

“Payroll is one of the most basic things that an employer as big as BU should be getting right and accurate, at least if there is a competent team in place”

“I question the extent to which the importance of accuracy and completeness in pension records is understood”

“A complete audit of ALL pensions schemes is required”

Missing Pension Service Contributions: BU

A working conditions report

April 2019

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Report Summary

This report sets out the concerns raised by BU UCU with the employer over matters relating to staff pensions, with a focus on The Teachers' Pension Scheme. The purpose of this report is to present:

- The background to academic pension schemes
- The reported unrecorded TPS contributions
- Employer engagement with queries
- Perceived management by the employer

The findings arising from the data are multiple:

- Unrecorded pension contributions go back as far as 2001.
- Of 137 reports, 18 themes emerged from the data.
- Perceptions that the employer is disengaged was reported, along with perceptions of poor pension scheme management.
- Members report a range of reactions to the findings relating to their own pension service gaps cases, ranging from mild to expressive. Likely to impact on health and wellbeing.
- Members were clear about resolutions and reporting.
- Concerns about long-standing pension gaps and resolution of said gaps around pensions for the future are important.
- Members seek timely and accurate communication, support, and resolution around all pension queries, from the employer.
- Members seek assurances that pensions errors will not arise again.

The recommendations arising from this report are:

- That the employer address all the concerns outlined in the conclusions and recommendations.
- That these concerns are addressed by a mutually agreed deadline.
- That a *Pensions Task and Finish Group* (PTFG) is formed, to meet with immediate effect.
- That the PTFG implements, in particular, the Teachers' Pension Scheme Dispute Resolution Procedure
- That any reports and investigations pertaining to employee pension schemes be made available.
- That the PTFG report is submitted to the BU Board.

For and on behalf of BU UCU
18th April 2019

Introduction

The government website makes clear that a workplace pension scheme must be provided by employers.

“Joining a workplace pension¹

All employers must provide a workplace pension scheme. This is called ‘automatic enrolment’.

Your employer must automatically enrol employees into a pension scheme and make contributions to your pension if all of the following apply:

- you’re classed as a ‘worker’
- you’re aged between 22 and State Pension Age
- you earn at least £10,000 per year
- you usually (‘ordinarily’) work in the UK”

At BU, the following Pension Schemes are recognised by the employer:

- The Teachers’ Pension Scheme²
- Universities Superannuation Scheme³
- National Health Service Scheme⁴
- Dorset Council Scheme
- Local Government Pension Scheme⁵

In the past, members of staff have had cause to raise queries over the Pension Service Gaps in their Pension Scheme statement.

However, the matter of service pension gaps has been raised again, more recently, by the membership to the BU UU office.

This report is a record of events.

¹ <https://www.gov.uk/workplace-pensions/joining-a-workplace-pension>

² <https://www.teacherspensions.co.uk/members/new-starter/what-is-a-teachers-pension.aspx>

³ https://en.wikipedia.org/wiki/Universities_Superannuation_Scheme

⁴ <https://www.gov.uk/government/collections/nhs-pensions>

⁵ <https://lgpsmember.org/>

Methodology

In order to understand the extent of the pension service gaps, members of BU UCU were invited, by email, to login in to their TPS account, check the Membership Benefit Statement, screenshot any absences, and report to the pensions Payroll Officer, via a generic pensions@bournemouth.ac.uk email address that the employer offers widely as a drop-box for enquiries, Cc the deputy director for HR, and the BU UCU office email address.

During the period 21st March 2019 – 10th April 2019, 137 members contacted BU UCU to report their findings.

Interrogation of data employed thematic analysis followed by a simple quantitative analysis of the emerging themes:

- Qualitative responses from the membership evidenced a pension service gap and the response from the employer, along with reports of the perceived management of their scheme. These were recorded in a simple table.
- The thematic data was further interrogated to assess the number of times a particular issue arose.
- Whilst the focus was on the TPS, two cases relating to the USS and DCC schemes were reported. It is understood that more will be forthcoming.
- The number of cases, at the point of writing, was 137 spread across all faculties, departments, academic and academic-related groups, pay grades, contract types, demographics, due to retire, and recently retired.
- The number of TPS cases equates to 135 at the time of writing.

It should be noted that BU UCU continue to record further cases as they arise. This is because members have not been able to determine their own situation due to, for example, pension scheme login difficulties, commitment to workload, leave, -currently being overseas, and/or inability to access online pay-slips off-campus.

This report does not include cases from non-UCU members or retired members without a BU email.

