Glossary of terms

A glossary of the terms used in The People's Pension employer online sign-up process. Defined terms are shown in **bold**.

Term	Explanation
A	
Admin account	This is the employer's account within The People's Pension and is used for day-to-day administration, including submitting **employee data** and paying money into the **Scheme**.
	If there's more than one payroll being operated by the same employer (eg a weekly and monthly payroll), a separate admin account is needed for each. This ensures the correct **employee data** is entered for each separate payroll and this is used to differentiate the employer's accounts in **Online Services**.
Admin account contact	This is the person named as the account contact, as part of the registration and account set-up process. They are usually responsible for submitting the **employee data** and day-to-day administration of the **admin account** and are our first point of contact for any queries.
Admin account number	Each **admin account** has a unique account number. This must be included when submitting **employee data** and in any correspondence with The People's Pension. The **admin account** number can be found on the top right of **Online Services**, once logged in.
Agreement to bind	This is a legal contract, in which the individual(s) authorised by the employer, confirms that the **principal employer** and any **participating employers** will be bound by and meet their duties under the provisions of the **Scheme Rules** and all relevant terms and obligations, as part of the online registration process.
Assessment	Under auto-enrolment regulations, employers need to work out who they need to put into a pension scheme. On their **duties start date** and each pay run or **pay reference period**, employers must work out how much each of their employees earn and how old they are. This will identify what they need to do and is sometimes referred to as assessment.
	Typically, the payroll system is best placed to carry out the assessment of employees on behalf of the employer.
Automated collection	This is the method used to pay pension contributions to The People's Pension. The amount and date of any payments will be authorised by the **admin account contact** on submission of the **employee data** within their **Online Services** account.
	Payments are collected from the employer's bank account and are protected by the Direct Debit Guarantee.
C	
Company name	This is the full, legal name of the employer as registered with Companies House, or as it appears in the constituting document of that employer if it is not a registered company.
Company registration number	This is the registration number of any company registered with Companies House. Employers not registered with Companies House should enter another relevant registration number.

D

Declaration of compliance

The declaration of compliance is a form that tells The Pensions Regulator what you've done to comply with your employer auto-enrolment duties. If this isn't sent to The Pensions Regulator within 5 calendar months of your duties start date, you could be fined.

You'll need to know:

- Your pension is an occupational pension scheme.
- The name of the Scheme is The People's Pension.
- The EPSR or employer pension scheme reference is your 5 or 6 digit account number with us.
- The pension scheme registry (PSR) number is 12005993.
- The scheme address is The People's Pension, Manor Royal, Crawley, RH10 9QP.

Deferral date

The employer can delay working out who they need to put into a pension scheme – this is known as **postponement**. The period of time the employer chooses to postpone for is known as the 'postponement period'. The last day of the postponement period is called the deferral date.

Direct from payroll

This is the automated online process of submitting **employee data** from payroll software to The People's Pension. **Employee data** will usually be submitted by the payroll administrator.

Admin account contacts should ensure they are familiar with the 'direct from payroll' process.

Duties start date

This is the date the auto-enrolment duties start to apply to an employer who employs their first member of staff after 1 October 2017. The duties apply immediately from the first day the first member of staff starts working for the employer. For more information on the duties start date, please visit The Pensions Regulator's website.

E

Earnings basis

This describes which basis of the employee's earnings are used for calculating pension contributions. There are typically 3 definitions:

Qualifying earnings: worked out using total pay but only between the £6,240 and £50,270 earnings thresholds (2025/26). Minimum contributions - Employer: 3% | Total: 8%.

Set 1: pensionable earnings (basic): worked out using at least basic pay. Contributions from first £1 earned - no earnings thresholds. Minimum contributions - Employer: 4% | Total: 9%. Must certify at least every 18 months.

Set 2: pensionable earnings (85%): worked out using at least basic pay. When combining all employees using this set (including all employees you're certifying for), the average basic pay must always make up at least 85% of the average total pay. Contributions from first £1 earned – no earnings thresholds. Must certify at least every 18 months. Minimum contributions - Employer: 3% | Total: 8%.

Set 3: total earnings: worked out using everything that an employee is paid. Basic pay, plus all other earnings. Contributions from first £1 earned - no earnings thresholds. Must certify at least every 18 months. Minimum contributions - Employer: 3% | Total: 7%.

Earnings trigger

This is the level of earnings from which an employee is assessed as a Type 1 employee – someone who must be put into a pension scheme.

For more information see **www.thepensionsregulator.gov.uk/en/employers/new-employers/im-an-employer-who-has-to-provide-a-pension/work-out-who-to-put-into-a-pension**.

Eligibility status

Employees will fall into one of 2 categories:

Type 1 – employees who must be put into a pension scheme (eligible jobholders)

Any employees who are:

- aged between 22 up to State Pension age (SPA); and earn over £10,000 per year, or £833 per month or £192 per week.

Type 2 – If an employee is a type 2 employee (because they don't meet the type 1 criteria above), they won't be put into the pension scheme automatically, but they can still ask to join it if they would like to.

