

Pension Bulletin No. 29

Monthly Pension Contributions 2014/15

April 2014

Key Points:

- It is now the start of the new financial year and this bulletin details the changes made to the process of reporting and making payment of employee and employer Local Government Pension Scheme contributions for 2014-15.
- The new process also incorporates the changes related to employee and employer contributions as a result of the 2014 Local Government Pension Scheme regulations.
- All Cambridgeshire and Northamptonshire Pension Fund employers must complete the new specifically designed spreadsheet to report monthly deductions of employee and employer contributions.
- The deadline for the payment of employee and employer contributions remains the 19th of the month following that within which the contributions were deducted.
- Late payments of contributions will be monitored and reported to the Pensions Regulator.

New Reporting Method (PEN18)

The reporting spreadsheet, known as the PEN18, has been redesigned to take into account the changes to employee and employer contributions as a result of the 2014 Local Government Pension Scheme regulations.

A sample of the PEN18 can be found alongside this bulletin together with detailed instruction notes.

The PEN18 will shortly be circulated to the appropriate person within your organisation, pre-populated with the relevant employer contributions rate, past service deficit amount (if applicable) and unique reference to quote on BACS payments.

It is essential that every employer uses the new PEN18 to enable LGSS Pensions to automatically upload the data held on the spreadsheet and reconcile it with your payment.

Employer Contribution Rate 2014-15

All employers of the Fund have now received the details of their employer contribution rates for the next three financial years. The PEN18 will be pre-populated with the employer contribution rate for your employer for the year 2014-15.

Past Service Deficit Payment

Following the 2013 Actuarial Valuation some employers will be paying a cash amount known as the Past Service Deficit. If you are one of these employers your PEN18 will be pre-populated with this information. The Pension Fund is expecting to receive payment of the Past Service Deficit in equal payments spread over the 12 months of the financial year. Should an employer wish to pay this amount in one payment, this must be done before 30th September 2014 and should contact LGSS Pensions to formalise this arrangement and a revised PEN18 will be issued.

Submitting the PEN18

For both Cambridgeshire and Northamptonshire Pension Fund employers, please submit your completed PEN18 form to PenContributions@northamptonshire.gov.uk.

Making Payment of Pension Contributions

Deadline for Payment

Payment of monthly pension contributions must be made before the 19th of the month following that from which they were deducted. Therefore, contributions deducted from salaries paid in April must be paid over to the Pension Fund by the 19th May. Where the 19th falls on a weekend the payment must reach the Pension Fund by the last working day prior to the 19th. This is a requirement of the Pensions Act 1995. Failure to meet this deadline is considered a breach of this Act and the Fund is duty bound to report the late payment to the Pensions Regulator.

BACS Payments

The preferred method of payment of contributions to the Fund is by BACS. The Pension Fund bank account sort code and account number are detailed on the PEN18. Please ensure that these bank details are used when making payment. Please do not make payment to the Administering Authority (Cambridgeshire/Northamptonshire County Council) as the Pension Fund will not receive this payment.

Please also ensure that the PEN18 is sent by email to LGSS Pensions before payment reaches the Pension Fund bank account so that the payment can be processed immediately.

BACS Payments Reference—New for 2014-15

Due to the volume of income that is received into the Pension Fund bank account it is now essential that every BACS payment has an identifiable reference. The PEN18 will generate a unique reference that must be quoted on BACS payments for employee, employer and past service deficit payments. The reference will consist of the unique reference for each employer, employer name and the description of the payment i.e. contributions.

Alternative Payment Methods

It is understood that a limited number of employers are unable to use BACS as a method of payment. In these cases, payment by cheque is acceptable. Please ensure that you email the completed PEN18 to LGSS Pensions as soon as possible. LGSS Pensions is unable to accept a paper copy of the PEN18. Please also ensure that when sending your cheque that a covering letter is included to identify what the payment is in respect of.

Additional Voluntary Contributions (AVCs)

Please do not make payment of AVCs to the Pension Fund. AVCs need to be paid direct to the AVC provider.

More Information

For further detailed information on how to complete the new PEN18 please refer to the instructions accompanying this bulletin. These instructions will also be sent to each employer alongside the pre-populated PEN18 and will be available on the LGSS Pensions website.

For all queries concerning the matters covered in this bulletin please contact the following members of the LGSS Pensions Funding Team;

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