

# Automatic enrolment webinar for professionals in the care sector

Information  
for care  
professionals

**Neil Esslemont**

Head of Industry liaison team

**Rebecca Woodley**

Industry liaison manager

**Guest panellist**

**Christopher Brooks**

Senior Policy Manager for Consumer and Community, Age UK

**Apologies**

**Sue Bott CBE**

Deputy Chief Executive at Disability Rights UK

**22 March 2017**



The information we provide is for guidance only and should not be taken as a definitive interpretation of the law.

The Pensions  
Regulator



# Agenda

Today we will first be looking at the basics of automatic enrolment.

We won't assume you already have prior knowledge.

There will then be the opportunity to ask questions to our expert panel.

These slides are available to download and the webinar will be available to view again.



# What is automatic enrolment?

The law on workplace pensions has changed.

- Every employer, with at least one member of staff, has new duties, including putting those who meet certain criteria into a workplace pension scheme and contributing towards it.
- This is called automatic enrolment.
  - It's called this because it's automatic for staff – they don't have to do anything to be enrolled into a pension scheme.
  - It's not automatic for employers. They need to take steps to make sure personal assistants (PAs) are enrolled.



The Pensions  
Regulator

# Overview of legal duties and safeguards

Automatic enrolment legislation gives **employers** a duty to:

- ✓ **automatically enrol** all staff who are eligible ('eligible jobholders')
- ✓ other staff who have the right to ask to **opt in** or **join** a pension
- ✓ **communicate** to their staff
- ✓ manage **opt outs** and promptly **refund** contributions
- ✓ every three years, automatically **re-enrol** staff who are eligible
- ✓ complete a **declaration of compliance** with the regulator
- ✓ **keep records**
- ✓ **maintain** payments of pension **contributions**

The **employee safeguards** mean that employers:

- ✗ **must not induce** staff to **opt out or cease membership** of a pension, and
- ✗ **must not** indicate, when recruiting new staff, that the decision to employ them will be influenced by whether or not they intend to opt out.



The Pensions  
Regulator

# Duties checker

Home / Employers / Duties Checker

## Duties Checker

### Before you begin

You will need the following information to complete this process:

#### PAYE reference

If you don't know your PAYE reference, it can be found on your letter from us, on your P6/P9 coding notice or on your white payslip booklet P30BC.

#### Letter code

Your letter code is the 10 digit code on the letter you received from us about automatic enrolment. If you don't know your letter code you can find it here [↗](#).

#### Age and earnings

You'll need to know the age and approximate earnings of anyone you employ.



Continue [↗](#)



