

To: Salaries & Wages Officers
 Human Resource Officers
 All Employing Authorities

Circular 03/2014
 24 February 2014

Dear Colleagues

Annual Return Specification for 31 March 2014

It's that time of year again! Please take time to read this Circular now and ensure that you can provide your annual return in the correct format by **Friday 30 May 2014**. In particular, please read **Section 5** regarding the completion of your annual return and also **Section 3** regarding Additional Voluntary Contributions (AVCs) as this additional information is now required every year.

The Registered Pension Schemes (Provision of Information) (Amendment) (No. 2) Regulations 2011 require employers to provide relevant information, e.g. pensionable pay, changes in contractual hours etc. to the pension scheme by 6 July following the end of the tax year. This is to enable the Scheme to issue a pensions savings statement to members who are affected by the annual allowance regime. This means that NILGOSC cannot extend the 30 May deadline.

Please note we are unable to accept any manually completed annual returns.

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1. Format of Annual Return

Most employing authorities used either the pre-populated spreadsheet provided by NILGOSC or a text file (.txt) to remit their annual return data last year. This resulted in a significant improvement in the accuracy of the data which NILGOSC received.

We are only able to accept the 2013/14 annual return in one of three formats:

- A text file
- A pre-populated spreadsheet
- An alternative spreadsheet that conforms to our pre-populated format.

The only format of spreadsheet that can be accepted will be available for download from the Annual Returns information in the Employers' section of our website - Preformatted Spreadsheet & Reconciliation Form.

1.1 Text File

A text file is a sequence of characters set out in a pre-determined format. This is generated by a direct export from an employer's software system and removes the need for much of the manual intervention required in an annual return data submission.

The key advantages of remitting your annual return data by text file are:

- being system generated less time is required for manual input
- less manual input increases the accuracy of your data submission
- increased accuracy of your data submission should reduce the number of annual return queries coming back to you
- quicker turnaround times for both you and NILGOSC

The text file data submission is therefore the preferred choice of NILGOSC and many of our larger employers. However, I do appreciate that, due to software constraints, this method is not possible for all employers.

Appendix 1 sets out the specification for the format required.

If you have used this method in previous years and have questions on the format then please telephone our IT department on 0845 308 7345 or email annualreturns@nilgosc.org.uk for assistance.

If you have not submitted your annual return data by text file in previous years and you are now interested in using this method then please call or email our IT Department as above.

1.2 Pre-Populated Spreadsheet

A pre-populated spreadsheet is issued, upon request, by NILGOSC to employers and lists all of your employees, including their relevant details, as held on our records e.g. part-time hours worked.

Appendix 2 sets out the format of the pre-populated spreadsheet in terms of the data that will be supplied to you and the data that you are required to complete for each employee.

The main advantage of this method is that it acts as a reconciliation tool thus requiring much less time to complete the requested data than submitting your return by an alternative spreadsheet.

The deadline for requesting a pre-populated spreadsheet is strictly **Friday 18 April 2014**. Requests should be made to annualreturns@nilgosc.org.uk.

If you have not submitted your annual return data by this method in previous years and you are now interested in using this method then please email our IT department as above.

Things to remember about pre-populated spreadsheets

- They will be password protected so you may need to check that your email system can accept encrypted attachments.
- You should receive your pre-populated spreadsheet within two weeks of the request date. Please contact our IT department if you do not receive your spreadsheet within two weeks.
- Pre-populated spreadsheets should be submitted to annualreturns@nilgosc.org.uk **no later than 30 May 2014**. If you do not receive an acknowledgement within 48 hours, please contact our IT department.

1.3 Alternative Spreadsheet

The only alternative format acceptable will be available for download from the Employers' section of our website. This spreadsheet takes the format of the pre-populated spreadsheet without the benefit of the data which NILGOSC holds for your employees, being supplied.

Alternative spreadsheets should be submitted to annualreturns@nilgosc.org.uk **no later than Friday 30 May 2014**. If you do not receive an acknowledgement within 48 hours, please contact our IT department.

2. Additional Voluntary Contributions

It is now essential that we receive the amounts of Additional Voluntary Contributions (AVCs) paid by individual members every year.

