



SIMPSON WOOD

CHARTERED ACCOUNTANTS | CHARTERED TAX ADVISERS



**automatic
enrolment**

Auto – Enrolment:

Employer Responsibilities and Requirements

Responsibility	Requirements																				
ESTABLISHING YOUR STAGING DATE	<p>The staging date is the date at which the duties and responsibility of auto-enrolling employees will first apply to your business. This date can be obtained by using the tool on The Pensions Regulator website as detailed below.</p> <p>http://www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx</p> <p>This staging date can be postponed for a maximum of three months.</p>																				
CREATING A NEW PENSION SCHEME	<p>You will require a qualifying pension scheme for your business and you will be responsible for selecting the right scheme for your business and your employees.</p>																				
EXISTING PENSION SCHEMES	<p>Should you already have an existing pension scheme you must ensure that the scheme is an Auto-Enrolment qualifying scheme. The scheme will also have to be reviewed to ensure that it is suitable for your business and for workers to be enrolled.</p>																				
CATEGORISING YOUR EMPLOYEES	<p>It is important to understand which of your workers will be eligible for enrolment into your pension scheme. There are three categories of workers that require enrolling :</p> <p>Aged between 22 and 65 and earn more than £9,440 per annum</p> <p>Aged between 16 and 75 who earn more than £5,668 per annum who asked to be enrolled</p> <p>Aged between 16 and 75 who earn less than £5,668 per annum who asked to be enrolled</p> <p>The first two categories require minimum contributions paid for them but there is no obligation to make contributions for the last category.</p>																				
MINIMUM CONTRIBUTION LEVELS	<p>The minimum contribution levels begin at a low level and then slowly increase in time as detailed in the table:</p> <p>You can pay more than the minimum contributions should you wish.</p> <p>There will be four methods of calculating the contributions and each method will need to be assessed to ascertain which method is most effective for your business.</p> <table border="1" data-bbox="933 922 1487 1149"> <thead> <tr> <th></th> <th>Oct 2012 to Sep 2017</th> <th>Oct 2017 to Sep 2018</th> <th>Oct 2018 onwards</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>2.0%</td> <td>5.0%</td> <td>8.0%</td> </tr> <tr> <td>Employer</td> <td>1.0%</td> <td>2.0%</td> <td>3.0%</td> </tr> <tr> <td>Employee</td> <td>0.8%</td> <td>2.4%</td> <td>4.0%</td> </tr> <tr> <td>Tax Relief</td> <td>0.2%</td> <td>0.6%</td> <td>1.0%</td> </tr> </tbody> </table>		Oct 2012 to Sep 2017	Oct 2017 to Sep 2018	Oct 2018 onwards	Total	2.0%	5.0%	8.0%	Employer	1.0%	2.0%	3.0%	Employee	0.8%	2.4%	4.0%	Tax Relief	0.2%	0.6%	1.0%
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OPTING OUT	<p>Workers automatically enrolled into a scheme have the right to opt out within a month of being enrolled. Any contributions deducted from the workers' pay within this month will have to be refunded as will any contributions made by the employer.</p> <p>After the one month opt-out period has finished, workers can opt out but any contributions made by both the employee and employer will not be refunded and will remain in the pension scheme.</p> <p>Workers wanting to opt out must let their employer know by completing either an online or paper opt out form supplied by the scheme provider.</p> <p>Any worker that has opted out will automatically be re-enrolled after three years.</p>																				
COMMUNICATING WITH EMPLOYEES	<p>Employers will be obliged to have regular communications with their employees and to provide certain information about their scheme that is up to date and in the correct format as prescribed by your pension scheme providers.</p>																				
REGISTERING WITH THE PENSIONS REGULATOR	<p>Every employer must register with The Pensions Regulator to show that they have a qualifying scheme in place.</p> <p>Re-registration will then take place every three years.</p>																				
COMPLIANCE	<p>For any business that does not comply with the regulations, The Pensions Regulator have set very penal fines depending on type of breach.</p> <p>For non-compliance with statutory notices or a breach of the laws, there will be a fixed penalty of £400 followed by a daily penalty between £50 and £10,000 depending on the number of employees.</p> <p>For non-payment of deductions the penalty will be between £5,000 and £50,000.</p>																				
RETENTION OF RECORDS	<p>The Pensions Regulator will be conducting audits on the auto-enrolment procedures over the coming years so records relating to both payroll and auto-enrolment will require retaining for six years.</p> <p>It is also imperative to track the ages and earnings of everyone in your workforce for the same period of time.</p>																				

Responsibility	How we can help
ESTABLISHING YOUR STAGING DATE	Simpson Wood will advise you of your staging date prior to this date to allow enough time to sufficiently plan the process towards auto-enrolment.
CREATING A NEW PENSION SCHEME	Simpson Wood (Financial Services) Limited will advise on the creation of a new pension scheme and the type of scheme that will suit and benefit your business and your employees.
EXISTING PENSION SCHEMES	Simpson Wood (Financial Services) Limited will check whether existing pension schemes qualify for Auto-Enrolment and meet the criteria of a qualifying scheme.
CATEGORISING YOUR EMPLOYEES	Simpson Wood will assist with the categorisation of your employees and monitor the movements between the categories in each pay period.
MINIMUM CONTRIBUTION LEVELS	Simpson Wood will perform an initial assessment to determine which method of calculating contributions will be most cost efficient for your business. By processing your payroll, we will calculate both the employee and employer contributions due in each pay period and advise of amounts to pay over to the pension provider. We will also correspond directly with your pension provider to submit the necessary data and information to them for each pay period.
OPTING OUT	All correspondence regarding your employees opting out will be dealt with between the employee, the pension providers and ourselves.
COMMUNICATING WITH EMPLOYEES	Simpson Wood will provide all correspondence required by the regulations and issue them to you for forwarding to your employees.
REGISTERING WITH THE PENSIONS REGULATOR	The initial registration with the Pensions Regulator will be completed when the pension scheme is set up. Simpson Wood (Financial Services) Limited will then conduct the re-registration process when the time arises.
COMPLIANCE	By allowing Simpson Wood to manage and process your payroll, you won't have to worry about compliance as it will all be taken care of.
RETENTION OF RECORDS	As your payroll provider, Simpson Wood will keep your records for the prescribed periods.

Contact

If you wish to discuss any aspects of our services please contact any one of the individuals named below.



Giles Cliffe



Mark Fielding



Danny McAllister



Craig Stratford



Paul Carson



Neil Duthie

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