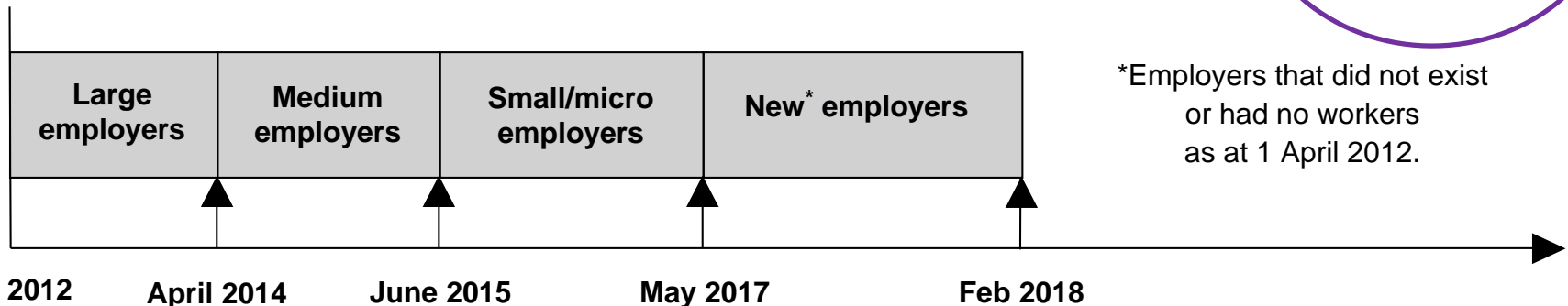
**automatic  
enrolment**

The Pensions  
Regulator

# Staging

- The employer duties apply to each employer from their **staging date**:
  - the duties apply to **all** of the employer's workers from that date.
- An employer that had workers on 1 April 2012 has a staging date based on the PAYE scheme or schemes that were being used on **1 April 2012**.
  - After 1 April 2012, any change to the PAYE schemes being used will have **no** effect on the staging date.
- New employers\* will stage last, from May 2017 onwards.

Do **not** assume your clients know their staging date - check this on our website



# Staging dates for new employers (April 2012 – Sept 2017)

<b>PAYE income is first payable in respect of any worker</b>	<b>Staging date</b>
From 1 April 2012 up to and including 31 March 2013	1 May 2017
From 1 April 2013 up to and including 31 March 2014	1 July 2017
From 1 April 2014 up to and including 31 March 2015	1 August 2017
From 1 April 2015 up to and including 31 December 2015	1 October 2017
From 1 January 2016 up to and including 30 September 2016	1 November 2017
From 1 October 2016 up to and including 30 June 2017	1 January 2018
From 1 July 2017 up to and including 30 September 2017	1 February 2018



The Pensions  
Regulator

# New employers from 1 October 2017

- New employers, who first pay a worker through a PAYE on or before 30 Sept 2017, are assigned a staging date (see previous slide).
- However, for service users who become an employer from 1 October 2017 onwards\*:
  - their duty start date is the contracted start date of their first personal assistant (PA);
  - and postponement can be used in the normal way (ie up to 3 months).
- As with other employers, they will have to complete a declaration of compliance within **five months** of their duty start date.

\* Subject to parliamentary approval  
(expected by 6 April 2017).



The Pensions  
Regulator



# Who is included in the automatic enrolment duty?

Staff may be subject to the automatic enrolment legislation if they are:

- aged 16 to 74 (inclusive), and
- work or ordinarily work in the UK ...

... whether or not they are full time or part time, permanent or temporary.

However, the *truly* self employed are **not** subject to automatic enrolment.



The Pensions  
Regulator

# Who is the employer of the personal assistant (PA)?

- If the PA is **employed** by *another* company (perhaps because the PA works for an agency or their own limited company), the service user will **not** be considered the employer.
- If the PA is **paid** by another company or agency, **that** company will have the responsibility for any automatic enrolment duties, **not** the service user.
- However, a payroll bureau that processes a payment on behalf of a service user, company or agency is **NOT** considered the employer - as the bureau is only making the payment on their client's behalf.
- If the PA works for a number of different employers, each employer / service user should **only** look at the PAs earnings that **they** pay them.
  - So, a PA could be automatically enrolled by more than one employer, or indeed none of them.



# What if the PA says they are self employed?

- The service user should **not** assume that a PA **is** exempt from automatic enrolment, just because they tell you that they are self employed.
- Even if someone is truly self employed for work they do for another client, it does not mean they will be truly self employed for every client they work for.
- The service user should consider if the PA is normally expected to do the work themselves.
  - If, at any time, the PA **can** freely substitute somebody else, then they **can** be considered truly self employed.
  - However, if they **are** normally expected to do the work themselves (unless they are *unable* to do it themselves, eg they are on holiday or sick), the PA is considered to have a contract to perform work or services '**personally**' ...
    - ➔ and the service user will need to judge whether or not the PA is doing the work **as part of their own business**.



