

# SRS Automation Portfolio – Not In Scheme – CEP Automation Solution

## 1 Solution Summary

This solution summary has been updated to reflect the extension of Phase 7 automation and the extension of the SRS deadline for automated queries.

The Not In Scheme – Contributions Equivalent Premium (NIS-CEP) Automation Solution is part of the SRS Automation Portfolio developed to automate the clerical processing of queries received from pension schemes as part of the Scheme Reconciliation Service (SRS) offered by HMRC.

NIS-CEP targets “Not In Scheme - CEP” queries. Pension schemes request to pay a CEP to replace the liability in the scheme, when the period of employment is less than 3/6 tax years depending on the termination date.

The solution has been developed for queries where liability is held in the scheme, the period is **agreed** by the PSA and the full liability period (as provided in the Start Date (HMRC) and End Date (HMRC) columns in the input file) needs to be amended to a CEP. The solution does not review the Start Date (Scheme) and End Date (Scheme) columns.

The solution should not be used for requesting CEP calculations as it removes the liability from the period requested and records a CEP, which generates corresponding debt for the period.

The response file will provide details listed in the table below.

Pension Scheme Administrators will not be required to send payment of the CEP amounts notified by the solution. These will be picked up by the re-run of the billing solution if they have not been offset by available funds within the scheme.

| Scheme SCON  | Scheme Name  | CEP Amount | Certified Amount |
|--------------|--------------|------------|------------------|
| Blank / null | Blank / null | £20.00     | £5.50            |

## 2 Solution inputs

This solution will require SRS query template input files containing the Not In Scheme queries from the schemes in question.

All input files should be formatted with the headers below. The fields marked in red indicate mandatory fields to be completed in the input files.

| Q-204  | Member Type   | HM Number     | Account (HMRC)   | 1st Initial (HMRC)   | 2nd Initial (HMRC)   | Start Date (HMRC)    | End Date (HMRC)      | Total GMP (HMRC)     | Post 88 GMP (HMRC)   | Revaluation Rate (HMRC) | Query Type           | Surname (Scheme)     | Initials (Scheme)    | Start Date (Scheme)  | End Date (Scheme)    | Total GMP (Scheme)   | Post 88 GMP (Scheme) | Revaluation Rate (Scheme) |                      |                      |                      |                      |                 |               |
|--------|---------------|---------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|-----------------|---------------|
| Gender | Date of Birth | Date of Death | Scheme Reference | Cents/Earnings 78/79 | Cents/Earnings 79/80 | Cents/Earnings 80/81 | Cents/Earnings 81/82 | Cents/Earnings 82/83 | Cents/Earnings 83/84 | Cents/Earnings 84/85    | Cents/Earnings 85/86 | Cents/Earnings 86/87 | Cents/Earnings 87/88 | Cents/Earnings 88/89 | Cents/Earnings 89/90 | Cents/Earnings 90/91 | Cents/Earnings 91/92 | Cents/Earnings 92/93      | Cents/Earnings 93/94 | Cents/Earnings 94/95 | Cents/Earnings 95/96 | Cents/Earnings 96/97 | Scheme Comments | HMRC Comments |

The **Start Date (HMRC)** and **End Date (HMRC)** columns should be populated with the details of the liability period that the schemes wish to amend to a CEP membership.

Any data submitted in the *Start Date (Scheme)* and *End Date (Scheme)* columns will be *ignored* by this solution.

### 3 Solution outputs

This solution will output 1 file for batch processing, 1 file of rejected queries, 1 file of query responses, and 1 file of remainder cases for each query input file received.

Every query from the input files will be accounted for in the solution output, i.e. every query will occur on either the reject file, the response file, or the remainder file. (Note: there are situations where one query appears more than once on the query response file and/or when one query appears on both the query response file and the remainder file. In this case, where the query is output will be decided based on an order of priorities as detailed in section 3.2.4.)

