



*I am fond of pigs.
Dogs look up to us.
Pigs look down on us.
Pigs treat us as equals.*

Winston Churchill

The Accounting Pig Limited

Auto-Enrolment Compliance

As an employer, the responsibility of Auto Enrolment (AE) rests with you and you must ensure compliance. If you fail to comply, The Pensions Regulator (TPR) may issue you with a penalty notice – costing you money as well as time! Can you really afford to not comply with the law and face action and penalties?

Make sure you are prepared for your AE duties, including understanding what you need to do, when you need to do it by and how you are going to it. Remember, AE does not stop once you have achieved initial compliance – it is an ongoing task that needs to become part of your everyday payroll process.

What's involved?

You will be assigned a Staging Date by TPR. This is the date from which you need to auto-enrol ELIGIBLE JOBHOLDERS into a qualifying Workplace Pension. You can find your staging date by visiting [Find my staging date](#) - have your PAYE reference to hand. You can POSTPONE staging for up to 3-months.

Key to AE is communicating with your employees throughout – it is your legal duty to write to each of your employees individually to explain how AE applies to them.



What should I do now?

Know your staging date and work backwards from there. You should allow at least 6-months to prepare for AE.

What are the steps in the process?

You need to have a Qualifying Pension Scheme in place for your company. There are a number of providers that can offer you a Workplace Pension, but be warned, demand is high right now so you may be in a long queue. As a small employer, some providers may not want to provide you with a scheme as it is not cost effective for

them. However, the Government has put in place Master Trusts, such as NEST, who are specifically there to assist small employers with AE. Make sure you see what support a provider can give you in meeting your duties.

You will need to prepare various letters for your employers explaining AE to them, including confirmation of enrolment, postponement and opt-in/opt-out situations.

Within 5-months of your staging date, you must complete a Declaration of Compliance for TPR.

Once you have completed the initial staging, you will need processes in place to manage AE in every payroll run, regardless of its frequency.

Will my payroll software handle AE?

That's a good question and it is essential you contact your supplier and find out how much of the processing their software can handle. Some packages help with the communications, as well as electronically sending information to your provider every time you run your payroll. Other packages are not so good and do the minimum, so make sure you find out ahead of time in case you need to consider changing suppliers.

Where can I find out more about AE?

The TPR website is full of information about AE and also provides useful templates for your communications. This link takes you to their site - [TPR AE site](#).

TPR also has a handy guide to AE - [AE guide](#).

Information on NEST can be found here - [NEST](#)

It's also worth checking what other providers could help, and TPR has some useful advice here - [Pension schemes](#)

You can also contact The Accounting Pig if you would like assistance in meeting your duties. In the first instance we will provide a free no-obligation assessment to review what is involved in making sure you meet your obligations.

The AE categories for employees

ELIGIBLE JOBHOLDERS

- Aged between 22 & state pension age
- Earn at or above the £10,000 earnings trigger for AE (valid for 2016/17 tax year)
- Ordinarily works in the UK

Jobholders are able to Opt-Out if they choose but you must not offer any form of inducement to get them to make this choice.

NON ELIGIBLE JOBHOLDERS

Non Eligible Jobholders do not need to be auto enrolled, but may choose to Opt-In to your workplace pension. If they do, you will also need to make contributions.

ENTITLED WORKERS

Entitled Workers do not need to be auto enrolled, but may choose to Opt-In. It is your choice as to whether you wish to also contribute.

This guide does not constitute advice on your AE duties. It also does not provide full information about your AE duties. Legislation may change in the future so it is important you stay up to date with changes as they are announced.

The Accounting Pig Limited

Providing support so you can bring home the bacon.

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