Citizens Advice North Lancashire

Pension and Pay Problems: Guidance for Employees

A number of current and former employees from a local employer have told us their pension contributions were deducted from their pay but not paid into their pension scheme. This guide sets out what to do about missing pension contributions, and what wider help is available if your employer isn't paying you what they owe, whether that's pension, wages, holiday pay or notice pay.

1. If pension contributions have been deducted but not paid over:

If your payslip shows pension deductions that haven't reached your pension scheme, take these steps in order:

Gather your evidence: payslips showing the deductions, payroll records, pension scheme statements, and any correspondence with the employer or provider.

Raise it formally and in writing with your employer. Ask for a written explanation and request that all outstanding employee and employer contributions, plus any investment loss, are paid immediately.

Notify your pension scheme provider or trustees. They have a legal duty to monitor contributions and may already be investigating late or missing payments.

Report it to The Pensions Regulator. Employers must normally pay contributions within 22 days of payday, and the Regulator can issue compliance notices and financial penalties.

If the issue is about how the scheme itself is being administered, and hasn't been resolved through the scheme's internal dispute process, you can complain to The Pensions Ombudsman.

2. If it's also an employment dispute:

Deducting pension contributions from wages and not paying them over can be an unlawful deduction from wages as well as a breach of pension law. If your pension issue is tied to a wider employment dispute -for example unpaid wages, unfair or constructive dismissal, discrimination, or unpaid notice or redundancy - you'll usually need to go through ACAS before an Employment Tribunal claim.

Apply for ACAS Early Conciliation first — this is a required step before most Employment Tribunal claims, and is free.

Cover everything in your Early Conciliation application: unfair or constructive dismissal, harassment or discrimination, and financial losses including pay, holiday pay, notice, redundancy, and pension (including lost investment growth).

Before applying, collect: payslips showing the deductions, your pension provider's contribution statement, your employment contract, and payroll records. These let you calculate your loss for a schedule of loss, and support any complaint to the Pensions Regulator or Ombudsman.

More generally: what to do if your employer isn't paying you what they owe

Pension contributions aren't the only thing employers sometimes fail to pay. If you're missing wages, holiday pay, statutory sick pay, notice pay, or any other money you're owed, the same broad approach applies: keep your evidence, raise it with your employer in writing first, and get advice early if it isn't resolved.

ACAS (acas.org.uk) offers free, impartial advice on workplace rights and can help resolve disputes with your employer before they reach a tribunal.

Citizens Advice has a step-by-step guide to problems getting paid, covering unpaid wages, deductions, and what to do if your employer won't pay.