

CURRENT BREACHES OF THE LAW

Reference	01	Date recorded	11/3/2016	Date breach resolved	Ongoing
Category	Administration	Owner	H Burnham	Reported to TPR	To be decided
Description and cause of breach	Notification of deferred benefit entitlement for those who have left the scheme not sent within the legally prescribed timescale. Whilst it is acknowledged that there are a number of these breaches there is no detail yet available regarding numbers affected.				
Possible effect and wider implications	The impact of the breach will vary dependant on the individuals concerned but as a minimum will mean they do are not fully aware of the benefits they will eventually become entitled to.				
Reaction to breach	Still trying to identify cases. Backlog project put in place including using external resource (Mercers) to assist with rectifying the situation as soon as possible. Methods of internal working reviewed to focus on older cases including greater focus on identifying cases and monitoring.				
Outcome of report and/ or investigations	Ongoing				
Outstanding actions	Information being collated to quantify deferred benefit notifications over 2 months late together with reasons why there is a delay and what steps are being taken to prevent a recurrence of the breach. Meeting of officers and advisors being held on the 14 th February 2017 to determine reasons and extent of issue, and further action to be taken.				

Reference	03	Date recorded	19/9/2016	Date breach resolved	Ongoing
Category	Administration	Owner	H Burnham	Reported to TPR	To be decided
Description and cause of breach	There are a number of cases where we are not notifying the amount of retirement benefits within the legal timescales (1 month from date of retirement if on or after Normal Pension Age or 2 months if before NPA).				
Possible effect and wider implications	The impact of the breach will vary dependant on the individuals concerned but as a minimum will mean a delay in payment and uncertainty for scheme members. Delays in payments will incur interest cost to the Fund.				
Reaction to breach	Still trying to determine reasons for, and extent of, delays. Officers and Advisors to review performance results and identify method of improvement where appropriate.				
Outcome of report and/ or investigations	Ongoing				
Outstanding	Meeting of officers and advisors being held on the 14 th				

actions	February 2017 to determine reasons and extent of issue, and further action to be taken.
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Reference	04	Date recorded	16/01/17	Date breach resolved	Ongoing
Category	Contributions	Owner	A Hughes	Reported to TPR	To be decided
Description and cause of breach	<p>We have recently reviewed our procedure in recording late payment of contributions. It has been identified that there have been nine employers who have been late in paying their contributions this financial year; the delays vary from 1 to 7 months:</p> <ul style="list-style-type: none"> • One of the employers was late as historically their contributions were paid by their local Council. When this arrangement ceased, they were unaware of how to make payments. The late payments should have been received by 19th April and 19th May respectively and were received in one payment in July 2016. • Six of the employers were newly admitted to the Fund and they were not aware of the process to make contributions which then led to delays. There were 25 late payments in total ranging between 1 month and 7 months being late. These have now all been paid • The final two were existing employers; one had one payment that was one month late and is resolved. The remaining employer has only made one payment, with no explanation, and is not making regular payments. Currently there are 9 outstanding payments spanning the whole of 2016/17. 				
Possible effect and wider implications	<p>Late payments has a negative impact on the Fund, resulting in less assets available (although generally this has minimal impact). The employer could be charged interest on the late payments. In extreme situations, the Fund Actuary could be asked to take non-adherence around monthly contributions into account when setting employer contributions. Further, there are legal requirements to report non-payment of contributions to the Regulator in cases which could be significant to him. A review of the processes around notification of new employers admitted to the Fund may be necessary.</p>				
Reaction to breach	<p>In all but one of the nine cases, the outstanding employers' payments have been pursued by officers and have been received as required. Officers from the Fund are due to meet with the remaining employer.</p>				
Outcome of report and/ or investigations	<p>In most cases resolved. In the remaining case this is ongoing.</p>				
Outstanding actions	<p>Meeting with one employer to resolve the issue on 10th February 2017. Decision on whether to charge interest in relation to the</p>				

Appendix 6

	<p>outstanding amounts. Review processes around new employers being admitted to the Fund.</p>
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Reference	05	Date recorded	16/01/17	Date breach resolved	Ongoing
Category	Contributions	Owner	A Hughes	Reported to TPR	To be decided
Description and cause of breach	Three employers provide pensionable pay analysis at the year-end rather than monthly as required. Two of these employers use the third employer as their payroll provider.				
Possible effect and wider implications	Historically this has not led to any issues; however, this is not to say problems could not arise in the future. It is possible that employers do not understand the legal requirements.				
Reaction to breach	To be confirmed				
Outcome of report and/ or investigations	Ongoing				
Outstanding actions	<p>Discussion with employer to help them understand the legal requirements.</p> <p>Standard form to be updated and circulated round all employers with explanation of changed requirements.</p>				