



Is your business taking off?

Let us help you get your workplace pension launched



For people, not profit

the
people's
pension

We make launching a workplace pension simple

The People's Pension is here to make workplace pensions simple.

We're backed by over 35 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 'auto-enrolment' about?

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

We make it simple

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

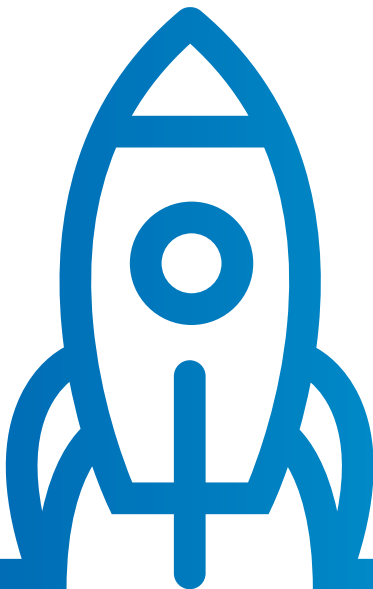
We'll also introduce you to our complete support solution, which helps you with auto-enrolment so you can get on with running your business.

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.



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You'll have things to do, but we'll make them as easy as possible

1 Check when auto-enrolment will affect you

Your company will have a 'duties start date' – this is when you need to start meeting your auto-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 auto-enrolment.

When do I start?

When you employ someone for the first time, you'll need to meet your auto-enrolment duties for them straight away.

Your duties apply from the first day that your new employee(s) 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 auto-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 auto-enrolment, but The People's Pension is.



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 can 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

- Check out our online knowledge base called 'help and support'
www.thepeoplespension.co.uk/help
- Use the information and guides in our resource library
<https://thepeoplespension.co.uk/resource-library>
- Find easy-to-use videos, template letters and presentations to help you talk pensions with your employees in our communications toolkit
www.thepeoplespension.co.uk/communications-toolkit
- 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 586666**

 **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 www.thepeoplespension.co.uk/manage-account

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 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.

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 are working, or ordinarily working, 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: £6,032 a year / £503 a month / £116 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 up to £6,032 a year' to cater for EEs who earn exactly this figure p/a.

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. These include:

- 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 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 auto-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. Postponement can be used from:

- the date your duties start
- a new employee's first day of employment
- the date your employee first becomes eligible for auto-enrolment .

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.

If you're thinking of postponing the date your duties start, take a look at our postponement template letter at www.thepeoplespension.co.uk/resource/postponement-staging-date-template-letter-simply-tailor.



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

You need to pay at least 2% of your employees' qualifying earnings, which are those which fall between £6,032 a year and £46,350 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 are increasing

The minimum contributions are being introduced in three stages. You have to make the 'Employer minimum contribution' shown below. Then the total minimum 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.

Please note, the figures below are based on an employee's contribution using qualifying earnings. Take a look at The Pensions Regulator's website for more on the contribution increases at www.thepensionsregulator.gov.uk/increase.

Dates	Employer minimum contribution	Employee contribution	Tax relief on employee contribution	Total minimum contribution
Before 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%

We have a legal duty to monitor your contributions, and if you don't meet the legal minimum contributions, we may report this to The Pensions Regulator.



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 to deduct your employees' contributions from their wages either **before** or **after** tax.

1. The table on the previous page is based on the net tax basis (HMRC calls this the '**relief at source**' method). This is the default tax relief method with The People's Pension and is where you deduct employee contributions **after** their earnings are taxed.

Then The People's Pension claims back the tax relief – at the basic 20% rate of tax from the government. And it's then added to your employee's pension savings, even for those who don't pay tax.

If any of your employees pay more than the basic rate of tax, they can claim the rest of their tax relief direct from HMRC.

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 gross tax basis (or as HMRC calls this the '**net pay arrangement**').

With this tax basis, you'd deduct employee contributions from their pay **before** tax is taken. So, your employees will automatically get full tax relief on their contributions straightaway.

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 website at www.thepeoplespension.co.uk/how-tax-relief-works.

4 Write to your employees

You should write to **all** your employees to explain auto-enrolment to them. This includes those who don't need to be automatically enrolled, as they'll still have the option to join. And if you're using postponement, this will need to be communicated as well. 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 auto-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 auto-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. Log in or get set up at www.thepeoplespension.co.uk/manage-account.

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 auto-enrolment date.

You don't need to assess anyone who has previously left the scheme though, that is unless you're going through re-enrolment.

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 auto-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 auto-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 Pensions Regulator fining you.

And ultimately you could face criminal prosecution and even imprisonment.

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



Jargon buster

Assessment

Under auto-enrolment regulations, you need to work out who to put into a pension scheme. When you start your auto-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 auto-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 qualifying earnings 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.

Minimum contribution increases

This refers to how the minimum contributions (the amount you're required to pay in to your employees' pension pots) will be increasing. You'll need to be ready for these increases so that the correct contributions are deducted at the right time and your pension scheme remains a qualifying scheme. For more on the minimum contributions increases, visit www.thepeoplespension.co.uk/higher-contribution.

Pay frequency

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

Pay period

Under auto-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 auto-enrolment from:

- the date your duties start
- a new employee's first day of employment
- the date your employee first becomes eligible for auto-enrolment .

Staging date

If you had a PAYE scheme on or before 30 September 2017, you should have staged by now. For new employers, enrolling employees for the first time, this is now called their duties start date.



For people, not profit

The People's Pension – the complete solution

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 75 years of experience in employee benefits and over 35 years in workplace pensions.

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

Need help signing up?

☎ 01293 586666

✉ newbusiness@thepeoplespension.co.uk

🌐 www.thepeoplespension.co.uk/joinus



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