

End of Year & Data Quality

As the 2016 triennial valuation approaches it is especially important to think about the quality of data you are submitting.

Data quality has a significant impact on how the actuaries calculate your employer contribution rate. They will always err on the side of caution when it comes to assessing the liabilities in the fund and will adopt a worse case scenario approach to ensure security to the fund.

The data that we will be collecting will exactly the same as the data we requested for the 2014/15 financial end of year. The data we request will be in the same format, and order, so as to ensure that those organisations who have invested time and money into automated reports are not at a disadvantage. The end of year return can be submitted from March 16th 2016 and no later than 21st April 2016. We need to resolve 100% of your 2015/16 end of year queries by June 2016 to ensure the data is supplied to the actuaries. Failure to comply will result in the actuaries taking a worse case scenario approach.

To assist you in populating the spreadsheet with correct and acceptable data, we have produced the following:

You will receive a bespoke End of Year return template. The new template will include two additional tabs compared to last year. The two additional tabs include a "Query Summary" tab and a "Basic Data" tab. Once you populate the template, the program will use the information within the "Basic Data" tab, together with the information you have supplied to create automatic queries such as:

- High PR Query
- Low PR Query
- FTE PR's below £10k
- Missing Joiner and Leaver
- Missing joiner
- DOL on return, active on our systems
- Multiple Queries
- Employee Conts query
- Employer Conts query
- Potential Missing Leaver query

You will then be able to mitigate the number of queries that we raise with your organisation by stating in the notes column one of the following:

- "Agree Low PR"
- "Agree High PR"
- "Agree PR Apprentice"

We understand it can be difficult to extract certain data from payroll systems, and therefore it is important for us to supply certain data to yourselves to help streamline the process.

It is also the aim for the LPP to share data so that you can see when someone joined the scheme or what hours/payroll numbers we currently hold on our systems for a specific duty.

The system has also been amended slightly to ensure we have the correct information for missing joiner forms.

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The system currently sets up joiners on our database based on the annual/monthly return which is supplied, however there were a number of instances key information (salary/address) was missing.

By supplying these fields, we will have the correct information and a separate joiner form will not be needed.

In addition to this, you will not be required to separate all of the additional contributions supplied to us annually. This should hopefully ensure that the correct contributions are placed into the correct fields. The Employer added contributions (column BK), Members AVC (column BL) and Employers AVC (column BM) are not recorded or reconciled against and therefore these columns have been blanked out.

Common end of year queries across the whole scheme generally related to the pre 2014 definition of pay. Prior to the 2014/15 end of year this value was calculated using the contributions paid, the contribution rate, hours worked and relevant dates. On the 2014/15 return the way this figure was obtained changed. We no longer calculate this value and rely on you to supply correct figures. The figure supplied should be annualised, pro-rated and should not include any overtime (only members' FTE final pay for that relevant year). We require this field for all members except where the member has left their duty. This is due to members transferring in service from another scheme who have pre-2014 membership.

If you do not feel that you need to submit a leaver form and a joiner form for the change of the members circumstances then there does not need to be two lines on the return. There should only be multiple lines on the return for members who have multiple duties (generally paying two different salaries and work different hours). The contribution rate changes also caused some issues and the total contributions (column BF and BH) should not equal the sum of the contributions in columns AQ to AY.

Please ensure that all of your remaining queries are resolved prior to the submission of your annual return, for example, should they not be resolved a Low 2014/15 PR query could create a High 2015/16 PR.

Wherever possible, please ensure that all red cells within the template have been commented upon, to avoid significant ramifications to your organisation's upcoming financial projections.

So long as the notes columns states one of the four aforementioned quotes above (or if necessary more than one of these comments), then we should be able to reduce the number of queries. Comments such as "Agree High PR – This is due to a promotion to £25,000.00" would be a welcome example of a High PR response.

We recommend that you upload a February 2016 Monthly Return to the YourFund website prior to the annual return as this should highlight any missing joiners, leavers, scheme changes and hour changes between 1st April 2015 and 28th February 2016. This should reduce the number of errors raised during this valuation End of Year period. A final template and guidance will be available to download from the YourFund website on 15th February.

Your bespoke annual return can be downloaded from the YourFund's Homepage on the 15th March to ensure that the latest data is used to highlight any queries.

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