

Workplace Pensions & Auto-Enrolment



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What is Auto-Enrolment?

Workplace pensions were introduced by government to help ensure that members of the public are saving for their retirement.

The term “auto-enrolment” refers to the fact that all eligible staff are automatically put into a pension scheme by their employer.

Most employers in the UK will need comply at some stage before the end of 2017. Some employers need not comply if they fall outside of the criteria.

Employers must set up a pension scheme for their employees.

Employers must assess their workforce and those employees who are eligible must contribute to the scheme as must employers.

Employees CAN opt of this process, employers cannot.

Do I need to conform?

You must conform if you:

- are an employer
- are trading
- are in the UK
- are not already a member of a qualifying pension scheme

You need not conform if:

- you are a sole director company, with no employees
- your company has a number of directors, none of whom has an employment contract
- your company has a number of directors, only one of whom has an employment contract
- your company has ceased trading
- your company has gone into liquidation
- your company has been dissolved

What is “staging” and when do I need to comply?

Staging is the term used for the time at which an individual employer must comply. Employers have different staging dates depending on the number of employees.

We will contact you well before this date to let you know when this is.

What do I need to do before I stage?

An employer must:

- assess their workforce to identify those employees who will be eligible
- communicate with employees to inform them of the rules and the impact this will have on them
- register a compliant pension fund
- register with the Pensions Regulator

What do I need to do once I have staged?

- Communicate with all employees about their status
- Automatically enrol eligible jobholders
- Advise employees how to opt-out if they wish
- Automatically enrol new employees who qualify
- Register with and report to The Pensions Regulator
- Deduct pension contributions from your employees
- Contribute to your employees' pension
- Re-enrol opted-out workers every 3 years
- Communicate changes to your employees
- Maintain records

Which employees are eligible?

Employees can be:

- Eligible jobholders:
 - Should be auto-enrolled but may opt out.
 - Contributions required by employee and employer.

- Entitled workers:
 - Can request to join a scheme.
 - No employer contribution required unless the scheme requires a contribution. Employee must contribute if they join.

- Non-eligible jobholders:
 - Can opt in to an auto enrolment scheme.
 - Contributions required by employer & employee.

Workers without qualifying earnings have a right to join a workplace pension scheme but there is no requirement for the employer to make contributions in respect of these individuals

There are various criteria for eligibility, age and earnings:

Earnings	Age (inclusive)		
	16 – 21	21 - SPA	SPA - 74
Up to and including £5,772	Entitled Worker		
Between £5,772 and £10,000 inclusive	Non-eligible jobholder		
Over £10,000	Non-eligible jobholder	Eligible jobholder	Non-eligible jobholder

SPA = State Pensionable Age

How much will I need to contribute?

The government have set minimum contribution levels listed below.

If an employer makes an increased contribution, then the minimum contribution for an employee is reduced.

Contributions are paid on earnings between £5,824 per year (£485 per month) and £42,385 per year (£3,532 per month).

Date	Minimum Contributions	
	Total minimum contribution	Minimum from the employer
To September 2017	2%	1%
October 2017 to September 2018	5%	2%
October 2018 Onwards	8%	3%

What can Walker Begley do to help me?

We can take care of all of your workplace pension's requirements.

Including:

- Establishing and registering your pension scheme
- Assessing your workforce
- Consultation with your workforce if required
- Communicating key issues and changes to employees
- Calculating pension contributions
- Outsourcing of your payroll processes
- Re-enrolling workers every 3 years
- Continued assessment of workers
- On-going advice and assistance

Contact us for more information

If you have a question about any of the topics within this document, or simply would like to talk to someone about pension's auto-enrolment for your business, please contact a member of the team and we will be happy to help.

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