

**LETTER OF COMPLIANCE POLICY**

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The Construction Workers Pension Scheme (“CWPS”) is a Revenue approved Occupational Pension Scheme (approved by the Revenue Commissioners under Section 774 of the Taxes Consolidation Act, 1997). **Confirmation of CWPS membership is issued only in the format of a “Letter of Compliance”.**

### **What is a Letter of Compliance (“LoC”)**

A Letter of Compliance (LoC) is issued by CWPS to confirm that pension contributions are paid to CWPS in respect of a firm’s currently registered employees in accordance with the Scheme rules.

A Letter of Compliance:

- is only issued after compliance has been verified by CWPS (see below)
- is issued in respect of a particular named contract or client
- will list all currently registered employees in CWPS at the time of issue
- has a security hologram on the top right hand side
- is issued within 3 working days once compliance is verified by CWPS
- is issued only by post or PDF version by email
- PDF version cannot be printed however the email can be forwarded onto the contractor/client
- cannot be faxed or copied as the letter must be presented in its original form or in PDF format

### **What CWPS require in order to issue a Letter of Compliance (“LoC”)**

The following points below set out the current procedure which must be followed in all cases in order to obtain a LoC from CWPS;

1. A LoC will only be issued in respect of public bodies and/or specific contracts or clients. Accordingly, the name of the public body and/or specific contract for which the LoC is required must be supplied at the time of request.
2. All current employees of any adhering employer shall be registered in CWPS at the time of the request as all employees registered in CWPS will be named on the LoC.
3. All pension, death in service and sick pay contributions for registered members must be paid to CWPS in accordance with the Pension Act, 1990 (as amended) and the CWPS rules i.e. the previous months contributions must be paid by the 21<sup>st</sup> day of the following month in which the pension contributions were deducted. All payments due for members’ pension contributions must be received by CWPS office or bank account before a LoC can be issued.
4. Any outstanding pension contributions due to CWPS at the time of request must be paid to CWPS before a LoC can be issued. In a situation where the amounts due relate to periods where there were no employees in the firm, confirmation must be sent to CWPS from the employer’s Auditor/Accountant of the periods where there were no employees.

5. Evidence of compliance for the previous tax year should be provided to CWPS each year. This evidence of compliance must take the form of a letter from the firm's Auditor/Accountant confirming all of the following information:

- In the case of a **limited company** confirmation is required that the Auditor acts as the Auditor to the company. If the company is audit exempt a confirmation is required that the Accountant acts as the Accountant to the company and that the company is audit exempt.
- In the case of a **sole trader/partnership**, confirmation is required that the Accountant acts as the Accountant to the sole trader/partnership.
- Confirmation that, based on the information supplied, all pension contributions which have been deducted from employees' wages in respect of CWPS have been paid in full to CWPS for the relevant year (please specify the year i.e. year ending 31<sup>st</sup> December 2014).
- The letter must be addressed to CWPS, Canal House, Canal Road, Dublin 6.
- The letter must be presented on the Auditor's/Accountant's headed paper and it must be signed and dated by the Auditor/Accountant.

Any disclaimers on the Auditor/Accountant's letter will not be accepted by CWPS

***In order to avoid any delays when issuing a LOC, evidence of compliance should be provided to CWPS at the start of each year.***

#### **Adhering Employers who have no employees at the time a LoC is requested**

If an adhering employer to CWPS does not have any employees registered with CWPS at the time a Loc is requested and has paid contributions for their members **for the previous Scheme year**, CWPS will issue a LoC provided:

- All contributions are paid in full for their members for previous tax year and
- Evidence of compliance for the previous tax year is submitted to CWPS to verify compliance for that Scheme year, along with - confirmation from Auditor/Accountant that there are no current eligible employees.

In this situation the Letter of Compliance will state that the employer has no current eligible employees in CWPS.

