

# AUTO ENROLMENT MADE SIMPLE



**AUTO ENROLMENT  
COULD HAVE BEEN  
REALLY COMPLICATED  
BUT, BY WORKING WITH  
A FINANCIAL ADVISER,  
I WAS ABLE TO ENROL ALL  
MY STAFF VERY EASILY.**



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# 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 IT AS SOMETHING THEY WOULD HAVE TO ADDRESS IN THE FUTURE.

**B**ut fast forward to 2015 – and that future is here!

**For all UK businesses,** 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 the new legislation – **or face being fined by the regulator.**

The auto enrolment process is highly complex. You will need to implement a suitable pension scheme by a particular date, called your 'staging date', and then assess which employees will need to be enrolled into the scheme.

This process includes ongoing payroll management, record keeping and communicating with your employees, many of whom 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 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 implementation and going forward

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



# 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 five key areas – below is an overview of your main duties:

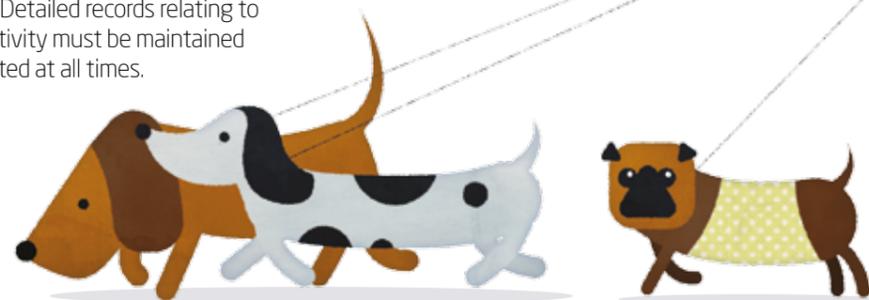
- **Categorise your workers.** You may think everyone should be included in auto enrolment, but it's not that simple.
- **Communications.** There are a number of different communications you need to send to different categories of worker at different points in time.
- **Keep detailed employee records.** Employees can opt out, employees who aren't eligible initially may become eligible in the future, opted out employees might change their minds – there are a number of scenarios which you must take into account. Detailed records relating to all this activity 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 which arise from 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, however, with the right help and support, it doesn't have to be a big obstacle to overcome.



