

# The essential guide to automatic enrolment

Information  
for  
employers

# Automatic enrolment and you

The law on workplace pensions has changed. All employers are legally required to automatically enrol certain staff into a pension scheme and make contributions. You will also have to tell your staff about the scheme you put them in and allow other staff to join if they request to do so.

The Pensions Regulator is the UK regulator of work-based pension schemes. This leaflet contains information and guidance to help you comply with the law.

Find out how to prepare for automatic enrolment with this step-by-step guide to your new legal duties.

# Automatic enrolment: the main steps



- First steps
- Before your staging date
- At your staging date and beyond

# First steps

## Know when you need to be ready

You must be ready to start enrolling staff from your **staging date**. This date will appear on letters from us about automatic enrolment. If you don't have a copy of our letter, you can find out your staging date by entering your PAYE reference into the tool on our website.

Find out your staging date: [www.tpr.gov.uk/staging-date](http://www.tpr.gov.uk/staging-date)

## Provide a point of contact

There are several things that you need to do to be ready for automatic enrolment. Sign up to our emails to receive help and guidance over the coming months. To make sure that this help gets to the right person in your organisation you should nominate someone to receive these email updates.

Let us know who to contact: [www.tpr.gov.uk/nominate-contact](http://www.tpr.gov.uk/nominate-contact)

## Develop your initial plans

Employers have found that they needed to start preparing up to a year prior to their staging date, so you should start making plans in good time. There is an automatic enrolment planner on our website to help you prepare. It shows you what you should do and by when as your staging date approaches.

Don't leave it until the last minute. If you do, it could be more costly and complex to prepare.

Create your plan: [www.tpr.gov.uk/planner](http://www.tpr.gov.uk/planner)

You will need to pay a regular contribution into the pensions of your eligible staff. To get an idea of the amount, you may find our online calculator useful.

Calculate your contributions: [www.tpr.gov.uk/calculate](http://www.tpr.gov.uk/calculate)

There may be other costs to consider, such as setting up your scheme, getting the right software to manage automatic enrolment and any independent advice you might decide to take. Continue reading for more on these topics.

# Before staging

## Find out who to enrol

You will have to assess all your staff for eligibility but you may not have to automatically enrol all of them. The table below outlines your duties depending on the salary of your staff member.

Monthly earnings	Age		
	From 16 to 21	From 22 to SPA*	From SPA to 74
£481 and below	Has a right to join a pension scheme		
Over £481 up to £833	Has a right to opt in		
Over £833	Has a right to opt in	Automatically enrol	Has a right to opt in

Figures correct as of 2014/2015. \* SPA = state pension age

It's against the law to take any action to induce anyone to opt out. Examples of this could include persuading or forcing staff to opt out by offering them a cash bonus to do so, or by withholding a pay increase until they opt out.

Visit the link below to find out more about assessing your staff.

Evaluate your workforce: [www.tpr.gov.uk/evaluate](http://www.tpr.gov.uk/evaluate)

## Choose your software and check records

You'll need to know who has to be automatically enrolled and who can ask to join your pension scheme.

Payroll software which is specifically tailored to automatic enrolment will help you keep track of the ages and earnings of all your staff and will tell you what you need to do for each of them. If you run your own payroll, you may already know whether this is built in. If someone else manages your payroll for you, you will need to ask them. To check, ask your payroll provider the questions found on the link below. You need to make sure your software supports automatic enrolment and you should test it well ahead of your staging date, to make sure it works.

Help with software: [www.tpr.gov.uk/software](http://www.tpr.gov.uk/software)

Taking the time to get your staff and payroll records in order ahead of your staging date is essential. You must be able to provide information to your pension scheme in the correct format. Make sure the necessary records are easily to hand and that you have correct information about your staff before your staging date, including:

- dates of birth
- National Insurance numbers, and
- latest contact details.

## Choose a pension scheme

If you have an existing scheme for your workforce (perhaps called a 'stakeholder scheme') you should check with your pension provider to see if you can use it for automatic enrolment.

If you need to open a new scheme, make sure you approach a pension provider in good time because they will be taking on thousands of employers in the coming months. Don't leave it too late.

