

Annual Returns Workshop

Welcome

Using the Teams 'chat' function (at the top of your window), let us know:

- Who you're here representing (employer or payroll provider)
- Whether you have any experience with LGPS annual returns
- One thing you want to take away from the session

Context

Every year each individual Scheme Employer must provide the Pension Fund with a list of every member who has been active during the year (1 April – 31 March) along with their pensionable pay, contributions, and a full-time equivalent figure.

Due to the large amount of data being provided, as well as the requirement for it to match records held by Hampshire Pension Services so that we can upload the information, it is important that those responsible for its completion understand the requirements, deadlines, and context of their submission.

Annual returns overview



Key messages



Timescales and deadlines



Annual return template



Queries



Keeping records up-to-date



What you can do

Key messages



Keeping to a
valuation
timetable



Importance
of timely
submissions

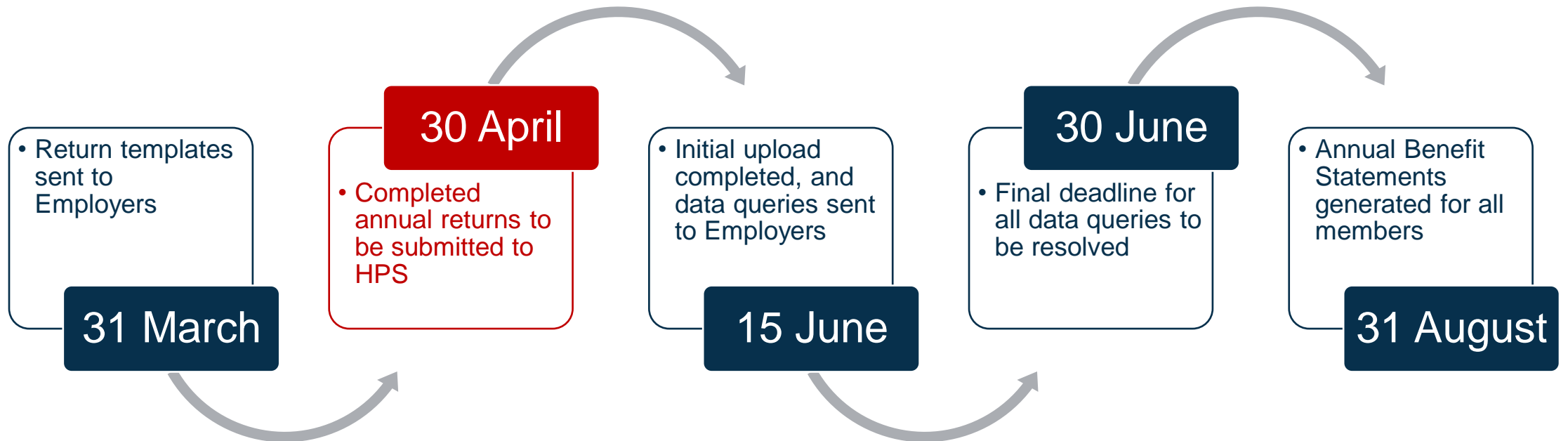


Keeping up-
to-date with
notification



Provide
accurate
data in the
correct
format

Timescales and deadlines



Initial checks and reconciliation

Check that all required fields on the annual return have been completed.

Make sure that the annual return's reconciliation statement has been signed by an authorised Employer contact (not an external payroll provider).

Make sure that the contribution totals on the annual return match the actual amounts paid over throughout the year.

Work with the Employer or the Fund's Finance team to resolve these issues so that the annual return can be uploaded.

Uploading the annual return data

Once the return has been checked and it has been confirmed that it reconciles against the amounts paid to the Fund for the year, the data within will be uploaded to member records.

Any discrepancies between the annual return and our records will be investigated by the team, who resolve the majority of issues without needing to query anything with Employers.

Querying data with Employers

A queries spreadsheet detailing all queries on the annual return data will be sent to Employer contacts following the initial upload of data.

Employers should fully complete the spreadsheet and return this to us, including required data and information where requested. If notifications are required, details of their submission on the Employer Hub should be confirmed in the spreadsheet or they should be attached to the email response.

Query responses must be sent to Pensions.EOY@hants.gov.uk rather than the main Hampshire Pension Services inbox.