#### **Inactive Employers in CWPS - No employees for more than 1 Year**

If an employer has not paid contributions to CWPS for employees for either the current or previous Scheme year and does not have any employees at the time of request, **no LoC will be issued from CWPS.**

In a case where an employer has not paid contributions to CWPS for employees for either the current or previous Scheme year and the employer is registering 1 or more employees in CWPS, a LoC can be obtained once the following criteria are satisfied:

- An advance non-refundable payment of 4 weeks contributions for each member is made to CWPS. The 4 weeks advance payment will be effective from date of new members joining CWPS and is payable via electronic banking or bank draft. These payment methods are the only acceptable methods of making this advance payment. If paying via electronic banking, CWPS may not be able to confirm the transaction for 24 hours which may result in the delay of a LoC being issued.
- **Evidence of Compliance in the form of a letter from the firm's Auditor/Accountant that no pension contributions were deducted from employees in respect of CWPS for the period(s) when the firm was not an adhering employer to CWPS.**

In a case where an employer has not paid contributions to CWPS for employees for more than 2 Years, they will be treated as a new employer and the "Newly Registered Firms" policy will apply.

### **Newly registered Firms**

If a firm is registering in CWPS for the first time, a LoC can be obtained on registration once the following criteria are satisfied;

- A newly completed Employer Registration form is returned to CWPS.
- A newly completed Deed of Adherence is returned to CWPS.
- New member registration forms are completed and returned to CWPS.
- An advance non-refundable payment of 13 weeks contributions for each member is made to CWPS. The 13 weeks advance payment will be effective from date of joining CWPS and is payable via electronic banking or bank draft. These payment methods are the only acceptable methods of making this advance payment. If paying via electronic banking, CWPS may not be able to confirm the transaction for 24 hours which may result in the delay of a LoC being issued.
- If any of the members registered do not subsequently take up employment with the newly registered firm, the firm must inform CWPS of this event within 5 working days so CWPS records can be adjusted.
- Firms who do not register members upon registration of the firm in CWPS will not be eligible to receive a LoC.

### **Firms who have "closed" accounts in CWPS**

If a firm has adhered to CWPS in the past and the firm's account with CWPS has been closed, such firms may re-register their account with CWPS to provide pension for their employees and when the members are registered, the employer may apply to CWPS for a LoC once the following criteria are satisfied:

- A newly completed Employer Registration form is returned to CWPS
- A newly completed Deed of Adherence is returned to CWPS.
- New member registration forms are completed and returned to CWPS
- An advance non-refundable payment of 13 weeks contributions for each member is made to CWPS. The 13 weeks advance payment will be effective from date of joining CWPS and is payable via electronic banking or bank draft. These payment methods are the only acceptable methods of making

- this advance payment. If paying via electronic banking, CWPS may not be able to confirm the transaction for 24 hours which may result in the delay of a LoC being issued.
- **Evidence of Compliance in the form of a letter from the firm's Auditor/Accountant that no pension contributions were deducted from employees in respect of CWPS for the period(s) when the firm was not an adhering employer to CWPS.**

### **Posted Workers**

CWPS is open to 'posted workers' working in Ireland pursuant to the transnational measures stated at Article 1(3) of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services. Such workers can be included in CWPS on request and will be named on the LoC.

### **Retracting a Letter of Compliance**

CWPS retains the right to retract a LoC in the event that an employer subsequently becomes non-compliant. CWPS will notify the adhering employer that the Letter of Compliance has been retracted and also notify the client/contractor who the Letter of Compliance was issued in respect of.

### **Letters of Compliance Dept. Contact Details**

A LoC may be requested by quoting your CWPS Employer ID Number via the following points of contact:

Email: [loc@cwps.ie](mailto:loc@cwps.ie)

Phone: (01) 4071437 or (01) 4977663 Ext. 4300

Should you have any queries in relation to this procedure please do not hesitate to contact the Letters of Compliance Dept. at the above.

*\* Under the Trust Deed and Rules of CWPS the term "Eligible Employee" means an employee who has attained the age of 20 but not age 65, is resident for tax purposes in the Republic of Ireland and who is employed by the adhering employer.*