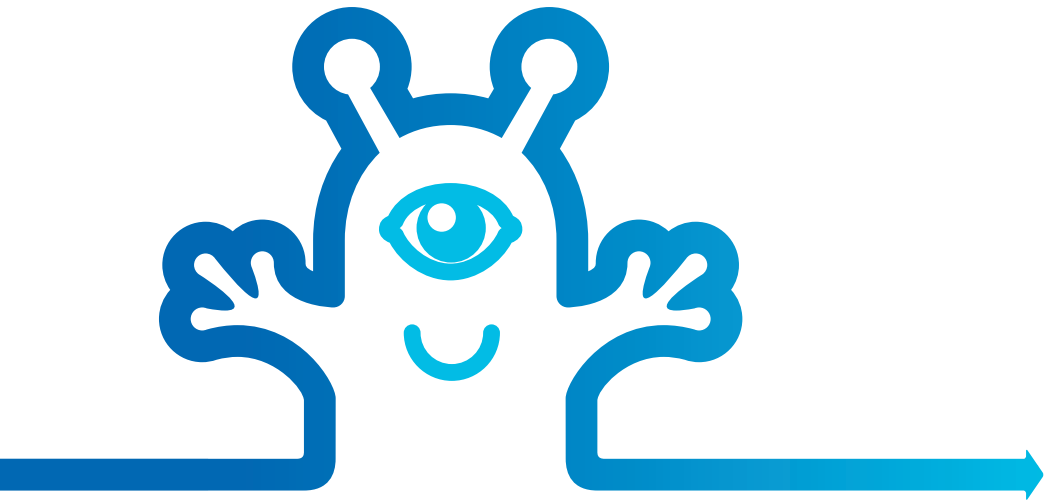




Are automatic enrolment pensions alien to you?

Don't worry, we understand alien-speak and we make providing a workplace pension simple



Are automatic enrolment pensions alien to you?

The People's Pension is here to make workplace pensions simple. We're backed by over 30 years of experience, and we've already supported tens of thousands of businesses in enrolling their employees into our award-winning pension scheme.



What's 'automatic enrolment' about?

If you employ at least one person, you have a legal duty to offer a pension scheme that can be used for automatic enrolment.

- You have to put certain employees into that pension scheme automatically. And you'll need to pay money into their pension pots.
- You have to let your other employees know they can join too.

But we know you probably don't have time to deal with any pensions gobbledegook.

We make it simple

This guide gives an overview of how you can meet your legal duties on automatic enrolment.

We'll also introduce you to our complete support solution, which helps you with automatic enrolment so you can get on with running your business.

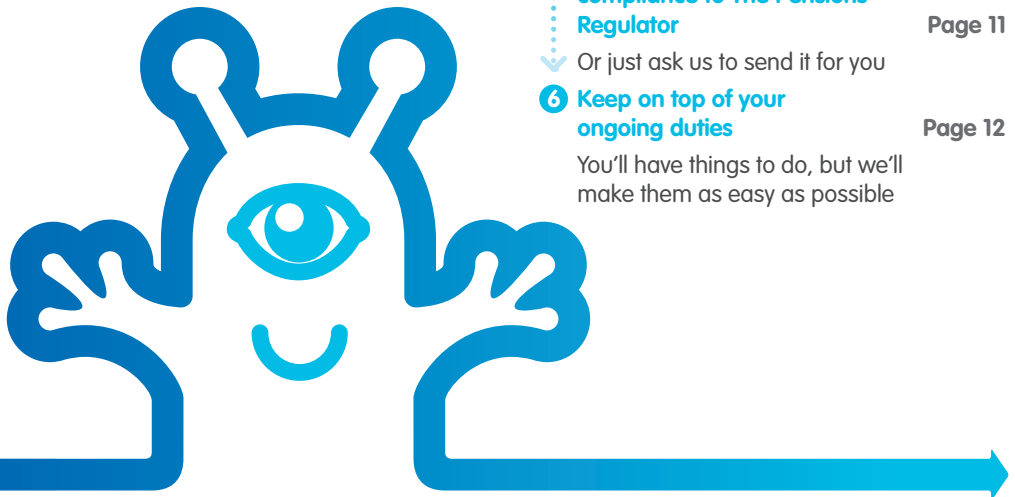
And in case you need it, we'll point out where you can find in-depth guidance on The Pensions Regulator's website.

The People's Pension is the complete solution

We can support you every step of the way.

We'll explain everything in plain English, but if you want to check any of the key terms, take a look at our jargon buster on page 16.