The annual return template

The annual return submission spreadsheet is made up of four tabs:

Guidance: providing assistance in completing the document

Information: for you to provide initial information about your Employer which helps us to process your data

Annual Return Data: for you to provide data for every member of the Scheme at your Employer who was active this year

Reconciliation Statement: for you to confirm that the right amount of money has been paid to the Fund for the year

Queries

During the upload of your annual return data, our team will identify any queries which we need to raise with you in order to clarify, amend, or match records.

We will only query things which we are unable to resolve using the data we hold.

Starters

Queries on this tab relate to a membership which is listed on your annual return, but for which we do not hold a record.

We will provide the annual return line we require a record for, as well as any other information which might help you identify the right starter notification to provide.

Leavers

Queries listed here relate to members who are on your annual return with a pensionable pay date (leaving date) before 31 March, but for whom we have not received a leaver notification.

We will provide the same information as on the annual return, as well as anything else that may help you identify the correct membership from the records we hold.

Missing data

Queries on this tab relate to memberships we hold as active, but which were not listed on your annual return submission.

Normally these records are leavers which we still require a leaver notification for, but they can also be members who didn't earn anything during the year (which should still be reported on the return) or anyone that was missed.

If the membership has ended, we will require a leaver notification. If it remains active, we need the annual return information for the year.

Additional contributions

Queries on this tab relate to memberships which have been listed on the annual return with contributions to an additional contributions contract (APC, AVC, etc.) but for which we do not hold the contract details.

We will provide the member's details and ask for the details of the contract to be provided so that we can set this up.

If we hold an active contract on our system, but the member has no contributions listed for this on the annual return, we will query this under the 'Other' queries tab.

Pay

Queries on this tab relate to variations in the FTE / Final Pay figure reported on the annual return compared to previous years.

There are a number of reasons we will ask for confirmation of pay:

- If a member's FTE has decreased by more than £500 from last year.

- If a member's FTE has increased by more than £10,000 from last year.

- If a member's FTE is below the National Minimum Wage.

These queries will not be included in our data benchmarking rating, as they are part of additional checks we undertake and are not necessarily indicative of incorrect data.

Other

Queries on this tab are for anything that doesn't fit into the other five categories.

These can include queries around a member's 50/50 section membership, where additional information is required to determine which annual return line relates to a record held on our system, or where any other miscellaneous information required.

We will explain the details of our query, as well as any forms required to resolve this, on the tab.

The importance of accurate data

Data submitted on your annual return directly feeds into required actions on member records:

- Member financial planning and estimate requests.

- Processing retirements and transfers of benefits.

- Providing Annual Benefit Statements by statutory deadlines.

- Calculating annual allowance by statutory deadlines.

Used in triennial Fund valuations, which are used to generate your Employer contribution rates.

Accurate records are required by The Pensions Regulator (TPR): incorrect or incomplete data may need to be reported.

Employer benchmarking

To ensure we receive and can process accurate data, each year we benchmark employer performance on annual returns against three categories:

Timeliness Was the annual return received by the required deadline?	Financial Control Did the contributions paid match the totals on the annual return?	Data Quality How many queries were needed to complete the annual return?
Return received before deadline	No reconciliation issues	No data quality issues <i>Below 2% of active membership queried</i>
Return received between 1 May and 31 May	Minor reconciliation issues which were quickly resolved	Minor data quality issues which were quickly resolved <i>Between 2% and 5% of active membership queried</i>
Return received more than a month late	Major reconciliation issues and/or slow to respond	Major data quality issues and/or slow to respond <i>More than 5% of active membership queried</i>

Employer benchmarking (continued)

Letters are issued by the Fund to high-level contacts in September where the employer has received at least one 'red rating' denoting major issues.

This letter will outline the reason for the rating, as well as any actions which are required in order to avoid future issues.

