



INTRODUCTION TO AUTO-ENROLMENT

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An Introduction to Auto Enrolment

What is Auto Enrolment?

Auto Enrolment is a Government initiative stating that every employer must automatically enrol "workers" into a workplace pension scheme. All "workers" aged between 22 and the State Pension age, earning more than £10,000.00 a year and working within the UK will be automatically enrolled.

There are seven steps to Auto Enrolment and we can help you every step of the way.

STEP 1 - KNOW YOUR STAGING DATE (18 Months prior to your staging date)

The staging date is the date the new law applies to your Company. This date is determined by the size of your largest PAYE scheme. Once you know your staging date provide contact details to "The Pensions Regulator", TPR.

STEP 2 - ASSESS YOUR WORKFORCE (15 Months prior to your staging date)

Workers Work under a contract of employment OR have a contract to perform work or services personally and are not undertaking the work as part of their own business.

Entitles workers	Eligible jobholders	Non-eligible jobholders
Aged 16 – 74	Aged 22 - SPA	Aged 22 - SPA
Working in UK	Working in UK	Working in UK
Earning below £5,772	Earning above £10,000	Earning above £10,000
		OR
		Aged 16-74
		Working in UK
		Earning above £5772 but below £10,000
Have a right to join	Must be automatically enrolled	Must be automatically enrolled

STEP 3 - REVIEW YOUR PENSION ARRANGEMENTS (12 Months prior to your staging date)

A: Review your existing pension scheme.

If you already have a scheme for your workers, you may be able to enrol all eligible jobholders into this scheme. You will only be able to do this if it qualifies as an automatic enrolment scheme. If it doesn't you may be able to change the scheme rules or amend the terms of the policy. If you don't already have a scheme or it doesn't qualify you will need to enrol them into a new pension scheme.

Workers Work under a contract of employment OR have a contract to perform work or services personally and are not undertaking the work as part of their own business.

B: Choosing a qualifying pension scheme.

There are a number of pension providers to choose from if you need to select a qualifying pension scheme.

STEP 4 - COMMUNICATE THE CHANGES TO ALL YOUR WORKERS (12 Months prior to your staging date)

Employers have a legal duty to provide information to all "workers", individually in writing about the changes detailing how they are affected by the changes.

STEP 5 - AUTOMATICALLY ENROL YOUR ELIGIBLE JOBHOLDERS (On staging date)

There is a process that employers will need to follow in order to make an eligible jobholder a member of an automatic enrolment pension scheme.

STEP 6 - REGISTER WITH THE PENSIONS REGULATOR AND KEEP RECORDS (5 Months prior and after staging date)

Shortly after your staging date you will need to register with The Pensions Regulator. You will be required to maintain specific records about enrolled workers, their status within the scheme, the payment of contributions and the qualifying scheme itself. You will also be

required to maintain records for those enrolled workers that opt out of your pension scheme.

STEP 7 - CONTRIBUTE TO YOUR WORKERS' PENSIONS (Ongoing process)

After your staging date, you must contribute to your chosen pension scheme on behalf of your "workers". The minimum contribution rates that an employer must pay into their worker's pension scheme will be introduced gradually over a 6 year period (from 2012 to 2018). This is known as "phasing", the minimum employer contribution will change from 1% to 3% over this period