- For those authorities submitting a pre-populated spreadsheet, these amounts must be shown in column AD for members paying to Prudential and column AE for members paying to Equitable Life.
- For the authorities who use the alternative spreadsheet, please ensure the AVCs are recorded separately from the basic contributions on the spreadsheet.
- For those authorities who submit a text file please note that the specification has been amended to include AVC contributions. These should be shown in fields 944 to 954 of the text file – see Appendix 1 for the full specification.

If your software cannot be amended then please provide the AVCs on a separate spreadsheet. The information required is detailed in Appendix 3 or alternatively download a copy of the spreadsheet (AVC contributions spreadsheet for 2014) from the Annual Returns information in the Employers' section of our website. Please note

the information that must be included and it must be in the order shown.

3. Casual Employees with Mutuality of Obligation – recording of hours worked

An additional spreadsheet must be completed for all such employees within your organisation. If you requested a pre-populated spreadsheet there will be an additional tab within this labelled “Mutuality of Obligation E’ees”. Please complete this sheet detailing the hours the employees worked in these posts and also the hourly rate at 31 March 2014 for each employee.

For those authorities that submit their return by text file, a spreadsheet will be sent out separately and should be completed as detailed above. Please note this spreadsheet will be password protected so you should check that your email system can accept encrypted attachments. When completed, please return to annualreturns@nilgosc.org.uk.

4. Reconciliation Sheet

A reconciliation sheet is a spreadsheet used to ensure that the total monthly contributions sent to NILGOSC during the year match the total stated on the annual return submission. If these totals do not match then you must explain the reason in the comments box of the reconciliation sheet.

A blank reconciliation sheet is provided as an additional tab within both the pre-populated and alternative spreadsheets.

For those employers that submit their return by text file a copy of the reconciliation sheet is available for download from the Annual Returns information in the Employers’ section of our website.

5. Notes regarding the completion of the Annual Return

As has already been stated the accuracy of data which NILGOSC receives has greatly improved however certain information on some returns submitted last year was incorrect. Please read the following and if you have any questions email annualreturns@nilgosc.org.uk.

- **Actual Remuneration** – as stated in the text file specification (Appendix 1) and annual return pre-populated spreadsheet notes (Appendix 2) the Actual Remuneration/Salary Rate must be equivalent to a full year’s pay. This means that for **part-time employees this should be the part-time rate**. It must not be enhanced to a full-time equivalent figure.
- **Multiple contribution rates** – if a member changes contribution rate during the year the information must be shown on both the text file and pre-populated spreadsheet in chronological order. This means that the most recent rate/date/amount must be given in the fields named Contribution Date/Rate/Amount **1**. The previous date/rate/amount must then be given in the fields named Contribution Date/Rate/Amount **2**.

Both the text file and pre-populated spreadsheet allow for a maximum of 4 contribution rate changes throughout the year which means that the oldest rate/date/amount must be shown in the fields named Contribution Date/Rate/Amount **4**.

Please refer to page 11 of this circular, 'Multiple Contribution Rates Example', which explains how these details have to be submitted. As always if you have any questions please contact our IT department or email annualreturns@nilgosc.org.uk with your enquiry.

- **Part-time hours** – the part-time hours held on our pensions administration system are shown on the pre-populated spreadsheet. If these are incorrect please complete and submit form LGS25 so that the member's record can be updated accordingly.

6. Councillors

Please note that the actual remuneration and pensionable remuneration should be exactly the same value i.e. both should be a total of the Basic Allowance and Special Responsibility Allowance payments. Please refer to Circular 12/2011, Annual Return Specification for Councillors, issued on 13th September 2011 for further details.

7. Summary and Deadlines

- Manual returns will NOT be accepted.
- There are only three options for the submission of the 2013/2014 annual return (text file, pre-populated spreadsheet or alternative spreadsheet).
- Pre-populated spreadsheets must be requested by **18th April 2014**.
- A copy of the alternative spreadsheet, guidance for the completion of the pre-populated spreadsheet and the text file layout can be found in the Annual Return information in the Employers' section of our website.
- All annual returns must be accompanied by a completed reconciliation sheet and a mutuality of obligation spreadsheet (if applicable).
- Additional Voluntary Contributions must be included in the text file or submitted on the relevant spreadsheet.
- All returns must be sent to annualreturns@nilgosc.org.uk by **30th May 2014**.
- As the returns contain personal data they should be sent to NILGOSC in a secure format to ensure that you meet your obligations under the Data Protection Act.
- Our IT department can be contacted on 0845 308 7345 or by email at annualreturns@nilgosc.org.uk for further assistance.