- 1 Check when automatic enrolment will affect you** **Page 2**
You'll have to put certain employees into a workplace pension on a specific date
- 2 Choose a pension scheme** **Page 3**
Signing up with The People's Pension is simple
- 3 Work out who to put into the pension scheme** **Page 5**
We can help you figure it out
- 4 Write to your employees** **Page 10**
You can use our letter templates
- 5 Provide a declaration of compliance to The Pensions Regulator** **Page 11**
Or just ask us to send it for you
- 6 Keep on top of your ongoing duties** **Page 12**
You'll have things to do, but we'll make them as easy as possible



1 Check when automatic enrolment will affect you

Your company will have a staging date or duties start date – this is when you need to start meeting your automatic enrolment duties.

To do this, you'll need to work out which of your employees to put into a pension scheme that can be used for automatic enrolment.

When do I start?

You can check your staging date on The Pensions Regulator's website. Just enter your PAYE reference at www.thepensionsregulator.gov.uk/en/employers/duties-checker.

If you employ your first member of staff after 1 October 2017, you'll have a duties start date, which means you'll need to start complying with automatic enrolment immediately from the day they start working for you.



Who is The Pensions Regulator?

It's the UK regulator of workplace pension schemes.

It gives advice to employers about what they need to do to meet their automatic enrolment duties.

It can also fine you if you don't comply with your duties as an employer.

When do my duties start?

2 Choose a pension scheme

Not all pension schemes are suitable for automatic enrolment, but The People's Pension is.

It's specially designed for automatic enrolment and based on extensive research with small businesses.



We support you every step of the way

You can be confident you'll comply with the law and give your employees a quality, cost-effective pension.

- We'll help you work out who to put into the pension scheme and how much to pay into their pension pots.
- You'll be able to give us your employee details easily, however you manage your payroll.
- We'll even help you tell The Pensions Regulator you've complied with the law, so you don't have to tell them yourself.

Lots of resources to help you

- An online knowledge base facility called 'help and support'
www.thepeoplespension.co.uk/help
- A library full of useful information, downloadable guides and simple templates you can use to communicate with your employees
www.thepeoplespension.co.uk/resource-library
- Our simple online sign-up is full of help buttons in case you need assistance, and so is your Online Services account once you're set up
www.thepeoplespension.co.uk/joinus

First-class support and award-winning customer service

A friendly UK team just a phone call away if you need someone to talk to.

Need help signing up?

 **01293 586637**

 **newbusiness@thepeoplespension.co.uk**

There are two ways you can sign up to The People's Pension



Simply Comply

If you want to meet your employer duties and get on with running your business, you can 'simply comply'.

Suitable if you:

- want to make minimum payments based on employee earnings
- pay employees weekly or monthly
- don't want to include subsidiary employers
- don't want to delay putting certain employees into a pension scheme. (This is known as postponement – more on page 17.)



Simply Tailor

If you want to do more than the minimum, and you're confident about handling the flexibility of this option, you can 'simply tailor' your pension scheme.

Suitable if you:

- want to vary the amounts paid in
- pay your employees weekly, fortnightly, monthly or other
- want to include subsidiary employers
- want to delay putting certain employees into a pension scheme. (This is known as postponement – more on page 17.)

Whichever way you sign up, you'll get access to our full support package

Sign up at www.thepeoplespension.co.uk/joinus

All this for a simple one-off set-up charge

This covers all the ongoing support we'll give you, with no ongoing charges for you to pay.

The set-up charge is a one-off payment for the employer of **£500 + VAT**. Or just **£300 + VAT** if you sign up through a financial adviser, accountant, bookkeeper or payroll professional. Speak to them to find out more.

3 Work out who to put into the pension scheme

Certain employees have to be put into a workplace pension, and you have to pay 'contributions' into their pension pots.

However you manage your payroll we can support you, even if you don't use payroll software at all.

We can help you work out who you need to put in

Most payroll software works it out for you

- Check with your payroll provider to make sure, but potentially all you'll need to do is pass us the details each pay period.
- Our systems are compatible with most payroll software, so you'll be able to send us your employee data easily every time you pay them.
- We're also working closely with the payroll industry to make employee data flow seamlessly from payroll software into The People's Pension.

Or we can help you work it out

- Once you've signed up you can use your Online Services account to work out which employees you need to make contributions for, and how much you should pay in.
- We'll also remind you in advance of any changes required by law in the amounts you need to pay into the pension scheme.
- If you don't use payroll at all, you may be able to manually enter your employee data in your Online Services account.

