

Automatic Enrolment

WHAT IS AUTOMATIC ENROLMENT?

Automatic enrolment is legislation introduced by the UK Government's Pensions Act requiring all employers to enrol their qualifying employees in a workplace pension scheme, and this includes those who employ domestic staff.

What are the contributions?

EMPLOYER & EMPLOYEE CONTRIBUTIONS

The amount put into the employee's pension pot will be a combination of the employee's contribution, the employer's contribution and tax credits from the government (see table 1 below). The percentage will gradually increase until October 2018.

TABLE 1

DATE	EMPLOYER CONT.	EMPLOYEE CONT.	GOVERNMENT CONT.	TOTAL
Present to 30 Sep 2017	1.0%	0.8%	0.2%	2.0%
1 Oct 2017 to 30 Sep 2018	2.0%	2.4%	0.6%	5.0%
1 Oct 2018 Onwards	3.0%	4.0%	1.0%	8.0%

It is important to note table 1 outlines the minimum contribution amounts on Eligible Job-holder qualified earnings. The employer or employee may contribute more if they are able to.

WHO QUALIFIES?

A qualifying worker, also known as an Eligible Job-holder, is somebody aged between 22 and State Pension Age who earns above the Tax Free Allowance.

Even if your employee is not a qualifying worker, you must still make sure you have a pension scheme available. This is because your staff have the right to join a scheme if they choose.

Depending on their age and salary you may or may not have to contribute to their pension (see table 2 below for details).

TABLE 2

AGE	EARNINGS*	EMPLOYEE	AUTO-ENROLLED?	OPT IN/OPT OUT
22 to State Pension Age	£10K & over	Eligible Job-holder	Yes	An Eligible Job-holder can choose to 'opt out' of the workplace pension scheme.
Under 22 or between State Pension Age and 75	£10K & over	Non-eligible Job-holder	No	Non-eligible Job-holders have the right to 'opt in' to a pension scheme which the employer contributes to.
Between 16-75	£5772-£10K	Non-eligible Job-holder	No	Non-eligible Job-holders have the right to 'opt in' to a pension scheme which the employer contributes to.
Between 16-75	Below £5772	Entitled Worker	No	Entitled workers have a right to 'opt in' to a pension scheme, but the employer does not have to contribute anything to their pension.

* figures correct for 2014/2015. These amounts may change each tax year. Source: The Pensions Regulator

How we can help

WORKPLACE PENSIONS SCHEME

TRUST|Pensions® provides an easy to use online platform that will take away the burden of auto-enrolment.

- Core pension service is free to employer
- Optional assisted sign-up and full compliance management a one-off £750+VAT fee
- Optional ongoing employee assessment and communication compliance package £12 p.a. per employee
- Annual charge to members 0.75%

AND IF YOU DON'T SET UP A SCHEME?

The Pensions Regulator has the power to issue steep fines of £400 plus a daily fine of £50 for every day that you are non compliant.