

## MONITORING OF CONTRIBUTIONS AND BREACHES

### Report of the Director of Finance and Public Value

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

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#### 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 7<sup>th</sup> of the month in accordance with the Administering Authority discretions. The legal deadline is however later than this: on the 19<sup>th</sup> of the month where payment is made by cheque or the 21<sup>st</sup> 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 March 2024. 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 5 contributions were received late during this quarter. Two payments related to the same admitted body and the remaining three related to three different academies. Officers have contacted the admitted body concerned and payments recently have been received with in the required timeframe.
- 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.

<b>Employer by monthly contribution size</b>	<b>Paid on or before 7<sup>th</sup> of the month</b>	<b>Paid after 7<sup>th</sup> but on or before 21<sup>st</sup></b>	<b>Paid after 21<sup>st</sup></b>	<b>Not paid</b>
£1 - £1000 (61)	125	18	0	0
£1001 - £10k (144)	371	30	4	0
£10k - £50k (72)	172	19	1	0
£50k+ (23)	64	11	0	0
<b><u>TOTAL</u></b>	<b><u>732</u></b>	<b><u>78</u></b>	<b><u>5</u></b>	<b><u>0</u></b>

#### **4) Employer Performance**

- 4.1 No other breaches occurred during the quarter to 31 March 2024.
- 4.2 Peninsula Pensions and Devon Audit Partnership have been working on a tool to provide a report on key employer performance areas. This report can be provided at both Fund level and Employer level. We are currently in the testing stage and meeting with some employers for feedback on the report.
- 4.3 Moving forwards, engagement meetings will be held with individual employers where issues have arisen. These meetings will focus on supporting employers through training and guidance, as well as understanding any underlying issues employer maybe experiencing with the goal to enable all scheme member information to be provided in line with the Pension Administration Strategy.

In October a presentation relating to this report will be provided at the Fund training day before moving forward to its inclusion within the Board reports.

## **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

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