# Is the PA working as part of their own business?

If a PA considers themselves self employed **and** has a '*personal*' contract:

- The service user will need to consider whether the PA is **working as part of their own business** or not.
- There are some factors that will help decide if the PA is working as part of their own business. Does the PA:
  - have control of the hours they work?
  - have their own public liability insurance?
  - provide care services for other people?
  - provide their own equipment ?
  - register themselves as self-employed with HMRC?
  - **not** get paid when on holiday or unable to work due to sickness?
- ➔ If most or all of the above are true, it would be reasonable to consider that they **are** undertaking the work as part of their own business.
- If they **are** undertaking the work as part of their own business, they can be considered 'truly self-employed' and are **not** subject to automatic enrolment.



The Pensions  
Regulator

# Assessment of workers

Qualifying earnings	Age range		
	16-21	22-SPA*	SPA*-74
Up to <b>£5,824**</b> pa	Entitled worker		
Over <b>£5,824</b> pa and up to <b>£10,000**</b> pa	Non-eligible jobholder		
More than <b>£10,000**</b> pa	Non-eligible jobholder	<b>Eligible jobholder</b>	Non-eligible jobholder

Non-eligible jobholders can **opt in** to an automatic enrolment pension scheme

Can request to **join** a pension scheme

Employer must **automatically enrol** eligible jobholders into an automatic enrolment pension scheme