8. Reminder of Banded Contribution Rates

The table below is a reminder of the contribution rates applicable for the ranges of pay for the current year and next year.

Band	Range 01.04.2013 – 31.03.2014	Range 01.04.2014 – 31.03.2015	Contribution rates
1	Up to £13,700	Up to £14,000	5.5%
2	£13,701 - £16,100	£14,001 to £16,500	5.8%
3	£16,101 - £20,800	£16,501 to £21,300	5.9%
4	£20,801 - £34,700	£21,301 to £35,600	6.5%
5	£34,701 - £46,500	£35,601 to £47,700	6.8%
6	£46,501 - £87,100	£47,701 to £89,400	7.2%
7	More than £87,100	More than £89,400	7.5%

If you have any queries in respect of this circular, or you require further information on the completion and submission of your 2013/14 annual return, please do not hesitate to contact us.

Yours faithfully



Zena Kee
Pensions Manager

Appendix 1 - Text File Specification

CHARACTERS

FROM POSITION	TO	LENGTH	FIELD NAME	O = Optional M = Mandatory	COMMENTS
1	1	1	Posting Type	M	Must be 'A'
2	13	12	N.I. Number	M	Text item
14	25	12	NILGOSC Member Number	M	Text item
26	50	25	Surname	M	
51	75	25	Forenames	M	
76	79	4	FILLER		Spaces
80		1	FILLER		Spaces
81	82	2	FILLER		Spaces
83	90	8	Date of Birth	M	Must be in the format DDMMYYYY
91	106	16	Filler		Spaces
107	114	8	Employer Start Date	M	Date the member commenced employment - Must be in the format DDMMYYYY
115	119	5	Employer	M	Your authority number assigned by NILGOSC
120	166	47	Filler		Spaces
167	167	1	Filler		Spaces
168	168	1	Filler		Spaces
169	169	1	Part-time Indicator	M	Blank if Full-Time
					Y if Part-Time
					C if Casual
					V if Variable
170	175	6	Contribution Rate 1	M	Enter current rate of basic contribution paid by the member. (For 7.50% enter as 000750). This should be the rate at the end of this financial year, for which this return is being submitted
176	183	8	Date Left Active Service	M	Date the member left pensionable service entered as DDMMYYYY
184	187	4	Filler		Spaces
188	189	2	Filler		Spaces

FROM POSITION	TO	LENGTH	FIELD NAME	O = Optional M = Mandatory	COMMENTS
190	190	1	Filler		Spaces
191	202	12	Staff Number / Job Code	M	
203	214	12	Dept Number/ Location Code	M	
215	239	25	Filler		Spaces
240	248	9	Filler		Spaces
249	608	360	Filler		Spaces
609	614	6	Member Contributions rate 2	O	Where the member has paid contributions at more than one rate this year, enter the rate paid in respect of the period starting in position 925 below. See additional notes at end
615	620	6	Member Contributions rate 3	O	Where the member has paid contributions at more than one rate this year, enter the rate paid in respect of the period starting in position 959 below. See additional notes at end
621	626	6	Member Contributions rate 4	O	Where the member has paid contributions at more than one rate this year, enter the rate paid in respect of the period starting in position 992 below. See additional notes at end
627	687	61	Filler		Spaces
688	698	11	Filler		Spaces
699	776	78	Filler		Spaces
777	784	8	Member Contributions Date 1	M	Scheme Contributions Period End date normally 3103yyyy
785	795	11	Member Contributions	M	Scheme (Basic) Contributions paid to period end date
796	803	8	FILLER		Spaces
804	814	11	FILLER		Spaces
815	822	8	FILLER		Spaces
823	833	11	FILLER		Spaces
834	841	8	Date Applicable	M	Period End Date for Actual Remun/Salary Rate - normally 3103yyyy

