

Avoiding late payments

At NEST we recognise there's a lot to think about when you're making payments so we try to do what we can to help you get your contributions to us on time.

Legal obligation

It's worth bearing in mind that employers have a legal obligation to pay contributions by their payment due date. The Pensions Ombudsman has ruled against employers that have taken contributions from their workers and not paid them as quickly as they could.

We expect to receive payment for all members included in your contribution schedule by the payment due date otherwise this will be counted as a late payment. If we receive payment for some but not all members and the payment isn't completed by the payment due date we'll treat it as late unless you've included a valid reason code for partial or non-payment.

When are payments due?

When you set up NEST you tell us the date you want to make payments for each group of workers you're going to enrol. This is called the payment due date and it's the latest date when contributions must be cleared in our bank account for that group.

The latest date is the 22nd of the month after the month you paid your workers, unless you're holding onto contributions for them during their opt-out period. If you chose an earlier date then this will be your deadline. It doesn't matter when you pay your workers in the month, or how frequently you pay them. The date you chose will be your deadline every time you make contributions for that group.

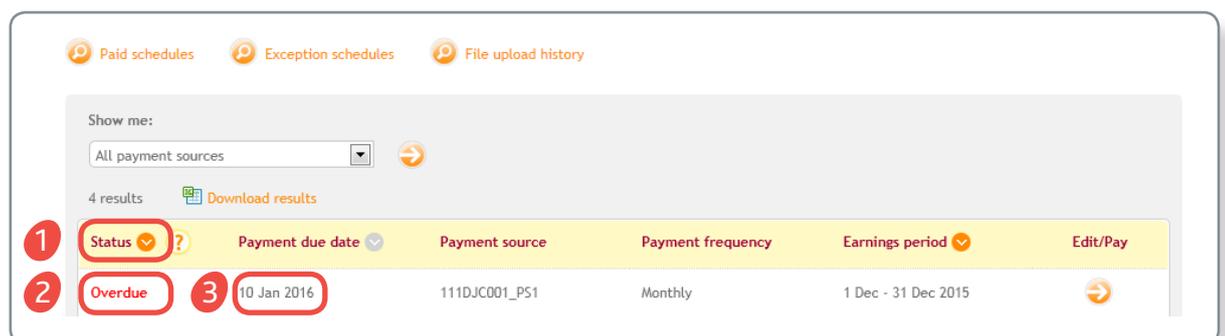
On some occasions you may need to use an exception schedule. For example, you may need to do this where a payment isn't associated with a particular pay period, source or due date. If you use an exception schedule you need to make the payment within 14 days of approving it.

How do I know if I have an overdue payment?

We'll send a late payment notice to your secure inbox telling you that you have an overdue payment. To see which schedule the payment relates to, go to the *Manage your schedules* page.

- 1 On the *Manage your schedules* page re-order the contribution schedules so that any overdue ones come to the top by clicking on the arrow next to the 'Status' heading.
- 2 Any schedules that have the status 'overdue' are late.
- 3 You'll also see the payment due dates in the next column.

Unless it causes unnecessary delays, we recommend submitting overdue schedules in order, starting with the oldest first. This reduces the potential for errors.



Paid schedules Exception schedules File upload history								
Show me:								
All payment sources								
4 results Download results								
1	Status	2	3	Payment due date	Payment source	Payment frequency	Earnings period	Edit/Pay
2	Overdue	3	10 Jan 2016	111DJC001_PS1	Monthly	1 Dec - 31 Dec 2015		

How can I avoid a late payment notice?

Make sure your due date's achievable

Set a realistic payment date which gives your payroll enough time to process payments after a pay period. If your payroll cut-off date is 31 May and your payment due date is 1 June they may struggle to get things done in time.

If you think your existing payment date does not give you enough time you can change it by setting up a new group with a different date. You'll then need to transfer membership from the old group.

Keep track of what needs to be paid and by when

You can keep track of what you need to pay and when by logging into to your online account regularly. Go to the 'Manage your schedules' page to keep on top of processing and check upcoming payment due dates.

Make sure you enrol workers with the correct start date

An eligible jobholder's start date is the date they become eligible for enrolment. This could be your staging date, the day they turn 22 or join your organisation. If you enrol a worker before this date we'll expect a contribution for that period. If you don't pay that contribution or give us a reason for a partial or non-payment by the due date we'll treat this as a late payment.

If a non-eligible jobholder opts in, their start date will be the first day of the next pay reference period. If your payroll has closed for that pay reference period it will be the first day of the following period. If you're using a waiting period then the start date for an eligible jobholder could be anything up to three months after your staging date.

