Guidance Notes

Recording Contributions &
Pensionable Pay on the Year-End
spreadsheet 2019/2020

February 2020

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Year-end spreadsheet 2019/2020

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Derbyshire Pension Fund
County Hall, Matlock, DE4 3AH
pensions@derbyshire.gov.uk

Overview

The template for the **2019/2020 Year-End Return** is now available for completion.

The information required relates to year end contributions and pensionable pay for the period **1 April 2019 to 31 March 2020**.

Please ensure you complete **both** tabs on the spreadsheet which can be accessed via

- the Derbyshire Pension Fund website, or
- as an attachment to the email issued to employers in February 2020

Please take care not to complete a version of the year end spreadsheet which relates to an earlier year.

The data provided on the spreadsheet should be reconciled to the actual pensionable pay (CARE Main Section and 50/50 section) and total pension contributions (member and employer) that have been paid over and are shown on your Contribution Return (CR1) submissions.

Please Note: If the totals on your year-end spreadsheet do not reconcile with the totals of your CR1 submissions for 2019/2020, it will be returned to you for amendment. It cannot be actioned until the issue has been resolved and may cause a delay in the issuing of Annual Benefit Statements to your scheme members.

Timescales

Derbyshire Pension Fund has a duty to issue Annual Benefit Statements by 31 August 2020.
To enable us to provide your scheme members with their statement you **must** submit your Year End by **Monday 20 April 2020**.

The deadline of 20 April 2020 is critical for the following reasons:

- To assist the Pension Fund with reconciling the employees and employers contributions totals paid with information provided throughout the year on CR1 Forms.

- To provide sufficient time for the Pension Fund to load data to each member's pension record and resolve any queries with employers (if required).

- To load and check data used in the production of Annual Benefit Statements.

Completion

When sending the spreadsheet, please ensure your Employer name is in the subject of the email and send it to: **pensionstech@derbyshire.gov.uk.**

If your organisation is not part of the government secure email domain, please ensure that your spreadsheet is sent to us securely with password protection.

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Data Accuracy

It is important that accurate information is provided to the Pension Fund by the deadline.

This will mean that the Fund can update your scheme member's records promptly and provide them with an Annual Benefit Statement to confirm their pension position as at 31 March 2020.

It is crucial that you ensure;

- You have submitted an S1 form for staff who joined you during 2019/20
- You have submitted an L1 form for staff who left during 2019/20
- You have submitted C1, C2 and C3 forms where required.
- You have submitted application forms for any employee's paying Additional Pension Contributions (APC).

It is imperative that you take time to check the above and submit any outstanding forms to ensure that all of your data is captured.

The LGPS Regulations allow Pension Fund Managers to recover costs from employers as a result of poor performance. The Fund's **Pensions Administration Strategy** includes examples of when employers may be charged if they fail to meet their responsibilities and generate additional administration costs for the Fund. These include cases where scheme employers submit late or inaccurate Year-End Returns.

The Strategy outlines the statutory responsibilities of scheme employers as well as the Pension Fund's obligations to scheme members and employers to ensure that the pension scheme works efficiently. A copy of the Strategy is available to view at www.derbyshirepensionfund.org.uk.

Year-End Return Template

Tab 1 – Contact Details

Please ensure all contact details are completed.

Tab 2 – Year-End employers

There is a description underneath each column heading to help identify the information required. This will minimise the number of queries which the Pension Fund returns to you.

Please ensure you fully understand the data required in each column before completing the spreadsheet. If you have any queries, please contact Joe Woodhouse 01629 539247 or
Rachel James 01629 539250.

It is important that you enter <u>all</u> of the information in the fields provided and retain the structure and format of the spreadsheet. Please leave any columns that are not relevant to your organisation blank and do not delete. Please also ensure that the date cells are formatted in English (United Kingdom).

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Please ensure pay information is provided as follows:

Pre 2014 Pensionable Pay (Columns AC & AD)

- The full time equivalent (FTE) pensionable salary at 31/03/2020 (as per the LGPS 2008 regulations) **(column AC)** is required for the calculation of the members pension benefits for pre 2014 membership (this should be reduced for a term time employee for the number of days or weeks contracted to work) and should not include any additional payments. If the member has been on protected pay please ensure the FTE rate of this protection is stated. **This should also be detailed in the Notes section.** Please ensure this figure is not left blank. If a member has been on reduced pay due to sickness, injury or child- related leave please provide the FTE pensionable pay they would have received had they been in work.

  If there are any employees in receipt of the **Living Wage** please quote the full time equivalent of the relevant hourly rate (applying a Term Time reduction when applicable).

