

HOW TO

Comply with Auto Enrolment

Tips and Guides for Managers

Auto Enrolment reforms were introduced by the government in 2008 and implementation of these reforms began in 2012. The reforms mean that all employers in the UK need to provide a workplace pension scheme to its workers, regardless of the number of people working for them.

Staging dates for auto enrolment depended on the size of your business as of 1 April 2012. It began with the largest employers (those with over 120,000 employees) in October 2012 and moved to those business who have less than 50 employees being required to comply by 2017.

What this means for Employers

If you own a business employing one or more workers you're now required to:

- arrange a workplace pension scheme complying with the new rules
- automatically enrol your workers who meet the established criteria
- pay contributions into the scheme of all eligible workers
- enrol any other workers if they request to opt in to the pension scheme.

New Employers

Employers in operation on or before 1 April 2017 will already have a staging date. They will need to have a suitable scheme in place and be ready to start enrolling workers by this date.

For Employers who are hiring their first member (or members) of staff, on or after 1 October 2017, their legal duties regarding auto enrolment come into place on the day the person starts work. This date is called the Duties Start Date. Employers must assess their staff to ascertain if they should be automatically enrolled into a pension scheme on their duties start date.

As a Business you need to consider how auto Enrolment affects your budget, you'll need to consider the cost of both contributions and any administration costs of implementing and running a pension scheme.

Moving your staging date

If you want to start meeting your new duties earlier than your original staging date, you can bring your date forward by choosing a date from the list of available staging dates from The Pensions Regulator website.

Alternatively, you may wish to use a waiting period, of up to three months, to delay the start date (also known as postponement).

You can find out more about both options on the Pensions Regulator website.

Who needs to be enrolled

As an employer you must automatically enrol and make contributions for any employee who:

- isn't already an active member of a qualifying scheme
- works or usually works in the UK and earns more than £10,000 a year
- is at least 22 years old but under State Pension age.

These people are known as 'eligible jobholders'.

Non-eligible job holders and entitled workers can ask to join your pension scheme as well.

For any non-eligible job holders who join the scheme you will also need to make the correct pensions contributions. For those entitled workers who choose to join your scheme you can take the decision to make contributions, but you don't legally have to.

Qualifying Earnings	Age Range		
	16-21	22 – State Pension Age	State Pension Age - 74
Under £5876 pa	Entitled Worker (can request to join a pension scheme)		
Between £5876 and up to £10,000 pa	Non-Eligible Job Holders (can opt in to an automatic enrolment pension scheme)		
More than £10,000 pa	Eligible Job Holder (must be automatically enrolled)		

Contributions

The required minimum contributions are increasing.

By April 2019 the total minimum contribution rate for qualifying earnings will be 8 per cent, 3 percent of this must be paid by the Employer.

Date effective	Employer minimum contribution	Staff contribution	Total minimum contribution
Currently until 5 April 2018	1%	1%	2%
6 April 2018 to 5 April 2019	2%	3%	5%
6 April 2019 onwards	3%	5%	8%

Letting your workers know what's happening

Legally you have a responsibility to let all your workers know about Auto Enrolment.

You need to tell them how it affects them; whether they're being enrolled automatically or not, whether they have the right to opt in and whether they're entitled to contributions from you.

They'll also need to know how much they'll need to contribute and be given information on the scheme you've chosen to implement, even if they're not eligible for it.

How to Plan for Auto Enrolment

Pre Staging

- Find out what your Staging Date is
- Select someone from the company to be the Auto Enrolment contact
- Develop a plan for the transition into Auto Enrolment.
- Identify and record the data you're going to need to implement auto enrolment, of both eligible and non-eligible workers.
- Review the Company's Auto Enrolment processes and its pension arrangements
- Ensure Auto Enrolment changes and processes are clearly communicated to all staff

Post Staging

- Ensure that all eligible jobholders and non-eligible jobholders who opt in are enrolled correctly
- Maintain your Auto Enrolment records and data
- Keep on top of the ongoing responsibilities of assessment, communications and payment of contributions
- Complete a declaration of compliance with The Pensions Regulator

How can we help?

We provide advice and support