Findings

The findings indicate pension service gaps as far back as 2001. Whilst this is, to date, the most extreme reported service gap absence, others have reported up to a decade of unrecorded contributions.

Of 137 reported incidences the following major themes were identified:

| Theme No. | Theme | Number reported |
|-----------|---|-----------------|
| 1 | Gaps reported to pensions officer several times | 55 |
| 2 | Reckonable Service missing - years | 57 |
| 3 | Reckonable Service missing - months | 47 |
| 4 | Reckonable Service missing - weeks | 4 |
| 5 | Reckonable Service missing - days | 3 |
| 6 | Commencement date error | 11 |
| 7 | 6 April 17 – 31 March 18 and 1 July to 31 Aug 18 pension gaps | 52 |
| 8 | 6 April 17 – 31 March 18 only | 5 |
| 9 | Unable to access pay-slips off campus to check against pensions record | 17 |
| 10 | Issues surrounding pension transfers (between schemes) | 6 |
| 11 | Pensions@bournemouth.ac.uk email not responding | 9 |
| 12 | Awaiting response from pensions officer | 5 |
| 13 | PTHP with unrecorded service | 2 |
| 14 | P, P and P increments not recorded in pension | 2 |
| 15 | No. of referrals back to BU from TPS | 6* |
| 16 | No. of referrals back to TPS from BU | 2 |
| 17 | Employer contribution missing from pay-slip | 1 |
| 18 | (USS match scheme not matched by employer) | 1 |

* data from case emails to BU UCU, not included in this report, suggest the figure is significantly higher.

As each case was reported to BU UCU, members were requested to then refer the query to the BU pensions officer in the Payroll Department, and Cc the Deputy Director of HR.

BU UCU note a wide range of errors across a number of enquiries, time periods, start dates, lack of response, scheme transfer opportunities, allocations of blame, and administrative errors.

In terms of cases reported, there is seemingly no particular group of individuals affected, although one time phase is noted (Theme 7). Errors have occurred for members across all faculties, departments, pay grades, contract types, contract hours, and demographics.

Raising the Matter Timeline

In 2017, BU UCU raised concerns about a misalignment between pension contributions deducted from staff members' salary, but not reaching staff TPS accounts:

1. BU UCU reported these concerns to JCNC (14 June 2017)
2. BU UCU were briefed by BU Pensions Officer in Payroll at the JCNC that contributions had been or would be checked and double-checked
3. BU UCU were given cast iron assurances that every effort had been made to identify and correct such errors (see Appendix A)
4. Following these assurances, the BU UCU chair advised the BU Pensions Officer that there were still significant gaps in a particular TPS account - a gap of over a decade's worth of contributions"
5. In direct correspondence with BU the Pensions Officer, assurances were given that errors in TPS records were being rectified
6. On checking again, there were still gaps in the contribution record held at TPS
7. According to the BU Pensions Officer, these final gaps were closed in 2017 (in this particular case).
8. In 2019, service gaps in the TPS accounts were again reported by UCU members to the BU UCU branch executive providing impetus for this report.

In 2019, the matter of missing pension contributions was flagged twice to the employer.

On 24th January 2019, an email from one of the co-chairs was sent to the Pensions Payroll Officer, which noted with great concern:

"that these matters have still not been fully resolved and wonder if a formal audit of pension contributions in terms of their journey from BU to TPS should be undertaken.

I would be very keen to hear the views from the position of payroll and pensions departments regarding this matter as a matter of urgency". The co-chair received no response from the pensions officer.

On 21st March 2019, an email to BU UCU members was circulated, and copied into The Director of HR (Appendix B) for attention. The response from the membership was striking in terms of speed, evidence and reported negative impacts on health and wellbeing.

Staff impact, after having found absences in their unrecorded TPS contributions ranged from mild to expressive:



Scheme members' proposals to resolve the issue range from:

- BU UCU note that members are insistent that the employer audits all staff members' pension scheme contributions with immediate effect. BU UCU members require that the employer explains to staff what has happened, how the concerns raised will be rectified and resolved, and detail how such will be avoided immediately, and in the future.

On a stronger note, the membership insists that internally, the matter is reported to Senate via the academic representative, the BU Board, and that externally, independent bodies are notified. These to include the Pension Regulator, The Pensions Advisory Service, and the media.

Where are we now?

Several members have reported that their issues have been addressed at the employer's end, and individuals are awaiting evidence of the transaction on their TPS statement.

However, the length of time between an individual's case being 'resolved' at the BU end, and the evidence of service being recorded and viewable on the Pension provider's website is unclear. Clarity is required.