### 3.1 Rejected queries

The format of data fields on the input files will be checked to ensure that the automated exercise does not fall over during the automation process – one incorrectly formatted field could cause the whole exercise to fail or incorrect results to be generated, resulting in the need for re-work and/or recovery exercises. Schemes are advised to follow the instructions below on input file content/formatting .

Requirements on a few key input file fields are listed below:

| Field                               | Keying Requirements  | Comments   |
|-------------------------------------|--|--|
| SCON                                | (S)0000000(L)  | NULL SCON will be rejected   |
| NI Number                           | LLNNNNNN (nino) or>NNLNNNNN (TRN)  | NULL NI Number will be rejected  |
| Start Date (HMRC) & End Date (HMRC) | Must be in Convertible format (for example DD/MM/YYYY, DDMMYYYY, YYYYMMDD) | <p>NULL start/end dates will be rejected</p> <p>The query will also be rejected:</p> <ul style="list-style-type: none"> <li>• Where the End Date (HMRC) is on or before 05/04/1988 and the TY of the End Date (HMRC) is more than 6 years after the TY of the Start Date (HMRC)</li> <li>• Where the End Date (HMRC) is on or after 06/04/1988 and the TY of the End Date (HMRC) is more than 3 years after the TY of the Start Date (HMRC)</li> </ul> |
| Surname (HMRC)                      |  | NULL surname will be rejected  |

A list of the queries from the input file query template with incorrectly formatted and/or incomplete input information will be rejected and output in a file to be returned to the scheme. These queries cannot be resubmitted. If no query has been rejected, a blank reject file will be returned to the scheme for consistency.

### 3.2 Query response file

Query responses will be provided to schemes in the query response files. All query response files should be formatted with the headers as shown below.

| SCON | Member Type | NI Number | Surname (HMRC) | 1st Initial (HMRC) | 2nd Initial (HMRC) | Start Date (HMRC) | End Date (HMRC) | Total GMP (HMRC) | Post 88 GMP (HMRC) | Revaluation Rate (HMRC) | Query Type | Surname (Scheme) | Initials (Scheme) |
|------|-------------|-----------|----------------|--------------------|--------------------|-------------------|-----------------|------------------|--------------------|-------------------------|------------|------------------|-------------------|
|------|-------------|-----------|----------------|--------------------|--------------------|-------------------|-----------------|------------------|--------------------|-------------------------|------------|------------------|-------------------|

| Start Date (Scheme) | End Date (Scheme) | Total GMP (Scheme) | Post 88 GMP (Scheme) | Revaluation Rate (Scheme) | Gender | Date of Death | Scheme Reference | Conts/Earnin gs 78/79 | Conts/Earnin gs 79/80 | Conts/Earnin gs 80/81 | Conts/Earnin gs 81/82 | Conts/Earnin gs 82/83 | Conts/Earnin gs 83/84 |
|---------------------|-------------------|--------------------|----------------------|---------------------------|--------|---------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|---------------------|-------------------|--------------------|----------------------|---------------------------|--------|---------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

| Conts/Earnin gs 84/85 | Conts/Earnin gs 85/86 | Conts/Earnin gs 86/87 | Conts/Earnin gs 87/88 | Conts/Earnin gs 88/89 | Conts/Earnin gs 89/90 | Conts/Earnin gs 90/91 | Conts/Earnin gs 91/92 | Conts/Earnin gs 92/93 | Conts/Earnin gs 93/94 | Conts/Earnin gs 94/95 | Conts/Earnin gs 95/96 | Conts/Earnin gs 96/97 | Scheme Comments |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|

| HMRC Comments | Original Start Date (HMRC) | Original End Date (HMRC) | Scheme SCON | Scheme Name | CEP Amount | Certified Amount |
|---------------|----------------------------|--------------------------|-------------|-------------|------------|------------------|
|---------------|----------------------------|--------------------------|-------------|-------------|------------|------------------|

Key:

- Mandatory Input File Data
- Non-Mandatory Input File Data
- Additional Data Output

