

OUTPER40RM

The Department of Work and Pensions (DWP) publishes proposed changes to automatic enrolment

DWP have published results of a review group that have examined automatic enrolment as to whether any changes could be made to get more low earners saving more into their pensions.

The proposed changes

- Upper and lower minimum contribution thresholds – the band earnings on which minimum contributions is based will change in line with National Insurance thresholds, £6,032 to £46,350 for 2018/19.
- Removal of the lower contribution
 earnings threshold this will mean
 contributions will be due on the first pound
 of earnings, although the upper cap will
 remain.
- Reduction of the automatic enrolment age – the proposal reduces the age from 22 to 18 from which an employee will need to be automatically enrolled. The hope is that by saving longer employees will build up bigger pension pots.

When will the changes happen?

The Government will consult on how to introduce the changes over the next few years with a view to introducing them in 'the mid-2020s'.

What hasn't changed?

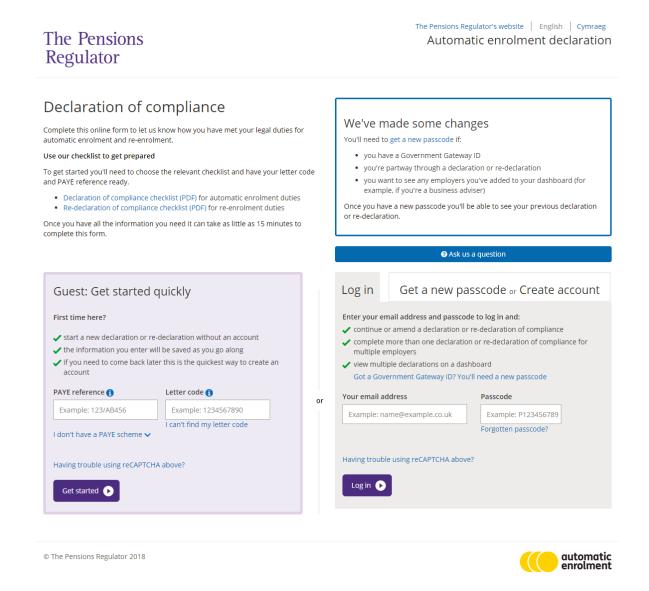
- The auto enrolment earnings trigger the review concluded that there is currently
 no need to change the automatic
 enrolment earnings trigger of £10,000
 although it will now be reviewed every year
 to make sure the level is sustainable and
 meets its objectives.
- Contribution increases beyond 8% the Government will monitor the minimum contribution increases in 2018 and 2019 to inform if or how consideration should be given to further increases in the future.

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Changes to the Declaration of Compliance

Towards the end of this month (March 2018), The Pensions Regulator (TPR) will no longer be using the government gateway as the authentication process for the Declaration of Compliance portal. Instead, employers will log in to the portal via TPR's own system. Please see below screenshot of what the employer landing page will look like:



If you have any queries or would like to discuss an audit of your automatic enrolment compliance please contact Katie St. Pier, Associate Consultant at 44 Benefit Solutions Ltd on:

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