

Warwickshire Pension Fund Pension Scheme Breaches Training

March 2026



What is a breach?

Breaches can occur in relation to a wide variety of the tasks normally associated with a Scheme such as:

- keeping records
- internal controls
- calculating benefits
- making investment or investment-related decisions
- collecting contributions

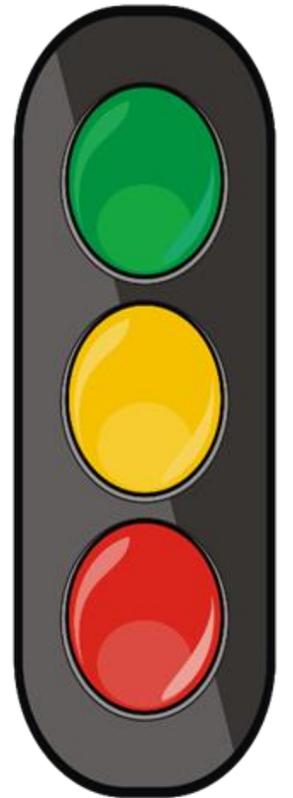
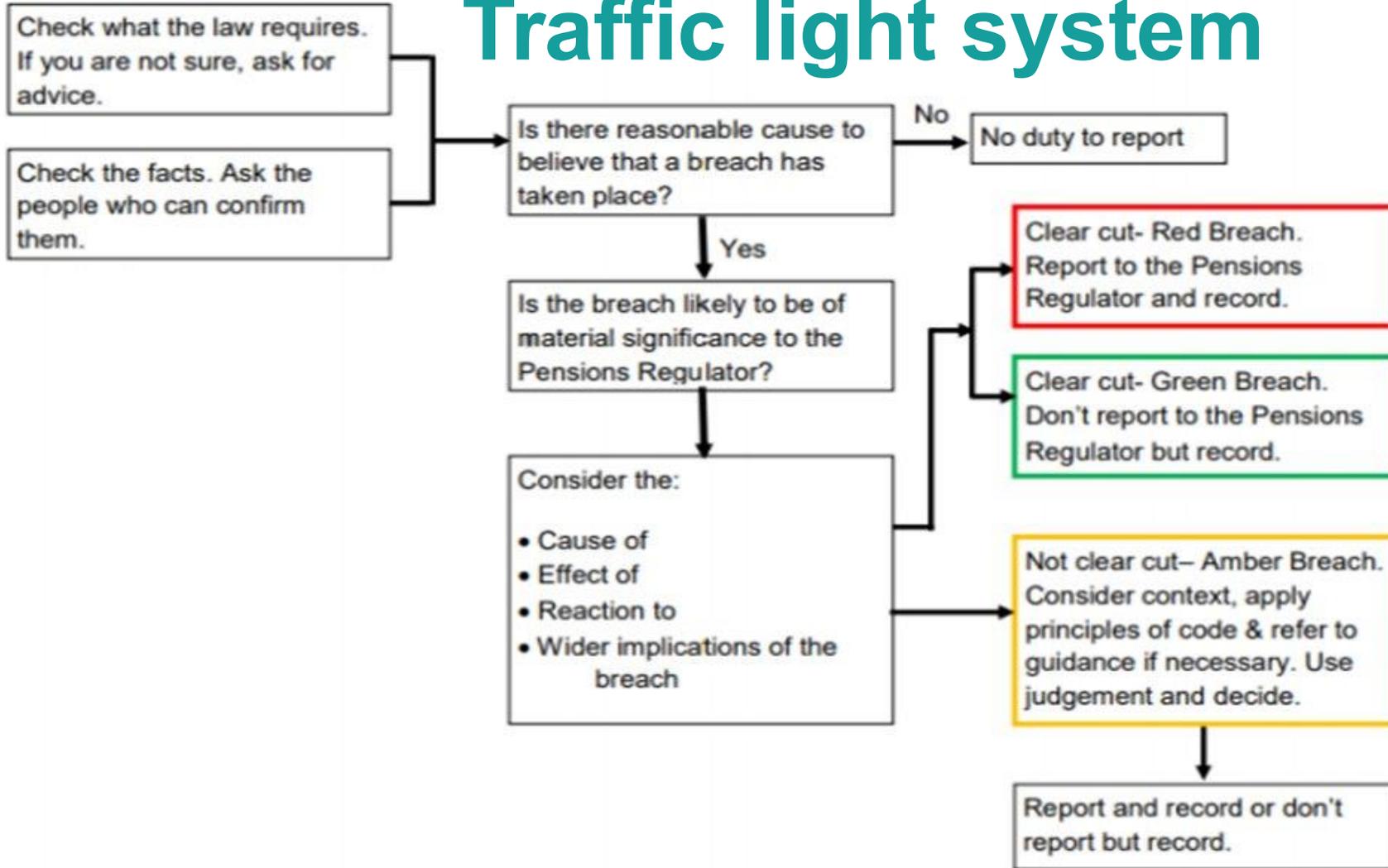


