

AUTO ENROLMENT

- Will apply to all businesses who employ staff
- Every business will have a 'staging' date by which they must have auto enrolment in place
- Staging date based on number of employees at 1 April 2012 and PAYE reference number
- Staging date for payrolls set up after 1 April 2012 is based on when you first have a PAYE liability
- Contributions due are;

	<u>Employee</u>	<u>Employer</u>
To 5 April 2018	Minimum 1%	Minimum 1%
Between 6 April 2018 and 5 April 2019	Minimum 3%	Minimum 2%
From 6 April 2019 onwards	Minimum 5%	Minimum 3%

These dates are still subject to Parliamentary approval

- If an employee decides to opt out of the scheme no employer contribution is required. Any contributions already made will be refunded
- An employer cannot influence an employee's decision to opt in or out, the decision must lay with the employee
- Who has to be included?

Employees earning less than £5,772 pa	Have the right to join a pension scheme
Employees earning £5,772 to £10,000 pa	Have the right to opt in to auto enrolment
Employees earning over £10,000;	
Aged 16-22	Have the right to opt in to auto enrolment
Aged 22 to SPA	Auto enrolment applies
Aged SPA to 74	Have the right to opt in to auto enrolment

- Employees contributions are deducted from their gross pay for tax purposes, so immediate full tax relief is given
- Recommendation is to allow 12 months to set up the scheme
- If you have an existing Stakeholder scheme you will need to speak to the provider to see if it can be used for Auto Enrolment
- Our in-house payroll software can provide all the Auto Enrolment reporting and filing needs for your business
- **CHECK WHEN YOUR STAGING DATE IS BY GOING TO;**
<http://www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx>

Please feel free to contact either Martin Little, Pete Brotheridge or Rachel Brotheridge if you would like more information on how we may be able to help you.

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