TECHNICAL ALERT

Pensions: An update from Nest, the auto-enrolment pension provider

As members may be aware the Redundancy Payments Service ('RPS') have been making bulk payments to the various pension providers via BACS rather than cheque. However, it recently came to the attention of the R3 Technical Team that NEST had returned a bulk payment of a number of pension claims to the RPS and as a result the RPS determined that they would not be making payments to NEST for the foreseeable future and not until their office was manned again so individual cheques for each claim could be issued.

The R3 Technical Team reported this issue to our contact at NEST, who we have been historically working with, and asked for their views on the reported instance. NEST investigated the matter promptly and via the help of R3 were put in contact with the RPS. Both organisations have now reached an agreement, which is as follows -

- The RPS will now send payments to the appropriate bank account - *there was some confusion over which account was the correct one to use.*
- Once the payment is made, the RPS are to email NEST the payment break down to a designated 'insolvency mailbox'. This will enable NEST to identify which employers the payment is for.
- When the Insolvency Practitioner makes the claim to RPS for the payment they inform NEST how to allocate the payment to members via an 'Exception Schedule'.
- On receipt of the payment for that employer from RPS, NEST is, therefore, able to allocate the payment to the correct members.