Guide to administering AVC contributions
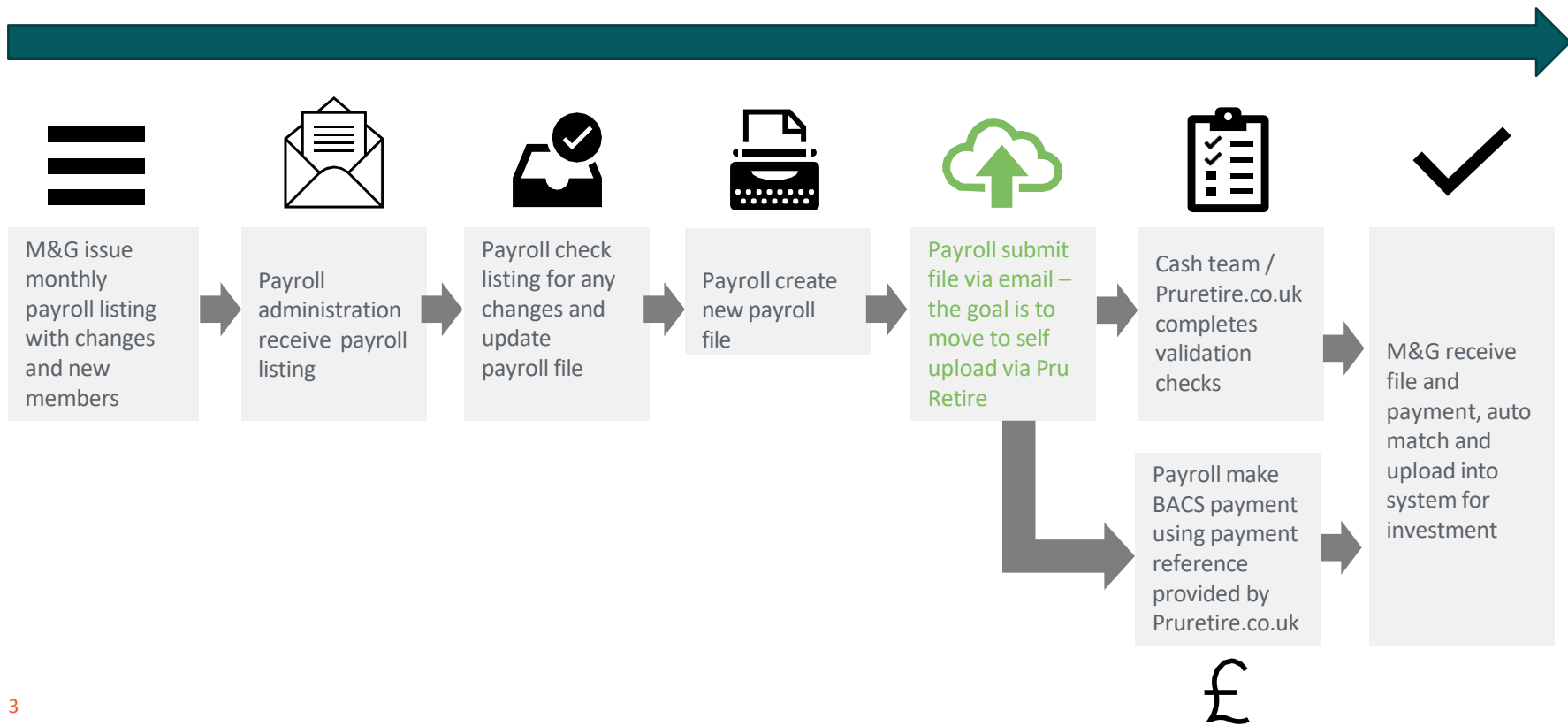
Introduction

We're committed to helping make the administration of your scheme as streamlined as possible while providing scheme members with a safe and secure way of saving for their retirement.

It's important that we receive all of the correct information that we need to administer the scheme on time, in the right formats – so the investments can be made on time, every time.

This guide provides all you need to know in order to format payroll files correctly.

