

Missing Pension Data Employer Responsibilities and Guidance

If the contribution and or earnings records are missing or incomplete (on MyCSP's system) then you as the employer will need to undertake a search of available records. (If the missing records relate to employment with a previous Government Department then you will need to investigate what records were passed across to you and if necessary support MyCSP in pursuing the appropriate HR unit.)

MyCSP will provide details of the data they do hold and identify the missing information that is required. MyCSP will issue a "Missing Pension Records Checklist" (see attachment) which you should complete and return to MyCSP with the results of your investigations.

Both the current and any previous employers will be expected to search all available records for this data and to complete and sign the checklist confirming that they have done so. You should consider the following sources of information:

- Payroll systems
- Archived payroll records
- Microfiche records
- Member's Personal file (looking for memos, letters of appointment etc.)
- Spreadsheets or other records held (particularly those provided by a previous employer)
- HR records

(This list is not exhaustive but is given as an example and prompt.)

As well as the earnings history other important information to look for will be grade, promotion dates, part time service and breaks in service. These will all impact pension benefits.

Contacting the member

In cases of missing records one of the best sources of information could well be the member themselves. So as the employer you will need to contact them (unless MyCSP have already done so) to see what information they can provide. For example they may have:

- Letters or papers which state a salary figure
- Old payslips
- Details of grade
- Details of any pensionable allowances
- Whether they were part-time during the period
- Whether they were promoted during the period
- Details of any breaks in service etc.
- Details of location and other staff employed at the same time on the same grade

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(It will be important (for anti-fraud reasons) to have reasonable evidence for accepting data from a member.)

Next Steps

Once you have built as much of the history as possible then it may be that the data you have is complete enough to calculate the benefits. However, if there are still gaps in the history then you will need to consider how you can best supply that data*. Typically the missing data will involve gaps in earnings history. These may be reasonably calculated by using the following methods:

- Taking the earnings before or after the gap and use any appropriate pay scales to estimate what the pay point rises for the missing years are likely to have been
- If necessary you could calculate the average rise in Civil Service pay for each year from the Civil Service pay data in order to make the judgement
- It is better to use Civil Service pay scales where possible and of course particularly those which relate to the relevant grade
- If there are no pay scales available then you could use the Average National Weekly Earnings rises published by National Statistics
- If the only information you have is the last year's earnings you could use a combination of the above methods to calculate what the earnings in previous years were likely to have been. (This assumes you know the grade and it should be stressed it is much better if you have more than 1 years earnings as a guide.)

Please also see the examples given below. There is also a spreadsheet available with this EPN on the Civil Service website giving some old pay scales which may be helpful.

** You will at this stage need to make a judgement over whether you can reasonably accurately work out any gaps in earnings using the methods described above or whether it would be better to obtain data from HMRC (see below). For example we would suggest that if (after all searches) you only have the final salary to work with but need to look back several years then it would be better to try and obtain the HMRC data first as this could be a more reliable source.*

Allowances

It will be necessary to establish whether the employee would have attracted any pensionable allowances over the period in question. This may well be linked to the grade, role or location of the employee so to identify that information would be vital. If your records do not provide any information then the member could be the best source of documentary evidence (such as letters from former employers) which confirm an entitlement. The whole area of allowances is complex and TPSE is working with MyCSP on additional guidance for employers on establishing entitlement which will be issued later in 2014.

What to do if you need more information

It seems unlikely that this search (involving as it does the member) will not at least uncover some details about the employment such as their grade, part-time history, promotion and even pay levels.

However if after these searches you have insufficient data to make a reasonable calculation of the likely salary levels then there are ways that you can apply to HMRC for information on NI contributions and earnings history.

Firstly you could apply to NICO for contracted out earnings data. Your PSC will be able to tell you how you can do that if you are not sure. You should however be aware that this will only cover earnings between the Lower and Upper earnings limits for each tax year so you would need to adjust the figures.

Alternatively the member could themselves apply for records from HMRC (this should provide gross earnings in financial years). If you decide on this option then you can apply to TPSE (TPSEforms@cabinet-office.gsi.gov.uk) for a form which the member will need to sign. (When applying to TPSE you will need to provide a copy of the checklist to show that you have tried all other sources of data.) The form will allow the member to request that the data be returned to you as the employer.

Either of these methods should at least provide you with some earnings data for the financial years you specify. However the data will only be indicative and not as precise as data from the employer or the member.

Hopefully the guidance provided here will enable you to resolve these cases but if you need further support or guidance then please contact your Pension Service Centre.

Missing Pension Records - EXAMPLES

Calculation for missing earnings

If, after gathering all the information you can, you still have not been able to build a complete history then there are ways you can fill in the gaps.

1. In some cases you will be able to fill in the gaps in earnings from the national pay scales. In the case below we knew the figures in black but not the figures now shown in red. Looking at the pay scale for the grade (in this case it was an AO) we were able, quite accurately, to determine the likely salary increases for the missing years by looking at how the scale point was increasing.

1 April 1985	£6025
1 April 1986	£6446
1 April 1987	£7247
1 April 1988	£8062
1 April 1989	£8096
1 April 1990	£9278
1 June 1990	£9598
1 April 1991	£10708

2. However in some cases you may not have access to the full pay scale for the grade you are looking at.

What you could do then is to use what pay scales you do have to calculate an average Civil Service pay rise for each year and then use that to plot the rises in salary. For example if you calculated the rise between 1985 and 1986 to be around 6% then you would get close to the correct figure. Having salary figures prior to and after the gap (as in the above case) is very useful as this enables you to cross check your figures (for example you could double check how accurate your answer looks if you then calculated what the 86 to 87 rise would look like.) The problem with this method is that it does not allow for pay progression (yearly movement up the scale). However, if you have no way of knowing that then this will still give you a reasonably accurate figure.

3. If you only have the final years' salary figure (10708 for 1991 in this case) and you do not have the pay scale for the grade then again you could use the percentage increase method to go backwards. For example if you worked out an average Civil Service pay rise of 11.5% from 90 to 91 then $10708/1.115$ will give you the 1990 figure (9603). You could then do the same for each

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year. However If you are going back more than 4 years without any other supporting evidence for the figure then you may want to consider applying to HMRC for their data as the accuracy will degrade with this long a period.

4. We do now have pay scale data covering Admin grades in a lot of cases but not all by any means. If you feel there is no way of determining the Civil Service yearly pay rise for a given year then you could use the Average Gross Weekly Earnings figures provided on the National Statistics office website. However you would need to make a judgement about whether it might be better to apply to HMRC first as such data may be more reliable.