For more information see **www.thepensionsregulator.gov.uk/en/employers/new-employers/im-an-employer-who-has-to-provide-a-pension/work-out-who-to-put-into-a-pension**.

Employee data	This consists of employee details and pension contribution amounts.
	Employee data can be transferred from an employer to The People's Pension by uploading a file. It can be added manually on your Online Services Account or transferred automatically via a **payroll software provider** (if your **payroll software provider** supports this).
	Employee data will usually be submitted by the **admin account contact,** or another party who has been granted access to the **admin account** eg a business adviser (accountant, bookkeeper or payroll professional).
Enter data	This is one of the ways **employee data** can be submitted online to The People's Pension. This process is available to all customers when signing up to The People's Pension who choose to manually enter their **employee data** rather than submit this using a file.
	Employee data will usually be submitted by the **admin account contact,** or another party who has been granted access to the **admin account** eg a business adviser (accountant, bookkeeper or payroll professional).
	The **admin account contacts** should ensure they are familiar with the **file upload** process. Take a look at the resource library on The People's Pension website for more information.
EPSR number	EPSR stands for Employer Pension Scheme Reference – this will be your 5 or 6 digit admin account number which you have with The People's Pension. The person that deals with the admin on your account will have this.

F

File data requirements	Our 'file data requirements' describe the exact format and content requirements of the file so that it can be submitted successfully to the employer's **admin account**.
File upload	This is one of the ways **employee data** can be submitted online to The People's Pension. A customer's file needs to contain details of the employees joining the **Scheme** (Type 1 – employees who must be put into a pension scheme, and Type 2 – employees who don't need to be put into a pension scheme but can ask to join) and those already in the **Scheme**, plus the amount of contributions to be paid for each employee.
	The **employee data** will usually be uploaded to the **admin account** by the **admin account contact**, or another party who has been granted access to the **admin account** eg a business adviser (accountant, bookkeeper or payroll professional).
	The **admin account contacts** should ensure they are familiar with the file upload process. Take a look at the resource library on The People's Pension website for more information. The **admin account contacts** can run the system in training mode beforehand to familiarise themselves with the process of uploading **employee data**.

J

Joiner information	All new members of The People's Pension receive joiner information. This contains information about the **Scheme** plus how much will be contributed each **pay reference period**, how they can ask to leave (opt out) and other member information.
	The joiner information 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.

O

Online Services	Online Services is the web-based system where the day-to-day administration of the **admin account(s)** takes place. This includes submitting **employee data**, paying pension contributions to the **Scheme**, and managing employees who have asked to leave/opt out.

P

Participating employer	This is the term used for any subsidiary or associated company of a **principal employer** participating in the **Scheme**. In the case of an employer with no subsidiaries or associated companies, there is only the **principal employer**.
Pay frequency	This is how often an employer pays their employees (eg weekly or monthly).
Pay reference 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 would be one week, and if they are paid monthly, the pay period would 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. The following scenarios provide further guidance: • Calendar-week payrolls If employees are paid every Friday for work they completed that week, commencing Sunday and ending Saturday, their pay period will commence on Sunday. So, when the employee was paid on Friday, 6 September 2019, the pay period for that week's pay commenced on Sunday, 1 September 2019 and ended on Saturday, 7 September 2019. • Calendar-fortnightly payrolls If employees are paid every second Friday for work they completed that fortnight, commencing Sunday, their pay period will commence on Sunday and will end on the second Saturday thereafter. So, when the employee was paid on Friday, 6 September 2019, the pay period for that fortnight's pay commenced on Sunday, 25 August 2019 and ended on Saturday, 7 September 2019. • Four-weekly payrolls If employees are paid for work completed in respect of every four-week period, typically their pay date will occur during the first week of that four-week period. So, if the four-week period commenced on Monday, 2 September 2019, the pay date would be on Friday, 6 September 2019, and the pay period would have ended on Sunday, 29 September 2019. • Tax-week payrolls If employees are paid every Friday and their pay date was on Friday, 6 September 2019, since tax weeks run from Saturday to the following Friday, the pay period would have commenced on Saturday, 31 August 2019 and would end on Friday, 6 September 2019 (tax week 22). For more information, take a look at The Pensions Regulator's website. • Calendar-month payrolls – paying in arrears If employees are paid on every last Friday of the month, in respect of work completed in the previous month, the pay period will commence on the start date of the current pay period. So, if an employee was paid on Friday, 27 September 2019, in respect of work done in September, the pay period would have commenced on 1 September 2019 and would have ended on 30 September 2019.
Payroll package	This is the payroll software used to manage an employer's payroll.
Payroll software provider	This is the name of the company providing the employer with their payroll software and payroll technical support.
Pension contribution level	This is the basis of the contributions that will be paid to The People's Pension by the employer and, if applicable, the employee. This is usually expressed as a percentage (%) of the employee's earnings or a fixed amount (£).