End to end payroll submission process

M&G issue monthly payroll listing with changes and new members

Payroll administration receive payroll listing

Payroll check listing for any changes and update payroll file

Payroll create new payroll file

Payroll submit file via email – the goal is to move to self upload via Pru Retire

Cash team / Pruretire.co.uk completes validation checks

Payroll make BACS payment using payment reference provided by Pruretire.co.uk

M&G receive file and payment, auto match and upload into system for investment

Payroll submission rules

Following these rules will deliver clean and efficient payroll submissions:

- ✓ Payroll files to use M&G specified format

- ✓ One payroll file and payment to be submitted per payroll per pay period

- ✓ Teachers pension and Local Government pension contributions to be ring fenced from each other, submitted on different files and BACS payments. Local Government Standard and Salary Sacrifice Shared Cost AVC's must be submitted on the same file.

- ✓ Payroll files to be submitted before payment is made. We must receive both by the 19th of the following month.

- ✓ BACS payment must use reference numbers provided by M&G's online portal. This matches the file to the payment

- ✓ Negative amounts are not permitted on a payroll file. This will cause the file to fail system validation

- ✓ The total amount on the contribution file must equal the BACS payment submitted

Payroll Newsletter

The newsletter highlights the common data issues that can cause delays in investing members contributions

Pru
part of M&G plc

Simplifying submissions for AVC pension contributions

We're working on making it easier to submit AVC payments and payroll files. We've put together a list of the common issues we see, and tips on how to avoid these from happening.

We want to work with you to help correct any issues and in the near future, we'll start to provide feedback by email or telephone for any errors received.

Issue	What this means
Payroll file missing	To invest contributions, we need the payment and the corresponding payroll file. We'll return the payment if we don't receive the payroll file
New payrolls not set up properly	This is where an academy trust is set up in replacement of a Local Education Authority. You should tell us of this change, so we can set up a new PayPoint
Payroll files not received in the correct sequence	Payroll files must be sent in chronological order. For example, we can't process June's payroll file until we have received May's – even if May's file has been received but has errors
Missing payment, under payment or overpayment	The total amount on the payroll file must match the payment amount sent by Bacs
Combined payroll files for different PayPoints	Payroll files must be kept separate and submitted individually i.e. one payroll file and one payment for each PayPoint on each due date
Negative amounts on payroll file	All amounts must be positive. If there's been an overpayment, contact us to arrange a return of contribution (s)

Contribution received for a non-active member	All contributions must relate to current and active members only
Contributions received for a non-member	Applications for new members must be processed before contributions can be allocated. Don't send contributions for them if they're not included in the payroll listing we give you
Missing or incorrect NI number	This is mandatory information we need to ensure contributions are applied to the correct member records
Payroll file is password protected	Please provide us with the password for any payroll files you send us that are protected
Different contribution frequency on same file	We need separate payroll files for each payment frequency
Combined schemes on a single payroll file	These must be kept separate and submitted individually for each scheme
Payroll file not in correct format	Please ensure the guidance is followed for all submissions - see your payroll guide (below) for more details
Incorrect contribution types recorded	This must be recorded accurately and any new contribution types should have the correct documentation submitted

It's important for payments and payroll files to be sent to us correctly, as it could result in a report being made to the Regulator. It also means:

- We won't invest contributions until the correct payroll file and payment is received. This also impacts other members contained in the payroll files, as they'll be unable to claim or transfer their funds when they need them.
- It can cause tax payments and member benefit statements to be incorrect, if the contribution types on the payroll file are wrong.

### Your guide to administering your payroll

We've put together a handy guide to help submit your payroll information successfully each time. It includes guidance on how to format and send payroll information to us.

Your payroll guide

Creating a payroll file

1. Open Excel
2. Create "Blank workbook"

3. Click "File" then "SaveAs"

Enter file name here		
Excel Workbook (*.xlsx)	▾	🖫 Save
More options...		
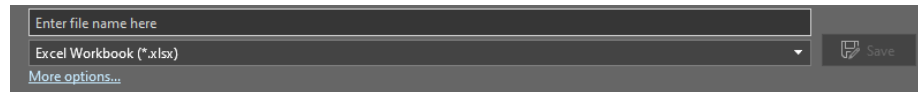
4. Name the file using format
   XXXX_ZZZZZZ_DDMMYYYY_MMYY_name

   The Pru Retire portal will automatically generate the file name for you if required

XXXX	ZZZZZZ	DDMMYYYY	MMYY	Name
The scheme code e.g. L002	Your unique payroll number	Due date for the payment e.g. 19012022	Payroll period number. Must be sequential and can be calendar monthly or financial year monthly, e.g. 0122 (for Jan 2022) or week of the year e.g. 2622 for the 26th week of the year.	Text to describe the file – maximum of 10 letters, e.g. the employer name or the payroll name

