

Employer Administration Guide

Flexible Retirement Plan



The Pensions Trust

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Introduction

The Pensions Trust's Flexible Retirement Plan is an occupational pension scheme.

This Guide has been produced for use by employers with employees who are (or are eligible to become) members of The Pensions Trust's Flexible Retirement Plan (the Plan). Its purpose is to acquaint the employers with the obligations placed upon them.

The Plan has been designed to have a light touch from the administrative point of view i.e. it eases the administrative burden which participation in an occupational pension scheme usually places upon employers.

Key points to note:

1. To ensure that member's contributions are invested as soon as possible each month, it is vital that your monthly eBusiness payment submission matches the payment you submit to us for that month. If these two amounts do not agree then none of your members' contributions can be invested until the e-Business submission data reconciles with the payment.
2. Payments should be received by The Pensions Trust by the 14th of the month following the month of deduction of the contributions. For example, contributions deducted from payroll in January should be received by the 14 February. Late submissions may be reported to The Pensions Regulator who has the power to impose fines on employers who repeatedly fail to pass contributions to the Trustee within the required timescales.

Admitting New Members

What information do I have to give to employees and when?

By law, wherever practicable, you must provide certain information about the Flexible Retirement Plan to every employee who is or will be eligible to join. Failing this, you must provide the information within two months of the member joining the Plan.

The 'A Guide for Members' booklet contains all of the information which you need to provide. It is available online at www.thepensionstrust.org.uk where it may be read and/or printed by members. You will need to be prepared to print a copy and send it to anyone without internet access.

What other information is available for employees interested in joining?

The 'Reasons to Join' leaflet outlines the benefits of joining the Plan and provides useful information to your employees who are considering joining.

This leaflet is available online at www.thepensionstrust.org.uk where it may be read and/or printed by employees.

How do I enrol a member?

Applications to join the Plan should be made via the eBusiness system. To commence enrolment, member details will need to be entered online. You will be able to submit contributions for the new member twenty-four hours after the enrolment has commenced. To complete the enrolment, print the pre-populated documentation, ensure it is signed both by you and the member and return it to The Pensions Trust. Until this documentation is returned any contributions made for the member will be placed within our cash fund.

Please note: If the document is not signed and returned to The Pensions Trust within six weeks, the enrolment will be terminated and any contributions made will be returned to you.

More detailed guidance on how to complete an online enrolment can be found in the 'eBusiness Enrolment User Guide'. This can be found on The Pensions Trust's website via the following link:

Document Library > Scheme Literature > Flexible Retirement Plan > eBusiness Literature.

Membership Number

Every member will have a unique Membership Number which will be allocated to them once they have been enrolled. The Membership Number should be quoted in all subsequent correspondence with The Pensions Trust.

Employees who have previously been a member of The Pensions Trust

An employee may claim continuous membership within the Plan, having joined your organisation within 30 days of leaving another employer participating in the Plan. To do this, an 'Internal Transfer Between Employers Form' can be completed online.

On completion, a form is created which must be signed by the member and sent to the Flexible Retirement Plan Team within six weeks or the continuous membership will be cancelled and, the member will need to be re-enrolled as a new entrant into the Plan.

For those employees who do not meet the above criteria, please follow the normal enrolment procedure. A new Membership Number relevant to their current employment will be allocated. The previous period(s) of membership will continue to be covered by their previous Membership Number(s).

What about transfers to the Flexible Retirement Plan?

Transfers of pension benefits from other schemes are allowed subject to various criteria set by the Trustee.

A 'Transferring Your Pension Benefits' into the Flexible Retirement Plan booklet is available online at www.thepensionstrust.org.uk

Temporary Absence

What contributions are payable during maternity leave?

Where the maternity leave is paid, the employer must continue to pay contributions - further details are provided below. Paid maternity leave includes any period where the member is receiving pay from her employer (including Statutory Maternity Pay (SMP)), or Maternity Allowance, which is paid direct by Jobcentre Plus. Please inform us in writing or via the eBusiness system when a member starts maternity leave.

During paid maternity leave, the total pension contributions required are the same as they would be if the member were working normally. However, you should only deduct employee contributions at the member's usual contribution rate, so as her pay reduces, the amount she contributes will also reduce. The employer is required to pay its normal contribution, plus any shortfall in the member's contribution. This means that if an employee receives no pay from her employer (as a result of receiving Maternity Allowance), the employer has to pay the whole of the member contribution in addition to the normal employer contribution.

Please note: Any shortfall in the member contribution, which is paid by the employer as outlined above, should still be recorded as an employer contribution.

Where the member is entitled to paid maternity leave as described above, pension benefits must be provided (and therefore contributions paid) for the first 39 weeks of maternity leave (or longer if you continue to pay the employee beyond 39 weeks).

