

Report to: Pension Board

Date: 6 September 2023

By: Chief Finance Officer

Title: Employer Engagement Report

Purpose: This report provides and update on Employer Engagement activities and collection of Employer contributions

RECOMMENDATION

The Pension Board is recommended to note the report.

1. Background

1.1 This report is brought to the Pension Board to provide an update on employer engagement tasks that directly affect the East Sussex Pension Fund (the Fund).

1.2 Scheme Employers (scheduled and admitted bodies) are required to pay both employee and employer contributions to the Fund monthly, no later than 19 days of the following month in which the contributions were deducted from payroll. The contribution rates for members are set annually by the LGPS and are based on salary bandings. The Employer contribution rate is set at the triennial valuation and recorded in the rates and adjustment certificate issued by the Funds actuary or set on admission to the Fund agreed by the Fund's actuary.

2. Supporting Information

i-Connect

2.1. The i-Connect onboarding project is getting closer to completion; progress has slowed over the past few months as the focus has been on the work with Brighton and Hove City Council and the production of Annual Benefit Statements. Some new employers were onboarded for end of year purposes to alleviate the need for a manual end of year return. The anticipation is that the onboarding work will increase again from September with meetings and calls to train and support employers in the process.

2.2. Those employers who have already been onboarded on to i-Connect has allowed for an improved efficiency for the end of year process and the production of Annual Benefits Statements. Officers have been able to carry out some data cleansing and engage with employers around and data gaps. This will allow for more accurate record keeping and improve the standard of ABS that are produced.

2.3. The current numbers for the i-connect project:

Still to onboard/engage with	Initial enquiries ongoing	In Progress to onboard	Onboarded
1	10	7	122

2.4. Fund Officers are working with the remaining employers to help build files and educate them on the i-Connect processes. Ensuring the monthly file contains the correct data and is formatted correctly is a challenge and can take a significant number of calls and time with the

employer and their payroll provider to get the file ready to run through the i-Connect software. Some employers find the monthly uploads to i-Connect problematic with limits on time and technology, in these cases the team continue to offer time and support to those that need it. The biggest challenge that the team currently face is dealing with staff changes for employers and when employers change their payroll providers. This causes a lot of retraining and multiple calls to establish the correct contacts are in place and that they understand the specifications and requirements of i-Connect each month. Officers emphasise at the onboarding stage that any changes to staff or payroll systems need to be communicated to the Pension Fund at the earliest possible stage to manage the transition accordingly.

2.5. The i-Connect team are continuing to build a robust monthly process to allow the output from i-Connect files flow through to the workflow of the Pensions administration team. The data is looked at for each employer and any issues or errors in the data loaded are reviewed and resolved.

Employer Engagement Projects

2.6. The engagement team has been focusing on building and scheduling of training and learning for employers and members. The team will be launching some bite size/lunchtime learning sessions starting in September initially for ESCC employees in conjunction with the ESCC corporate Learning platform. These will cover an introduction to the LGPS, a pensions MOT and planning for retirement session. Once these sessions have been piloted and feedback received, the team will look to roll out to all employers.

2.7. The Employer Forum is set to take place on 30th November 2023. Invites for the Forum, with the agenda, will be circulated to all employers shortly.

2.8. Officers have been supporting the delivery of the Annual Benefit Statements, liaising with employers on any queries and missing data that may be required to produce accurate statements for employees.

Employer Contributions

3.1 The below table sets out the number of late payments, received after 19 days have elapsed following contributions deducted from payroll. Up to June 2023.

Overall	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total Payments Due	137	137	136	138	138	138	139	140	140	141	141	141
Payments Received Late	2	1	3	1	0	0	1	1	1	0	0	0

3.2 In the last 12-month period, there have been 10 late payments of contributions out of 1,666 expected payments (<1%) and 0 late payments in the last quarter. It is positive to see that the steps taken over the past 18 months has seen a big improvement in the compliance and governance of contribution payments from employers.

3.3 The Fund have implemented control checks on forms received by employers following a recommendation by Internal Audit.

4. Conclusion and reasons for recommendation

4.1 The Pension Board is recommended to note the updates provided in the report.

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