

7 THINGS YOU MUST KNOW ABOUT

AUTO ENROLMENT

What's 'automatic enrolment' about?



Automatic enrolment is a Government initiative to help more people save for later life through a workplace pension scheme.

It started with new laws introduced in 2008 which have been phased in starting with large employers from 2012.



Soon **ALL** employers will have a legal duty to offer an auto enrolment pension scheme to their employees.

1 Check when automatic enrolment will affect you

Employers will all receive a '**staging date**' - the date in which you need to start meeting your automatic enrolment duties. At this date, you must set up a qualifying pension scheme and work out which of your employees need to be automatically enrolled into it.



If you do not know your staging date you can check [The Pension Regulator's website](#) using your PAYE reference.

2 Choosing a pension scheme

Important factors to consider are:

Not all pension schemes are suitable for automatic enrolment so choose wisely!



COST

Some scheme providers will be more transparent than others in terms of costs, both to employers and employees. It is important to make sure these are fully understood.



USER FRIENDLY

All schemes require an element of data transfer to their systems so you should factor in the complexities of doing so when researching the options.



CUSTOMER SERVICE

You are bound to have questions and encounter the odd hurdle so it is important that answers and solutions are not far away.

3 Working out who to put into the pension scheme

Not all employees necessarily need to be enrolled in your pension scheme...

	Employees who must be put into a pension scheme you pay into	Employees who can ask to join a pension scheme you pay into	Employees who can ask to join a pension scheme but you don't have to pay into their pension pots
Age	22 to State Pension Age	16-74	16-74
Earnings	Over £10,000 a year (£833 a month/£192 a week)	£5,824 or more a year (£486+ a month/£112+ a week)	Less than £5,824 a year (£486+ a month/£112+ a week)

CHADDESLEY SANFORD

Joel Dailey
0207 183 6097

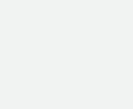
Most payroll software works this out for you but if in doubt call in the professionals. Your payroll providers or accountants are a good place to start.

4 How much do you need to pay into employee pension pots?

Minimum contributions will be calculated at the below percentages on the employees' qualifying earnings (currently between £5,824 and £43,000).

DATE	EMPLOYER MINIMUM CONTRIBUTION	TOTAL MINIMUM CONTRIBUTION
Employer's staging date to 05/04/18	1%	2% (including 1% staff contribution)
06/04/18 – 05/04/19	2%	5% (including 3% staff contribution)
06/04/19 onwards	3%	8% (including 5% staff contribution)

5 Writing to your employees



As an employer you must write to your employees explaining automatic enrolment and their rights and obligations.



6 Providing a Declaration of Compliance



You need to inform [The Pensions Regulator](#) that you have complied with your auto enrolment duties as an employer within **five months** of your staging date, otherwise you could be fined.

7 Keeping on top of your ongoing duties

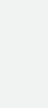


Monitor your employees ages and earnings to see if anyone needs to be added to the pension scheme. If your payroll software already monitors ages and earnings, then it should flag this up. You need to keep records of all your staff for 6 years.

Every three years, an automatic re-enrolment takes place and employees who have ceased active membership are automatically re-enrolled into their workplace pension scheme.



CHECKLIST



YOU MUST:

- Automatically enrol eligible employees into a pension scheme and pay into their pension pots
- Provide a **declaration of compliance** to the Pensions Regulator for the scheme every **three** years.
- Keep records of all leavers/opt outs for **four** years.
- Keep records for each employee for **six** years.

YOU MUST NOT:

- Encourage or force employees to leave/give up membership of the pension scheme

Contact [Chaddesley Sanford](#) to arrange a chat with our Automatic Enrolment Specialist Joel Dailey. You can call Joel on **0207 183 6097** or email on Joel.Dailey@chadsan.com.