Where maternity leave is unpaid, i.e. the member receives no pay/SMP from her employer nor any Maternity Allowance, contributions should stop.

If the member wishes to pay arrears of contributions to cover any period of unpaid maternity leave, the employer has discretion over whether or not to pay its contribution.

Family leave

'Family leave' means leave that men or women are entitled to take by law - either paternity leave when a child is born or adopted, or parental leave to care for a child.

If family leave is paid, the rules apply as for maternity leave (above). If it is unpaid, the member will have the option to pay missed contributions upon their return to work, and if they do, the employer has discretion over whether or not to pay its share.

What contributions are payable during sick leave?

Both you and the member continue to pay contributions for as long as the member continues to be paid.

Where the employee receives a reduced salary, contributions may be calculated by reference to the reduced salary. You should deduct the member's share of the reduced contributions from the member's pay.

When the member returns to work, you should resume deduction of contributions as normal.

The member will have the option to pay the contributions. If the member opts to do so, the employer may, at its discretion, also choose to pay the employer contributions missed.

What contributions are payable during other periods of absence?

If a member is temporarily absent from work for reasons other than illness or pregnancy (e.g. parental leave or secondment), contributions should continue to be paid where required by law. Usually, if pay continues then contributions continue.

Leaving the Plan

What do I do when an employee leaves the Plan?

You should advise us on your monthly eBusiness submission of any members who have withdrawn from the Plan. Please confirm their date of withdrawal and the month that their last contribution will be shown on your eBusiness submission. Please ensure that the payment you submit fully agrees with your eBusiness submission. (You do not need to complete a Withdrawal Form in respect of members who are leaving.)

The Administration Team will be advised of the withdrawal information submitted through the eBusiness process and a letter will be issued direct to the employee's home address outlining the options available:

a) A deferred fund

If the member has two years' or more qualifying service, the member can choose to leave their personal fund in the Plan. A member can convert their fund into a pension at any time after reaching age 55.

b) A transfer

It may be possible for the member to transfer the benefits from the Plan to another registered pension scheme. Members who wish to take this option should ask their new pension provider to contact The Pensions Trust for a quotation.

c) A refund of contributions

If a member leaves the Plan with less than two years' qualifying service, they may take a refund of the value of the units purchased with their own contributions. This is automatic if the member leaves with less than three months' qualifying service.

A refund is not available if a transfer value has been received for the member from another occupational scheme and the length of membership of both the previous scheme and the Plan exceeds two years. A refund is not available if a transfer value has been received for the member from a personal pension or a stakeholder pension plan. All member refunds are subject to tax.

Also, members will not be entitled to a refund if they have other benefits from previous employers with The Pensions Trust, and the combined service exceeds two years.

As an alternative to the refund, if the member has less than two years, but at least three months pensionable service the member may have a transfer value paid to another pension scheme. This option lapses three months after leaving and a refund will automatically be paid.

Following payment of a refund of the value of the units purchased with the member's own contributions, the value of the fund accrued from the employer's contributions will be retained by The Pensions Trust and used to offset future management charges.

An extremely important exception to this rule is where a member dies. In this event, you must telephone The Pensions Trust on 0845 121 7230. As a minimum, when making this call, you will be required to provide the date of death and the name, address and relationship (to the deceased member) of the person who is responsible for dealing with the deceased member's affairs.

What if an employee wishes to retire?

If a member is leaving who is over age 55 years (or under that age on the grounds of ill-health) and wishes to commence drawing their pension immediately, the member should contact The Pensions Trust for advice on how to proceed.



Please be aware that we will pay out the member's fund as soon as possible, but delays can be caused if your monthly contribution payment has not been fully reconciled with your eBusiness submission.

The payment you submit must match the contribution data you have provided. None of your members' contributions can be invested until the eBusiness submission reconciles with the payment.

We appreciate that it is often very important to the member that their pension payments start on a certain date, e.g. their 65th birthday, and you may wish to contact the Administration Team well in advance to discuss how this may best be achieved.

Payroll/Payment Procedures

Procedures

All contributions should be calculated based on the members' gross monthly earnings, prior to tax deductions. Payment and online submission of the contributions **must** be received by The Pensions Trust no later than the 14th of the calendar month following the month in which the contributions were deducted from the members' salaries. This will enable The Pensions Trust to process contributions by the 19th, which is the legal deadline as per the Pensions Act 2005.

The data showing the allocation of pension contributions must be submitted to The Pensions Trust, via the eBusiness system prior to sending the contributions payment. This will ensure prompt reconciliation of your data. The contributions data submission must comply with The Pensions Trust data standards.

Please note: You are legally obliged to remit, on time, all contributions deducted from employees' pay. Failure to do so may result in a financial penalty being imposed on the employer by The Pensions Regulator. The Pensions Trust will not be responsible for any penalty so imposed.

