

Auto-Enrolment Pensions

Workplace Pensions law is changing and every employer in the UK will have to act to avoid serious penalties. Around 38,000 medium sized employers will reach their auto-enrolment staging dates next year and experience so far demonstrates that planning well in advance is crucial.

The Government estimates that around 7 million people in the UK are not saving enough for their retirement so in October 2012 it introduced auto-enrolment. Starting with larger companies first, this is a requirement for employers to enrol certain employees into a pension scheme and make contributions on their behalf. However, there are various stages that must be dealt with first, which is why planning ahead is so valuable.

Key Stages

1. Find out staging date
2. Workforce assessment
3. Calculate costs and consider earning definition options
4. Review any existing schemes
5. Implement new scheme and register with the Pensions Regulator
6. Communicate to staff
7. Enrol eligible job holders
8. Process opt-outs
9. Collect and make contributions
10. Keep records
11. Maintain assessment process

Staging Dates

| Number of Employees | Staging Date |
|---------------------|------------------------------|
| 350 – 499 | 1 January 2014 |
| 250 – 349 | 1 February 2014 |
| 160 – 249 | 1 April 2014 |
| 90 – 159 | 1 May 2014 |
| 62 – 89 | 1 July 2014 |
| 50 – 61 | 1 August 2014 – 1 April 2015 |
| Less than 50 | From 1 June 2015 |