The Government has set up a pension scheme called the National Employment Savings Trust (NEST) to accept all employers wishing to use the scheme for automatic enrolment. This is one option, and there are other providers available.

It's important that the scheme you choose is well-run and offers good value for money for you and your staff. Our website has information to help you choose a pension scheme.

Choosing a pension scheme: [www.tpr.gov.uk/scheme](http://www.tpr.gov.uk/scheme)

Your staff are likely to have heard about automatic enrolment in the media, and may want to know more. If you haven't done so already, this is a good time to start raising awareness. We have a range of materials to help you. These can be found at the link below.

Raising awareness with your staff: [www.tpr.gov.uk/awareness](http://www.tpr.gov.uk/awareness)



# At staging and beyond

## Automatically enrol your staff

At your staging date you will need to identify which members of staff to automatically enrol and which will have a right to join your pension scheme on request. Payroll software will help you with this.

By this point you will already know what information your scheme provider wants from you, so make sure you send this to them promptly.

Make sure you pay the contributions across to the pension scheme before the deadline your provider has given you.

Enrolling your staff: [www.tpr.gov.uk/enrolling](http://www.tpr.gov.uk/enrolling)

## Tell your staff

After your staging date, you must write to your staff about how automatic enrolment affects them. We have template letters that you can use for this on our website.

Writing to members of staff about automatic enrolment:  
[www.tpr.gov.uk/writing](http://www.tpr.gov.uk/writing)

## Complete your declaration of compliance (registration)

You must complete your declaration of compliance when you've automatically enrolled your members of staff. This confirms to us that you have fulfilled your legal duties.

You may find it helpful to track your progress by starting your declaration early. It must be completed up to five months from your staging date. To help, we have a checklist of the information you'll need to provide, found at the link below.

Automatic enrolment declaration of compliance:  
[www.tpr.gov.uk/declaration](http://www.tpr.gov.uk/declaration)

## Maintain records

As with real-time PAYE, you must keep records of your automatic enrolment activities. This will include the information you sent to your pension provider, and copies of any opt-out requests you receive.

Record-keeping: [www.tpr.gov.uk/records](http://www.tpr.gov.uk/records)

# Fulfil ongoing responsibilities

For automatic enrolment there are minimum contributions you must pay in order to comply with your duties. These are a percentage of earnings and are shown in the table below.

Date	Employer minimum contribution	Total minimum contribution
Before 30/09/17	1%	2%
01/10/17-30/09/18	2%	5%
01/10/18 onwards	3%	8%

Your worker may also pay pension contributions, which you will need to make sure you deduct and pay to the scheme on time.

Automatic enrolment is not just something that happens at your staging date – it is an ongoing duty. You'll need to check every payday to see whether any of the members of staff who weren't automatically enrolled are now entitled to be put into the pension scheme (for example if they have reached their 22nd birthday).

After you have automatically enrolled your staff members, they may ask to 'opt out' of the pension scheme. You must then stop deductions of contributions and arrange a refund of any contributions they have paid to date. Staff who have not been automatically enrolled may ask to join the scheme. If you receive such a request, your software should help you process this.

Automatic enrolment will be 'business as usual', just like real-time PAYE or filing your employer return with HMRC.

Ongoing automatic enrolment responsibilities:  
[www.tpr.gov.uk/ongoing](http://www.tpr.gov.uk/ongoing)

## Next steps

Let us know who to contact: [www.tpr.gov.uk/nominate-contact](http://www.tpr.gov.uk/nominate-contact)

Create your plan: [www.tpr.gov.uk/planner](http://www.tpr.gov.uk/planner)

Subscribe to our e-newsletter: [www.tpr.gov.uk/subscribe.aspx](http://www.tpr.gov.uk/subscribe.aspx)

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

This guidance is designed to assist employers in complying with their duties. This guidance is not intended to be a definitive way of complying with the duties of the Pensions Act 2008 and the regulations made under the Act. The Pensions Regulator cannot provide a definitive interpretation of the law; only the courts can do this. If you have any doubts of your legal rights or obligations please seek legal advice. Any alternative approach to that appearing in this guidance will nevertheless need to meet the underlying legal requirements.

### **The essential guide to automatic enrolment for employers**

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