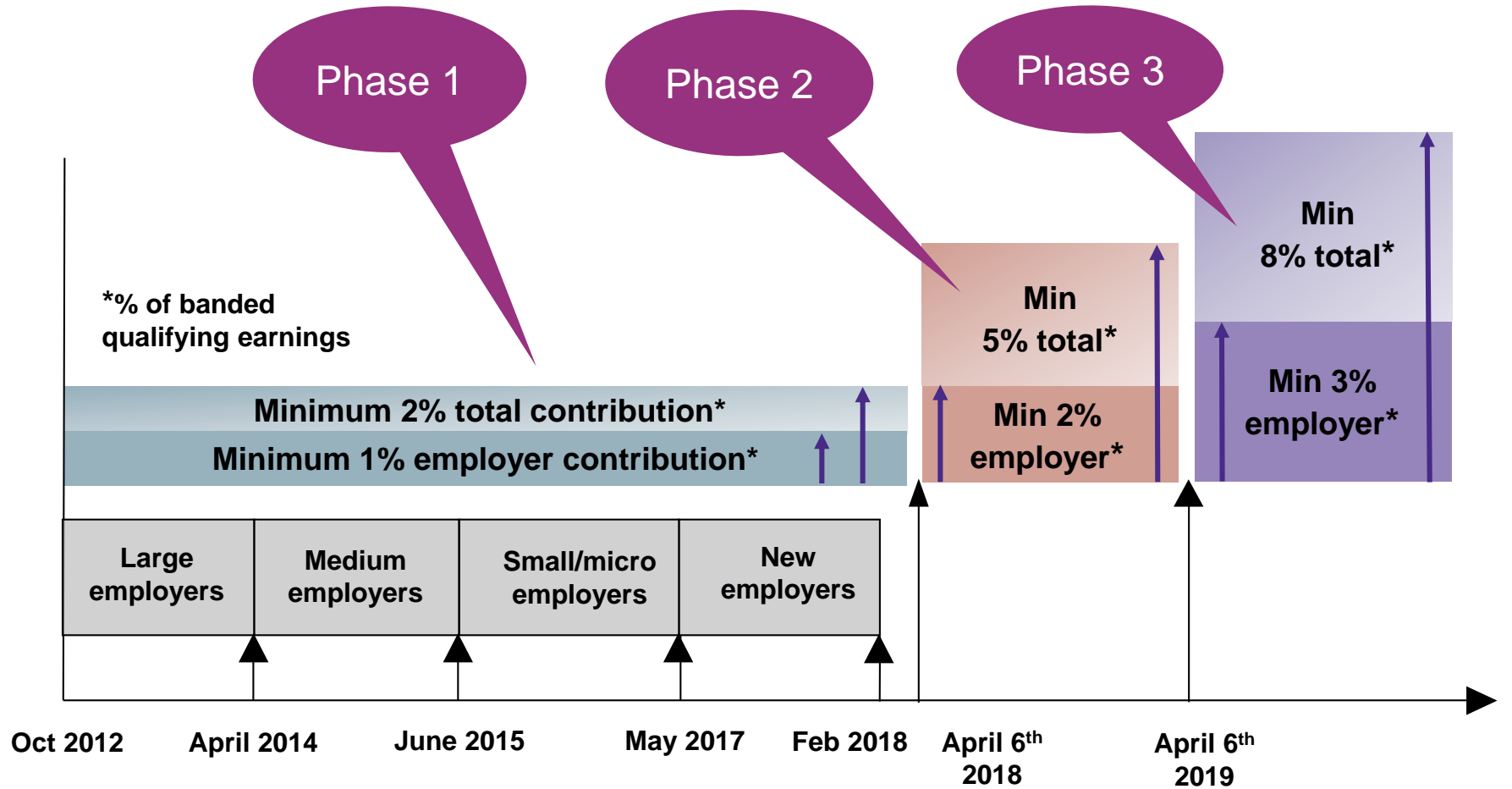
\* SPA = State Pension Age

\*\* Figures for 2016/17



The Pensions Regulator

# Minimum pension contributions



The Pensions Regulator

# Minimum banded pension contributions 2016-17†

Pay Reference Period/Cycle	Lower Earnings Threshold (LET)	Earnings trigger for automatic enrolment	Upper Earnings Threshold (UET)
Annual	£5,824 pa	£10,000 pa	£43,000.00 pa
Bi-annual	£2,912.00	£4,998.00	£21,500.00
1 quarter	£1,456.00	£2,499.00	£10,750.00
1 month	£486.00	£833.00	£3,583.00
<b>4 weeks</b>	<b>£448.00</b>	<b>£768.00</b>	<b>£3,308.00</b>
Fortnight	£224.00	£384.00	£1,654.00
1 week	£112.00	£192.00	£827.00

† For other Pay Reference Periods (PRP) durations, multiply the number of weeks in the PRP by the weekly amount (eg £192.00) or number of months by the monthly amount (eg £833.00) etc - or pro-rata if not an exact multiple of any of the above.

N.B. The Secretary of State will review these figures each tax year.

The Pensions  
Regulator

# Are joiners entitled to an employer contribution? 2016-17

Pay Reference Period/Cycle	Those earning this or less not entitled to an employer contribution	Earnings trigger for automatic enrolment
Annual	£5,824 pa	£10,000 pa
Bi-annual	£2,912.00	£4,998.00
1 quarter	£1,456.00	£2,499.00
1 month	£486.00	£833.00
4 weeks	£448.00	£768.00
Fortnight	£224.00	£384.00
1 week	£112.00	£192.00

**N.B.** The Secretary of State will review these figures each tax year.

The Pensions  
Regulator



# Does the employer need a pension?

- The employer must have an automatic enrolment pension in place by their staging date - **if** they have someone to automatically enrol on this date.
- If there is no one who needs to be automatically enrolled then a pension scheme does **not** need to be set up ...
  - but it may be useful to decide which pension would be used if someone asks to join or meets the criteria to be automatically enrolled.
- The employer has the right to select the pension and can choose to decline any employee's request to contribute to a different pension scheme.
- If the employer wants to use a pension requested by a member of staff, they will need to check that it is qualifying and can be used for automatic enrolment.
- The National Employment Savings Trust (NEST) is a pension scheme that has been established by the government for employers like you. It must accept any employer that wishes to join.



