



*Auto-enrolment  
made **simple***

Auto-enrolment aims to increase the level of retirement saving through the workplace and affects every employer in the UK.

*Simply***Enrol**

# Auto-enrolment is here

*When auto-enrolment legislation was first announced in 2008, as a way to get the UK saving for retirement, most businesses saw this as something they would have to address in the future.*

***Fast forward five years - and that future is here!***

For businesses with 500 employees or less, auto-enrolment is now very real and there are a number of things you will have to do over the coming months to ensure that you comply with this new legislation - or face being fined by the Regulator.

The auto-enrolment process is highly complex. Firms will need to implement a scheme by a particular date, called their "staging date" and then assess which employees will need to be enrolled into the scheme.

Once you know this, you will need to set up a pension scheme and manage that scheme each month, including payroll management, record keeping and communicating with your employees, many of which will inevitably have questions.

***Auto-enrolment will have a massive impact on all employers, but you don't need to do it alone.***

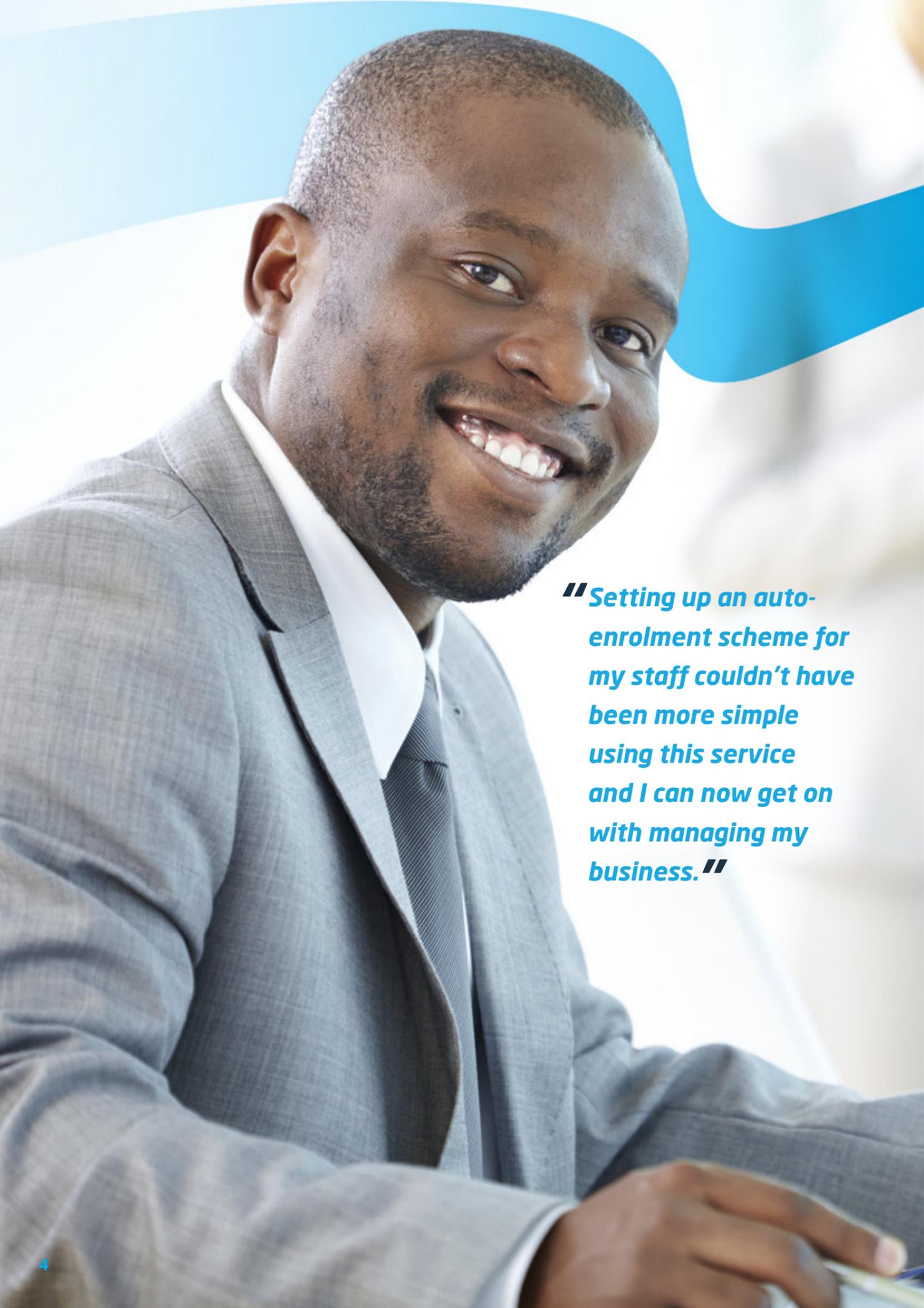
As a financial adviser, I have many years experience advising clients on pension planning and through SimplyEnrol, I can provide you with support at every stage of the process, which even includes providing the software you need to manage the scheme once it has been put in place.

This short guide will provide you with further details of what you must do to meet the new regulatory requirements around auto-enrolment and will even provide you with your staging date.

Once you are ready, I can walk you through the process and provide further information regarding where and how I can support you.

A photograph of a woman with short brown hair, wearing a white long-sleeved shirt and a dark blue apron, smiling warmly. She is standing in a floral shop, surrounded by various potted plants and flowers. The background is slightly blurred, showing more of the shop's interior.

