Monthly Contributions Reconciliation (MCR) template updates
April 2024

Introduction

We've recently made changes to the MCR template to help you make your submissions. The template has been updated with the following features:

- the latest employer rate and new contribution tier bandings for members
- the new upfront STOP error
- our new functionality in the calculation for contribution tier field.

Employer rate and contribution tiers

The employer contribution rate increased from 23.68% to 28.68% from 1 April 2024. As the rate of the Consumer Price Index (CPI) rose by 6.7% in the year to September 2023, the salary bands for contribution rates for members increased by 6.7% with effect from 1 April 2024.

For more information on the contribution bands head to our updates page on our website. The MCR template will reflect the new employer rate and the contribution tier bandings.

New upfront STOP error

To ensure that a member's service as well as their contributions is updated correctly, a new STOP error has been introduced when you submit your monthly data.

When you populate the Pensionable Overtime Field (column AH on the template or column AG in the .csv file), you also need to populate the Overtime field (column AB on the template or column AA in the .csv file).

If they aren't both populated you'll receive a STOP error. You'll need to correct this error to progress to the payment summary in Section B.

The calculation for contribution tier field

A new WEBK indicator '**When earned backdated pay award'** has been added for use when corrections are needed and some of the Pensionable Pay in the Pay period relates to a 'Backdated Pay Award'. You can find this in the template Section A, column AE - from row 10 onwards, to column AD - from row 3 onwards in the .csv file.

When you're processing WEBK lines on your MCR submission, the order the lines appear in are important. The WEBK lines need to appear in the submission before the 'When Earned WE line' that's being used to determine the tier. Please refer to the example below.

You should use this method when processing corrective activity for a period that was affected by a backdated pay award when originally processed. This'll ensure that the contributions can be reported correctly and that members aren't disadvantaged.

Example

This employer has included all the pay in the November line and not submitted updated lines for September and October. The correct amount of contributions were paid, but this meant that the backdated pay award wasn't reflected in the annual full-time salary for September and October.

Record Action	Local Authority Number	Establishment Number	Role Identifier	Start Date	End Date	Withdrawal Confirmation	Days Excluded	Full-time/Part-time Indicator	Annual Full-time Salary	Part-time Earnings
U	123	4567	C1/R1	01092023	30092023			PTR	52000.00	3250.00
U	123	4567	C1/R1	01102023	31102023			PTR	52000.00	3250.00
U	123	4567	C1/R1	01112023	30112023			PTR	52000.00	3250.00
A	123	4567	C1/R1	01122023	31122023			PTR	52000.00	3250.00

Calc Method for Contribution Tier	Contribution Calculation date	Actual Pensionable Pay in the Pay Period	Employer Contributions	Member Contributions	Member Contribution Tier (%)	Employer Contributions - Previously Paid	Member Contributions - Previously Paid	Employer Contributions Adjustment	Member Contributions Adjustment
WEBK	30112023	150.00							
WEBK	30112023	150.00							
WE	30112023	3250.00	840.64	305.30	8.6	840.64	305.30	0.00	0.00
		3250.00	769.60	279.50	8.6				

What should be done to correct this?

You'd need to provide 'U lines' for September, October and November, with the following information:

- for September and October, the Annual Full-time salary and Part-time earnings must be updated to the new correct amount and the actual pensionable pay for these lines would be the uplift amount for these two lines. They'd require the new 'When earned backdated pay award indicator' WEBK
- the November line would be a 'When Earned WE' line, correcting the actual pensionable pay to the salary received for November only
- all three lines would require the contribution calculation date of 30 November as this was the date the backdated pay award was originally awarded. The November 'actual pensionable pay' determines the tier and banding used for calculating these three lines
- the £3,250 earnings would have a contribution band of 8.6%, so would need deductions of £305.30 for the member and £840.64 for you, the employer
- the previously paid fields for yourself and the member will need to be populated (this would be the same value in this example as the correct contributions were made)
- the employer and member adjustment would be £0.00
- the last line is a December 'A line' with the current month's service and salary information, a when paid line.