

Automatic enrolment: The last of the stagers

This summer will see up to 180,000 employers with a staging date reach their deadline for completing their declaration of compliance with The Pensions Regulator.

Employers with staging dates of 1 January and 1 February will have deadlines to complete their declaration of compliance by the end of May and the end of June respectively and so by now they should be well under way with their plans.

To meet automatic enrolment (AE) duties, there are a number of steps employers will need to take.

Nominate a contact

Employers can find the information they need about AE at www.tpr.gov.uk/employers. TPR writes to and emails employers with key information about their AE duties. This means it's essential that TPR holds accurate and up to date details. In particular, it's important TPR has the correct email address for the person undertaking AE tasks so that their alerts hit the right inbox. Employers who nominate a contact and receive TPR's updates are more likely to avoid being non-compliant.

Assessing staff

Employers must check if their staff are eligible to be put into a pension scheme. Currently, eligible staff are those between 22 and state pension age and who are earning more than £10,000 per year.

Tell staff about automatic enrolment

Employers will need to tell all their staff in writing about AE. Even if staff are not eligible they must be given the opportunity to opt in or join a pension scheme.

Identify a suitable pension scheme and payroll provider

Staff who are eligible must be put into an AE pension scheme which employers will have to contribute into. TPR has information on their website on how to choose a scheme including a list of providers who have master trust assurance. Employers will also need to check their pension scheme is compatible with their payroll software.

Declaration of compliance

Completing the declaration of compliance is a statutory duty and it must be submitted within five months of an employer's staging date, or duties start date. The declaration is an online document that shows TPR the steps an employer has taken to comply with their AE duties.

Employers should leave themselves plenty of time to complete the declaration as failing to meet the deadline could lead to a fine. Most warning notices issued by TPR are because employers have missed their declaration deadline.

Avoid non-compliance

Employers and their business advisers should be clear who is carrying out which task. Some employers have become non-compliant because they wrongly assumed their business adviser, or pension scheme provider, had undertaken a particular task for them (such as completing the declaration of compliance).

New employers with instant duties

Any new employers that set up their business from October last year will not have a staging date – their AE duties will start as soon as they take on their first member of staff. There is an online step

by step guide which will tell them what to do and by when. Employers with instant duties will also need to complete a declaration of compliance within five months of their duties start date.

Increases to minimum contributions

From 6 April 2018, minimum pension contributions increased from a total of 2% to 5%. This means pension contributions after this date will need to be at the new increased level. More information about pension contributions can be found at www.tpr.gov.uk/increase.

More on completing the declaration of compliance:

- What you'll need to complete the declaration:
 - ✓ Letter code from TPR
 - ✓ Employer PAYE
 - ✓ Your contact details
 - ✓ Your relationship to the employer
 - ✓ Name of the employer
 - ✓ Employer contact details
 - ✓ Employer email address
 - ✓ Employer correspondence address
 - ✓ Type of pension scheme(s) used for AE (personal or occupational)
 - ✓ Employer pension scheme reference (EPSR)

- Make a note of all logins and passcodes.
- Start your client's declaration in good time before their deadline; you can save your progress and return at a later date.
- If postponement has been used for any staff, the declaration cannot be submitted until after the postponement period has ended.
- Save your declaration at regular intervals as the system will timeout after a short period of inactivity.
- Remember to select 'submit' at the end of the form to complete the process.
- Employers and advisers should agree who is completing the declaration of compliance and that the information is correct.

Useful links for business advisers

AE guide for business advisers: www.tpr.gov.uk/business-advisers

Completing the declaration of compliance: www.tpr.gov.uk/client-declaration

Declaration of compliance checklist: www.tpr.gov.uk/reg-checklist

Nominating a contact: <https://automation.thepensionsregulator.gov.uk/Nomination>