim to further enhance this report in the future.

5) Conclusion

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

Angie Sinclair

Director of Finance and Public Value

Electoral Divisions: All

Local Government Act 1972: List of background papers

Nil

Contact for enquiries:

Name: Charlotte Thompson

Telephone: 01392 381933

Address: Room 180 County Hall