Once you're signed up you can log in at <https://onlineservices.bandce.co.uk>

Then you'll be ready to start meeting your legal duties

Once you've submitted your employee data to us, we'll be able to enrol your employees in The People's Pension on your staging or duties start date.

However you do it, please provide employee email addresses too – preferably their personal email address so we can keep them informed about their pension savings now and in the future. This will also allow them to access their Online Account, where they can track their pension pot.

Want to know the details?



Who must be put into a pension scheme?

Many of your employees may need to be automatically enrolled, depending on:

- their age
- their earnings
- whether they normally work in the UK.

And other employees can ask to join too.

You can use your payroll software or our online tools to work out the details of who must be put into the pension scheme automatically – based on the following rules.



Employees who must be put into a pension scheme you pay into (known as eligible jobholders)

- Aged: 22 to State Pension age
- Earns more than: £10,000 a year / £833 a month / £192 a week

You must put these employees into a pension scheme and regularly pay money into their pension pots.



Employees who can ask to join a pension scheme you pay into (known as non-eligible jobholders)

- Aged: 16 to 74
- Earns more than: £5,876 a year / £490 a month / £113 a week

Or

- Aged: 16 to 21 or State Pension age to 74
- Earns: £10,000 or more a year / £833 or more a month / £192 or more a week

These employees can ask to join your pension scheme and you'll regularly have to pay money into their pension pots.



Employees who can ask to join a pension scheme but you don't have to pay into their pension pots (known as entitled workers)

- Aged: 16 to 74
- Earns less than: £5,876 a year / £490 a month / £113 a week

These employees can ask to join your pension scheme, but you don't need to pay money into their pension pots unless you'd like to.



There are some exceptions though

Among the employees you must put into a workplace pension, there are some exceptions. So you can choose whether or not to enrol them if:

- they're directors (but some directors may have to be put into the workplace pension)
- they're genuine partners of a limited liability partnership – those partners who are not employees for tax purposes
- notice has been given for resignation, dismissal or retirement
- they've left an automatic enrolment pension scheme in the last 12 months
- they benefit from HM Revenue & Customs (HMRC) tax-protected status for their pension savings
- in the last 12 months they've received what's known as a 'winding-up lump sum' from a different pension scheme you've offered.

You may need to check with your employees whether any of this applies to them.

Find out more at www.thepensionsregulator.gov.uk/employers



Can you delay working out who to put in to a pension scheme?

Yes, but it doesn't change the date your legal duties start. And you can only delay automatic enrolment by choosing the postponement option in our Simply Tailor sign-up process.

Postponement gives you up to three months extra to work out who you need to put into a pension scheme. That could be three months for some or all of your employees, or three months from the start date of any employee who joins the company in the future.

Please note though, that you'll have to let your employees know you're postponing within six weeks and a day from the date you wish to use postponement. They can still ask to join earlier.



How much do you need to pay into employee pension pots?

You need to pay at least 1% of your employees' earnings that fall between £5,876 a year and £45,000 a year. These payments are known as 'contributions' and are set by the government each year.

With our Simply Comply route we automatically set the minimum contribution levels for you.

Or you can select the flexible options below by signing up to our Simply Tailor option.

- You can pay more than the minimum contributions if you want.
- You can choose a different earnings basis as long as you still make at least the minimum contribution.

You can find out more from The Pensions Regulator at www.thepensionsregulator.gov.uk/employers/contributions-funding-tax.aspx



The minimum contributions will be increasing

The minimum contributions will be introduced in three stages. You have to make the 'Employer minimum contribution' shown below. Then the total contribution is reached by adding the employee's contribution (deducted from their earnings) and tax relief from the government. However, you can choose to pay more if you want to.

Dates	Employer minimum contribution	Employee contribution	Tax relief on employee contribution	Total minimum contribution
Until 5 April 2018	1%	0.8%	0.2%	2%
6 April 2018 to 5 April 2019	2%	2.4%	0.6%	5%
6 April 2019 onwards	3%	4%	1%	8%



How tax relief works

The government gives tax relief to employees on the amount of money they contribute to their pension pots. So when you set up your pension scheme, you have to choose one of HMRC's two tax-relief methods.

1. The table on the previous page is based on the **relief at source** method, where you deduct employee contributions **after** their earnings are taxed.

Then The People's Pension claims back the basic 20% tax rate in tax relief for all employees – even those who don't earn enough to pay tax – and adds it to each pension pot.

Higher-rate taxpayers can then claim the rest of their tax relief through their tax return.

Example

Mike doesn't earn enough to pay tax.

