



# Auto enrolment

May 2011

# The basics

Starting from October 2012\* employers must enrol certain employees into a workplace pension scheme. These are employees who:

- Are not already in a qualifying workplace scheme
- Are aged 22 or over but under State Pension Age
- Earn more than a prescribed minimum (estimated to be £7,475, ie personal tax allowance - tbc)
- Ordinarily work in the UK

\*Exact date depends on size of employer

# What needs to be provided?

- Contributions as percentage of “band” earnings (currently £5,715 - £38,185):

When	Minimum Employer contribution	Minimum total contribution
Oct 2012 – Sept 2016	1%	2%
Oct 2016 – Sept 2017	2%	5%
Oct 2017 onwards	3%	8%

# What is a qualifying scheme?

- DC scheme with comparable structure
- Contracted out DB scheme
- Contracted in DB scheme that meets minimum standards

## Other joiners

- If aged under 22, but over 16, employee is not auto-enrolled – but employee can ask to join and employer must pay the minimum contributions
- If earning less than the threshold (estimated at £7,475) employee can ask to join but employer need not pay
- If a member opts-out you must auto-enrol again every three years
  - Must opt out within one month for a refund
  - Employer cannot “induce” opt-out

# NEST

- Maximum contributions of £3,600 pa
- Charges c. 0.5% pa,
- No advice,
- No trustees,
- No transfer option,
- Limited fund choice.



**Information based on the DWP document “Automatic Enrolment and Workplace Pension Reform – the facts” dated May 2011**

**Quattro Pensions accept no liability for reliance on the information provided in this presentation. Readers should seek their own formal advice from an appointed adviser.**

**If you have any questions about this presentation please speak to Andrew Allsopp on 01527 598688.**