

Workplace Pensions have been introduced to encourage more people to pay into a pension scheme to help them save towards their retirement. Each employer is now required to assess their employees for auto enrolment and set a pension scheme up where required. As part of the payroll services we already provide, we now include a service to deal with pensions on our clients' behalf so there should be very little that you will need to directly with regards to the new pension rules.

### What will happen and when?

Each employer has been allocated a Staging Date – this is the date by which you need to comply with the new pensions rules. Some of our clients will have already reached their Staging Date, while others will reach theirs between now and next February.



#### If you have already reached your Staging Date...

You and your staff will have already received information from us regarding Workplace Pensions.

Your staff will have already been automatically enrolled, where required, and all other staff will have been given the opportunity to join a pension scheme if they wish to.

We will have completed your Declaration of Compliance with The Pensions Regulator and we will continue to assess existing and any new staff for pensions ongoing.

#### If you have not yet reached your Staging Date...

You may have already received information regarding Workplace Pensions from The Pensions Regulator – this will include a note of your Staging Date. There is nothing you need to do with these letters – please just keep them to one side and contact us if you have any queries.

As we approach your Staging Date we will assess all of your staff and they will either be automatically enrolled to a pension or they will be given the opportunity to join a scheme if they wish. All staff will receive written notification from us and we will also write to you to notify you that this has happened.

Your Declaration of Compliance will be completed with The Pensions Regulator on your behalf, shortly after your staff have been assessed, and we will continue to assess existing and any new staff for pensions ongoing.

### Who goes in to a pension and who doesn't?

Employers must automatically enrol any of their employees who meet all of the following criteria:

- earning over £192 per week/£768 4-weekly (or £833 per month)
- aged 22 or over
- under state pension age

All staff who meet these conditions will be automatically enrolled to a pension, although they can choose to opt out if they wish to. Those paying into a pension will be enrolled with NEST, which is the government backed scheme and they will also receive employer contributions towards their pension.

Anyone who does not meet the above criteria will not be enrolled automatically but they will be offered the opportunity to join a scheme if they wish. They may also be eligible for employer contributions towards their pension.

## Costs

Employees will pay 1% of their qualifying earnings (including tax relief) and employers will also contribute 1% (rising to 2% each from April 2018, then due to rise again in 2019). Qualifying earnings are currently set as anything over £113 per week/£452 4-weekly (£490 per month).

Our fees for administering pensions will be:

- £150 as a one off fee for set-up of the pension scheme, administration and compliance
- £10 per pay period ongoing (inclusive for all staff)  
OR £8 per pay period ongoing (where clients manage their own funding)
- Where no pension scheme is required, no fees will be charged.

As Workplace Pensions are a statutory requirement, we expect that funding providers will provide the extra sum required to cover the cost of your employer contributions towards your employees' pensions and they should also cover the fees we will charge for the administration of the pension. There should therefore be no additional personal cost to you.

If you manage your own funding, you may need to go to your funding provider(s) to ask them to provide any additional sum required. In this instance, we will provide a calculation and other details when we assess your staff.

## Looking for more information?

We hope the above will give you some good basic information regarding Workplace Pensions and how this may affect you and your staff. We are happy to answer any specific enquiries so please feel free to contact our office with any queries at all.

More info can also be found at:



### NEST Pensions

[www.nestpensions.org.uk](http://www.nestpensions.org.uk)



### Government Information

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



### The Money Advice Service

[www.moneyadvice.service.org.uk/en/categories/automatic-enrolment](http://www.moneyadvice.service.org.uk/en/categories/automatic-enrolment)