Postponement	An employer can postpone auto-enrolment for up to 3 months from certain dates. One of the times they can postpone is from their **duties start date**. One of the main reasons an employer might decide to postpone is if they have temporary or short-term employees. An employer can only postpone auto-enrolment from: · Their **duties start date** · An employee's first day of employment · The date an employee first becomes eligible for auto-enrolment **Please note:** postponement is not available under The People's Pension **Simply Comply** route. If an employer chooses to use postponement, they must notify their employee of this. The employee can choose not to be postponed, and if they do, they must let their employer know. Take a look at The Pensions Regulator's website for more detailed guidance.
Principal employer	This is the term used for a single employer (company, charity, LLP.) registered via **Online Services** to participate in the **Scheme**. Where there are a number of employers being set up as part of the same group (eg a 'parent' or 'holding' company with subsidiary or associated companies), the main employer must be registered first – this is the principal employer. All other employers in the group are **participating employers**.

S

Salary sacrifice/ salary exchange	This is an arrangement employers may make available to employees, whereby the employee agrees to reduce their earnings by an amount equivalent to the employee's pension contributions. In exchange for reducing the amount of earnings paid to employees, the employer then agrees to pay the total pension contributions on behalf of the employees, with any contributions due from the employer. Any **contributions** paid to the pension provider will therefore be classed as employer contributions and paid in full by the employer. Using salary sacrifice/salary exchange results in the employee and employer paying less National Insurance contributions. Employers may decide to maximise the amount of pension contributions by adding the savings they make in lower employer National Insurance contributions to the total pension contribution amount they will pay. Employers using salary sacrifice/salary exchange will need to ensure that, in doing so, they adhere to the requirements of HM Revenue & Customs (HMRC), The Pensions Regulator and employment law in general and take appropriate professional advice. If contracts of employment need to be amended in order to facilitate salary sacrifice/salary exchange and an employer wishes to have the arrangement in place for the commencement of auto-enrolment, the employer should complete any changes to contracts of employment before their **duties start date** as employees can ask to join the **Scheme** during the **postponement** period. Take a look at The Pensions Regulator's website for more information.
Scheme	This refers to The People's Pension which is a multi-employer, occupational pension scheme set up under Trust.
Scheme rules	These are the legal documents by which The People's Pension is governed.
Set up	This is the process of creating a new account for an employer with The People's Pension.
Simply Comply	This is the fast track sign-up route to The People's Pension. If an employer has simple requirements and they'd like to comply with the legislation as quickly and with as little hassle as possible, they can choose the Simply Comply route with The People's Pension.
Simply Tailor	If an employer is looking for a tailored pension scheme and they're confident dealing with the various flexibilities, they can choose the Simply Tailor route from The People's Pension.
Staging date	This is the date you had to meet your auto-enrolment duties. Employers who employ their first member of staff after 1 October 2017 will have a duties start date instead of a staging date.

T

Tax basis

When you set up your workplace pension with The People's Pension, you can choose to deduct your employees' contributions from their wages either **before** or **after** tax.

Tax relief can be applied in 2 very different ways (and it's important to get it right):

1) Net tax basis (deducting contributions after tax)

When you sign up to The People's Pension, we'll automatically set you up on the net tax basis. You may see HM Revenue & Customs (HMRC) referring to this as the 'relief at source' method.

- Under this tax basis, you'd deduct employee contributions from their pay **after** tax is taken. (That's why we call this tax basis **net**.)
- Then, The People's Pension claims the tax relief – at the basic 20% rate of tax – from the government.
- And it's then added to your employee's pension savings.
- Higher or additional rate taxpayers will need to claim the extra tax relief direct from HMRC through their tax returns.

2) Gross tax basis (deducting contributions before tax)

You may see HMRC referring to this as the 'net pay arrangement' method. If you choose this option, you'll need to call us on **01293 586666** to set this up.

- Under this tax basis, you'd deduct employee contributions from their pay **before** tax is taken. (That's why we call this tax basis **gross**.)
- So, your employees will automatically get full tax relief on their contributions straightaway.
- However, if their earnings are below the starting rate for income tax, they'll receive a payment to their bank account from HMRC – this will represent the tax relief they would have benefitted from if they were a taxpayer.

Trustee

The People's Pension Scheme is governed by a Trustee company, The People's Pension Trustee Limited, a wholly owned subsidiary of People's Partnership. However, the Directors are independent from People's Partnership.

The Board currently comprises 1 Chair and 5 independent Directors. The Board includes some experienced, independent professional trustees.

The Trustee's duties include looking after the best interests of members.

W

Worker(s)

Workers are employees, or any individual who has a contract to perform work, or services personally and is not undertaking the work as part of their own business.

Worker group

A worker group is a group of employees who have the same **pension contribution level**.

We'll automatically set up a worker group based on the minimum contribution levels under auto-enrolment legislation, as part of the **Simply Comply** route.

At each **pay reference period**, employers must ensure that at least a 3% employer contribution is made and contributions must come to a total of 8% including tax relief (1%). This is based on **Qualifying earnings**.

It's possible to set up more worker groups, using different earnings bases and/or contribution rates, for other employees once the account set-up has been completed. For example, a separate worker group could be set up for senior management staff contributing a higher percentage of their salary into their pension.

A minimum of one worker group must be included in every account and it should have a specific worker group ID and description to differentiate it from any other worker groups being used.