





## 2 Contribution Notes for Employers

### Introduction

From 6 April 2006 the 'Reporting late payment of contributions to personal pensions' Code of Practice came into effect. This Code of Practice gives guidelines to Fidelity, and other pension managers, about employers who have agreed with an employee to pay contributions on the employee's behalf to the SIPP.

Such an agreement between an employer and an employee is known as a 'direct payment arrangement' and applies to all contributions paid by an employer which are:

- Deducted from an employee's pay
- Paid on the employer's own account, or
- Both of the above.

The code applies in the following circumstances:

- If there is a late payment\* of a contribution which is likely to be of material significance to the Pensions Regulator
- If information is not provided by an employer when requested to do so by Fidelity for contribution monitoring purposes.

The code requires Fidelity to report to the Pensions Regulator in these circumstances.

\*Late payment means a payment that is not received at all, a payment that is received but is not on time, or a payment that is not received in full. Payments are deemed to be late via reference to the selected 'due date'.

### Reporting Late Payments

The late payment of a contribution applies to any type of contribution which falls into the category of 'direct payment arrangement' that is not paid to Fidelity by the due date. The due date is the latest date this type of payment must be received by Fidelity.

For employer contributions the due date is the latest date by which the employer has notified Fidelity that the contribution will be paid into the SIPP. This notification may be made in writing to Fidelity by the employer, or by the employer completing the 'Record of Payments Due Form'.

Please note when submitting regular employer payments, please ensure the selected payment due date is after the date the monies are expected into the SIPP. Please allow 20 working days for Fidelity to set up any Direct Debit Mandate. Monies received after the due date will be regarded as a 'late payment'.

### Deciding Whether to Report

If Fidelity has reasonable cause to believe a late payment is likely to be of material significance to the Pensions Regulator we will report to the Pensions Regulator. For example, a report will be made if:

- Contributions remain unpaid 90 days after the due date

- We become aware that an employer does not have adequate procedures or systems in place to ensure the normal correct and timely payment of contributions due.

### Timescales for Making the Report to the Pension Regulator

Fidelity will report to the Pensions Regulator within 10 working days of identifying that a late payment is of material significance.

For example, in the case of non-payment of contributions 90 days after the due date, Fidelity should report at the latest within 10 working days after the end of the 90 day period.

### Timescales for Fidelity to Inform Employees

Where Fidelity makes a late payment report to the Pensions Regulator, we will usually inform employees/their representatives of this event at the same time, and in all cases no later than 30 working days after the late payment report.

For example, in the case of non-payment of contributions 90 days after the due date, Fidelity will report to the employees within 30 working days after the end of the 90 day period.

However, if Fidelity considers that it may cause the employer to rectify the situation more quickly, we can report late payment to employees earlier than 90 days after the due date, whether or not we consider it to be of material significance.

### Reporting Non-Provision of Information from an Employer

If Fidelity asks employers for information to enable them to monitor the payment of contributions, employers must provide the required information within 30 days of the original request by Fidelity.

### Documents required for Partnerships and Sole Traders

We need further documentary evidence of your business trading type to enable us to accept your employer contributions.

#### Sole Trader:

- Letter from HMRC confirming the traders full name and 'trading as' style
- A pay slip (dated within the last 3 months) from the employee OR a letter from your accountant confirming the employer number and confirmation that the staff member is currently working for your company.

#### Partnership:

- Partnership Deed
- ID Verification of all partners