  For example, $\frac{(7.83 \times 37 \times 365)}{7}$ = £15,106.31

- Please provide the total of any pensionable payments **(column AD)** made in addition to the FTE salary on which contributions have been paid for the year ending 31/03/2020 in the column headed "Additional Payments/Allowances for Period 01/04/2019 to 31/03/2020 (2008 regulations)". Please **do not** include the actual FTE annual salary in this column and ensure only allowances that would have been pensionable for the calculation of pre 2014 pensionable pay are included. Payments that should **not** be included in this column are: non-contractual overtime, additional hours, payments made in respect of accrued annual leave or any elements in respect of protected pay.

  Please **do not** enter negative pensionable payments in the year end spreadsheet. If there are any such instances these must be resolved prior to submitting the file.

  Where employees have left the scheme during the year please enter the annual full time equivalent pensionable salary as at date of leaving.

Actual Pensionable Pay (CARE) – (Columns AO and/or AR)

- Please provide Actual Pensionable Pay from 01/04/2019 to 31/03/2020 **(column AO and/or AR if applicable)**. If member has been on **sickness, injury or child related leave (Maternity, Adoption, Paternity or Shared Parental Leave) with reduced or no pay** please ensure you include the amount of **Assumed Pensionable Pay*** in this figure and include the relevant details in **columns AY and AZ**.

- Please note the CARE pensionable pay provided will be used to calculate each member's pension benefits for the period 01/04/2019 to 31/03/2020. CARE benefits are built up each Scheme year and it is essential that this information is accurate.

- If an employee is paying an **Additional Pension Contribution (APC)** to cover lost pay due to authorised unpaid absence **do not** include this amount of lost actual pay in this column but ensure you include the APC contributions in the appropriate column **(Columns O – R)**.

* Assumed Pensionable Pay (APP) is applicable in the following circumstances:

- o *For LGPS members who go onto reduced contractual pay or nil pay in a post due to sickness or injury*

- o *For LGPS members who go onto reduced or nil pay during a period of child related leave.*

In either circumstance APP must be added to or replace the cumulative figures of the member's actual received pensionable pay for the applicable post.

APP is calculated from the last complete 12 weeks' pay (for weekly paid staff) or 3 months' pay (for monthly paid staff) prior to the date when the LGPS member, for reasons described above, moved onto reduced or nil pay, but excluding any regular or irregular lump sum payments received in that period.

That average figure is grossed up to an annual figure to which any regular lump sum payment may then be added back at your discretion.

The resulting figure is then used to determine the amount to be added to the cumulative CARE pay figure for the member whilst on reduced or nil pay for the reasons described. However, a change in regulations during 2018 (and applied retrospectively to 1st April 2014) allows employers the discretion to use the level of pensionable pay the member would normally have received if they had been at work, if the outcome of the APP calculation produces a materially lower figure.

Full guidance on pay related data, including Assumed Pensionable Pay, is available in the LGA's HR and Payroll Guides *(see under HR and Payroll on the linked page)*

Employer Contributions (Column W)

This must include all employer contributions including those related to Assumed Pensionable Pay as a result of sickness / injury or child related leave.

If any of the conditions below apply, please add an explanation in the notes column.

Sickness, Injury or Child-related leave *(Maternity, Adoption, Paternity or Shared Parental Leave)*

- If a member is on child-related leave please provide the dates and unpaid period if applicable. Please ensure that a "C3 - Unpaid Absence Details" form has been submitted to the Fund for any period of unpaid leave.
- If a member is on long term absence due to sickness or injury, therefore triggering Assumed Pensionable Pay, please inform us if the contributions have been reduced due to half pay / no pay.

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Casual/Relief Scheme Members (Column BA)

It is essential that all scheme members are listed on the year-end return whether they have paid contributions during the year or not. Therefore, if a member was employed on a relief/casual basis but has not worked in the period 01/04/2019 to 31/03/2020 please enter 'not worked' in **Column BA** and ensure all columns are populated where applicable (including Full Time Equivalent Salary).

Term Time indicator (Column BB)

If the member was employed on a "Term time" basis enter applicable weeks/payment days at 31/03/2020 and ensure the Full Time Equivalent Salary in **column AC** has been reduced accordingly.

Increase/Decrease to FTE Salary (Column BC)

If a member's Full Time Equivalent Salary has changed as a result of regrading, restructure or single status please state the reason in this column.

Protected Pay Indicator (Column BD)

Please indicate if member was in receipt of protected pay.

Change of Post (Column BE)

If the member has changed post and the pay has changed we will need an entry on the year-end return for each post. Please identify these cases with an indicator in **column BE** and ensure the dates for each post are shown in **columns S and T**.

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