

Automatic enrolment – complying with the new employer duties



Warwickshire County Council Employer Forum
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Agenda

- The employer duties
- The introduction of the new duties
- The role of The Pensions Regulator
- Getting ready – the first steps to preparing for automatic enrolment
 - Know your date
 - Assess your workforce
 - Review your pension provision
 - Communicate with your workers
- Where to find support

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Background to the reforms

- There are currently four people of working age for every pensioner - by 2050 there will be just two
- The first person to live to 120 is already collecting their state pension
- Millions of people are under-saving for their retirement
- The Government has therefore introduced a package of reforms to make the state pension system fairer, and to enable all UK workers to save for their retirement

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The employer duties

What employers must do:

- ✓ Automatically enrol those staff who are eligible into a qualifying scheme
- ✓ Contribute according to the rules of the qualifying scheme
- ✓ Provide information to staff
- ✓ Maintain scheme records
- ✓ Register with The Pensions Regulator

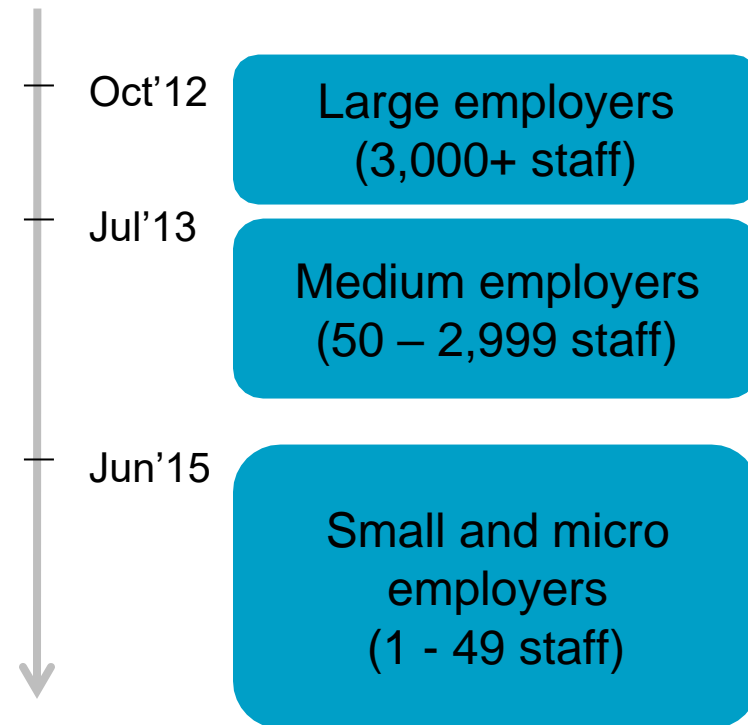
What employers must not do:

- ✗ Induce workers to opt out
- ✗ Discriminate against potential employees

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The introduction of the new employer duties

- All employers will be subject to the new duties –1.3 million in total
- Employers will be introduced in stages
- Largest employers will go first – starting from this October
- Medium size employers will have staging dates between next summer and the end of the current Parliament
- Small and micro employers will begin staging in the next Parliamentary term



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The role of The Pensions Regulator

- To help employers to understand their new duties
- To build a pro-compliance culture
- To make it as simple as possible for employers to comply
- To use penalties only where necessary and never without due warning and the opportunity for the employer to rectify the situation

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7 steps to complying with the new duties

1. Know your staging date – when to act
2. Assess your workforce
3. Review your pension arrangements
4. Communicate the changes to all your workers
5. Automatically enrol your 'eligible jobholders'
6. Register with The Pensions Regulator and keep records
7. Contribute to your workers' pensions

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Know your date

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Committed to increasing confidence and participation in work-based pensions

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FIND OUT YOUR STAGING DATE

SUMMARY

Your staging date is: **1st June 2016**

Be prepared

There are certain things you'll need to do before your staging date, to make sure you're able to comply with the new laws when they come into force for your company. Continue working through our tools to get to grips with **automatic enrolment** and **your new employer duties**.

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! Important note

Your staging date will be determined by the number of people in your company's PAYE scheme as of **1st April 2012**.

