

With effect from 6 April 2006, a Code of Practice entitled 'Reporting late payment of contributions to personal pensions' came into effect. This provides guidelines with regards to employers who are paying contributions to an employee's SIPP by way of an agreement with the employee.

The agreement, which is made between an employer and an employee is called a 'direct payment arrangement' and any contributions that have been deducted direct from an employee's pay and/or paid on the employer's own account fall under the direct payment agreement.

The Code of Practice takes into account the direct payment agreement and states that if the employer makes a late payment (eg paid after the due date, or not received at all), or does not provide information requested by the scheme administrator, the scheme administrator is then required to make a report to the Pensions Regulator, if it is deemed as being of "material significance".

Late payments mean any type of contribution paid by the employer that was not received by Hornbuckle Mitchell by the due date. The due date is classed as follows:

- Where contributions have been deducted from employee's earnings, Hornbuckle Mitchell must receive these monies by the 19th of the following month after the contributions were deducted.
- Where an employer contribution is being paid, the employer must confirm in writing their intention to make the contribution and the intended date that Hornbuckle Mitchell should be in receipt of the contribution. This can be done either by completing a 'Record of Payments Due' form or by letter to Hornbuckle Mitchell.

If the late payment is deemed by Hornbuckle Mitchell to be of any significance to the Pensions Regulator, it will be reported immediately.

Examples of when a report will need to be made are as follows:

- Where contributions have still not been paid 90 days after the due date.
- If Hornbuckle Mitchell become aware that an employer is unable to make contributions by the due date as a result of the employer not having sufficient procedures in place to facilitate the payment.

With regards to the provision of information, the employer has 30 days from the date that Hornbuckle Mitchell request information to provide details. If the employer does not provide the information the 30 day period, Hornbuckle Mitchell must report this to the Pensions Regulator within a further 30 period.

More information about this Code of Practice can be found at www.thepensionsregulator.gov.uk

Please return the signed and dated application form to the relevant office:

Scotland & Northern Ireland

Ground Floor
4 Albyn Place
Edinburgh
EH2 4NG
Tel: 0131 220 0353
Fax: 0131 220 0369
E-mail: scotland@hornbuckle.co.uk

North

Cotton Court
Middlewich Road
Holmes Chapel
Cheshire CW4 7ET
Tel: 0845 345 7505
Fax: 01477 539209
E-mail: north@hornbuckle.co.uk

Midlands & South

Tyman House
42 Regent Road
Leicester LE1 6YJ
Tel: 0845 345 2555
Fax: 0116 254 3342
E-mail: midlands@hornbuckle.co.uk

London

Ground Floor
Dolphyn Court
10-11 Great Turnstile
London
WC1V 7JU
Tel: 020 7269 6939
Fax: 020 7269 6930
E-mail: london@hornbuckle.co.uk