

# Auto enrolment guide



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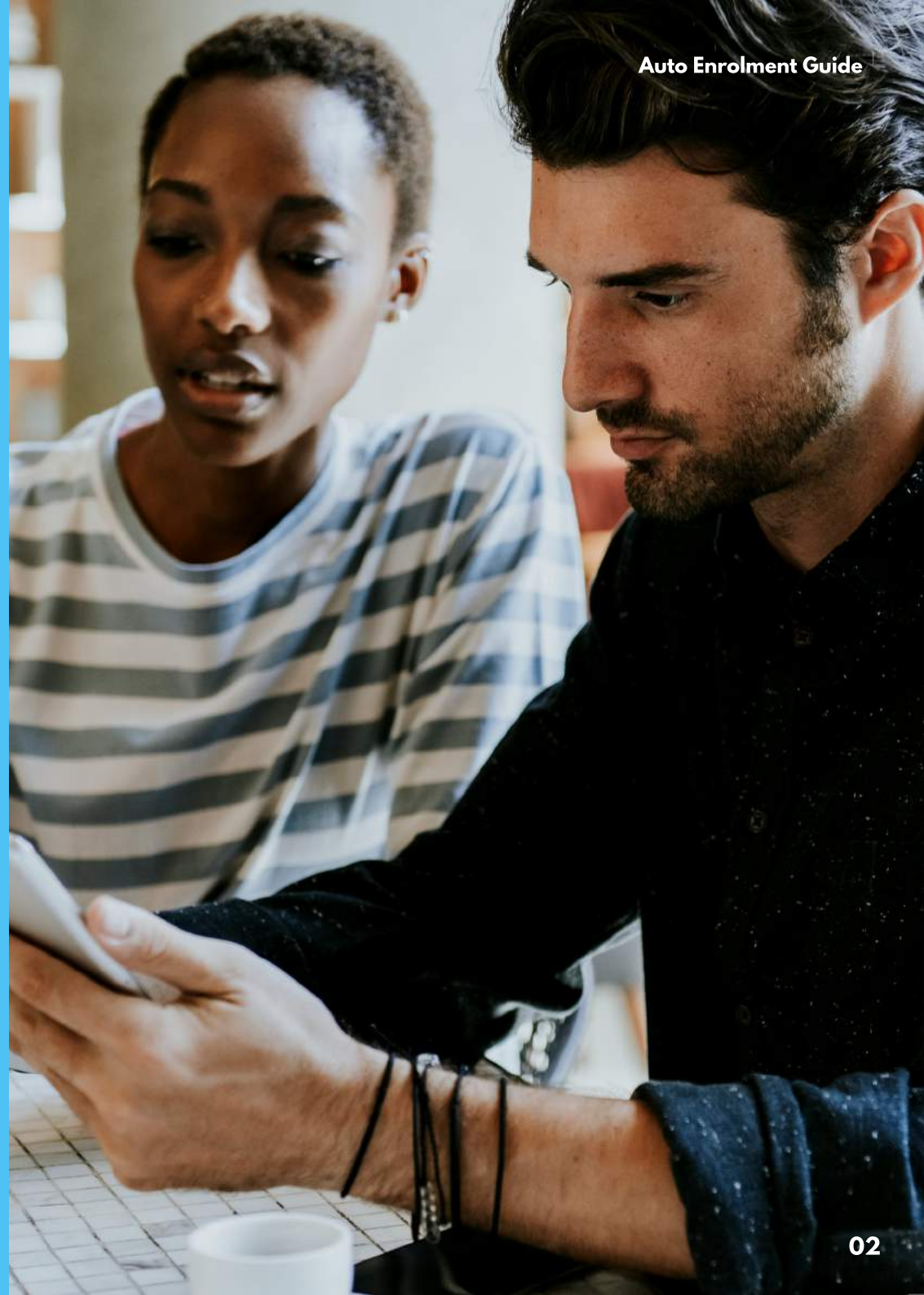
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## What is auto enrolment?

This government initiative helps more people save for later life through a pension scheme at work.

Auto enrolment makes it compulsory for employers to automatically enrol their eligible workers into a pension scheme.



# Your responsibilities

With new updates to the Pensions Act 2008, it's even more important to ensure you're up to date with your responsibilities to staff.

**This legislation brought in for workplace pensions affects every employer with staff working for them in the UK.**

If you pay staff through your payroll, you need to be aware of your responsibilities.

## Staging date

If you're an employer, you will have a staging date.

This is the date that your new duties come into force. It's important to check your staging date.

If you're unsure of your staging date, you can find it out [here](#).