***"Auto-enrolment could have been really complicated but I was able to enrol all my staff very easily."***



**“Setting up an auto-enrolment scheme for my staff couldn’t have been more simple using this service and I can now get on with managing my business.”**

## What are your duties?

The Pensions Regulator has published over 250 pages of notes to help employers comply with their new responsibilities, which in essence breaks down into 33 new pension responsibilities for each employer!

To make life a little easier, I have broken them down into 5 main areas - here is an overview of your main duties:

- **Categorise your workers.** You may think everyone should be included in auto-enrolment, but it's not that simple.
- **Communications.** There are a number of different communications you need to send to different categories of worker at different points in time.
- **Keep detailed employee records.** Employees can opt out, employees who aren't eligible now, may become eligible, opted out employees may change their mind - there are a number of scenarios which you must take into account. Detailed records relating to all this movement must be maintained and updated at all times.
- **Manage your payroll.** Your payroll system will need to ensure the correct contributions are payable for each employee every time the payroll is run.
- **Choose a pension plan.** You're also expected to select a pension plan and take decisions about which investment choices to offer your employees - decisions that are usually only taken by pension professionals with many years' experience.

There has been lots of discussion regarding how auto-enrolment will affect employees and debate around whether employers are ready. The truth of the matter is this: there are significant costs and time pressures facing businesses in rising to the challenge of implementing auto-enrolment, and with fines for non-compliance, businesses will also pay the price for getting it wrong.

For businesses that haven't yet staged, auto-enrolment is fast approaching - it's no longer that bridge in the distance. This is something you have to deal with now but with the right help and support, it doesn't have to be a big obstacle to cross.

### When do employers need to act?

Each business will have a different 'staging' date. This is the date set by the Pensions Regulator for auto-enrolment implementation for each band of employers across the UK. All eligible employees must be auto-enrolled on this date (or from an earlier voluntary date if approved by The Pensions Regulator, or from a later Deferral Date if you are using Postponement).

Number of Employees	Staging Dates
2,000 - 2,999	August 2013
1,250 - 1,999	September 2013
800 - 1,249	October 2013
500 - 799	November 2013
350 - 499	January 2014
250 - 349	February 2014
160 - 249	April 2014
90 - 159	May 2014
62 - 89	July 2014
61	August 2014
60	October 2014
59	November 2014
58	January 2015
54 - 57	March 2015
50 - 53	April 2015
40 - 49	August 2015
30 - 39	October 2015
Fewer than 30	from June 2016

### What to do next

The implications of auto-enrolment are huge for any business, no matter how big or small. There will be lots of issues to deal with - from employee engagement, through to setting up a pension scheme and deducting contributions from your payroll system for each employee, each and every month.

As an experienced financial adviser, I can support you every step of the way.

# Auto-enrolment FAQs

## 1. Is there any way around the need to comply with all the employer duties?

As an employer, you must comply with all of your duties. The Pensions Regulator will audit all companies to make sure they are fulfilling their duties and there are substantial fines that can be levied against those that do not comply.

## 2. Will NEST fulfil my all my employer duties?

No. NEST is a pension scheme into which pension contributions from auto-enrolment can be paid and invested. However, there are employer responsibilities that must be carried out that NEST will not undertake on your behalf.

## 3. Do I still have to comply with the employer responsibilities if I have an existing pension plan?

Yes. You still have employer duties, even if you have a pension scheme that meets the minimum requirements.

## 4. What penalties will I face if I don't comply?

The Pensions Regulator will check that all employers are complying with the new rules. If you are found to be in breach of any of your responsibilities, you will be issued with a notice of enforcement. You will have the right to challenge that notice, but according to the outcome of the investigation, a penalty could apply.

Fines can be levied where companies have:

- failed to register with the Regulator,
- offered their employees incentives to opt out
- failed to meet monthly contributions.

The values are shown in this table:

Number of Employees	Daily Fine
1 - 4	£50
5 - 49	£500
50 - 249	£2,500
250 - 499	£5,000
500 plus	£10,000

## 5. When would an employer use postponement?

As an employer, you have the right to postpone the enrolment of your employees for three months after the required commencement date of your scheme (also known as the 'staging date'). This can reduce your costs significantly and there may be other benefits too. You may want to use the postponement facility for administrative reasons.

For example, you may:

- need time to assess all of your employees,
- prefer to align the enrolment of employees with the payroll process, or avoid paying a part-month of contributions,
- want to avoid having to assess employees who are with you temporarily, or who have a one-off spike in earnings and would otherwise not qualify.

You are also able to postpone the enrolment of an employee for three months from the day they start with your company, or from the date an existing employee becomes eligible to join the scheme.

## 6. Is salary exchange permitted to meet the minimum contribution levels?

Yes. Salary exchange is where an employee can give up part of their salary or bonus to their pension fund, resulting in their gross salary being reduced and the employee paying less tax and national insurance. As an employer, you will make savings on your National Insurance bill, which you can then use to reduce your costs.

## 7. What are the minimum contribution levels?

The minimum contributions that you must pay into your employee's pension scheme are shown in the table below:

	Employer minimum contribution	Total minimum contribution
Employer's staging date to 30 September 2017	1%	2%
1 October 2017 to 30 September 2018	2%	5%
1 October 2018 onwards	3%	8%

*“Having assessed the impact setting up an auto-enrolment scheme would have on my time alone, I was stunned. By using SimplyEnrol, I was able to undertake my responsibilities to my employees quickly and efficiently.”*





*What to do next*

Under new legislation, businesses of all sizes need to enrol their eligible employees in a work place pension, by a given date - their "staging date". After this, firms will need to review their employees' circumstances and keep each individual employee informed of his or her individual auto-enrolment pension situation. Help is at hand.

To receive advice and support on auto-enrolment, please get in touch.