There's no specific legislative deadline for an entitled worker who asks to join, but to keep things simple you may want to use the same timelines as you do for non-eligible jobholders.

If a jobholder opts in, the start date will usually be the first day of the next pay period. You may want to use the same timelines you use for non-eligible jobholders.

Double check the contribution schedule before you approve it

Before you approve your schedule you should check that it's correct according to the amounts you were expecting from your payroll totals. Changing the schedule later can make it harder to make your payments before the due date.

Make sure you give us a reason for members with partial or zero contributions

You must submit all members on a contribution schedule for payment even if they have zero contributions. When you do this you'll need to provide a reason code for the partial or non-payment. See our *Employer payroll guide* for the full list of reason codes.

How can I hold on to contributions during a member's opt-out period?

If you want to, you can hold on to all the contributions you deduct from a member's pay until after their opt-out period ends. If you decide to hold on to contributions, you'll still need to deduct them from the member's pay but you won't need to include the member in any contribution schedules until after their opt-out period has ended.

If you make contributions manually online and want to hold on to a member's contributions, don't add any information to the member record and leave their status as 'Action

needed – Not yet validated'. If you make contributions by file upload or by secure file transfer protocol (SFTP) and want to hold on to contributions for a member, don't include a record for that member on your file at all.

At NEST you can hold on to these contributions until the end of the second calendar month after the member's start date. Recent changes to legislation mean it's legally possible to hold on to these contributions for longer but NEST doesn't support this extended deadline.

It's possible that you'll hold back contributions from more than one earnings period. For a weekly payment frequency this could be several weeks of contributions. If the member doesn't opt out, you'll need to remember to pay all contributions you've held on to for these members after their opt-out period ends.

You'll need to submit each contribution schedule you've held onto individually. For example, if you've held back four sets of contributions during a worker's opt-out period then you'll need to submit four separate contribution schedules, one for each pay period. You can reduce errors by submitting them in order with the oldest first.

The legislation also allows employers to hold on to contributions for workers without qualifying earnings even though they don't have an opt-out period. However, NEST doesn't support this.

Make sure all your member records are valid

When you provide information in a contribution schedule we perform checks on every member record. If a member record includes an error you'll need to fix it before you can make a payment for that member. If you try to make a payment without fixing it we won't accept the payment.

If there's a problem with individual records rather than the whole schedule you can usually approve all the other records for payment and make these payments while you fix the remaining errors. But you'll need to make sure you've fixed all remaining errors in time for full payment to reach our bank account by the payment due date.

How do I find an overdue schedule that contains errors?

We'll tell you if an overdue schedule contains errors in the Contribution schedule summary on the 'Manage your contributions' page.

- 1 Click on the arrow symbol in the 'Edit/Pay' column to select the overdue schedule.
- 2 The Contribution schedule summary tells you whether any member records have errors.

You'll need to make sure that all member records are valid and then process them for payment again. The system will only pick up your changes to calculate the amount due.

Using our templates will improve the quality of your information as they let you validate some aspects of the data before you send it to us. You can find these templates and files in *NEST CSV templates and XSD files*. We recommend you use our *NEST file tester* to perform checks on your schedule to ensure that all entries are in the right format.

Make sure you pay the amount we're expecting

Once you've approved a contribution schedule the amount you pay needs to match the amount you've approved for payment or we'll not be able to allocate the money and may refund it. If it doesn't match, we'll send a message to your secure mailbox to tell you.

Paid schedules Exception schedules File upload history

Show me:
All payment sources

4 results Download results

Status	Payment due date	Payment source	Payment frequency	Earnings period	Edit/Pay
Overdue	10 Jan 2016	1110JC001_P51	Monthly	1 Dec - 31 Dec 2015	1

Status of schedule: **Overdue**

2 There is 1 member in this schedule. Action is needed for 1. [More details](#)

Total Payment due so far: **£0.00**

Save the changes you make to this schedule to see the total payment due so far.

[Save changes](#) [Make payment](#)

Make sure the money clears in NEST’s account by your payment due date

The payment due date is the date that the money has to be in our account, so it’s important to allow enough time for this. The time it’ll take for the money to clear in NEST’s account depends on the payment method you’re using. The table below gives an indication of the time required. You should always check these arrangements with your bank to ensure that we receive money on time.

Payment method	Clearing time
Direct Debit	Usually five working days from your submission
Debit card	Most debt card payments will take up to five working days.

You may need to allow additional time for weekends and bank holidays to make sure payment reaches us by the payment due date.

Further information

If you have any further queries or you’d just like more information about NEST visit nestpensions.org.uk/nestforemployers. You’ll find a range of guides to help you get to grips with NEST as well as helpful tools and communication templates.