

North Yorkshire Pension Fund



Employer Charging Policy

April 202~~3~~2



Local Government
Pension Scheme

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Contents

1.0 Introduction	3
2.0 Approach to Managing Performance	3
3.0 Charging Policy	4
4.0 Charging Scales	56

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Fi
Fi
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1.0 Introduction

The Local Government Pension Scheme (LGPS) regulations provide pension funds with the ability to recover from an employer, any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employer.

This document sets out the North Yorkshire Pension Fund’s (‘the Fund’) policy for charging employers and should be read in conjunction with the [Pensions Administration Strategy](#) (PAS).

2.0 Approach to Managing Performance

Ensuring compliance with the LGPS and Disclosure of Information regulations is the responsibility of the Fund and employers even where the payroll service is outsourced.

The Fund and employers will ensure that all functions and tasks are carried out to agreed standards.

The Fund will monitor performance against the PAS on an ongoing basis and will liaise with employers in relation to any concerns. The Fund reports its own performance to the Pension Fund Committee (PFC) on a quarterly basis against internal key performance indicators. ~~Employers~~**Employers’** performance measured against the standards set out in the PAS will also be reported to the PFC. The Fund also monitors and reports on data quality in line with the Pension Regulator’s Code of Practice 14.

The table below details the regulatory timescales for providing information and notifications to the Fund.

Event	Timescale for employer notifying the Fund
New starters (Employer Pen11 form)	Within one month of starting employment
Change in member’s details (Change of Members Personal Details form)	Within six weeks of the event
Leavers (SU5 form)	Within six weeks of the date of leaving
Advanced Notification of Retirement (ADNOT form)	As early as possible but at least 30 days before the last day of employment
Retirements (SU5 form)	No later than one month following retirement Disclosure Regulations require that when a retirement takes place before Normal Pension Age (NPA) the NYPF must receive the SU5 no later than one month after the date of retirement. Where a retirement takes place on or after NPA, the NYPF must receive the SU5 no more than 20 days after the date of retirement.
Death in Service	Within three working days of the employer being notified of the death of the member

In addition, employers must make both employee and employer contributions to the Fund, in accordance with the rates and adjustment certificate. All monies due to the Fund in respect of employees and ~~employer~~**employers’** contributions must be cleared in the Fund’s bank account by the 19th of the month (or the last working day before where the 19th is not a working day) following the month the contributions relate to.

Under the regulations, all payments made to the Fund must be accompanied by a statement. The employer must email a monthly return to pension.contributions@northyorks.gov.uk, in advance of their payment. This includes employers who provide monthly administration data via i-Connect.

Where persistent and ongoing issues occur and no improvement is demonstrated by the employer, and/or no willingness is shown by the employer to resolve the identified issues further action will be taken as detailed in this policy.

3.0 Charging Policy

The LGPS regulations enable pension funds to recover any additional costs associated with the administration of the scheme incurred because of poor performance by an employer (including the administering authority). It is the Fund's policy to do this to ensure that other employers do not incur higher administration costs or loss of investment return because of a small number of individual employer's poor performance.

The Fund's policy is to chase outstanding information on a regular basis, typically as follows:

- Original request issued (no charge).
- The first chaser will be issued 10 working days after the date of the original request, ~~and this will trigger the first charge.~~
- A further two chasers will be issued 10 working days apart, ~~and will incur a charge for each chaser (so one original request and three chasers in total).~~
- ~~The case~~ will then be escalated to the Pensions Management Team who will issue a final chaser which will clarify the regulatory requirements including potentially reporting the employer to the Pensions Regulator. This will also incur a charge.
- If no response is received within 10 working days the Pensions Employer Relationship Manager will make contact to discuss an improvement plan.

The Fund will issue employers with contribution spreadsheets at the start of each financial year which sets out when the payments and accompanying information is due, in line with the PAS. The Fund's policy is to chase any late payments or accompanying documentation ~~one month after the due date at which point the first charge will be triggered. For each subsequent month that the payment or information is still outstanding additional charges will be applied as per the charging scale detailed below in 4.0 once overdue.~~

Where employers fail to fulfil their obligations, charges may be levied as detailed in section 4. Whether or not charges are levied in practice is at the discretion of the Fund. Charges are more likely to be levied on larger employers which repeatedly fail to meet their obligations.