An appropriate HMRC comment will be given to inform the schemes of membership details, where available. Otherwise an explanation as to why this information cannot be provided will be given. A full list of HMRC comments that might appear on the query response file are shown below in section 3.2.1 and 3.2.2:

### 3.2.1 Comments corresponding to basic checks:

The first stage of this solution runs basic checks against the input data provided from PSA's. If the query fails one of these basic checks, the solution will output one of the following comments on the query response file:

| HMRC Comments  | When will this comment be provided?  |
|--|--|
| NINO does not exist on HMRC records – please check                   | The solution will verify whether the NINO from input query file exist on HMRC records. If the NINO doesn't exist on HMRC records, this comment will be provided in the "HMRC Comments" field on the query response file.   |
| NINO / Surname incorrect – please check                              | The solution will verify whether the NINO-Surname combination from input query file match with records on HMRC records:<br>Either: <ul style="list-style-type: none"> <li>the surname on input file matches the current surname record on HMRC records</li> <li>Or the surname on input file matches a name entry on HMRC records but not the current name.</li> <li>Or the surname on the input file matches the requested name stored on HMRC records but not the current or previous surnames.</li> </ul> <p>If NINO-Surname combination doesn't match a record on HMRC records, this comment will be provided in the "HMRC Comments" field on the query response file.</p> |
| National Insurance account not live – no liability                   | The solution will verify whether the account in question is redundant (i.e. not used) or non-live on HMRC records. If the account is redundant or non-live, this comment will be provided in the "HMRC Comments" field on the query response file.   |
| No liability output as no qualifying spouse for this deceased member | If the individual in question is deceased, the solution will verify whether the individual has a qualifying (surviving, non-redundant and live) spouse. If no qualifying spouse exists for the deceased individual on HMRC records, this comment will be provided in the "HMRC Comments" field on the query response file.   |
| MWRR paid until dd/mm/yy<br>OR<br>MWRR recorded up to SPA            | The solution will check whether a period of "Married Women Reduced Rate" (MWRR) liabilities exists that covers the period on the input query file or else covers the period up to the date of State Pension Age (SPA). If so, this comment will be provided in the "HMRC Comments" field on the query response file.   |
| Scheme Membership start date provided is after the FRY of SPA        | The solution will check whether the membership period on input query file started before final relevant year + 1. (Note: Final Relevant Year (FRY) is the last complete tax year before reaching SPA i.e. the tax year in which the individual reaches SPA is the FRY + 1). If the membership period on input file started in FRY + 1 or later, this comment will be provided in the "HMRC Comments" field on the query response file.   |

### 3.2.2 Comments corresponding to memberships details

The second stage of this solution is to check all the membership details for the queries that passed the basic checks. These memberships are output onto the query response file, along with one of the following comments explaining why:

#### Case 1: No contracted out held

| HMRC Comments | When will this comment be provided? |
|---------------|-------------------------------------|
|---------------|-------------------------------------|

|                        |   |
|------------------------|---|
| No contracted out held | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• matching on NINO cannot be found in HMRC records</li> <li>• Or is not live and has a NINO that matches HMRC records</li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> |
|------------------------|---|

**Case 2: No contracted out earnings recorded under a corresponding ECON**

| HMRC Comments  | When will this comment be provided?  |
|--|--|
| No contracted out earnings recorded under a corresponding ECON | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is open</li> <li>• has an ECON that is <b>not</b> compatible to the query SCON</li> <li>• has been found under the query NINO on HMRC records</li> <li>• And either passes or does not pass the start date checks below:               <ol style="list-style-type: none"> <li>1. Query start date matches on start date held in HMRC records</li> <li>2. Query start date of earliest membership on the transfer chain matches on query start date held in HMRC records;</li> <li>3. Query start date of live membership matching on NINO is within -1/+1 tax year of query start date on HMRC records.</li> </ol> </li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> |

