



BriarsGroup



**AUTO  
ENROLMENT  
GUIDE**

# PENSIONS AUTOMATIC ENROLMENT

Under the Pensions Act 2008, every UK employer must enrol all eligible staff into a pension scheme and make contributions.

Automatic Enrolment was announced by the UK government and began implementation in October 2012 and continues to be rolled out across the country with an estimated completion date of February 2018.

This new compulsory UK employment benefit was introduced in an effort to decrease the number of people who struggle without an enhanced pension in their retirement years. The UK government have therefore made workplace pensions mandatory.

Employees are allowed to opt out of making contributions however, every employer must have a pension scheme set up by their staging date.

## STAGING DATES

All companies have been allocated a staging date (the date on which Pension Automatic Enrolment will start). You can find out what your companies' staging date is by visiting:

<http://www.thepensionsregulator.gov.uk/employers/tools/staging-date>

In order to be well prepared for your staging date we recommend that you look to set up a compliant scheme at least six months in advance of your deadline.

<b>Company/Employer</b>	<b>Estimated Date</b>
Companies with fewer than 30 employees	01 Sep 2016 - 01 Mar 2017
Employers without a PAYE scheme	01 April 2017
Company with nil employees	01 Apr 2017
New Employers - where PAYE income first payable between 01 Apr 2012 - Mar 2013	01 May 2017
New Employers - where PAYE income first payable between 01 Apr 2013 - Mar 2014	01 Jul 2017
New Employers - where PAYE income first payable between 01 Apr 2014 - Mar 2015	01 Aug 17
New Employers - where PAYE income first payable between 01 Apr 2015 - 31 Dec 2015	01 Oct 2017
New Employers - where PAYE income first payable between 01 Jan 2016 - 30 Sep 2016	01 Nov 2017
New Employers - where PAYE income first payable between 01 Oct 2016 - 30 Jun 2017	01 Jan 2018
New Employers - where PAYE income first payable between 01 Jul 2017 - 30 Sep 2017	01 Feb 2018

# SETTING UP A PENSION SCHEME

There are many different schemes available to employers from those that are aimed at small businesses through to larger corporates.

Some schemes may charge a set up fee and/or monthly charges so it is important to look around as there are many options available.

The UK Government has set up a pensions scheme provider called 'The National Employment Savings Trust' (NEST), which must accept all applications for auto-enrolment.

Setting up a scheme does take time so ensure that you start this process around 6 months prior to your staging date. To ensure that you are ready to enrol eligible employees from your staging date.

## EMPLOYER CONTRIBUTIONS

Minimum employer contributions are set by the UK government and will be gradually phased in.

The current employer minimum contributions are illustrated below:

Date period	Employer minimum contribution	Total Minimum contribution
Up to April 2018	1%	2%
April 2018 - April 2019	2%	5%
After April 2019	3%	8%

# WHO IS ELIGIBLE TO JOIN?

There is specific legislation regarding which 'workers' should be automatically enrolled into the workplace pension scheme.

Classification of a 'worker'

- An employee that works under a contract of employment
- A person that has a contract to perform work or services (who is not undertaking work as part of their own business)

This may include agency workers including those who are employed temporarily. It also does not specify a location of the employer, therefore employers based outside of the UK will also be required to provide auto-enrolment for their UK employees.

If an individual is a formally appointed director they may not be classified as a 'worker' in regards to auto-enrolment. Their position in the company and consideration of contracts should be assessed against the relevant criterias.

There are many technical exceptions so each employee will need to be assessed as an individual carefully.

The term 'worker' is then further broken down into three categories:

**Eligible Jobholders - workers who are aged between 22 and state pension age and receive above the earnings trigger for auto-enrolment**

- Automatically enrolled into a scheme either on the staging date (or their first day of employment where the eligible jobholder starts after the staging date)
- Are entitled to 'opt out' of the scheme if they chose to do so
- Employers must automatically re-enrol them every 3 years
- Employers must pay employer contributions to the scheme

**Non-eligible Jobholders** - workers who are aged between 16 - 74 with earnings above the lower threshold but below the earnings trigger for auto-enrolment

- Do not meet additional criteria to be eligible job holders
- Have a right to opt in to an auto enrolment scheme
- The employer must pay employer contributions to the scheme

**Entitled Workers** - workers who are aged 16 - 74 but earnings are in lower threshold.

- Do not need to be automatically enrolled
- Have a right to opt in to a pension scheme
- The employer does not have to make employer contributions to the scheme

## DECLARATION OF COMPLIANCE

All employers are required to submit a declaration of compliance with the Pensions Regulator. This declaration tells the Pensions Regulator how employers have met their legal duties.

The duty to complete a declaration of compliance rests with the employer but they are able to authorise someone else to do this on their behalf. Employers have five months from their staging date to complete their declaration of compliance.

The compliance is filed online through the Pensions Regulator website.

# HOW BRIARS CAN HELP

Briars can handle your auto-enrolment from the beginning including:

- Sourcing a suitable auto-enrolment pension scheme
- Assessing and identifying your employees for eligibility
- Communicating with employees within the compulsory time frames
- Enrolling eligible employees
- Ongoing administration of the scheme
- Declaration of Compliance on your behalf

If you are struggling and you need our help contact us, we will be happy to discuss your requirements.



## OVERVIEW OF OUR SERVICES

We aim to provide a single-source solution enabling our clients to focus on expansion, branding, turnover and profit.

We believe passionately in client first and aim at all times to be your in-house team, providing immediate access to highly talented departments across many countries – a facility normally only available to major players.

- **Company Secretarial:** Entity choice and formation (or closure); registered office; service address; company secretary; board minutes; compliance and consultancy advice.
- **Taxation:** Corporate tax; share/stock schemes; compliance; transfer pricing; expatriate taxes and consultancy advice.
- **Human Resources & Payroll:** On-boarding/off-boarding; benefits management; international; relocation; benchmarking; administration; payments, taxation and consultancy advice.



- Accounting: All aspects of an in-house accounts department including: purchase & sales ledger; credit control; payment processing; management accounting; audit support; statutory compliance; risk management.
- Payments, Banking and Treasury: Foreign Exchange service, International banking facilities, payments to most countries in most currencies, BACS approved DD bureau, secure systems and electronic processes.

# WHO WE ARE

The Briars Group is the back office power behind growing entrepreneurial businesses and corporate enterprises. For more than twenty five years the company has provided services in the fields of People, Finance, Tax and Technology through to full Corporate Management. Designed for businesses looking to expand in their home territory and for those looking to put down roots elsewhere, Briars offers a seamless turn-key solution that is compliant and ensures consistency in employee terms and benefits. Our services are tailor-made to fit your needs so that you can concentrate on meeting your business objectives while minimising the risks often associated with expansion and growth. A full global operation can be managed in one time zone just as easily as we can support an ambitious business taking its first tentative next steps. Either way more than 1,000 clients located across the UK, mainland Europe, North America and the Far East are witness to decades of proven support, the Briars' way.

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