For this reason, the staging date shown in this tool is indicative and could change if your staffing levels change before 1st April 2012.

If your company operates more than one PAYE scheme, your company's staging date will be based on the number of people in your largest scheme.

Your duties on your staging date will apply to all your staff across all your company's PAYE schemes.

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Assess your workforce



- You will have a duty to all of your workers, but some may not need to be automatically enrolled

Age / Earnings	16-21 22 – state pension age State pension age - 74
Under lower earnings threshold (5,035)	Entitled worker
Between £5,035 and £7,475	Non-eligible jobholder

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Assess your workforce

Over earnings trigger (£7,475)	Non-eligible jobholder Eligible jobholder Non-eligible jobholder
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Review your pension arrangements



- Provision must meet the qualifying criteria set out in legislation
- We also want to see that all schemes are designed and run in the interests of members
- We will provide guidance and tools to help employers make good choices

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Communicate with your workers



Employers must communicate with all workers

- **Entitled workers**
 - Information about their right to join a pension scheme
- **Non-eligible jobholders**
 - Information about their right to opt in to an automatic enrolment scheme
- **Eligible jobholders**
 - For those being automatically enrolled: information about automatic enrolment and their right to opt out
 - For those already members of a qualifying pension scheme with that employer: information about the scheme

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Where employers can find support

- Our research suggests around 75% of all employers will seek advice from an intermediary such as an IFA or other professional
- We are working with the advisory community to ensure that they are ready to provide that support



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Support from The Pensions Regulator

- We will also provide direct support to all employers

➤ Letter 12 & 3 months ahead of staging date

➤ Checklists

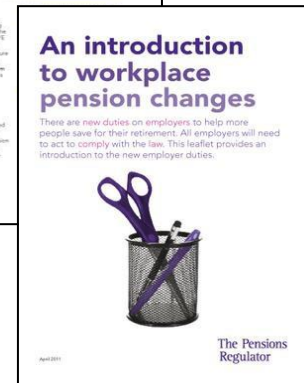
➤ Interactive tools

➤ Customer contact centre

0845 600 1011

➤ Sign up for news by email

www.thepensionsregulator.gov.uk



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PENSIONS REFORM

Workplace pensions law is changing and every employer will have to act.

From 2012, changes to pensions law will affect all employers with at least one worker in the UK. To help prepare for the changes, we have produced a series of guidance to explain the new employer duties in detail.



An introduction to work-based pension changes (PDF, 680kb, 4 pages)
For employers: a basic introduction setting out the changes

Workplace pensions law is changing... (PDF, 797kb, 5 pages)
For professionals and employers: a summary of the new employer duties

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Staging date lookup

Use our staging date timeline table to get an idea of when the new law may apply to you (or your client).

[Staging date timeline](#)

Useful websites

The Department for Work and Pensions
<http://www.dwp.gov.uk>
Workplace pension reforms

Business Link
<http://www.businesslink.gov.uk>
Information for employers on the reforms

The Pensions Advisory Service
<http://www.pensionsadvisoryservice.org.uk>
Information about pension reforms

unbiased.co.uk
<http://www.unbiased.co.uk>
Independent financial advice on choosing a pension scheme

NEST
<http://www.nestpensions.org.uk>
National Employment Savings Trust

Guide for software developers

For software developers: how to update your products in order to support your employer clients with their new duties.

[Guide for software developers](#)

Detailed guidance

For professionals and employers with in-house pensions professionals

A series of detailed guidance to help those with a sound knowledge of pensions understand the new employer duties. Including:

- Getting ready
- Automatic enrolment
- Keeping records

Featured:

New: Employer duties and defining the workforce (PDF, 128kb, 18 pages)
The first in a series: How the new employer duties will affect different workers

[View all detailed guidance](#)

Registration

Important: All employers must register their scheme with The Pensions Regulator - it will be a simple online process.

[More on registration](#)

Learn the terms

Some of the frequently-used terms relating to pensions reform with an explanation of what they mean.

[Quick guide to the terms](#)

Background information

Why the reform was needed, how the regulator will enforce compliance and the various responsibilities across government.

- > Background
- > Compliance with the employer duties
- > Responsibilities across government

[View background information](#)

Questions?

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