

Automatic enrolment: Are your clients thinking of employing temporary or seasonal staff?



Automatic enrolment duties will apply to your clients even if they employ just one person. As part of their ongoing duties, employers need to continually assess existing and new staff to work out who to put into a workplace pension scheme. It's important for employers to be aware that this applies to all staff, including short term, seasonal, and temporary staff.

If you have clients who are planning to take on seasonal or temporary staff for the Christmas period, they may find it useful to delay assessment and enrolment of these staff – this is known as postponement. Postponement can be used to defer the assessment of a worker for up to three months. The article below considers when this might be helpful and how to apply postponement.

Key points about postponement

- An employer can postpone automatic enrolment for up to three months from certain dates
- If your client chooses to postpone from the date their legal duties started, they still have duties. This includes writing to tell the staff they're postponing automatic enrolment for them within six weeks of their staging date or duties start date.
- Use TPR's sample postponement letter to write to staff

Reasons your client may choose postponement?

For seasonal or temporary staff – an employer might decide to postpone the assessment of their workers if they have temporary or short-term staff who will stop working for them within three months. For example, seasonal Christmas staff.

To cover a probationary period - using postponement can also be helpful when applying a probationary period to new starters. It can be helpful to use postponement to delay assessing these individuals until after their probationary period is passed (assuming it is not longer than three months).

To align automatic enrolment with other business processes - for example, if your client's duties start date falls in the middle of a pay period, it may be helpful to postpone to the beginning of the next pay period.

To allow for bonuses – using postponement can also be helpful when assessing those staff whose earnings would usually fall below the earnings threshold, but where an increase such as a bonus might temporarily take their earnings over the trigger level.

When can your client use postponement?

Your client can postpone automatic enrolment for their staff from:

- their staging date or duties start date
- a staff member's first day of employment
- the date a staff member first becomes eligible for automatic enrolment

Your client has the option to postpone for up to three months. They can postpone as many or as few staff as they like and the postponement period doesn't have to be the same length for everyone. However, it's important to note that staff can also choose to opt in to their employer's pension scheme during the postponement period.

How can postponement be used?

Your client must write to the staff they are postponing within six weeks of the date that postponement is applied to them, to tell them:

- that their assessment and automatic enrolment has been postponed.
- the end of their postponement date.
- that they have the right to opt in or join a pension anytime.

The Pensions Regulator has a letter template on their website which can be tailored as needed – www.tpr.gov.uk/letter-postpone. There's no need to tell TPR that postponement has been applied.

On the last day of the postponement period, an employer will need to check whether the member of staff whose automatic enrolment they postponed is still eligible to be enrolled. If they are, they must be put into a pension scheme straight away. A further period of postponement cannot be applied, even if they postponed for less than the three months allowed.

Frequently asked postponement questions

Can postponement be used more than once?

Postponement can be used more than once for a worker, provided that they are not an eligible jobholder at the end of the postponement period. Where a member of staff is eligible to be enrolled, postponement cannot be re-applied and the worker must be put into a pension scheme

What do I need to do if a member of staff asks to join a pension scheme during the postponement period?

During any staff member's period of postponement, they won't need to be put into a pension scheme unless they expressly ask to be put into one. To do so, your client will need to assess what their worker has earned and how old they are during the pay period when notice is received that they want to join.

Useful links

For business advisers: www.tpr.gov.uk/postponement

For employers: www.tpr.gov.uk/postponing

Detailed guidance for employers: Postponement: www.tpr.gov.uk/docs/detailed-guidance-3a.pdf