The Pensions  
Regulator

# Check suitability of payroll and IT systems

- What software will be used to carry out:
  - assessment
  - enrolment
  - communications, and
  - pension contribution calculations?
- Most payroll providers offer these services but, alternatively, non-payroll software or services could be used.
- For service users who do not use a payroll provider (eg users of HMRC's Basic PAYE Tool), we have published a Basic Assessment Tool (BAT) which also calculates pension contributions - see:  
→ [www.tpr.gov.uk/working-with-clients-without-compatible-payroll-software.aspx](http://www.tpr.gov.uk/working-with-clients-without-compatible-payroll-software.aspx)



# Postponement

Postponement does **not** change or delay the staging date or declaration of compliance deadline

- Postponement delays the duty of automatic enrolment and the need to assess and can be used:
  - at the employer's staging date for any or all existing staff
  - on the first day of employment for any new joiner after the staging date, and
  - on the date a member of staff meets the criteria to be an eligible jobholder.
- Only one postponement per member of staff can be made at a given time.
- Each worker can be postponed from one day up to maximum of three months.
- The employer must notify any postponed member of staff within **six weeks** and a day of the start of postponement.
- The member of staff has the right to opt in or join during postponement.
- Employer must assess on the last day of postponement and:
  - automatically enrol eligible jobholders, and
  - for those staff not eligible, monitor them **each** future pay period.



The Pensions  
Regulator

# Opting out

- Workers automatically enrolled (or who have opted in) may opt out.
- Employer **must** inform staff of their **right** to opt out and **how** to opt out.
- The employer **must not** give out or send out opt out forms:
  - requests to opt out must be handled by the **scheme** provider, and
  - completed forms would normally be sent to the employer.
- A one calendar month opt out window starts on the **later** of two dates:
  - ✓ once the worker is an active member of the pension scheme, or
  - ✓ when the employer **gives** a notice of enrolment letter/email to the worker.
- The worker will get a **full** refund of **all** contributions.
- Early opt outs (before the opt out window starts) - are not allowed.
- After the opt out window has closed, staff may still cease active membership and normal pension scheme rules will apply (so they will not get a refund).
- A worker who has opted out does not need to be assessed again until the employer's next re-enrolment date (occurs approx every 3 years).



The Pensions  
Regulator

# Communicating to staff

- Employers will need to write to their staff informing them of their **rights**:
  - when they are enrolled
  - when using postponement
  - and to explain a worker's right to opt in or join a pension.
- The deadline for most communications is within 6 weeks\*.
- Communications must be sent **directly** to the individual (eg by letter or email).
- We have provided example 'template' letters, which may be customised.  
[www.tpr.gov.uk/writing-to-your-clients-staff.aspx](http://www.tpr.gov.uk/writing-to-your-clients-staff.aspx)
- Translations are available in Bulgarian, Chinese (Mandarin and Cantonese), Latvian, Lithuanian, Polish, Romanian, Spanish and Welsh  
[www.tpr.gov.uk/doc-library/automatic-enrolment-letter-templates.aspx](http://www.tpr.gov.uk/doc-library/automatic-enrolment-letter-templates.aspx)

\* Postponement deadline is 6 weeks from the day after the assessment date



The Pensions  
Regulator

# Declaration of compliance

- After staging, employers **must** complete a declaration of compliance
  - and it must be completed within **five months** of the **staging date** and
  - within **five months** of the **3rd anniversary** of the staging date (or previous automatic re-enrolment date)
- Employers may receive a fixed **penalty fine** if they do not complete their declaration on time.
- Employers will need to provide certain details, for example:
  - which pension schemes were used to comply with the duties,
  - (after cyclical re-enrolment only) their chosen automatic re-enrolment date,
  - the number of eligible jobholders automatically enrolled into each scheme.
- All postponements applied at the staging date must have **come to an end** before the declaration can be completed.
- You can start the online process early and partially complete your declaration.
- You can also use our “**bulk upload**” facility – where you upload a file containing the declaration data for multiple clients in the same file.



The Pensions  
Regulator

# Any questions for our panel?



MARCH2017WEBINAR These slides remain the property of The Pensions Regulator and their content should not be altered on reproduction.