~~An quarterly~~ invoice will be issued to ~~the employers~~ detailing any additional costs, including interest, taking account of time and reflecting the time and resources used in resolving the issues, in accordance with the charging scale set out in this policy. ~~A report will be presented to the quarterly PFC meeting detailing charges levied against employers and outstanding payments. Should there be sufficient concerns over one or more employers failing to meet their obligations, the PFC will be informed of this and any associated charges~~

The frequency of employers failing to meet their obligation charging will be monitored and where significant volumes issues are identified, the Fund will contact the employer concerned and offer support and guidance. Working collaboratively with the Fund the employer will be expected to identify and agree the following:

- Training requirements
- A robust and measurable improvement plan
- Regular contact with the Pensions Employer Relationship Manager to provide progress updates against the data improvement plan
- Clear milestones
- Accountabilities
- Appropriate internal monitoring is put in place
- Timescales

If poor performance continues which affects the Fund's ability to perform its statutory functions, or the employer is not taking steps to improve its performance, the Fund will be required to report the employer to the Pensions Regulator.

If an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged at 1% above the bank base rate.

The Fund reserves the right to suspend charging for all or specific employers, if deemed appropriate, e.g. during a pandemic or where the application of charges would cause undue financial hardship.

4.0 Charging Scales

Item	Charge	NYPF Charge Code
Starter information		
Chase for missing information where one request has already been made	£5.00 per record, per chase	C1
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C2
Employer estimate (Estform1)		
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C13
ADNOT (Advanced Notification of Retirement)		
Chase for missing form where one request has already been made	£5.00 per record, per chase	C5
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C6
Death in service		
Chase for missing SU5 leaver form where one request has already been made	£10.00 per record, per chase	C7
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C8
SU5 leaver form		
Chase for missing form where one request has already been made	£10.00 per record, per chase	C3
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C4
Employer Authorisation (ill health and redundancy/efficiency)		

Request for missing employer authorisation	£10.00 per record, per chase	C9
Request for missing cost codes (NYCC only)	£10.00 per record, per chase	C10

Item	Charge	NYPF Charge Code
<p>Data</p> <p>Post information: chase for missing or incorrect information where one request has already been made e.g. hours, service etc.</p> <p>Pay information: chase for missing or incorrect information where one request has already been made</p>	<p>£5.00 per record, per chase</p> <p>£5.00 per record, per chase</p>	<p>C11</p> <p>C12</p>
<p>i-Connect</p> <p>Failure to use i-Connect to submit monthly data (charged by the number of pensionable members held on the Fund's database)</p> <p>Failure to submit monthly data by the agreed deadline. A charge will apply for each full month the file is delayed beyond its due date</p> <p>Number of pensionable members</p> <p>1 - 99</p> <p>100 - 999</p> <p>1,000 - 1,999</p> <p>2,000 - 4,999</p> <p>5,000 - 9,999</p> <p>10,000 +</p>	<p>£5.00 per record charged at year end</p> <p>£50.00 per file</p> <p>£100.00 per file</p> <p>£200.00 per file</p> <p>£300.00 per file</p> <p>£400.00 per file</p> <p>£500.00 per file</p>	
<p>Year End</p> <p>Failure to submit year end file by 30 April (charged by the number of pensionable members held on the NYPF database)</p> <p>1 - 99</p> <p>100 - 999</p> <p>1,000 - 1,999</p> <p>2,000 - 4,999</p> <p>5,000 - 9,999</p> <p>10,000 +</p> <p>Incorrect file formatting</p> <p>Missing or incorrect data</p> <p>Reason for pay changes outside of tolerances not given</p> <p>Missing starter and leaver information</p>	<p>*The following charges will apply for each full month the file is delayed beyond 30 April</p> <p>*£50.00 per file</p> <p>*£100.00 per file</p> <p>*£200.00 per file</p> <p>*£300.00 per file</p> <p>*£400.00 per file</p> <p>*£500.00 per file</p> <p>**£5.00 per record</p> <p>**£5.00 per record</p> <p>**£5.00 per record</p> <p>**£5.00 per record</p> <p>**Subsequent chasers will be charged at £2.50 per chase, per record</p>	
<p>If an employer annual return is received by 30 April and the return is accepted, no charge will apply.</p> <p>If the annual return is received by 30 April and the return is rejected but subsequently re-submitted and accepted within two weeks, no charge will apply.</p>		

Item	Charge
<p>Monthly contributions</p> <p>Charge for late payment</p> <p>Charge for late submission of supporting documentation</p>	<p>*The following charges will apply for each full month the file is delayed beyond it's due date</p> <p>*£100 per file plus a daily interest surcharge for the period the payment is outstanding of 1% above the bank base rate</p> <p>*£100 per file</p>
<p>Accounting</p> <p>IAS19/FRS102 valuations</p>	<p>Professional fees recharged where late information is provided by the employer. Cost will be notified prior to work starting</p>
<p>Actuarial & legal advice</p> <p>Actuarial & legal advice for admission bodies and academy conversions</p>	<p>Professional fees recharged. Cost will be notified prior to work starting</p>
<p>Technical Advice</p> <p>Ad hoc technical advice, (where re-charging is deemed appropriate because the advice is not of general benefit to the Fund overall)</p>	<p>Professional fees recharged. Cost will be notified prior to work starting</p>