



## Auto Enrolment: Workplace Pensions (Part 1) – An Introduction:

In this month's tip we'll be looking at Auto Enrolment: Workplace Pensions, which will give you an introduction to the changes to pensions in the UK, known as **Auto Enrolment**.

A new law means that over the next few years, every employer must automatically enrol workers into a workplace pension scheme if they:

- Are aged between 22 and State Pension Age
- Earn more than £9,440 a year (2013/14 limit, this amount will change)
- Work in the UK

Start by taking a look at this helpful government website: [www.gov.uk/workplace-pensions](http://www.gov.uk/workplace-pensions)

Every company will be required to offer employees the chance to join a qualifying pension scheme, which both the **employee** and **employer** can contribute in to.

### When do these changes come into effect?

Auto Enrolment has already begun for the largest UK companies but **don't panic**, when auto enrolment comes into effect depends on the number of employees in your company, so it could be some time off yet. You will have a staging date depending on the size of the company.

Determine your staging date by using this staging date calculator: [www.thepensionsregulator.gov.uk/employers/staging-date-timeline](http://www.thepensionsregulator.gov.uk/employers/staging-date-timeline)

### What will this mean?

Every company must have a qualifying pension scheme in place, in to which employees will automatically be enrolled by the employer. This could be a new pension or an existing pension as long as this pension 'qualifies' and also that no restrictions are placed on membership. We will be sending out information on contributions and other details in the coming months.

**Remember**, If a company does not have a qualifying pension scheme then it **must** introduce one.

Employers will have responsibility for ensuring they have a compliant pension scheme in place and that the correct employees and employers contributions are paid into the scheme.

### Why is this happening?

The average life span has increased and people are living for longer. The changes to pensions are because the current state pension will just not be enough when retiring and the government are trying to encourage people to save for their retirement.

### What will we be doing?

We will be doing everything we can in our payroll software to help you understand and run auto enrolment pensions. We will help you manage and monitor employees, inform pension providers and print/send letters regarding auto enrolment.

We would advise you to make sure that you can seek sound and helpful advice from your pension provider or speak with a financial advisor.