

End of Year Certificate (EOYC) Information for auditors

March 2023



Important

The EOYC submission includes a reference to the pension contributions, which should have been paid to us. You're required to undertake a number of tests as per Appendix 1 of TP05 and ensure you're satisfied about the following:

1. The member and employer contributions have been correctly calculated for all of those required to contribute to the Scheme, based on the pensionable salaries paid and the appropriate contribution rates applied
2. The correct amount has been paid.

You should:

- make simple amendments agreed with the employer in red on the submission and include 'subject to the amendments in red, no report is required'
- alternatively, where there are uncertainties or an agreement can't be reached with the employer, you should set out the details surrounding it in a formal letter to us.

If amendments have been made and uncertainties or disagreements still remain, please include this in a letter along with the submission.

Tests to be undertaken by auditors

Please ensure that all relevant parts of the form are completed and check all calculations on the form:

- Ascertain the method of compilation of the submission and the internal controls which apply
- Consider to what extent they may be relied upon to produce accurately compiled returns and whether there are areas covered by the submission, which may have a high risk of error
- Investigate any changes in the method of compilation of the form
- Compare the submission and working papers with those of the previous period
- Obtain and validate explanations for significant variations. If the previous submission resulted in adjustment to that return after any necessary decisions made by us, ensure that the corrected approach has been followed in the current return.

Please check the following on the EOYC:

Section 1

- The total of Actual Contributory Salary agrees with the employer's payroll records after taking account of excluded cases as set out in the [EOYC guidance notes](#).

Section 2

- The total career average flexibilities
- Additional pension payments
- Additional contributions agree with the employer's payroll records
- The total member's contributions agree with the employer's payroll records
- The total employer's contributions have been calculated in the relevant ratio to the actual contributory salary in Section 1
- The contributions due for member's and employer's contributions have been correctly calculated
- The contributions paid in respect of the return are correctly analysed between the types of contribution made and that all figures agree with amounts paid as recorded by the employer, evidenced by bank records and confirmed to us
- That all figures in Section 2 correctly cast and calculate accordingly.

Section 3

- Member's contributions at each tier correctly reflect the applicable percentage rate when applied to the contributory salary at the tiers and agree with the employer's payroll records
- Employer's contributions at each tier correctly reflect the applicable percentage rate when applied to the contributory salary at the tier and agree with the employer's payroll records
- Total of contributory salary agrees to the value at Section 1
- Total of member's contributions agrees to the value at Section 2
- Total of employer's contribution agrees to the value at Section 2.

Should it not be possible to agree the values in Sections 1 and/or 2, additional certification work will be required in respect of tiered deductions. We'll automatically issue the certificate where applicable.

Section 4

- Has Section 4 been completed by the Officer with Financial Responsibility and been correctly signed and dated?

Transaction Testing

Make sure contributions from anyone eligible to be a member of the Teachers' Pension Scheme by virtue of Schedule 2 to the Regulations, including those who have elected to contribute to the Scheme – but excluding those who have opted out, are brought to account on the return.

You should sample check pay records from which the return is compiled to confirm that:

- only pensionable pay has been used to determine the contributions to be deducted under Regulation 15
- where members are employed part-time the correct contributions have been deducted
- where members are either paying additional contributions or purchasing additional pension the correct contributions have been deducted
- where members haven't had contributions deducted, it was correct not to do so
- the correct tier has been applied, based on the member's monthly contributory salary
- back dated pay awards have been correctly applied and tiered contributions recalculated where necessary.

The size of the sample will depend on the information provided by the employer about controls.

The circumstances in which contributions are not payable are where an employee:

- Has opted out of the Teacher's Pension Scheme
- Is aged 75 or over
- Is in receipt of non-pensionable allowances e.g. honorarium payment
- Has been in continuing part-time employment from before 1 January 2007 and has not made a valid election to treat the service as pensionable
- Has retired before 1 January 2007 (other than on ill health grounds) and has been in continuing employment before 1 January 2007 and did not make an EFE election.

Circumstances which apply where contributions are paid at a non-standard rate include:

- a member has elected to buy additional years
- a member has elected to buy Additional Pension
- a member is paying contributions to re-instate earlier years of service for which contributions were previously withdrawn
- a member has elected to pay contributions for additional family benefits
- a member has elected to pay contributions on a former higher salary, TR22 elections.

For a selection of members whose records show an additional contributions election, please check that the correct deductions are being made on the payroll. You should refer to the list for employers provided by us which indicates which members have elected to pay additional contributions.

Common errors to look out for:

- The employer has not treated service as pensionable despite the Teachers' Pension Scheme membership being automatic for all members including those who are
- re-employed members unless they have opted out
- The employer hasn't treated part-time service as pensionable where a member has changed contract or taken up additional employment
- A member has changed employer and an election hasn't been identified by the new employer
- Contributions have been deducted in error by a new employer because a member has not notified them that they have opted out
- A member's election to pay additional contributions hasn't been implemented
- Members who are in receipt of ill-health benefits don't have their contributions deducted when they return to full-time employment
- Non-deduction of contributions in respect of pensionable allowances
- Deductions of contributions in respect of an allowance that is not pensionable
- Incorrect rate of deduction for additional contributions – or collection of additional contributions past the cessation date
- Payment of TAVC contributions to us instead of the appropriate insurance company
- Payment of arrears relating to previous financial years.

Action taken by the Teachers' Pension Scheme

We'll reconcile the submission upon receipt, any discrepancies will be investigated and we'll contact you if necessary. If you agree that there's an underpayment, this should be paid to us immediately and an EOYC underpayment submission should be issued via the Employer Portal.

If there's an overpayment you shouldn't take any action regarding this until instruction from us has been received following reconciliation of the submission.