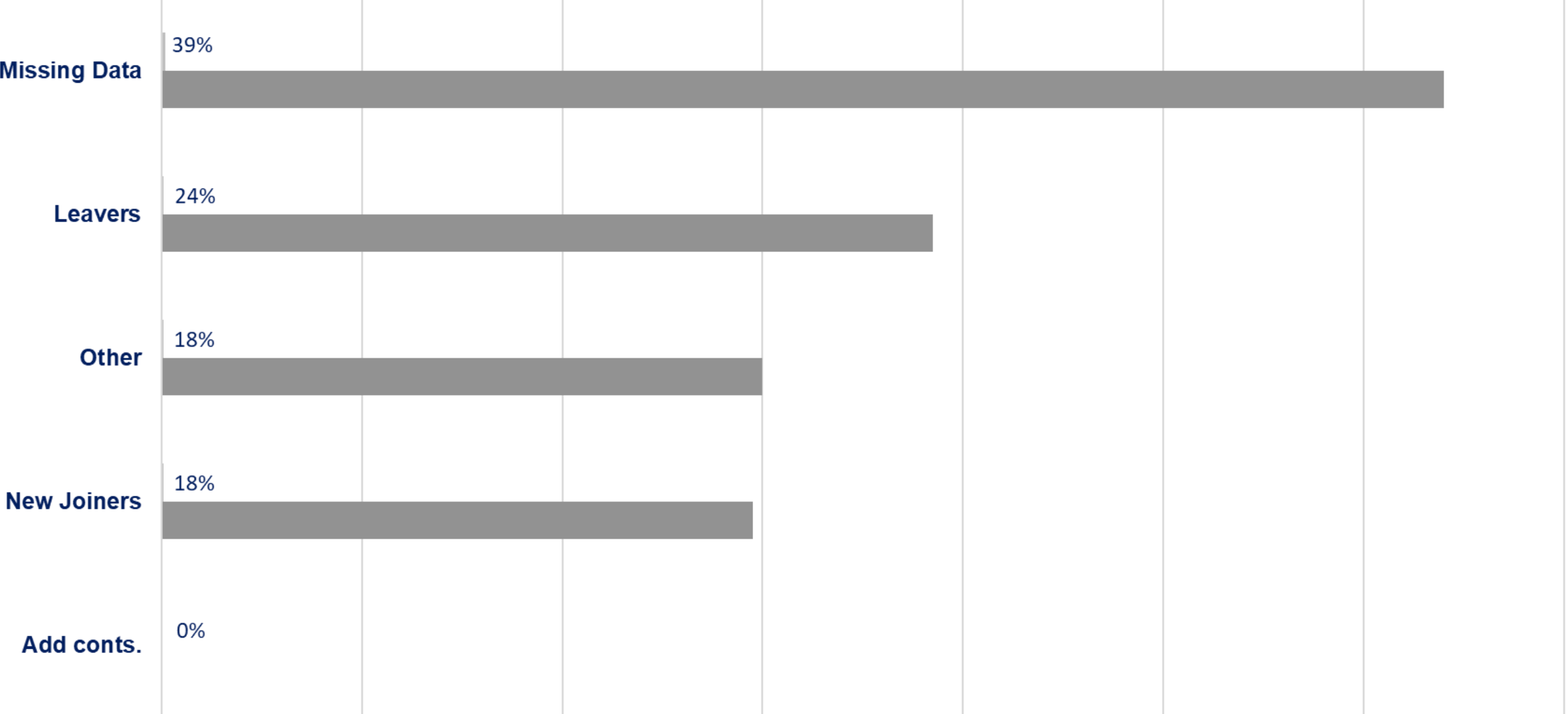
Where an employer has received a rating for 'major data quality issues', they will be invited to complete a data validation exercise, where we will send a full list of your membership data held by us to ensure there are no remaining discrepancies following the annual returns process.

Consequences of red ratings

(*subject to Pension Committee approval in March 2024).

Event	Charge levied
Failure to provide a complete annual return by 30 April	£100 per return if received after the deadline but before the 31st of May. £250 if received from the 1st of June
Red rating for Data Quality for three years in a row from 22/23	£1000
Late and/or inaccurate Starter & Leaver notifications	£100 per case

