

ERPF - Employer Bulletin 7

Missing New Joiner Information

Dear Employer

The East Riding Pension Fund (ERPF) has very recently had to deal with some cases where, as a result of either employers submitting a late notification of, or a failure to notify the fund of, new entrants to the LGPS, scheme members have not been made aware of their entry to the LGPS and have consequently not been provided with important information about the scheme.

The ERPF is currently aware of over 400 cases where either the new joiner form has not been submitted at all by the employer or where it has been submitted with inaccuracies on the form and this has meant the ERPF has not been able to complete the setting up of the member record.

This is particularly concerning because of the twelve month time limit for transfers into the LGPS. The LGPS Regulations 2013 state that a request for a transfer in must be made by notice in writing before the expiry of the period of 12 months beginning with the date on which the person first became an active member in an employment. Whilst an employer has the discretion to extend the twelve month deadline if it so chooses, the calculation factors for any previous public sector pension rights are different for an over twelve month transfer case to that of a transfer which is completed within the twelve month deadline, and this cannot be overridden by any employer or administering authority discretion. The different factors can reduce a scheme member's transfer value by thousands of pounds, as a current case has unfortunately demonstrated.

Missing information regarding new entrants to the scheme also has a significant impact on other aspects of pension administration. Members are not issued with Annual Benefit Statements, they are not given the option to aggregate previous periods of LGPS membership (which is also time limited) and if an employee leaver form is received when no new joiner document has been received the ERPF cannot defer a members pension benefits or offer a refund of contributions to the member.

The failure of an employer to notify the ERPF of a new entrant to the fund could ultimately result in the affected member lodging a complaint against the ERPF and the employer, and where the implications of the delay are significant and costly to the member this may also lead to an Internal Disputes Resolution Procedure being followed. Whilst the ERPF is aware that in many cases the pension administration and completion of documentation is carried out by a third party payroll provider, employers are reminded that ensuring that data is submitted in an effective and timely manner remains their responsibility and all employers must ensure that internal procedures and processes are in place for the monthly notification of all new scheme joiners, along with scheme leavers and employee changes.

The ERPF will be, over the next few weeks working to identify missing and incomplete joiner forms and will liaise directly with individual employers and payroll providers to highlight individual cases and to address any concerns which may arise from this exercise. In the meantime I would encourage all employers to look at your own internal procedures for the submission of new joiner forms (along with other pension forms) to ensure that employee data is submitted to the ERPF on a monthly basis.

If you have any concerns over this matter or would like to discuss this further please do not hesitate to contact myself.

Kind regards,

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