



## A basic guide to Employer Duties

An employer is defined as anyone who has a contract with a 'worker'. This isn't always what an employee is typically classed as, so requires diligent analysis.

Employers will have duties which they must comply with when enrolling workers into a pension scheme – a non-exclusive summary is detailed:-

- Automatic Enrolment – enrolling workers without any need for action by the worker
- Opting in, joining and contractual enrolment – Facilitating membership of a pension scheme for workers that are not classified under auto enrolment requirements, but choose to opt in or join a scheme
- Managing opt outs – Administrative duties for the opt out process for workers who decide they do not want to be a member of a pension scheme in which they have been automatically enrolled
- Providing and communicating information – Employers must provide information to the different categories of workers
- Make pension contributions on employees behalf and facilitate the payment of employee contributions
- Retain accurate records about their workers and the pension scheme utilised, along with keeping the age and earnings of all employees at all times

## So where do employers start their auto enrolment journey?

### ***Know your Staging Date***

The first step an Employer must take is to establish when their 'staging date' is. This is when employers must comply with the new roles.

Once employers know their date, they can then assess when they need to start preparing to meet with their duties

### ***Assess your workforce***

The core considerations of workforce assessment to define the 'eligible jobholders' are as follows:-

- Worker's age – Identify your workers who are aged between 22 and state pension age – this is the age criteria for 'eligible jobholders'
- Working, or ordinarily works in the UK
- Qualifying earnings above £10,000 per year (Tax year 2014-2015)

This assessment should be relatively straightforward for most employers – but can become more complex if you have internationally based employees

### ***Review your existing pension arrangements***

If employers already have an existing pension scheme for their workers, they need to ensure that it meets the qualifying criteria and minimum requirements. If there is not a scheme, then an automatic enrolment scheme must be set up to fulfil employer duties with effect from their staging date.

To be a qualifying scheme, it must allow the minimum contributions to be made allowing benefits to build up, but NOT:-

- Contain any barriers to joining
- Require additional information to be provided by the jobholder
- Require jobholders to make a choice to join or take other action prior to joining

The following workers also have the right to opt in to the employer's scheme, so they must ensure that processes are in place to handle such a request from:-

- A non-eligible jobholder
- An eligible jobholder who has been automatically enrolled but subsequently opted out or ceased membership
- An eligible jobholder who was not automatically enrolled as they were a member of a qualifying scheme on their automatic enrolment date, but subsequently ceased membership of that scheme

### ***Communicate to all your workers***

All workers must be receive written information about the changes, including how they are affected by these and this must be specific to them. This can be by email, but a simple poster display in the workplace, or providing links to a website is not acceptable.

It is the employer's duty to provide the correct information, to the correct individual, at the correct time.

### ***Enrol and contribute for your eligible jobholders***

Once you have set up your new scheme, or ensured that your existing scheme meets the required eligibility criteria, then you must next automatically enrol your eligible jobholders with effect from your automatic enrolment date. There is a process you will need to follow, which will include providing your pension scheme with certain information regarding your eligible jobholders.

### ***Registering Information and Keeping Records***

You must inform The Pension Regulator your fulfilment of your employer's duties via online information registration shortly after your staging date.

Thereafter, employers must keep, preserve and be able to produce certain records on their compliance with the new duties. Briefly, these are:-

- Records about jobholders and workers – name, National Insurance number, opt in notice, payments etc
- Records about the pension scheme – references, scheme name and address etc