

## Pensions & Automatic enrolment



### **What is automatic enrolment?**

Under the Pensions Act 2008, every employer in the UK must put certain staff into a workplace pension scheme and contribute towards it. This is called 'automatic enrolment' and is a legal requirement. You could be fined by the Pension Regulator if you do not comply but we are here to help you put things in place.

### **Who qualifies for automatic enrolment?**

If anyone who works for you is:

- aged between 22 and up to state pension age
- and earns more than £833 per month (£192 per week)

You are an employer who has to provide a pension scheme.

### **An employee can pay into a pension scheme even if they do not qualify for auto-enrolment**

If your employee earns under £833 per month (£192 per week) it is still your duty to inform them that they have the option to pay in to a pension scheme. If your employee earns over £520 per month (£120 per week) and they opt-in, you will still have to pay contributions (see below).

### **What are contributions?**

The total minimum contribution from 5 April 2019 is currently 8%. Employers currently pay a contribution of 3% and employees a minimum contribution of 5%. When we look at your budget we will make sure that we cost in enough money to cover your pension contributions from your Direct Payment, and your payroll provider will work out the contributions for you each month.

### **Opting-out**

Your employee can decide to opt-out of automatic-enrolment, but only after the pension has been set up. You will need explain their options to them and then to let your payroll provider know that they wish to opt-out. Unfortunately employers do not have the ability to opt – out.

## **Declaring your compliance**

Your declaration is your legal duty to tell the Pensions Regulator how you have met your legal duties as an employer. This needs to be completed even if your employee is not being auto-enrolled / opting-in to a pension scheme. You will be sent a letter from the Pensions Regulator asking you to complete this online. If you would like help submitting this online then we can support you with this.

Don't worry, we can help! For more information contact:

 **020 3080 0380**

 **dpsupport@aod.org.uk**

 **www.aod.org.uk**