

Consultation Responses

Employer 1:

Q1 - Inclusion of requirement to provide Assumed Pensionable Pay (APP) on data returns by 19th month following any change

Our data return is processed externally by Midland, and we download the report. Any changes to this report will need to be amended to include the additional information. There is a cost to us to revise the report and may take them time to update which is out of hands. When does this change take effect and what format is required – is there a template available?

Provision of APP is not new – this has been a requirement since 2014 and is part of the CARE pay that you submit. This is already part of the i-connect return template

Q2 - Inclusion of requirement to send in an opt out form by the 19th of month following payroll

Please can you clarify if this is for inclusion on i-connect? Or if this is sent separately via email for example?

Part of i-connect return.

Q4 - Inclusion of requirement to tell the Fund about any changes to your contracting out arrangements or information about your contractors withdrawing from contract / becoming insolvent.

Not sure of the effect on us, please could you provide further clarity.

This will apply if you have contracted out any services and your contractor has become a scheme employer.

Q5 - Updated procedure for requesting new or missing information with strict deadlines for escalation and issuing charges if information is not provided.

This doesn't give enough time and doesn't account for annual leave etc. Please can you confirm what the additional note means? It seems to indicate that we will be penalised for answering quickly – would be grateful if you could please clarify?

The necessity of meeting deadlines for submission of information and making payment is to meet statutory deadlines and prevent reporting issues to the Pension Regulator. If you are having any difficulties, then please do contact our employer team to discuss. The note means that if we receive an incorrect data submission, we are happy to go through this with the person making the return so that they

understand what information is needed and in what format. If they subsequently send through the same, incorrect, data then a fine will be applied.

Q6 - The scale of charges has also been updated to reflect the impact of scheme employers providing incorrect / no information. Where incorrect information is submitted, we will, in the first instance, offer training to staff making those submissions, but continued incorrect submissions will result in a charge being made.

If there are issues with report, will this be considered? Does this work both ways as it has been raised that on occasion, some information received from yourselves can also be incorrect. Again, as there is a third party involved in the reporting it may require time to implement.

I am assuming that as scheme employer you have set out the data requirements with your third party provider. These have not changed but obviously we would make you aware of any future regulatory requirements (& associated time scales) or future enhancements to i-connect returns.

Employer 2:

Section 6- why a monthly newsletter? We also work with Berkshire who produce a quarterly document and there is more to read within it because of the timeframe. If you commit to each month, you are creating more work for yourselves, surely?

The Pension Fund Committee agree communication policy – your comments will be included in the report.

Section 7A- p12- signing an admissions arrangement 90 days ahead of a contract (e.g., cleaning) starting isn't realistic. The TUPE/ contract process is likely to work to a much shorter timeframe.

We ask scheme employers to tell us as soon as outsourcing is being considered so that the pension issues can be included in the tendering process and the admission agreement completed and signed before the start date of the contract. I will amend the wording in my report to the committee.

P13- member data- whilst this isn't a change, we don't always get to know of life changes such as a divorce and it is unrealistic to expect employers to notify you of such a situation.

Obviously if the scheme employer doesn't have the information, then they cannot tell the fund however, if you do have this information then please update the fund.

Section 9- Scale of Charges

What is meant by an incorrect data return? More clarity is needed- that also seems punitive if a genuine error has been made and whilst 'training will be offered' that doesn't provide much reassurance that the scale of charges won't just be used as a revenue generating mechanism (do the total of fines have to be reported by OCC?)

We would classify incorrect data as **any** data which is wrong, or missing, that prevents us from processing / updating a record correctly. For example, if APP was not reported this would be incorrect. As you are aware this is a statutory scheme and there is a requirement for data to be correct – The Pension Regulator's expectation is that all data should be correct. We have a wide range of scheme employers and an equally wide range of reasons as to why data is either missing or incorrect. We will continue to work with scheme employers to ensure that they have all the information and training needed to make both data and contribution returns. However, employer non-engagement and continually providing the same incorrect information has a major impact on processing data which then impacts on statutory deadlines hence the charges for non-compliance.

I see no reason as to why the value of the charges made should not be published.

Whilst I can understand that each licence costs you, a charge of £100 for a non-active member at the end of the year surely doesn't reflect the cost of that one extra licence to you? **As above**

Employer 3:

The strategy is very clear, but your charging framework suggests you will fine where there is a lack of compliance. You have had charging frameworks in place previously, but you haven't actually made any charges for non-compliance. What has changed? If you don't charge because it might be one off, or you are aware of special circumstances, would it be more appropriate to have a charging policy that links to repeated instances of non-compliance rather than a charging policy that you don't actually adhere to?

This is to strengthen what we had previously and to take in to account the changes in The Pension Regulator's General Code of Practice so that we are recording and where necessary reporting breachesand the actions we have taken to ensure compliance with regulations.

As you are aware we have a wide range of scheme employers all of whom have different responses / staffing or other issues which may prevent them in supplying information we need. Rather than having a complicated strategy this is intended to give our team the ability to apply the charges as necessary to ensure compliance.

Talking to our partners in the IBC, they felt there could always be a one-off issue or query that got lost, that falls into the category of a fine, but would you realistically fine £150 for one query not being answered? You might apply this charging rule if queries were regularly not answered or some queries were regularly responded to out of the 10 day period, so they too felt that the strategy would be more realistic if written with a charging policy linked to a scale of non-compliance.

We do have employers with only one member of the scheme hence our reasoning to write strategy as queries not being answered. Appreciate your comments about non-compliance however The Pension Regulator guidance is based on 100% compliance

at all times, so it's written this way to give team flexibility and use of judgement in making these charges.

Queries from the iConnect return are now being received in a clear table format which makes the detail very easy to review, but this has identified that there are several queries that aren't really queries? Such as a query on zero pay when the return stated they were on maternity leave, or querying whether the contribution band was correct applying a rule that doesn't match the banding method used by the Council. They felt that the iConnect programme had been tested to ensure the data was being accurately collected and returned so these types of queries shouldn't be classed as data issue queries. Can this be reviewed to ensure that any real queries can be responded to within the 10 day timeline, rather than potentially spending time on queries that aren't really queries.

Thank you for this feedback – I will ensure team leaders pick this up and please do contact them if you get any further issues with these queries.

With regard to the fine for incorrect data, what classes as incorrect data? One record that is incorrect or a whole upload? Please can this be made clearer.

We would classify incorrect data as **any** data which is wrong, or missing, that prevents us from processing / updating a record correctly. For example, if APP was not reported this would be incorrect.

Casuals – Do you mean a full 12 months of zero pay will result in a fine or the 13th month of zero pay will result in a fine, or do you just want a cleanse at year end, so that casuals with zero pay are made leavers and removed from the year end return? We can make the changes to meet these criteria, we just need to be clear. We currently auto cleanse after 13 months on zero pay but this can be amended if required.

In March when processing your final i-connect return any records showing zero pay for the financial year will incur the charge.

Your own quarterly monitoring reports – these are quoted to be held on www.oxfordshire.gov.uk – they are not clearly identified/easy to find. Please could the location of these reports be more transparent.

These are part of the administration report made to the Pension Fund Committee. I will see if these can be made accessible on the pension web pages.