£8 goes from his wages into his pension pot.

Then The People's Pension claims 20% in tax relief, adding an extra £2 to Mike's pension pot – the same 20% as a basic rate taxpayer.

2. The alternative is the **net pay arrangement**.

This is the more direct method, where you provide tax relief on employee contributions **before** tax is taken.

However, it does mean lower-paid employees who don't pay tax won't receive any tax relief.

Example

John normally pays basic 20% tax.

£50 goes from his wages into his pension pot, before any tax is taken.

This reduces his taxable earnings by £50 and he pays £10 less in income tax – this means he has received £10 tax relief from the government.



If you'd like more information, take a look at our guide at www.thepeoplespension.co.uk/how-tax-relief-works

4 Write to your employees

Around your staging date/duties start date, you have to write to your employees to explain automatic enrolment to them. You have **six weeks** from the date your duties start to make sure:

- you've written to all your employees
- you've put the right employees into The People's Pension, and
- we've sent them their joiner information.

So it's worth writing to your employees as soon as possible after your duties start, so you can stay on track.

We provide simple letter templates for you to do this

So all you'll need to do is add the relevant details, like the date you'll be putting your employees into The People's Pension.

What needs to be in the letters?

You're legally required to tell your employees:

- how automatic enrolment affects them
- their rights
- whether you're delaying working out who to put into a pension scheme.

You'll need to email or post the letters individually to all your employees.

You can find our letter templates at www.thepeoplespension.co.uk/communications-toolkit

We'll send out joiner information too

This will show any employees you put into The People's Pension how it works and how to access their Online Account.

If you can give us email addresses for all your employees, we'll be able to keep our current and future communications environmentally friendly. But for any employees who don't have an email address, we can post their joiner information to them.

5 Provide a declaration of compliance to The Pensions Regulator

You're legally required to give information to The Pensions Regulator about how you've met your automatic enrolment duties.

When's the deadline?

If you don't provide a declaration of compliance within five calendar months from the start of your legal duties you could be fined.

You need to declare your compliance on The Pensions Regulator's website at www.autoenrol.tpr.gov.uk

No problem – we can help you do it

We can help you submit your declaration.

It's an option you can choose in your Online Services account once you've signed up. Log in at <https://onlineservices.bandce.co.uk> if you'd like to do so.

So we can help you take care of it. Or you can choose to provide the declaration to The Pensions Regulator yourself if you'd prefer.



6 Keep on top of your ongoing duties

Once you've successfully put your employees into a pension scheme, there are ongoing duties you'll have to complete.

You'll need to submit your employee data every pay period to pay their contributions

Don't worry, though: our online system makes this process easy.

Every pay period you'll also have to continue checking who needs to be put in and how much you need to contribute.

How do you monitor your employees?

You do this the same way you did in step 3 (on page 5) – monitoring employee ages and earnings to see if anyone else needs to be put into The People's Pension.

If anyone does, they need to be in The People's Pension and receive their joiner information within six weeks of their automatic enrolment date.

You don't need to monitor anyone who has previously left the scheme, though.

However you manage your payroll, we can help

Our systems are compatible with most payroll software, or you may be able to add employee details manually.

If your payroll software monitors your employees' ages and earnings for you, it will let you know if anyone needs to be put into your pension scheme.

Then you can include them in the employee data you submit online.

We can help you with new joiners and leavers

It's easy to put more employees into The People's Pension

This may include new employees who join your company.

But also, employees who don't need to be automatically enrolled can still join The People's Pension if they ask to.

Just let us know by adding them to the employee data you submit to us online.

We'll oversee anyone who wants to leave The People's Pension

All they have to do is opt out online, by phone or post and we'll handle it for you.

They'll also get their payments refunded if they leave within one calendar month of whichever of the following happens later:

- the date they were put into the pension scheme
- the date they receive their joiner information.

Remember, only an employee can say they want to leave – you can't do it for them.

We can help with re-enrolment too

Every three years the government wants to put employees who have ceased active membership back into a workplace pension scheme. It's called re-enrolment.

It may be a long way off, but we'll be here to help.

We'll help you figure out who needs to be re-enrolled, and when you need to re-declare your compliance to The Pensions Regulator.

By this point we'll be well in the swing of providing a successful workplace pension together.



Here are the rules you should play by

Your automatic enrolment duties are set out in legislation, and The Pensions Regulator is responsible for making sure you meet them.

