

# SIPP Contribution Notes for Employers

## **Please read these notes before completing the Employer contributions details on our Contribution Application Form**

From 6 April 2006 the 'Reporting late payment of contributions' Code of Practice came into effect. This Code of Practice gives DP Pensions Limited guidelines about employers who have agreed with an employee to pay contributions on the employees' behalf to a pension scheme.

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 requires DP Pensions Limited to report to the Pensions Regulator in the following circumstances:

- if the employer makes a late payment of a contribution e.g. paid after the due date, or not received at all, which is likely to be of material significance to the Pensions Regulator
- if information is not provided within a reasonable period (seven working days) by an employer when requested to do so by DP Pensions Limited for contribution monitoring purposes.

The due date is classed as follows:

- Where contributions have been deducted from employee's earnings, DP Pensions Limited must receive these monies by the 22<sup>nd</sup> day (or the 19<sup>th</sup> if paid by cheque) 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.
- There are specific rules for the first deduction of contributions on automatic enrolment under the Pensions Act 2008. Further information regarding automatic enrolment can be found at <http://www.thepensionsregulator.gov.uk/en/employers>

## **Please note: completing the Contribution Application Form constitutes a written instruction.**

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.

With regards to the provision of information to allow DP Pensions Limited to monitor contributions, employers must provide the required information within 30 days of the original request by DP Pensions Limited. If the employer does not provide the information requested within 30 days DP Pensions Limited must report this to the Pensions Regulator within a further 30 day period.

More information about this Code of Practice can be found at [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)