



**LOCAL PENSION BOARD**

**13 MARCH 2017**

**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

**REPORTING OF COTTESMORE PRIMARY TO THE PENSIONS REGULATOR**

**Purpose of the Report**

1. The purpose of this report is to inform the Board about an employer that has been late paying its pension contributions to the Leicestershire Pension Fund and has subsequently been reported to The Pensions Regulator by the Authority.

**Background**

2. The Pensions Act 1995 requires Fund employers to pay over their employee, employer and any additional pension contributions by the 22nd of the following month.
3. Receipt of payment from each employer is recorded by the Council's Investment Team.
4. With over 200 employers paying contributions each month it is inevitable that on the odd occasion contributions are received late. In these rare instances the late payment is normally resolved following a reminder by the Investment Team.
5. One of the Fund's employers, Cottesmore Primary, has unfortunately made a number of late payments in the 2016/2017 financial year, despite receiving reminders from the Authority.
6. The table below shows the contributions received from Cottesmore Primary between April 2016 and January 2017.

Month	Amount	Date Due	Date Paid	Days Overdue
April	£3,901	22/5/16	16/5/16	On time
May	£4,293	22/6/16	5/7/16	13 days
June	£3,901	22/7/16	1/8/16	10 days
July	£3,998	22/8/16	16/8/16	On time
August	£3,820	22/9/16	11/10/16	19 days
September	£3,806	22/10/16	3/11/16	12 days

October	£4,928	22/11/16	1/12/16	9 days
November	£4,378	22/12/16	9/1/17	18 days
December	£3,572	22/1/17	9/1/17	On time
January	£4,032	22/2/17	22/2/17	On time

7. No interest has been charged on the late contributions whilst the situation remains ongoing and the Pension Section is aware Cottesmore's Chief Finance Officer has recently retired, which could have contributed to the delay. The Investment Team have informed his successor about the procedure for paying contributions each month and stressed the importance of ensuring future contributions are paid on time.
8. The new Officer has subsequently contacted the Investment Team and made sure January's payment was processed on time. It is hoped the new Officer has now put the necessary processes in place to ensure the situation does not occur again.
9. As a late payment of contributions is a breach of the Pensions Act, the Pensions Regulator was informed on the 9 January 2017. This was acknowledged on the 30 January 2017.
10. The Investment Manager will continue to monitor future contributions and will update the Pensions Regulator in due course.

### **Recommendation**

11. It is recommended that the Board notes the report.

### **Equality and Human Rights Implications**

Late payment of employee and employer contributions does not impact on scheme members main scheme benefits.

### **Officers to Contact**

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