



EMPLOYER BRIEFING

MARCH 2021

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SPOTLIGHT

KEY POINTS THIS MONTH



CONTRIBUTION RATES

Employee contributions rates for 2021/22 have now been confirmed and should apply to all members from 1 April. Employer Contribution rates for the next three years have also been finalised following the triennial valuation.



YEAR END RETURNS

Year end returns are due by 19th April. A year end bulletin was issued detailing what is required from employers in March.



EASTER HOLIDAYS

NESPF is closed between 4pm Thursday 1st April until Monday 5th April 2021. .

Contribution Rates

Employee Contribution Rates

The Scottish Public Pension Authority has issued a new look up table for the amended 2021/2022 employee contribution rates. These new rates are to be used from 1st April 2021, using the member's actual take home pay as at 1st April 2021 (Not 31st March 2021). The tiered contribution rate bands can be found on our [website](#).

Please be aware that it is the employer's responsibility to ensure that the correct employee contribution rate is being applied. Members must be notified of their new contribution rate as soon as possible after it has been determined and prior to the first deduction in April.

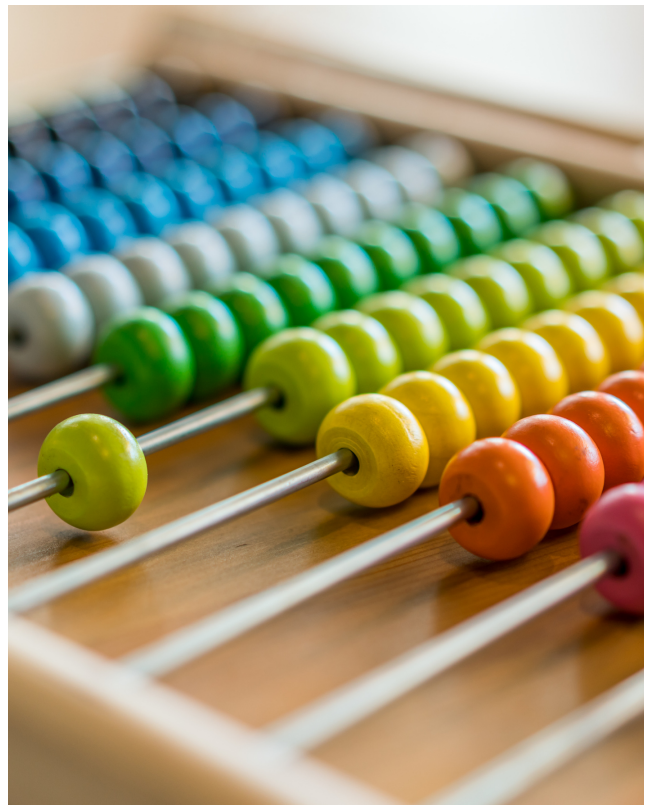
As previously advised it is essential that employers adhere to the statutory guidance when attributing contribution rates to members. For the LGPS employee rates are determined annually and are only reassessed if there is a permanent material change to the member's pay.

The SPPA have confirmed that the practise of reassessing rates monthly is unacceptable and falls out with the statutory requirements of the scheme.

Employer Contribution Rates

Following completion of the 2020 triennial valuation by the scheme actuary Mercer, the contribution rates for the period 1st April 2021 to 31st March 2024 have now been set for each employer.

The Employer Relationship Team have recently issued emails to each employer confirming the rate for 2021/2022. Please ensure that your systems are updated to reflect the new rates due.





Year End Bulletin

The year end bulletin was issued to all employers in mid-March. This mailing details the steps that need to be taken by payroll teams to meet the scheme requirements for data provision as at 31 March 2021. A copy of the bulletin can be found on [our website](#).

Please ensure the Full Time Equivalent Pays are included as part of your i-Connect uploads for March and any additional information spreadsheets are sent to the fund by 30th April 2021.

Accounting Requirements

The annual exercise to provide employers who are required to disclose their pension liabilities as part of their annual accounts as at 31st March has begun. Data is currently being gathered and will be sent out for checking in advance of sending it to the scheme actuary to allow them to carry out their calculations. If an employer has identified the requirement to include this disclosure for the first time in their 2021 accounts please contact the Employer Team at employer@nespf.org.uk to discuss the process and associated costs.

Pensions & COVID

Even though the Pension Fund has a sparkly new office, government restrictions and concern for staff safety mean that the vast majority of the team continue to work from home. This has impacted on productivity and has meant that our priorities have to be shifted to ensure that pensions are paid and retirements and deaths are processed in a timely manner.

AVCs

Prudential have advised the Fund that they are encountering some issues following a change to their administration system in addition to the challenges of the COVID environment. This has resulted in some member records not being updated to reflect the contributions that have been received in respect of AVC's. Prudential have assured us that this situation is being dealt with urgently and that no members will be detrimented as a result of this issue.

Compensatory Added Years

Employers who pay Compensatory Added Years (CAY) must increase these payments in line with the Pensions Increase. The full increase rate is 0.5% and is applied from 12th April 2021. Only members who began receiving their CAY pension before April 2020 should receive the full 0.5%. Members who started their pension after this date will only receive part of the increase. See [our website](#) for a breakdown of the pension increase rates. Members under 55 should not be paid their increases until they have reached their 55th birthday. Then they can start receiving the new rate based on increases to date.

Assumed Pensionable Pay

If a member has been on long term sick leave and has passed more than one 31st March date, their assumed pensionable pay (APP) needs to be revalued by 0.5%. The new APP figure should then be used to calculate CARE pay and employer contributions from 1st April 2021. Please remember that if this is the first time the member has passed a 1st April date then no revaluation is applied.

