

Employer bulletin

Helping us to calculate your employees pensions accurately and pay them on time

It's been a year since we completed the roll out of our i-Connect monthly returns system and we hope you agree that it takes the pressure off having to collate everything at year end. However, having reviewed the process we've identified some areas that with your help could make it run smoother. Please make sure you're following the correct procedures below:

Timeliness

Around 20% of the monthly returns aren't being received on time within the month that we've asked for. This can impact your employees' pension calculations and delay the payment of their pensions, so it's vital that you submit the returns on time.

We've also had many cases where our queries aren't being answered in a timely manner. It's important that every effort is taken to reply as soon as possible so we can address them within the month they occur. If queries aren't resolved before your next i-Connect submission, the upload process may be more difficult.

Escalations process

Now that we've completed the roll out of i-Connect to all employers, we've reviewed and updated our escalations process. This will help us to manage the timely submission of i-Connect each month as well making sure any queries are resolved appropriately. If a query is not resolved or your i-Connect file hasn't been received within the timescales set out in our administration strategy, we'll look to escalate the matter within your organisation. If queries aren't resolved quickly and/or your i-Connect submission is not received by the end of the month, we'll seek to recover the additional costs incurred due to the delay. Please see our [escalations process](#) for the timescales at each stage.

Leaver's certificate

If you've been using our i-Connect monthly returns for over 12 months, we have some good news for you. In certain circumstances, you no longer need to fill in the leavers certificate form. If your employee doesn't need their benefits paying straight away, i-connect will give us all the information we need. Please make sure you use one of our *recognised reasons for leaving*, so we treat the member appropriately after their leave date. Please see the leaver reasons below.

If the member is leaving and immediate payment of their pension is needed, a leavers form will still be needed in advance of the leave date to allow us to process the payments in time.

Correct leaver reasons

i-Connect recognises the following reasons when processing a leaver:

No immediate payment of benefits

- Opting out of the LGPS with less than 3 months membership
- Opting out of the LGPS with more than 3 months membership
- Voluntary resignation
- End of fixed term contract not treated as redundancy

- Redundancy under 55
- Dismissal – other (no recovery of pension requested)
- Dismissal - recovery of some/all their pension requested

Immediate payment of benefits

- Voluntary retirement 55+ (let us know if you've agreed to waive part or all the early payment reduction)
- Flexible retirement (if the employee has reduced their hours or moved to a less senior role at age 55+)
- Redundancy 55+
- Business efficiency dismissal / end of contract by mutual agreement
- Retirement 55+ with a settlement agreement
- Ill-health dismissal tier 1
- Ill-health dismissal tier 2
- Ill-health dismissal tier 3
- Age 75 (all members must have taken their pension by age 75)
- Death in service

Please choose one of these when letting us know about a leaver. If your employee is changing their hours this isn't classed as a leaver.

If an immediate payment of benefits is needed please let us know as soon as possible *at least 10 working days before they're due to leave*.

Please also remember to add leaving or opt out dates to records before removing them from future payroll files when no further pay movements will take place (including casual records that are no longer active).

Change of payroll provider/payroll reference

i-Connect works by matching records on your payroll system with those on our pension system. Payroll/job reference is used to not only identify the correct person but also the correct job. When you change payroll provider or change the payroll/job references you use, i-Connect thinks that a new job has started and creates a new record. Unless we match these records, members will only see part of their pension history on their record.

When changing payroll provider or making changes to the payroll/job references on your payroll system, please give us as much notice as possible so we can help manage this process. We'll need you to give us a mapping document showing how the current references match with the new references. We'll then migrate your members records so that i-Connect can post your monthly data to the correct record. If this isn't completed before the new references take effect, it may cause confusion and concern for your members.

Service breaks / unpaid absences

The recent McCloud data exercise has highlighted that many employers have not been letting us know about their employees breaks in service. It's crucial that we know about any breaks in service when working out the value of a member's pension. Going forward please let us know about these cases through your monthly i-Connect return. As a reminder, here's the types of absences we need to know about:

- *a trade dispute*
- *authorised unpaid leave of absence*

- *unpaid additional maternity or adoption leave or unpaid shared parental leave* - where the member has not taken out an Additional Pension Contribution (APC) contract to cover the whole of the pension that would have accrued during the trade dispute period, or taken out an APC or shared cost APC contract to cover the whole of the pension that would have accrued during the period of unpaid leave of absence (with compulsory employer contributions to a shared cost APC being limited to cover a maximum period of 36 months) or period of unpaid additional maternity or adoption leave or unpaid shared parental leave.
- *unauthorised unpaid absence* - unauthorised unpaid absences will always constitute a break as there is no facility to pay an APC specifically to cover the pension that would have accrued during such a period of absence.

Unpaid sickness, periods of no pay during ordinary maternity leave, paternity leave or ordinary adoption leave aren't classed as breaks.

If you want to send us backdated details of service breaks for your members, we'll update each members record but we're *not planning to recalculate any pension benefits already awarded to retired or deferred members*. However, if you've any individual cases where you believe a recalculation could make a material difference, please get in touch for their benefits to be worked out again. We'll need to pass on the cost of any recalculations to you to make sure other employers are not cross-subsidising corrections to your members.

We hope you've found this a useful reminder on how best to submit your i-Connect returns and agree that the process we've introduced will help make sure your employees pensions are calculated accurately and paid on time.