If you're a client and you don't know your PAYE reference numbers, simply email [info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk) or phone us on 020 3355 4047 and we'll be happy to provide them for you.



## Which pension provider should I choose?

There are many to choose from, so you may wish to consult a financial advisor before deciding which would be the right fit for you.

Most of our clients choose NEST. This scheme was set up by the government, is free to use and also works with all payroll providers in the UK.


You will automatically be accepted onto the scheme even if you're a very small business.



## Assessing your employees

From your staging date, you should have 'assessed' your employees to see if they should be automatically enrolled. The eligible employees should then be enrolled into the pension scheme and your payroll should be updated to reflect this.

Below you will see the criteria for assessing your employees (anyone under 16 or over 75 are excluded from the auto enrolment process).

	16 - 21	22 - State pension age	Pension age - 74
<b>Eligible job holders</b> Must be automatically enrolled into a scheme with contributions paid on their behalf		<b>Eligible job holders</b>	
£10,000			
<b>Non-eligible jobholders</b> Have the right to opt in to a scheme with contributions paid on their behalf		<b>Non-eligible job holders</b>	
£6,240			
<b>Entitled workers</b> Have the right to join a pension scheme with contributions optionally paid on their behalf.		<b>Entitled workers</b>	
£0			

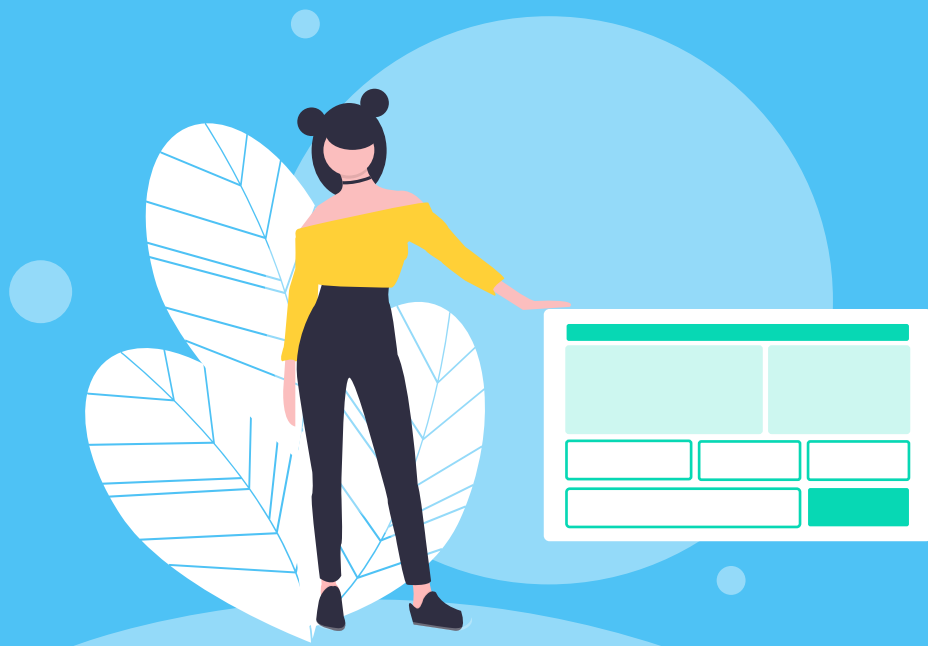
## Contributions

For each payroll after the staging date, the relevant contributions should be made.

You must contribute at least the minimum amount towards the pensions scheme, which will increase over time.

The minimum contributions are:

Dates	Employer	Employee
April 2019 to April 2020	3%	5%
April 2020 onwards	3%	5%





## Other considerations

You have a legal obligation to inform each member of staff of their rights and how auto enrolment affects them.

## Opting out

Each employee has the right to 'opt-out' of the scheme within 6 weeks of enrolment, but they must be automatically re-enrolled every third anniversary of your staging date. This should be made clear to them so that contributions are not deducted

## Declaration of compliance

Every employer that is not exempt (usually director only payrolls) must complete a declaration of compliance, whether they are required to set up a pension scheme or not. This can be completed on shortly after the staging date.

## Director only payrolls

If the payroll only consists of directors and there are no employment contracts for those directors then an exemption can be processed. We will do this as a matter of course for our clients.



**You must continue assessing your employees, in case they cross age or earning thresholds.**



## Looking for more help with auto enrolment?

If you have any further questions, or would like us to care of the process for you, simply phone us on 020 3355 4047 and one of our friendly accountancy advisors will be happy to help.



Get An Instant Quote