The Pensions  
Regulator

# Expert panel session

## **Christopher Brooks**

Senior Policy Manager for Consumer and Community, Age UK

## **Neil Esslemont**

Head of Industry Liaison, The Pensions Regulator

## **Facilitated by:**

## **Rebecca Woodley**

Industry Liaison Manager





## Useful links

- **Frequently asked automatic enrolment questions:**  
[www.tpr.gov.uk/automatic-enrolment-enquiries.aspx](http://www.tpr.gov.uk/automatic-enrolment-enquiries.aspx)
- **Care professional presentation:**  
[www.tpr.gov.uk/doc-library/ae-presentations.aspx](http://www.tpr.gov.uk/doc-library/ae-presentations.aspx)
- **The essential guide to automatic enrolment:**  
[www.tpr.gov.uk/the\\_essential\\_guide\\_for\\_people\\_who\\_employ\\_their\\_own\\_care\\_and\\_support.pdf](http://www.tpr.gov.uk/the_essential_guide_for_people_who_employ_their_own_care_and_support.pdf)
- **Information about declaration of compliance:**  
[www.tpr.gov.uk/completing-the-declaration-of-compliance.aspx](http://www.tpr.gov.uk/completing-the-declaration-of-compliance.aspx)
- **Letter templates for employers:**  
[www.tpr.gov.uk/writing-to-your-clients-staff.aspx](http://www.tpr.gov.uk/writing-to-your-clients-staff.aspx)
- **Our detailed guides for employers and pension professionals:**  
[www.tpr.gov.uk/pensions-reform/detailed-guidance.aspx](http://www.tpr.gov.uk/pensions-reform/detailed-guidance.aspx)



The Pensions  
Regulator

# Useful tools

- **The ‘Duties checker’:**  
[www.tpr.gov.uk/en/employers/duties-checker](http://www.tpr.gov.uk/en/employers/duties-checker)
- **Nominate a point of contact:**  
<https://automation.thepensionsregulator.gov.uk/Nomination>
- **Find a letter code online:**  
<https://automation.thepensionsregulator.gov.uk/LetterCode>
- **Tell us you are ‘not an employer’:**  
<https://automation.thepensionsregulator.gov.uk/notanemployer>
- **Bulk declaration of compliance (including file upload):**  
<https://www.autoenrol.tpr.gov.uk/>
- **Find an employer’s staging date:**  
[www.tpr.gov.uk/employers/tools/staging-date.aspx](http://www.tpr.gov.uk/employers/tools/staging-date.aspx)
- **Bring a staging date forward:** [www.autoenrol.tpr.gov.uk](http://www.autoenrol.tpr.gov.uk)



The Pensions  
Regulator

# Useful links about pensions

More information about choosing a pension and automatic enrolment:

- **The Pensions Regulator:**

[www.tpr.gov.uk/docs/selecting-a-good-automatic-enrolment-scheme.pdf](http://www.tpr.gov.uk/docs/selecting-a-good-automatic-enrolment-scheme.pdf)

[www.tpr.gov.uk/docs/introduction-code-13.pdf](http://www.tpr.gov.uk/docs/introduction-code-13.pdf)

[www.tpr.gov.uk/employers/employer-contributions.aspx](http://www.tpr.gov.uk/employers/employer-contributions.aspx)

Information about pensions for employer's staff:

- **The Pensions Advisory Service:**

[www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

- **PensionWise:**

[www.pensionwise.gov.uk](http://www.pensionwise.gov.uk)



The Pensions  
Regulator

# Thank you

**We are here to help!**

**Request a guest speaker:**

<https://secure.thepensionsregulator.gov.uk/speaker-request.aspx>

**Contact us at:**

[www.tpr.gov.uk/contact-us.aspx](http://www.tpr.gov.uk/contact-us.aspx)

**Subscribe to our care professionals regular email:**

[rebecca.woodley@tpr.gov.uk](mailto:rebecca.woodley@tpr.gov.uk)



The information we provide is for guidance only and should not be taken as a definitive interpretation of the law.

The Pensions  
Regulator