

# North Yorkshire Pension Fund



## Employer Charging Policy

April 20210



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**Contents**

1.0 Introduction ..... 3

2.0 Approach to Managing Performance ..... 3

3.0 Charging Policy ..... 54

4.0 Charging Scales ..... 75



## 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 policy the North Yorkshire Pension Fund ('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 including~~ 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, measure and report on both the Fund's and employers' compliance with the agreed standards as detailed in the Pensions Administration Strategy (PAS).~~

The Fund will ~~review performance~~ 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~~ monitors its own performance against internal key performance indicators, ~~and reports to the Pension Fund Committee (PFC) on a quarterly basis.~~ Employers performance ~~will be~~ measured against the standards set out in the PAS ~~and~~ 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 ~~Fun~~NYPF~~d~~.

Event	Timescale for employer notifying the <del>NYPF</del> <u>Fund</u>
New starters (Employer Pen11 form)	Within one month of <del>the employee joining</del> <u>starting employment</u>
Change in member's details (Change of Members Personal Details form)	Within <del>six</del> <u>6</u> weeks of the event
Leavers (SU5 form)	Within <del>6</del> <u>six</u> weeks of the <del>employee leaving</del> <u>date of leaving</u>
Advanced Notification of Retirement (ADNOT form)	As early as possible but at least 30 days before the last day of employment
Retirements (SU5 form)	<b>No later than one month following retirement</b> Disclosure Regulations require that when a retirement takes place before Normal Pension Age (NPA) the NYPF receives the SU5 no later than one month after the date of retirement.  Where a retirement takes place on or after NPA, the NYPF receives the SU5 no more than 20 days after the date of retirement.
Death in Service	Within <del>three</del> <u>3</u> working days of the employer being notified of the death of the member

In addition, employers must make both employee contributions and employer contributions, in accordance with the rates and adjustment certificate, to the Fund each year. All ~~monies~~funds due to the ~~Fund~~NYPF in respect of employees and employers contributions must be cleared in the ~~Fund's~~NYPF 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](mailto:pension.contributions@northyorks.gov.uk), in advance of their payment.

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 ~~as a result~~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 ~~as a result~~because of an individual employer's poor performance.

The Fund's policy is to chase outstanding information on a regular basis 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).
- Case will be escalated to the Pensions Management Team who will issue a final chaser which will clarify the regulatory requirements including reporting 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.

A quarterly invoice will be issued to the employer detailing any additional costs, taking account of time and resources 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.

The frequency of charging will be monitored and where significant volumes 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 ~~impacts~~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.

## 4.0 Charging Scales

Item	Charge	NYPF Charge Code
<b>Starter information</b>		
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
<b>Employer estimate (Estform1)</b>		
Chase for missing information or incorrect information to be corrected where one request has already been made	£5.00 per record, per chase	C13
<b>ADNOT (Advanced Notification of Retirement)</b>		
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
<b>Death in service</b>		
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
<b>SU5 leaver form</b>		
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
<b>Employer Authorisation (ill health and redundancy/efficiency)</b>		
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><b>Data</b></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><b><u>i-Connect</u></b></p> <p><u>Failure to use i-Connect to submit monthly data (charged by the number of pensionable members held on the Fund's database)</u></p> <p><u>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</u></p> <p><b><u>Number of pensionable members</u></b></p> <p><u>1 - 99</u></p> <p><u>100 - 999</u></p> <p><u>1,000 - 1,999</u></p> <p><u>2,000 - 4,999</u></p> <p><u>5,000 - 9,999</u></p> <p><u>10,000 +</u></p>	<p><u>£5.00 per record charged at year end</u></p> <p><u>£50.00 per file</u></p> <p><u>£100.00 per file</u></p> <p><u>£200.00 per file</u></p> <p><u>£300.00 per file</u></p> <p><u>£400.00 per file</u></p> <p><u>£500.00 per file</u></p>	
<p><b>Year End</b></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>		



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