



Auto Enrolment

So what is auto enrolment?

Auto enrolment is the UK's workplace pensions initiative – geared towards motivating the working population into saving towards their retirement. Put simply, you save into a pension and your employer saves with you.

By law, every employer with at least one member of staff has duties, including enrolling those who are eligible into a workplace pension scheme and contributing towards it.

This is called 'automatic enrolment' because it is automatic for employees – they don't have to do anything to be enrolled into a pension scheme.

A member of staff between the age of 22 and the state pension age who earns over £10,000 a year, is put into a pension scheme.

But why do we need auto enrolment?

- The government estimates about seven million people are not saving at all for their retirement, or not saving enough.
- Life expectancy is increasing. People will live longer in retirement and therefore the size of their pension fund needs to be larger to sustain this.
- From 2017 the flat rate state pension for new retirees relates to how many years of National Insurance has been paid. Even the maximum £164.35 per week may not be enough to make ends meet. It should also be considered that there is no long term guarantee that there will be a state pension when we are able to retire.

Eligible	Non Eligible	Entitled
 <p>Member of staff who must be put into a pension scheme are aged 22 to State Pension Age and earn over £10,000 per year. You'll be put into a pension scheme and you and your employer must pay money into it.</p>	 <p>Member of staff who can ask to join a pension scheme are aged 16 to 74 and earn between £5,876 and £10,000 per year, OR aged 16 to 21 and earn over £10,000 a year, OR state pension Age to 74 years old and earn over £10,000 a year. You can ask to be put into a pension scheme which you and your employer must pay money into.</p>	 <p>Member of staff who can ask to join a pension scheme are aged 16-74 and earn less than £5,876 a year. You can ask to be put into a pension scheme which you must pay money into and under the TP/LGPS Pension scheme rules your employer will have to contribute to.</p>

The earnings amounts are reviewed by the Government annually and will change over time. The figures quoted in this guide are correct for the 2017/2018 tax year. Proposed 2018/19 thresholds are to be confirmed.

If you decide auto enrolment is not for you, you have the freedom to opt out and receive a full refund of your contributions, within a one month window which starts from the latest date of either your enrolment date or when you received the enrolment letter advising you that you had opt out rights. After this window has closed you can still opt out of the scheme but you will not be eligible for a refund of your contributions. However we urge you to think through your decision and to consider retirement savings arrangements. Remember, your employer is actively contributing to your pension with you. By opting out you will not benefit from your employer's contribution or any associated tax benefits.

Re-enrolment

This is the process where every three years employees are reassessed and may be automatically enrolled again if they are not active members at the time. This includes workers who've previously opted out.

If your status changes and you become an eligible employee you will be automatically enrolled into the appropriate pension scheme.