You must:

- ✓ put certain employees into a pension scheme and pay into their pension pots
- ✓ provide a declaration of compliance to The Pensions Regulator for the pension scheme every three years
- ✓ keep details of all leavers and opt-outs for four years
- ✓ keep specific records for each employee for six years.

You must not:

- ✗ encourage employees to leave or give up active membership of the pension scheme – this is known as ‘inducement’
- ✗ force or pressure employees to leave the pension scheme
- ✗ discriminate against employees who want to join a pension scheme
- ✗ take, or fail to take, any action that leads to an automatically enrolled employee ceasing to be an active member of the pension scheme, or that results in the pension scheme ceasing to be an automatic enrolment scheme
- ✗ operate prohibited recruitment where your decision about employing a job applicant depends on whether or not they leave your pension scheme.

Here's what happens if you don't

If you don't fulfil your duties, The Pensions Regulator will initially just tell you to put things right.

Any further failure may lead to the government fining you a lot of money.

And ultimately you could face criminal prosecution and even imprisonment.

Find out more at www.thepensionsregulator.gov.uk/employers/what-happens-if-i-dont-comply.aspx



Jargon buster

Assessment

Under automatic enrolment regulations, you need to work out who to put into a pension scheme. When you start your automatic enrolment duties, you have to work out how much each of your employees earns and how old they are. This will identify what you need to do, and is sometimes referred to as 'assessment'.

Contributions

Paying money into a pension scheme is known as 'making contributions'. You must regularly pay money into the pension scheme.

Duties start date

This term is relevant for those who become an employer for the first time on or after 1 October 2017 – such employers will immediately have to legally comply with automatic enrolment duties for their new employee(s). These duties apply immediately from the first day the first employee starts working for them.

Earnings basis

This describes what basis of the employee's earnings you use to calculate pension contributions.

With our Simply Comply set-up route, contributions are based on the standard components of pay – salary, wages,

commission, bonuses and overtime, as well as statutory pay for sickness, maternity, paternity and adoption.

With our Simply Tailor set-up route, you can use other definitions of earnings instead – find out more at www.thepensionsregulator.gov.uk/docs/detailed-guidance-4.pdf

Employee data

This includes your employee details and pension contribution amounts. You can transfer employee data to The People's Pension by uploading a file – either manually or transferred automatically through your payroll software (if your payroll provider supports this).

Alternatively you may be able to manually key in the data.

Joiner information

All new members of The People's Pension receive joiner information about their pension, explaining how much will be contributed each pay period, how they can ask to leave (opt out) and other member information.

It also provides login details for the member's Online Account, where they can check the value of their pension pot and manage their choice of investment funds.



Pay frequency

This is how often an employer pays their employees (eg weekly or monthly).

Pay period

Under automatic enrolment rules, this is the period of time over which earnings are to be measured. For example, if an employee is paid weekly, the pay period will be one week and if they are paid monthly, the pay period will be one month. The minimum pay period is one week.

To align with the pay frequency used to calculate PAYE and National Insurance contributions, the pay period can be a tax week or a tax month.

Postponement

If you have temporary employees, you may choose to delay working out who you need to put into a pension scheme.

You can only postpone automatic enrolment from:

- the date you start your automatic enrolment duties
- an employee's first day of employment
- the date an employee first becomes eligible for automatic enrolment.

Staging date

If you had a PAYE scheme on or before 30 September 2017, you'll have a staging date. This is when you need to start meeting your automatic enrolment duties. You can check your staging date at www.thepensionsregulator.gov.uk/en/employers/duties-checker.

For people, not profit

The People's Pension – the complete solution

Created specifically for small businesses

You can be confident you'll comply with the law and provide a quality, cost-effective pension to your employees.

We have the experience

We're backed by B&CE, a company with over 70 years of experience in employee benefits and 30 years in workplace pensions.

- The People's Pension is the UK's largest private-sector pension scheme that can be used for automatic enrolment.
- Tens of thousands of businesses large and small have already chosen us.
- We've won awards for automatic enrolment and customer service.

Need help signing up?

☎ 01293 586637

✉ newbusiness@thepeoplespension.co.uk

🌐 www.thepeoplespension.co.uk/joinus



B & C E Financial Services Limited

Manor Royal, Crawley, West Sussex, RH10 9QP. Tel 0300 2000 555 Fax 01293 586801.

Registered in England and Wales No. 2207140. To help improve our service we may record your call. B & C E Financial Services Limited is authorised and regulated by the Financial Conduct Authority Ref: 122787. It acts as a distributor of, and an administrator for, pensions (including The People's Pension Scheme), accident and death insurance and a range of financial welfare products.