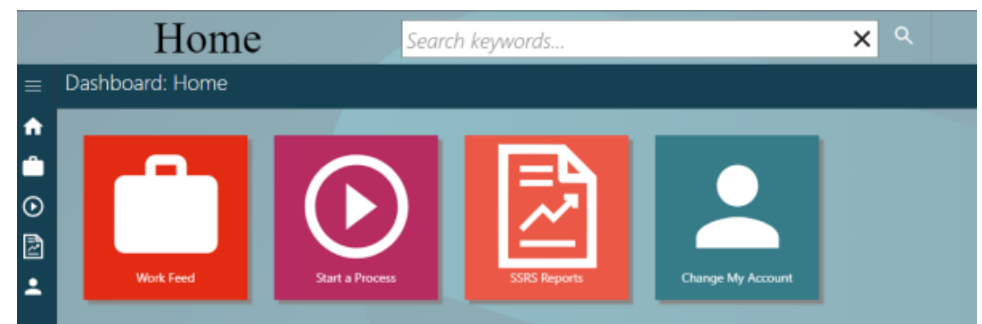
Major data quality ratings



Employer Hub

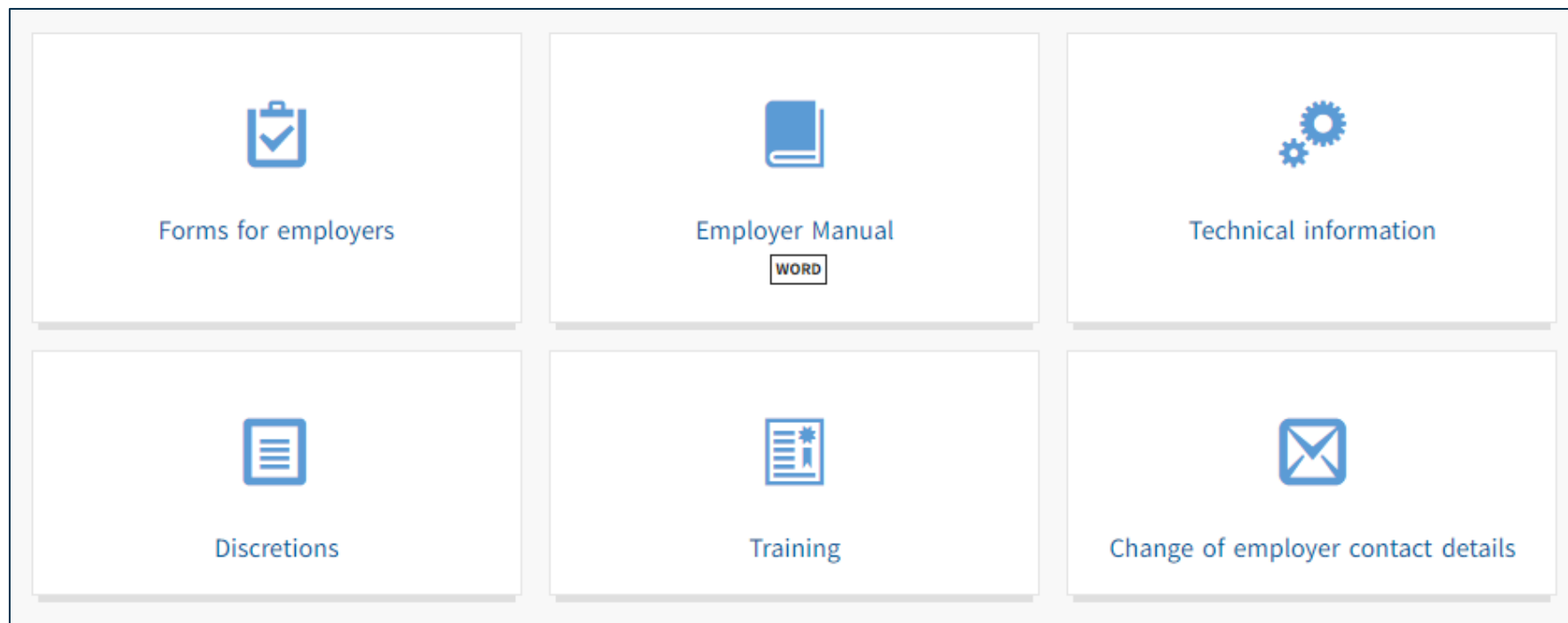
If you haven't already, you can sign up to our Employer Hub service to access employee records and submit notifications to us electronically.

In particular, you can use the SSRS Reports function to retrieve a list of all of your active members, and check this against your annual return to make sure nobody has been missed, all notifications have been sent, and that your data matches ours.



Support and guidance

Our website contains lots of useful examples, guidance, and information which can help you complete your annual return.



Contacting us

Email	Team	Usage
Pensions.EOY@hants.gov.uk	Annual Returns & McCloud	Annual returns, employer benchmarking, McCloud submissions
Pensions.Employer@hants.gov.uk	Employer Changes	Employer support and queries, Employer Hub, contacts
Pensions@hants.gov.uk	General Inbox	Form submissions, general queries and support

What can you do?

Make sure that all of your notifications are sent throughout the year, rather than in bulk just before the annual return is sent / upon request through queries.

Understand the requirements of the annual return: what to include, what the deadlines are, and what you need to do.

Make sure you submit your annual return on time: this gives us more time to resolve any tricky queries and still fulfil our statutory obligations.

Make sure your payroll provider also understands our requirements, and that you'll have time to check the return before you submit it.