**Case 3: Start date does not match HMRC records. Please investigate.**

| HMRC Comments   | When will this comment be provided?   |
|---|---|
| Start date does not match HMRC records. Please investigate. | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is open</li> <li>• has an ECON that <b>is</b> compatible to the query SCON</li> <li>• has been found under the query NINO on HMRC records</li> <li>• and does not pass the start date checks below:               <ol style="list-style-type: none"> <li>1. Query start date matches on start date held in HMRC records</li> <li>2. Query start date of earliest membership on the transfer chain matches on query start date held in HMRC records;</li> <li>3. Query start date of live membership matching on NINO is within -1/+1 tax year of query start date on HMRC records.</li> </ol> </li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> |

**Case 4: Period doesn't match HMRC records. Please investigate**

| HMRC Comments   | When will this comment be provided?   |
|---|---|
| Period doesn't match HMRC records, Please investigate | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is closed</li> <li>• has passed the NINO, ECON checks</li> <li>• doesn't pass one of the end date checks below:               <ol style="list-style-type: none"> <li>1. Query end date is after 05/04/2016 and end date held in HMRC records is 05/04/2016</li> <li>2. Query end date matches on end date held in HMRC records</li> <li>3. Query end date is within +1/-1 tax year of query end date on HMRC records</li> </ol> </li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> |

### Case 5: Period enquired is held with another scheme

| HMRC Comments   | When will this comment be provided?  |
|---|--|
| <p>Period held with another scheme. Scheme name and SCON advised where appropriate.</p> | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is closed</li> <li>• has a SCON that does <b>not</b> match the query SCON and the SCON is not held as 0 in HMRC records</li> <li>• has passed the NINO, ECON checks</li> <li>• has passed the end date checks below:               <ol style="list-style-type: none"> <li>1. Query end date is after 05/04/2016 and end date held in HMRC records is 05/04/2016.</li> <li>2. Query end date matches on end date held in HMRC records</li> <li>3. Query end date is within +1/-1 tax year of query end date on HMRC records</li> </ol> </li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> <p>“Scheme SCON” field on the query response file will also be populated with the SCON of the membership extracted from HMRC records in this case.</p> <p>“Scheme Name” field on the query response file will also be populated with the scheme name of the membership extracted from HMRC records in this case.</p> |

### Case 6: CEP already held with scheme

| HMRC Comments                      | When will this comment be provided?   |
|------------------------------------|---|
| <p>CEP recorded in your scheme</p> | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is closed</li> <li>• has a SCON that matches the query SCON</li> <li>• has passed the NINO, ECON and end date checks</li> <li>• has already been marked as CEP</li> </ul> <p>this comment will be provided in the “HMRC Comments” field on the query response file.</p> |

### Case 7: Open membership terminated – CEP data supplied

| HMRC Comments   | When will this comment be provided?   |
|---|---|
| <p>Open membership terminated – CEP data supplied</p> | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is open</li> <li>• has an ECON that is compatible to the query SCON</li> <li>• has been found under the query NINO on HMRC records</li> <li>• has passed the start date checks and the start date in HMRC records is earlier than the query End Date (HMRC)</li> </ul> <p>the membership will be terminated, a CEP membership will be added and this comment will be provided in the “HMRC Comments” field on the query response file.</p> <p>“Scheme SCON” field on the query response file will also be populated with the SCON of the membership extracted from HMRC records in this case.</p> <p>“Scheme Name” field on the query response file will also be populated with the scheme name of the membership extracted from HMRC records in this case.</p> <p>“CEP amount” field on the query response file will also be populated with the CEP amount of the membership extracted from HMRC records in this case.</p> <p>“Certified amount” field on the query response file will also be populated with the certified amount of the membership extracted from HMRC records in this case.</p> |

