

# TECHNICAL BULLETIN

NO.20

February 2007



**TO ALL EMPLOYERS WITH MEMBERS IN THE LOCAL GOVERNMENT PENSION SCHEME. PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.**

## **Arrears of Contributions – Change of Procedure**

The recovery of arrears of contributions owed to the Pension Fund has been dealt with in the past by means of the contributions being deducted via employer's payroll and remitted at year end. This can lead to a situation where the Fund is receiving money owed, late and spread over a number of years. In some cases an employee may leave prior to these arrears being fully paid.

In any future cases that arise where the Fund is owed arrears of contributions, an invoice will be issued to the relevant employer for the full payment of employee and employer's contributions. If payment has not been received within 21 days a reminder will be issued. Non payment will result in the matter being referred to our Debt Management section.

It would then be the responsibility of the employer to recover the employee contributions however they deem appropriate.

This decision has been taken due to the number of existing cases and the fact that the Pension Fund should not carry the burden of a benefit having accrued for the member while employee and employer contributions remain unpaid.

If you wish to discuss this issue please contact your appointed liaison officer. Alternatively you can contact either Tom Hammond on 0141 287 7441 or Sarah Mallon on 0141 287 7348 with any questions you may have.