# WHEN DO YOU 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 EMPLOYER ACROSS THE UK.



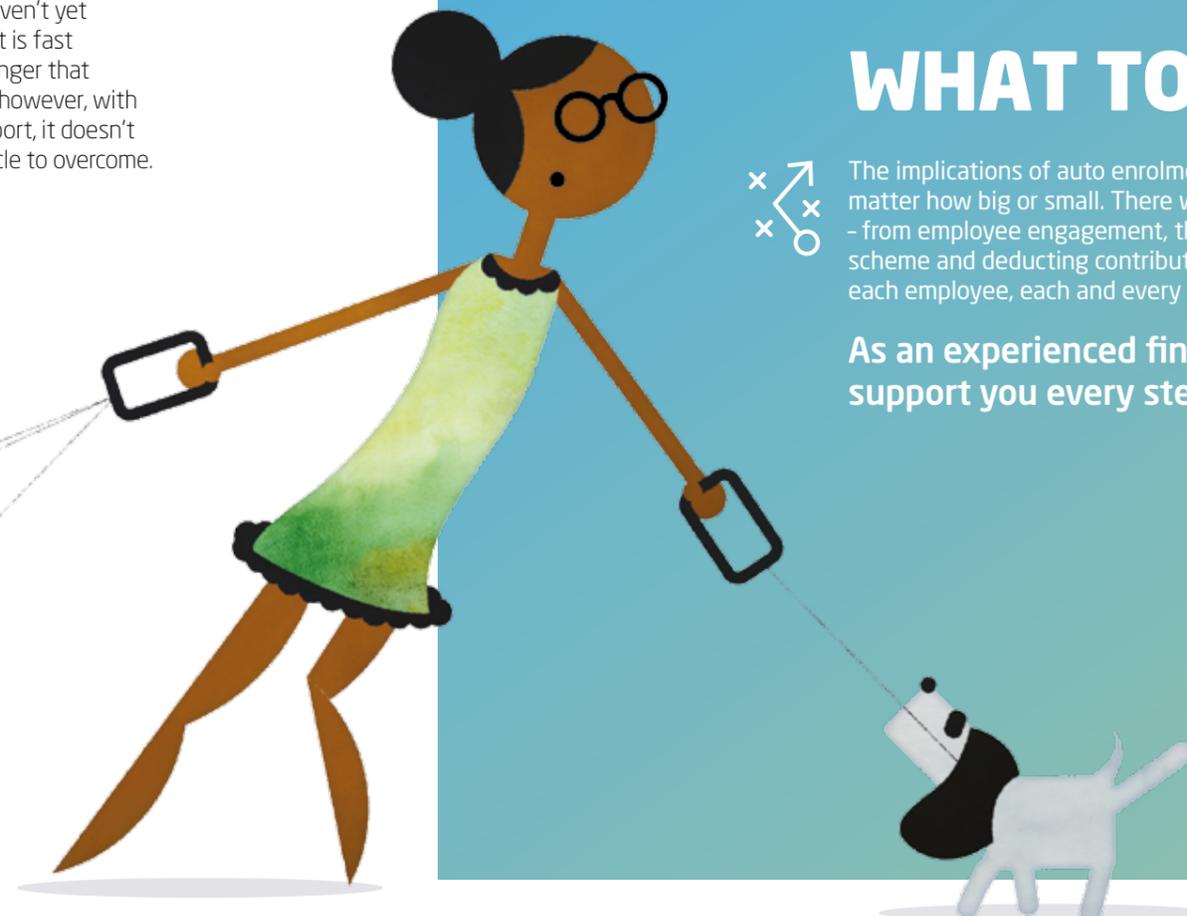
Staging dates are decided based upon your PAYE number, The Pensions Regulator will let you know your staging date in plenty of time to prepare for implementation.

## 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.**



# HOW I CAN HELP...

**ALTHOUGH AUTO ENROLMENT IS AFFECTING EVERY BUSINESS ACROSS THE UK, I UNDERSTAND THAT YOUR BUSINESS IS UNIQUE AND THAT YOUR FIRM, COLLEAGUES AND EMPLOYEES DESERVE SPECIALIST FINANCIAL ADVICE WHEN PUTTING YOUR AUTO ENROLMENT SCHEME IN PLACE.**

I will work with you and your HR/ payroll team to find the best solution for your business and guide you through the necessary steps to get the right auto enrolment scheme in place. This will include all the work needed to assess who is eligible, the communications which need to be sent to employees throughout the process, implementation of the scheme and arrangement of all the activity which needs to take place in the future. Please bear in mind that your staging date is not the 'end' of auto enrolment for your firm; there are many tasks which will need to be undertaken on a regular basis going forward, and I can ensure that systems are in place to make this run as smoothly as possible.

You will have access to the SimplyEnrol Auto Enrolment Planner; an online system which means you will be able to log-in at any time to see which tasks are completed, which are imminent and, if relevant, which ones are overdue. The planner will give you additional peace of mind as it clearly sets out the end-to-end process and where you are at any point.

As an additional bonus, engaging my services will also mean that your workforce will get access to SimplySavingMoney. This online retail discounts means that your employees could benefit from around £400 of savings per annum on household name brands, supermarkets, holidays and much more.

I can advise you on the tools, material and software needed to make the implementation run as smoothly as possible, but also provide a service which is totally personal and built around the needs of your company.

Auto enrolment is unavoidable, but working with a professional financial adviser can help make the entire process a great deal easier and what's more, together we'll get it right first time.



# 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

Over 750 firms have already received fines during 2015, so this is very real threat to employers.

## 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 (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.

It's a common misconception that using postponement delays a firm's staging date; this is not the case. It's important to understand the intended purpose of postponement, as outlined above, or you could end up non-compliant and subject to the TPR's fines.

## 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.

What are the minimum contribution levels?

	Employer	Employee	Total
October 2012 – September 2017	1%	1%	2%
October 2017 – September 2018	2%	2%	4%
October 2018 onwards	3%	5%	8%

