

35. Pensions - Considerations

1 PENSION AUTO-ENROLMENT

Under the Pensions Act 2008, every employer in the UK must enrol certain eligible staff into a workplace pension and pay into it. This is called 'automatic enrolment'.

If you are employing staff for the first time, your legal duties for automatic enrolment begin on the day your first member of staff starts work. You should start preparing early in anticipation for this, so you know what you'll need to do.

2 ELIGIBILITY CRITERIA

To be eligible for automatic enrolment, employees must be:

- At least 22 years old
- Not yet at State Pension Age
- Earning a salary of at least £10,000
- Normally working in the UK under a contract of employment

3 PENSION SCHEME CONSIDERATIONS

You will have to work out if you need to provide a pension scheme. The Pensions Regulator website has an online tool and guidance to help you to work out what your duties are: www.tpr.gov.uk/onlinetool

Choose a pension scheme - You and your staff will pay money into this scheme to help them save for their retirement. You'll need to have a pension scheme that is set up for automatic enrolment. You should look at different schemes before you decide which is suitable for you and your staff. You should choose an appropriate scheme that has been independently reviewed or is regulated by the Financial Conduct Authority.

Consider if any of your staff meet the eligibility criteria - If anyone who works for you on your duties start date is aged between 22 and up to state pension age and earns more than £833 per month you will need to provide a pension scheme.

Write to your staff - It is your legal duty to write to all your staff individually to explain how automatic enrolment applies to them. You must do this within six weeks after your duties start date.

Declare your compliance - It is your legal duty to tell the Pensions Regulator how you've met your duties within five months after your duties start date.

4 OPTING OUT

If an eligible jobholder does not want to join the workplace pension scheme, they can opt out of the scheme. Employees can opt out usually by completing a form available from the pension provider.

5 NEXT STEPS

- Visit the Pensions Regulator website to understand your obligations and duties. www.thepensionsregulator.gov.uk
- Check whether your employees are eligible for auto-enrolment.
- Research the different types of pension schemes and pension providers available.

6 FACTSHEETS TO HELP

- Employee Benefits Package

7 FOR MORE ADVICE AND INFORMATION

ACAS - (Advisory, Conciliation and Arbitration Service) free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law. www.acas.org.uk

Achieve in Bath & North East Somerset - free recruitment support, advice and help. Matching job seekers, employers and course providers to help employers recruit, train and retain employees. www.achieveinbathnes.co.uk

Future Bright - free help & support for businesses and employees to realise their full potential. Provide access to training and development, workshops and networking. HR support to promote career progression and best practice to attract and retain staff. www.futurebright.org.uk

***Bibliography** - this fact sheet was produced by Rathbone HR Solutions in association with Cool Ventures Ltd in December 2018 with content sourced from; HR Inform (www.hr-inform.co.uk), ACAS (www.acas.org.uk), CIPD (www.cipd.co.uk), the pensions regulator (www.thepensionsregulator.gov.uk/en/employers), HMRC (www.gov.uk/government/organisations/hm-revenue-customs), the Information Commissioner's Officer website (www.ico.org.uk)*