5. Change the file type to .csv

Enter file name here		
Excel Workbook (*.xlsx)	▾	🖫 Save
Excel Workbook (*.xlsx)		
Excel Macro-Enabled Workbook (*.xlsm)		
Excel Binary Workbook (*.xlsb)		
Excel 97-2003 Workbook (*.xls)		
CSV UTF-8 (Comma delimited) (*.csv)		
XML Data (*.xml)		
Single File Web Page (*.mht, *.mhtml)		
Web Page (*.htm, *.html)		
Excel Template (*.xltx)		
Excel Macro-Enabled Template (*.xltm)		
Excel 97-2003 Template (*.xlt)		
Text (Tab delimited) (*.txt)		
Unicode Text (*.txt)		
XML Spreadsheet 2003 (*.xml)		
Microsoft Excel 5.0/95 Workbook (*.xls)		
CSV (Comma delimited) (*.csv)		
Formatted Text (Space delimited) (*.prn)		
Text (Macintosh) (*.txt)		

6. Press Save

6

7. Using the file created, add the contribution information in the format shown:

A	B	C	D	E	F	G
Record Type	Member name	Member initials	NI number	Contribution amount	Contribution types	Premium code
Value will always be 1	Upper and lower case letters. Hyphens, apostrophes and spaces are allowed	Upper case letters and spaces allowed. No full stops.	Numbers with upper case letters	Member payment. Numbers with 2 decimal places. No £ sign.	Upper case letters. Standard AVC employee payment: EEAVC – regular EEAVCS – single Shared Cost Local Govt AVC payment: ERREG – regular ERSGL – single	Set to X at all times

8. When complete, press "save".

	A	B	C	D	E	F	G
1		1 Scarletbuzz	C B	UJ377822A		50 EEAVC	X
2		1 Indigowarble	W V	UK531091C		100 EEAVC	X
3		1 Brownwhimper	H P	UK534917B		200 EEAVC	X
4		1 Aquatwitter	H C	UK534918A		45 EEAVC	X
5		1 Aquatwitter	H C	UK534918A		5000 EEAVCS	X

Formatting a payroll file

9. The final line of the file is the trailer record

10. The format for the trailer record is:

9	Sum of contributions	Number of lines

6	9	5395	5			

11. The completed file should look like this:

	A	B	C	D	E	F	G
1	1	Scarletbuzz	C B	UJ377822A	50	EEAVC	X
2	1	Indigowarble	W V	UK531091C	100	EEAVC	X
3	1	Brownwhimper	H P	UK534917B	200	EEAVC	X
4	1	Aquatwitter	H C	UK534918A	45	EEAVC	X
5	1	Aquatwitter	H C	UK534918A	5000	EEAVCS	X
6	9		5395		5		
7							

12. Once file is complete, press Save

Guidance on file formats and BACS is available here:

https://www.mandg.com/pru/workplace-pensions/employers/guide-to-administering-your-payroll

Where to send the BACS payment

£

Account Name	Prudential Assurance Company Ltd PRU BACS Receipts
Destination Sort Code	400250
Destination Account Number	31029142
Branch Address	HSBC, London, City of London Corporate Office PO Box 125, 8 Canada Square, London, E14 5XL

Employer Set Up Form - for easier administration

Public Sector AVC's - New employer / payroll set up & amendment form

This form is for employers to complete if they are not currently set up on the system, to send contributions for active paying AVC members.

The form can also be used to amend existing employer / payroll details that have already been set up.

Submit this form before sending any member contributions and payroll files.

Also complete this in the event of any changes ie change to employer name / address or change payroll provider or a school that is joining or leaving an academy trust.

https://www.mandg.com/dam/pru/shared/documents/en/avcf10077.pdf

Next Steps

Our aim is for employers and payroll administrators to self submit payroll files directly onto PruRetire. Using PruRetire is a faster, more efficient way of sending us payroll files and results in contributions being invested more quickly and allowing you to have a full audit trail.

Set out below are the steps that must be taken before an employer can switch to using PruRetire:

✓   Ensure you send us payroll files using the submission rules.
✓   Use correct referencing on files & BACS payments (if you need clarification on your referencing, please contact us).
✓   We will contact you to onboard you to PruRetire and provide training and guidance on how to upload your files.