Perceived Management of the Scheme

➤ The Employers' Response Gap

In 2017, the employer's stated response at JCNC (14.6.19) to missing pension service contributions was that:

- 1) all members records are checked.
- 2) whenever a change occurs to an individual's record e.g. a salary change, it is updated
- 3) the employer indicated that there was a file error at the TPS end which affected the data.
- 4) BU were investigating the situation for the individuals affected, revising the mistake and then re-sending the details back to TPS.
- 5) the department had been looking at the previous year's submission and checking records against the most recent submission as a cross-checking exercise.
- 6) TPS has introduced a MDC (Monthly Data Collection) which will be mandatory from May 2018, which DH is currently working on.
- 7) if all members had subsequently asked to have their records checked, it would have slowed the whole process down.
- 8) BU would send a message to all staff, advising them of this and advising them to check their annual pension statement via general comms once the details had been submitted to all schemes.
- 9) TMB suggested that the new MDC would enable the scheme to keep a lot closer eye on any potential mistakes in future.

(Extracts from Appendix A)

- On 24th January 2019, the BU UCU co-chair raised the matter again. BU UCU proposed an audit. No response was forthcoming.
- On 21st March 2019, the Director of HR was copied into an email sent to members (Appendix B). No response was forthcoming.
- On 3rd April 2019, 12 days later, the Rewards Manager contacted BU UCU to enquire if the unions would like send a joint message to all staff

"in light of the number of queries that Payroll are receiving".

BU UCU declined as it was already communicating and working with the membership. Furthermore, this is a matter for the recognised forum, the JJCNC.

On 11th April 2019, the employer posted a message on the BU staff portal, asking staff to check their pensions (Appendix C), seemingly allocating responsibility on the

pension member. The message raises questions as to responsibilities for corporate accuracy and management of contributions.

➤ The TPS Response

BU UCU have not made direct enquiries to any of the pension schemes, but simply reported the member's discussions with the scheme, and those with the employer.

It is not the role of the union to communicate with pension schemes on behalf of the employer as this falls squarely between the employer and the schemes.

However, the union, for and on behalf its members, does have the right, to invoke appropriate independent investigative bodies.

Implications of unrecorded pension contributions

Whilst individuals have reported upon their experience with the Teachers' Pension Scheme managed by Capita on behalf of the Department for Education (DfE)⁶, and locally by the employer, concerns and implications have arisen and deserve focus:

- The connection between pay-slips, pension contributions and application for Indefinite Leave to Remain
- Staff affected by Brexit
- Staff who have already retired are unable to access institutional messages regarding pensions, or other matters, that may impact them
- PTHP and pension offerings, missing service gaps, and rectification
- Staff social mobility
- The potential for old age poverty based on poor record keeping
- Penalties for institutions failing to maintain pension housekeeping records
- Allegations of workplace discrimination
- Negative impacts on Death in Service benefits, and Family and Dependents benefits
- Former BU staff who are unaware of the concerns which may affect them, have arisen

⁶ <https://www.gov.uk/government/publications/teachers-pension-scheme-payments-2018-to-2019>

Conclusion

BU UCU branch has ongoing concerns about discrepancies between the pension contributions deducted from salaries, employer contributions, and those received by TPS, and other schemes, particularly following the internal checking process that had sought to reassure staff community concerns.

There have been, between June 2017 and March 2019, two urgent requests by BU UCU to the institution to address the discrepancies, and the signal to the Director of Human Resources of the continued concerns has been ignored.

The membership response has provided detailed explanations of the missing contributions against the pension records, most with screenshots as supporting evidence.

The institution responded, through a non-executive employee, that the payroll officer would attend the *Joint Consultation and Negotiating Committee* (JCNC) 30 April 2019. Further, a message to staff was placed on the portal. At no time, did a senior management of staff communicate with the union.

The payroll officer has addressed and updated several of the pension queries, some on a weekend and which for now, are categorized, by BU, as 'resolved'.

Missing pension contributions and service records gaps do have short, medium, and long- term implications for employees.

BU UCU concludes:

- There appears to be a systemic failure by BU to record data and report to TPS
- There may be a systemic failure by TPS to record data and report to BU
- That despite the promises offered by the employer at the June 2017 JCNC, it has not, at face value, invested in resources to ensure that the pension contributions process and system is robust and reliable.
- That whilst this report is based on membership data, the pension contribution discrepancies are unlikely to have affected UCU members only. Thus, the issues raised in this report are most likely much wider and unreported.
- That communications, and possibly systems, between HR, payroll, and the pension scheme need immediate attention.
- That the negativity around the pensions matter is an H & S issue.
- That more queries will arise in the near and medium future, both from UCU members, and non-union members of staff, with the potential to disrupt normal payroll duties.
- The concerns outlined in this report is a cause for grave concern - not only for the staff, but also the institution, and wider observers.
- There is a critical drive for UCU, and staff members, to understand the employers' responsibility for, and commitment to, administrative accuracy relating to pension schemes for past, present, and potential employees.
- That there are concerns around senior management competency, a likely depletion of claimed university surpluses, potential concerns around pension fraud, and resulting reputational risk.