All BACS payments must be submitted to the Web Contributions Bank Account (see 'Further Information') and a Web Contributions Remittance Advice sent to the Finance Team.

All contributions cheques must also be sent to the Finance Team and must also be accompanied by a Web Contributions Remittance Advice.

Please note: It is the sole responsibility of the employer to ensure that all contributions data and all monies are correct at the time of submission to The Pensions Trust.

The Pensions Trust will not be liable for any loss associated with the provision of incorrect data by the employer or any bank charges incurred as a result of any cheque payment being dishonoured.

It is essential that payments received match the online submission. Any mismatch will result in money being returned. You should be aware that any delay in the investment of contributions may disadvantage members and result in complaints being raised.

If you elected to offer additional lump sum death-in-service benefits, you will be invoiced after the start of each scheme year (1 October). This cost is in addition to the regular pension contributions.

Extra contributions

If a member wishes to pay higher contributions either on an occasional or a regular basis, you will need to deduct the higher amount(s) from the member's salary and include this on the regular monthly returns (see page 5).

You, as the employer, are not required to make any extra payment. However, you may do so if you wish.

If a member then wishes to reduce the amount paid (the minimum level will be to the contribution required by you as the employer), you should alter the amount shown on the monthly return and deduct the lower amount from the member's pay.

All adhoc contribution monies e.g. augmentations, special payments, etc. should be sent to the Finance Team. For queries regarding payment and submission of contributions only, please contact the Support Team on 0113 394 2534.

For queries regarding problems using the website or submitting the data, please telephone the Employer Helpdesk on 0845 123 6200, or email us at helpme@thepensiontrust.org.uk

Basic Data Changes

It is important that members notify us when their circumstances change, so that we may update our records accordingly.

Please remember that, when contacting The Pensions Trust, Membership Numbers should be quoted.

Change of address

If a member moves home, the change of address must be notified by the member or the employer.

This may be done either by writing to the Flexible Retirement Plan Team (contact details listed in 'Contact Details'), by telephoning 0845 121 7230 or by emailing us at enquiries@thepensiontrust.org.uk

Nomination of beneficiary

If a member wishes to change the person(s) nominated to receive the lump sum benefit payable on death, he/she may download a 'Nomination Form' from the website at www.thepensiontrust.org.uk.

Members without internet access or a printer may obtain a 'Nomination Form' by telephoning The Pensions Trust on 0845 121 7230.

Completed forms need to be returned to The Pensions Trust via post or fax.

Change of name

If a member's name changes, the new name must be included on the regular monthly returns which you subsequently submit via the internet.

Investment switches

If a member wishes to change the funds in which their contributions are invested, he/she may download a 'Fund Switch Form' from the website at www.thepensiontrust.org.uk

However, please note that if a member wishes to change their funds within a year of last having done so, a charge will be payable.

Members without internet access or a printer may obtain a 'Fund Switch Form' by telephoning The Pensions Trust on 0845 121 7230. Completed forms need to be returned to The Pensions Trust via post or fax.

Further Information

Employer's undertakings

The employer has a duty under the Trust Deed to advise The Pensions Trust immediately should the employer go into liquidation, receivership or administration or become bankrupt. If any other event occurs relating to the employer which may be of material significance to the Trustee or their advisers, The Pensions Trust must also be notified of this.

Benefit Statements

Benefit Statements will be sent direct to members, showing their accumulated benefits, each year.

Literature

The latest documents are available online at www.thepensiontrust.org.uk

Once in the website please use the navigation bar on the left-hand side of the screen, and access literature via either of the following links:

Document Library > Scheme Literature > Flexible Retirement Plan

or

Our Services & Products > Multi-Employer Defined Contribution Schemes

Web Contributions bank account

The web contributions BACS payments should be submitted to:

Royal Bank of Scotland
Sort Code: 16-00-30
Account Number: 10233363

Contact Details

You can contact us:

By phone:

For enquiries regarding member enrolments, monthly contributions submissions, withdrawals, retirements or deaths, please contact the Flexible Retirement Plan Administration Team on 0845 121 7230.

For enquiries regarding problems using the eBusiness website, please contact the Employer Helpdesk on 0845 123 6200.

For general questions regarding the Plan, please contact the Client Relationship Manager on 0845 121 7230.

By email:

For general enquiries, please email at enquiries@thepensiontrust.org.uk

For enquiries regarding problems using the eBusiness website, please email at helpme@thepensiontrust.org.uk

By post:

Send to the Flexible Retirement Plan Team at

The Pensions Trust
Verity House
6 Canal Wharf
Leeds
LS11 5BQ





The Pensions Trust

Verity House, 6 Canal Wharf, Leeds LS11 5BQ
tel: 0113 234 5500 fax: 0113 234 5599

email: frp@thepensiontrust.org.uk
or visit www.thepensiontrust.org.uk