



AUTO-ENROLMENT EMPLOYER GUIDE

1. GETTING READY

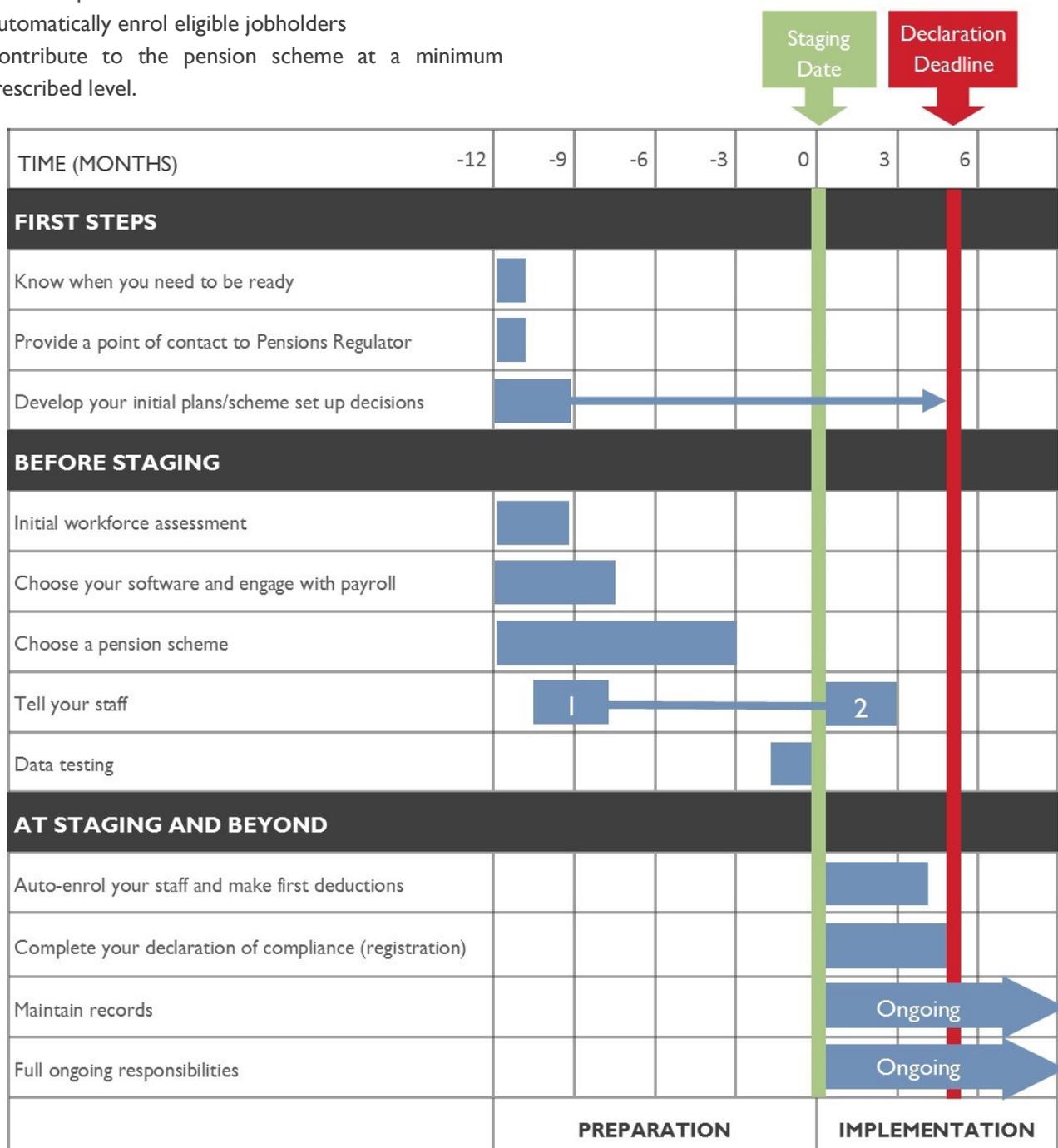
What is auto-enrolment?

Auto-enrolment (AE) rules aim to reduce reliance on the State for retirement income. The employer duties are being phased in, and started with the largest firms when they came into force in October 2012. Through 2016 and 2017 the rules began to affect small and micro employers and PAYE references set up post April 2012. The rules bring in three fundamental duties to promote pension saving:

- Provide a pension scheme that meets certain criteria
- Automatically enrol eligible jobholders
- Contribute to the pension scheme at a minimum prescribed level.

How should you prepare?

The most important thing to know is your organisation's staging date. Your staging date is the date on which your employer duties begin. Staging dates for all employers have been set out by the Pensions Regulator. You can visit their website to [check your staging date online](#). You are required to communicate with your staff ahead of your staging date so early planning is vital. The diagram below sets out some key milestones in the AE process:



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Where should you start?

The most critical thing to know is your **staging date**. This is the date from which your employer duties begin. Using the timeline on the previous page can help you to prioritise and plan your approach. There are several key things you'll need to get to grips with:

- Assessing your workforce—different duties apply to different categories of worker.
- The importance of data/payroll.
- Communications requirements at various stages of the process.
- Definitions of pensionable pay and the associated minimum contribution levels.
- How postponement works.

Our range of factsheets is intended to be a useful high level overview of the key aspects of auto-enrolment. There is detailed guidance available from the Pensions Regulator on all of these subjects and more, or you can [contact us](#) to discuss your AE circumstances with one of our consultants.

What are my employer duties?

You must provide access to a suitable pension scheme. You must automatically enrol eligible workers into the scheme and make contributions on their behalf.

You may also need to deduct employee contributions from salary and pay them into the scheme along with your own. At every stage there are strict rules for what must be communicated to your workers, when and how.

Categories of worker

Your duties vary according to the type of worker you employ. There are three types of worker (see diagram below):

- **Eligible jobholders**
 - Must be automatically enrolled (and employer must contribute)
 - Aged between 22 and SPA
 - Earning over £10,000
- **Non-eligible jobholders**
 - Have the right to opt-in (and employer must contribute)
 - Aged 16-22 and earning over £5,876 **OR**
 - Aged 22-SPA and earning £5,876-£10,000 **OR**
 - Aged between SPA-74 and earning more than £5,876
- **Entitled workers**
 - Have the right to join (employer does NOT have to contribute)
 - Aged 16-74
 - Earning less than £5,876