### Case 8: Closed membership debited, CEP membership created - CEP data supplied

| HMRC Comments                          | When will this comment be provided?  |
|--|--|
| Records updated. CEP details supplied. | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is closed</li> <li>• has a SCON that matches the query SCON</li> <li>• has passed the NINO, ECON and end date checks</li> <li>• is a GMP or COSR membership</li> </ul> <p>the membership will be debited, a CEP membership will be added and this comment will be provided in the "HMRC Comments" field on the query response file.</p> <p>"Scheme SCON" field on the query response file will also be populated with the SCON of the membership extracted from HMRC records in this case.<br/> "Scheme Name" field on the query response file will also be populated with the scheme name of the membership extracted from HMRC records in this case.<br/> "CEP amount" field on the query response file will also be populated with the CEP amount of the membership extracted from HMRC records in this case.<br/> "Certified amount" field on the query response file will also be populated with the certified amount of the membership extracted from HMRC records in this case.</p> |

### 3.2.3 Additional information provided on the query response file

During the second stage of this solution while checking all the membership details for the queries that passed the basic checks, in two cases the values provided on the query file will be overwritten. These memberships are output onto the query response file, along with the original values explaining the reasons why below:

#### Case 1: Start date in HMRC records within +1/-1 tax year

| Original Start Date (HMRC) | When will this field be populated?  |
|----------------------------|---|
| DD/MM/YY                   | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is open</li> <li>• has been found under the query NINO on HMRC records</li> <li>• does <b>not</b> pass the start date checks below: <ol style="list-style-type: none"> <li>1. Query start date matches on start date held in HMRC records</li> <li>2. Query start date of earliest membership on the transfer chain matches on query start date held in HMRC records;</li> </ol> </li> <li>• query start date of live membership matching on NINO is within -1/+1 tax year of query start date on HMRC records.</li> </ul> <p>the Start Date (HMRC) will be overwritten with the start date found on HMRC records and the Original Start Date (HMRC) will be output in the Original Start Date (HMRC) field on the query response file.</p> |

#### Case 2: End date in HMRC records within +1/-1 tax year

| Original End Date (HMRC) | When will this field be populated?   |
|--------------------------|--|
| DD/MM/YY                 | <p>If a membership:</p> <ul style="list-style-type: none"> <li>• is live</li> <li>• is closed</li> <li>• has passed the NINO, ECON and start date checks</li> <li>• does <b>not</b> pass the end date checks below:</li> </ul> |



|  |  |
|--|--|
|  | <ol style="list-style-type: none"> <li>1. Query end date is after 05/04/2016 and end date held in HMRC records is 05/04/2016</li> <li>2. Query end date matches on end date held in HMRC records <ul style="list-style-type: none"> <li>• query end date of live membership matching on NINO is within -1/+1 tax year of query end date on HMRC records.</li> </ul> </li> </ol> <p>the End Date (HMRC) will be overwritten with the end date found on HMRC records and the Original End Date (HMRC) will be output in the Original End Date (HMRC) field on the query response file.</p> |
|--|--|

### 3.2.4 Order of priorities for HMRC comments

If multiple memberships are identified for one query, only one membership will be output on the query response file or on the remainder file.

The decision which comment will be output on the query response file will be made based on the order of priorities for comments below (1 being the highest priority). If memberships are identified for one query where comments with a lower priority would be output, when a membership for the same query with a comment with a higher priority is also identified, the memberships with lower priority comments with lower priority will be removed from the query response.

| HMRC Comments  | Priority |
|--|----------|
| CEP recorded in your scheme  | 1        |
| Period held with another scheme. Scheme name and SCON advised where possible | 2        |
| No contracted out earnings recorded under a corresponding ECON               | 3        |
| Start date does not match HMRC records. Please investigate.                  | 4        |
| Period does not match HMRC records. Please investigate.                      | 5        |

### 3.3 Remainder file

For queries where a fully automated response hasn't been provided by NIS-CEP, they will be put into the remainder file.

Where a duplicate NI No with the same scon is included in the same run of the solution, these queries will also be put into the remainder file.

Clerical work will no longer be performed for any queries in the remainder file that were submitted after the deadline date of 31<sup>st</sup> October 2018 for Live Schemes and of 31<sup>st</sup> December 2018 for Scheme Cessation queries. The remainder files will therefore be provided to schemes with no action performed on these queries.