- That the absence of communication, led by senior management, suggests a lack of understanding of the significance of the issue at hand. Alternatively, it could be seen as an attempt to downplay any concerns.

The union, on behalf of its membership, seeks a credible explanation, and a robust issue resolution.

Recommendations

- That the employer address all the concerns outlined in the conclusions.
- That these concerns are addressed by a mutually agreed deadline.
- That a *Pensions Task and Finish Group* (PTFG) is created, to include two members from each of the recognised unions (with Facilities Time in place), Regional Officers, and an independent member of the BU Board.
- That the PTFG implements, in particular, the Teachers' Pension Scheme Dispute Resolution Procedure
- That any commercial reports and investigations pertaining to employee pension schemes be made available to the working group.
- That the PTFG report is submitted to the BU Board.

Future Forward

The TPS is a contributory scheme administered by Teachers' Pensions on behalf of the government.

From September 2019, the amount that employers will have to pay towards the scheme will increase from 16.48 per cent to 23.6 per cent.⁷

"The Pensions Regulator sets out clear guidance on the risks associated with incentivising members to leave the scheme.....We have no evidence to suggest that is common practice."⁸

However, initial reports from the HE sector indicate the tide may be about to turn⁹

Next Steps

The matter of service gap pensions is an agenda item for the *Joint Consultation and Negotiating Committee* scheduled for 30 April 2019.

An email to members with an update will follow thereafter.

⁷ <https://www.telegraph.co.uk/news/2019/04/10/universities-accuse-treasury-levying-stealth-tax-fundteacher/>

⁸ <https://www.tes.com/news/exclusive-academies-blackmail-teachers-take-worse-pensions>

⁹ <https://www.ucu.org.uk/article/10003/Contribution-increase-first-impact>

Appendix A

Extract from JCNC 14 June 2017 as taken by the UET minute-taker.

David Hardman (DH) joined the meeting.

RS thanked David for attending and suggested that there are 3 issues surrounding the TPS Records:

- 1/ UCU were seeking clarification on what happened when pension pots were deferred for a number of staff that are still in BU employ?
- 2/ How was BU addressing this issue so that it did not occur again.
- 3/ UCU members had asked why BU had decided not to inform all staff members who were TPS members that there had been a problem.

DH explained the TPS annual return submission process. He said that the annual report falls between April – March of the following year. The report is always a year behind, so in this case related to the period of April 2017 – March 2017. The department carry out frequent spot checks which is a TPS requirement. Therefore any queries are rectified. The report is then submitted to the TPS and the data is then uploaded to their system and again there are more checks undertaken. A communication is then issued from the TPS to the University. As the report is a manual return, DH stressed that it is a laborious task and involves line by line inputting, however **all members records are checked**. KP added that **whenever a change occurs to an individual's record e.g. a salary change, it is updated** on a line by line basis. DH answered RS's first question, advising that TPS had not provided an answer to BU, but rather suggested that the data sent over was incorrect and believed from **TPS that there was a file error at their end** which affected the data. DH explained that, some records were correct, others not and therefore given that some records were not affected, this did not make sense. DH assured the meeting that they **were investigating the situation for the individuals affected, revising the mistake** and then re-sending the details back to TPS.

In answer to question 2, DH answered that **the department had been looking at the previous year's submission and checking records against the most recent submission as a cross-checking exercise**. In addition to this, the **TPS has introduced a MDC (Monthly Data Collection) which will be mandatory from May 2018**, which DH is currently working on. Therefore in future, he was confident that with monthly updates, any potential mistakes would be highlighted and could be rectified a lot quicker than on an annual basis. DH stressed that any members that had queries could contact him personally, and he would look at resolving issues asap.

Finally, with regards to the communications question, DH explained that this issue did not affect everyone and **if all members had subsequently asked to have their records checked, it would have slowed the whole process down**. KP explained that moving forward, discussions have taken place between Finance and HR and the plan was that once all the annual pension returns had been submitted, **BU would send a message to all staff, advising them of this and advising them to check their annual pension statement**. MM expressed concern that some staff may not know that there is an issue. KP acknowledged this and added that staff should check their details and that BU would advise staff to do this **via general comms** once the details had been submitted to all schemes.

