

AUTO-ENROLMENT

The law on workplace pensions has changed. Every employer with at least one member of staff now has new duties, including enrolling those who are eligible into a workplace pension scheme and contributing towards it. This is called automatic enrolment. It is called automatic enrolment because it is automatic for your staff – they don't have to do anything to be enrolled into your pension scheme, but it is not automatic for you.

All employers will need to comply, no matter what size, and with The Pensions Regulator ensuring compliance and imposing penalties on those who do not, employers need to act now

STAGING DATES

Each employer has a date by which they need to comply with the law. This is called your staging date. Find your staging date by entering your PAYE reference at: www.tpr.gov.uk/staging-date

Small employers (49 workers or less) will have to start automatically enrolling their workers from June 2015 to April 2017

New employers (established after April 2012) will have to start automatically enrolling their workers from May 2017 to February 2018

PREPARATION

Ideally, you should allow up to 12 months to prepare. Remember, automatic enrolment is your legal duty and if you don't act you could be fined.

ASSESSING ELIGIBILITY

The following tasks in particular will take you some time:

- Calculating costs and contributions
- Assessing the eligibility of staff
- Setting up a pension scheme
- Enrolling your staff into the pension scheme

Monthly Gross Earnings	AGE		
	16 - 21	22 – SPA*	SPA* - 74
£481 and below	Has a right to join a pension scheme		
£481 - £833	Has a right to opt in		
Over £833	Has a right to opt in	Must be Automatically Enrolled	Has a right to opt in

Figures correct as of 2014/2015. *SPA = state pension age

Your staff are able to opt out of the pension scheme, but it is against the law to take any action to induce anyone to opt out. **Staff cannot opt out until they have been automatically enrolled.**

CHOOSING A PENSION SCHEME

If you already have a pension scheme you need to check is suitable for auto-enrolment.

There are a number of pension scheme providers including the [National Employment Savings Trust \(NEST\)](#). Established by the Government, NEST has a public service obligation to accept all employers that apply to join it.

The Association of British Insurers has a list of [ABI members providing qualifying automatic enrolment schemes](#).

More information about setting up schemes and a guide to the steps you need to take can be found at: <http://www.thepensionsregulator.gov.uk/employers.aspx>