Most common breaches

Cause of Breach	Deadline	Green breach	Means of reporting
Payment of contributions	23rd month	1 day late	Monthly report from investments team
i-Connect submission	19th of month	3 days late	Monthly report from IConnect
Retirement notifications	Individual retirement date	4 weeks late	Admin team
Admission Agreements (admitted bodies)	Employer start date	1 month after start date	Admin team
Administration Breaches	Variable		To be judged by case
Not returning data to National Pension Dashboard	Variable	Variable	Admin Team/Pension Committee/Local Pension Board



Traffic light system



Example 1 - Green Breach

- An employer is late in paying over employee and employer contributions. It is contacted by officers from the administering authority, it immediately pays the contributions that are overdue, and it improves its procedures so that in future contributions are paid over on time.
- In this instance there has been a breach, but members have not been adversely affected, and the employer has changed its processes regarding future payments.
- The breach is therefore not material to the Regulator and need not be reported.

Example 2 - Amber Breach

- A pension overpayment is discovered; the administering authority has failed to pay the right amount to the right person at the right time. A breach has therefore occurred.
- The overpayment is however for a modest amount, and the pensioner could not have known that they were being overpaid. The overpayment is therefore waived.
- In this case there is no need to report the breach as it is not material.



Example 3 - Red Breach

- An employer is late in submitting its statutory year-end return of pay and contributions in respect of each of its active members and as such it is in breach. Despite repeated reminders it still does not supply its year-end return.
- Because the administering authority does not have the year-end data it is unable to supply, by 31 August, annual benefit statements to the employer's members.
- In this instance there has been a breach which is relevant to the Regulator, in part because of the employer's failures, and because the administering authority has not been able to fulfil its statutory duties also.



What to do when a breach happens

- The pension and investment teams are responsible for recognising when an employer is not fulfilling their statutory obligations - these are set out in the Fund's Administration strategy statement:

<https://api.warwickshire.gov.uk/documents/WCCC-67491560-1516>

- There is also a Breaches Policy that all employers should be made aware of:

<https://api.warwickshire.gov.uk/documents/WCCC-67491560-1509>

- If an employer is not providing data to us within the statutory time scales, it must be recorded as soon as it is practical to do so.
- It will then be assessed to see if it is a **Red**, **Amber** or **Green** breach



Reporting process

Before you submit a report, you should obtain clarification of the law around the suspected breach if –

- you are a member of the Staff and Pensions Committee, Investment Sub-committee, Local Pension Board or you are an external adviser, please contact the Warwickshire County Council Head of Legal and Governance
- you are an actuary, auditor or other external agent, please contact the Head of Investments, Audit and Risk
- you represent an employer, please contact the Pensions Administration Services Manager
- you are an officer of the Fund, and you work in Administration, please contact Pensions Administration Services Manager

It's important to note that all recorded breaches do not have to be reported to the Pensions Regulator.



Reporting Information

Any report that is made (which must be in writing and made as soon as reasonably practicable) should be dated and include as a minimum:

- full name of the Fund
- description of the breach or breaches
- any relevant dates
- name of the employer or scheme manager (where known)
- name, position and contact details of the reporter; and
- role of the reporter in relation to the Fund.

Additional information that would help the Regulator includes:

- the reason the breach is thought to be of material significance to the Regulator
- the address of the Fund
- the pension scheme's registry number (if available); and
- whether the concern has been reported before.



Any questions



Access and Fairness changes

Qualifying additional pension arrangements (QAPAs) -

- the cost of buying back pension 'lost' during a period of authorised unpaid absence of more than 14 days to be based on the member and employer's normal contribution rates. These contracts will be known as QAPAs
- the time limit to apply for a QAPA will be one year after returning to work. This is an increase from the current limit of 30 days, but will only be possible while the member is an active member in the same employment
- allowing employers to contribute to the cost of a QAPA for the whole of an unpaid absence that lasts more than three years



Access and Fairness changes

- the pension bought through a QAPA will mirror normal pension built up: it will count towards the calculation of survivor pensions, and will not be reduced if the member retires on redundancy or efficiency grounds
- these new rules will only apply to a continuous period of authorised unpaid absence that started after 31 March 2026.



Access and Fairness changes

The existing rules will apply to unpaid breaks that started before 1 April 2026:

- cost to buy 'lost' pension is based on age-related factors
- employer funds two thirds of the cost if the member elects to buy the lost pension within 30 days of returning to work (or such a longer period allowed by the employer)
- added pension reduced on redundancy or efficiency retirement before Normal Pension Age
- the added pension does not count towards survivor pensions.



Access and Fairness changes

Gender pensions gap – other provisions

- compulsory pension contributions during authorised unpaid absences of 14 days or less, with contributions based on ‘lost’ pay and the member and employer’s normal contribution rates. This applies to authorised absences that start after 31 March 2026. The current rules continue to apply to an unpaid break that started before 1 April 2026.
- assumed pensionable pay (APP) to apply during unpaid additional adoption leave, unpaid additional maternity leave and unpaid shared parental leave. APP will apply during these types of absences only if the unpaid period starts after 31 March 2026. The current rules will apply to any unpaid additional maternity or adoption leave, or unpaid shared parental leave that started before 1 April 2026.



Any questions