KP referred to the new provisions that had been put in place, as explained by DH.

MM used a specific example where a member of staff with a terminal illness could be asked if they had a problem with their TPS record and they didn't know they had one.

TMB suggested that **the new MDC would enable the scheme** to keep a lot closer eye on any potential mistakes in future.

Key:

DH: David Hardman (BU Pension Officer)
KP: Karen Parker (HR)
TMB: Professor Tim McIntyre Bhatti (Deputy Vice Chancellor)
RS: Associate Professor Richard Scullion (on behalf of BU UCU)
MM: Marian Mayer (on behalf of BU UCU)
MDC: Monthly Data Collection

Appendix B

From: UCU BU Office
Sent: 21 March 2019 11:50
To: UCU Members Only
Cc: Jim Andrews
Subject: Your Teachers' Pension Scheme Contributions

Colleagues

We hear that colleagues have discovered gaps in pension contributions.

As we understand, contributions in staff names had not been received by TPS although the contributions had been deducted from salaries at the BU side of processing monies.

This situation had been raised with UET via the JCNC (Joint Consultation and Negotiating Committee) in 2017, as several colleagues had reported similar problems. In some cases, contributions had failed to reach the TPS for BU staff members for a considerable number of years. In response to this query by UCU, BU's payroll manager David Hardman attended the JCNC meeting in the summer 2017 and assured the UCU that any anomalies in pension contributions making their way to TPS has been searched out and corrected, and that this situation should not arise again.

Following the assurances given by David, members were still finding gaps in TPS records in regard to contributions received from BU, even very recently.

BU UCU understands that after each month of payroll, approx £750k per month is transferred to TPS, and a wash up is carried out by Payroll to allocate the money. Whilst this is a lengthy process, and staff are keen to know if their contributions are up to date, the onus is on individual staff members to check their pension contributions rather than rely on BU Payroll alone.

In the first instance, do check your payslips each month to ensure Pension contributions have been deducted, and that the right amount has been deducted.

Further, check with TPS Online that deductions have gone through, and that there are no gaps. If there are gaps due to, say, break in contract, then discuss with TPS about filling those gaps.

BU UCU are not financial advisors, however, staff have been clear in raising this matter as a point of urgency.

If there are any queries relating to your TPS Pension, please email colleagues in Payroll:
David Hardman (dhardman@bournemouth.ac.uk) and copy in Karen Parker (kparker@bournemouth.ac.uk)

Kind regards

Steph

Dr Steph Allen

BU UCU Branch and Membership Secretary www.ucu.org.uk/join

The world is a dangerous place to live; not because of the people who are evil, but because of the people who don't do anything about it. (Einstein, n.d)

Appendix C



Teacher's Pension Scheme service record

11 Apr 2019

You may have received a communication from the Teacher's Pension Scheme (TPS) regarding potential gaps in your pension service record.

Traditionally Finance, via the Payroll team, submitted an annual return to the TPS, summarising staff salaries and employment dates. This was usually submitted in the summer, and in the autumn it updated each individual TPS record and TPS Online, as at the end of the last tax year. For example the BU annual return submitted in summer 2017 reflected salaries and service as at 5 April 2017, which became visible on TPS Online in Autumn 2017.

In April 2018 the TPS changed their data collection procedures and Finance, via the Payroll Team, are now required to submit a monthly return with salary details and employment dates, as well as an annual return. Both monthly and annual returns are audited by the TPS and an external auditor. We are aware that this change in procedure caused difficulties for some TPS Online users and BU sent out relevant communications to members at the time.

We completely understand the importance of accuracy and completeness in pension records and payroll are working with the TPS and members to rectify any outstanding gaps. We also welcome pension members taking responsibility for checking their own pension records. It is good practice to download your benefit statement from TPS Online every year and to check that your salary and service data is correct. If your salary or service information is incorrect or incomplete, you should contact the Payroll team at the earliest opportunity and they will be able to help to resolve any difficulties. The earlier any gaps are identified, the quicker they can be resolved. This is especially important for those considering retirement.

Please note that your pension is calculated based upon your service and salary history, so it is vital that these details are recorded correctly. Your pension is not based upon the monthly employee and employer contributions paid to the TPS.

If you have concerns regarding your TPS service or salary history, please contact [David Hardman](mailto:David.Hardman@bournemouth.ac.uk), Payroll Manager, or pensions@bournemouth.ac.uk.

Finance & Performance

This report has been written, with express permission, for and on behalf of the members of the UCU Bournemouth University branch.

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