FROM POSITION	TO	LENGTH	FIELD NAME	O = Optional M = Mandatory	COMMENTS
842	852	11	Actual Remuneration / Salary Rate	M	The actual rate of Pay /Salary Rate. This is the salary rate at the 31 March 2014 and must be equivalent to a full year's pay. It must not be enhanced to the full-time equivalent figure for part-time employees. This figure is used for the Annual Pension Forecasts and is not used for any other purpose.
853	860	8	Date Applicable	M	Period End Date for Pensionable Remuneration - normally 3103yyyy
861	871	11	Pensionable Remuneration	M	Pensionable Remuneration. This is the actual pensionable pay earned by the employee during the financial year. It must not be enhanced to the full time equivalent figure for part-time employees.
872	879	8	Filler		Spaces
880	890	11	Filler		Spaces
891	898	8	Add Contributions	O	Period end date for the additional contributions entered in the following field is applicable normally 3103yyyy
899	909	11	Add Contributions	O	Additional contributions. This must be the amount of additional LGPS(NI) contributions deducted from pensionable pay during the financial year. It does not include AVCS.
910	920	11	Filler		Spaces
921	924	4	Filler		Spaces

FROM POSITION	TO	LENGTH	FIELD NAME	O = Optional M = Mandatory	COMMENTS
925	932	8	Member Contributions period end date 2	O	Enter the date to which the contributions shown below were paid at the former rate 2 shown in position 609. Entered as DDMMYYYY
933	943	11	Member Contributions paid	O	Enter the amount of contributions paid at the former rate 2 shown at Position 609
944	954	11	In-House AVCs paid		Enter the amount of In-House AVCs paid to period end date normally 3103YYYY
955	958	4	Filler		Spaces
959	966	8	Member Contributions period end date 3	O	Enter the date to which the contributions shown below were paid at the former rate 3 shown in position 615. Entered as DDMMYYYY
967	977	11	Member Contributions paid 3	O	Enter the amount of contributions paid at the former rate 3 shown at Position 615
978	991	14	Filler	O	Spaces
992	999	8	Member Contributions period end date 4	O	Enter the date to which the contributions shown below were paid at the former rate 4 shown in position 621. Entered as DDMMYYYY
1000	1010	11	Member Contributions paid 4	O	Enter the amount of contributions paid at the former rate 4 shown at position 621
1011	1016	6	New contribution	M	Enter the contribution rate to apply from the beginning of new financial year
1017	1024	8	Filler		Spaces

Notes

- Cash items, i.e. monetary values, are right justified with leading zeroes (no decimal point)
- Dates are in the format DDMMYYYY with a leading 0 for days 01-09. **These fields must be 8 characters long.**
- Text items, i.e. those that are neither cash nor date items, are left justified with trailing spaces.
- Unused fields should be space filled

Multiple Contribution Rates Example

If a member changes contribution rates throughout the year, it must be recorded in chronological order with Contribution rate/date/amount 1 being the end of the current financial year (most recent) and Contribution rate/date/amount 4 being the oldest. See example below

Contribution Date 1	31032014	date shown as ddmmyyyy	shown at position 777
Contribution Rate 1	000650	this is showing 6.5%	shown at position 170
Contribution Amount 1	00000101000	this is showing £1010.00	shown at position 785
Contribution Date 2	16012014	date shown as ddmmyyyy	shown at position 925
Contribution Rate 2	000680	this is showing 6.8%	shown at position 609
Contribution Amount 2	00000010508	this is showing £105.08	shown at position 933
Contribution Date 3	01092013	date shown as ddmmyyyy	shown at position 959
Contribution Rate 3	000720	this is showing 7.2%	shown at position 615
Contribution Amount 3	00000020450	this is showing £204.50	shown at position 967
Contribution Date 4	04062013	date shown as ddmmyyyy	shown at position 992
Contribution Rate 4	000750	this is showing 7.5%	shown at position 621
Contribution Amount 4	00000520839	this is showing £5208.39	shown at position 1000

Appendix 2 – Annual Return Pre-populated Spreadsheet

This is an annual return spreadsheet which has been partially completed by NILGOSC to list your employees and their details.

In the majority of cases you will only need to enter your employee's pay and contribution details.

This is a valuable tool to allow you to reconcile your employee records with those held by NILGOSC, i.e. part-time records, variable hour employees etc.

Data provided by NILGOSC

All members who have been active in your authority during the year are listed alphabetically and the following information from our records is displayed:

- National Insurance Number (read only)
- Member Number (NILGOSC reference number) (read only)
- Surname (read only)
- Forename (read only)
- Date of birth (read only)
- Location Start (date commenced with employer) (read only)
- Location Number (this is your employers reference number on our records (read only)
- Part-time indicator. This will be a "Y" if part-time, "C" if mutually of obligation employee, "V" if variable and will be blank if whole-time.
- Date left Pensionable Service. If we have been notified the member has left during the year, the date of leaving will be shown here.
- Employer's Pay No.(Staff number)
- Employer's Dept. Number/Location
- Current Part-time hours (read only)

If any of the **read only** details have changed, please enter the changes in the **Comments** column.

Member data to be completed by employer

Member Data to be completed	Summary
Actual Remuneration	This is the salary rate at the 31 March 2014 and must be equivalent to a full year's pay. It must not be enhanced to the full-time equivalent figure for part-time employees. This figure is used for the Annual Pension Forecasts and is not used for any other purpose.
Pensionable Remuneration	This is the <i>actual pensionable pay earned</i> by the employee during the financial year. It must not be enhanced to the full-time equivalent figure for part-time employees. It should include any arrears paid.
Additional Contributions	If the member is paying additional contributions to buy additional membership or additional pension, the amount deducted in the year should be shown here. DO NOT enter Additional Voluntary Contributions (AVCs) here. They should be shown separately.
Employee Contributions	This is the amount of basic contributions deducted for the employee during the financial year. It must not include AVCs or Additional Contributions. Where the employee has had more than one contribution rate during the year, the different contribution rates and the dates applicable must be shown as well as the amount of employee contributions paid at each rate.
End of Year Contribution Rate 1	This should be the employee contribution rate at 31 March 2014. If the member has been on the same contribution rate for the whole year this will be the only column where you need to enter an employee contribution rate.
Contribution 1 Amount	This should be the amount of employee contributions paid at the rate which applied at the end of the year (31 March 2014). If the member has been on the same contribution rate for the whole year then this will be the total amount of employee contributions for the year.
Contributions 2 End Date	If the member changed contribution rates during the year you should enter the date that the first rate ceased here e.g. if it ceased on 30 th June enter 30062013.
Contributions 2 Amount	Enter the amount of contributions paid during the year at the earlier contribution rate e.g. If the member changed to a new rate on 01/07/2013 then this is the amount relating to the period 01/04/2013 to 30/06/2013.
Contribution 2 Rate	This should be the second rate of contributions that applied if the member changed rates during the year e.g. if changed to 5.8% you should enter 5.8. Any further contribution rates should be entered in the same way up to a maximum of four changes in rates.
Next Year's Contribution Rate	This should be the contribution rate you have allocated to this member as at 01 April 2014.
Employer Rate	This should be the rate of employers contributions paid during the last year e.g. if the rate is 20%, you should enter 20.0.
Employer Contributions	This is the amount of employer pension contributions paid during the financial year.
Prudential AVCs	Any additional voluntary contributions paid to the Prudential during the financial year must be listed here.
Equitable Life AVCs	Any additional voluntary contributions paid to Equitable Life during the financial year must be listed here.
Comments	Please enter any information in this column that will help to explain any changes to the member's record e.g. if they had periods of half pay, maternity, pay arrears etc.

New Records

If any LGPS (NI) member is missing from your spreadsheet, please add their details to the bottom of the spreadsheet. Please also complete and forward an Employee's Membership Form LGS1 for each of these entries or alternatively complete a New Member Spreadsheet.

Ceased Membership

If any of your employees have left the scheme and you have yet to inform NILGOSC please complete a Leavers Form, LGS15, and input their leaving date in the "Date left Pen Serv." column.

Reconciliation Form

The reconciliation form must be completed and submitted with your annual return.

Sample Spreadsheet

A sample spreadsheet, showing some example members and their data, is available in the Annual Returns information in the Employers' section on our website. It is called 'Preformatted Spreadsheet and Reconciliation Form'.

Appendix 3- Spreadsheet for Additional Voluntary Contributions

Field Name	O = Optional M = Mandatory	Comments
National Insurance Number	M	
NILGOSC Member Number	M	
Surname	M	
Forenames	M	
Date of Birth	M	Must be in the format DDMMYYYY
Employers Pay Number / Staff Number		
Employers Dept No.		
Prudential AVCs	M	The total amount of any additional voluntary contributions paid to Prudential during the year must be listed
Equitable Life AVCs	M	The total amount of any additional voluntary contributions paid to Equitable Life during the year must be listed