

## Auto Enrolment

## Item No. 5

Workplace Pensions law changed in October 2012, with all employers having to take action to fulfil the new legal duties as set out in the Pensions Act 2008. Under the new pensions law employers will need to automatically enrol certain workers into a pension scheme and contribute on their behalf. This requirement applies to all employers in the United Kingdom to help more workers to save for their retirement.

The responsibility to comply with the new legal requirements fall on employers and not the Pension Fund. However, through adherence with this new legislation it is likely that there will be an increase in membership of the Pension Fund.

### Staging Date

Within the new legislation each employer is given a staging date, date of commencement, based on the size of the employer's largest tax reference number. The following table provides details of the staging date, where employers will have to enrol eligible job holders into a qualifying pension scheme, for all Scheduled Bodies and Active Admitted Bodies: -

<b>Scheduled Bodies</b>	<b>Staging Date</b>
Borders College	1 February 2014
Scottish Borders Council	1 July 2013
Visit Scotland	Not Applicable

<b>Active Admitted Bodies</b>	<b>Staging Date</b>
Amey Community Limited	Not Applicable
BC Consultants	Not Applicable
Borders Sport and Leisure Trust	1 April 2014
GYP	Not Applicable
Jedburgh Leisure Facilities Trust	1 November 2016
Lothian and Borders Community Justice Authority	1 July 2013 *
Scottish Borders Housing Association	1 April 2014

\* Paid on Scottish Borders Council payroll

The bodies shown as Not Applicable related to those who have active members, however, will be admitting no new members.

### Eligible Job Holders

Under the new legislation employers have a duty to automatically enrol eligible job holders into a qualifying pension scheme. Where an employee is not currently a member of a workplace pension scheme they will automatically enrol if they meet the following criteria: -

- are not in a qualifying workplace pension scheme
- are aged 22 or over
- are under State Pension age
- earn more than £8,105 (this figure may change), and
- if they work, or usually work in the UK.

Employees who are not in a workplace pension scheme should be automatically enrolled into a pension if they meet the eligibility criteria. Workers can choose to opt out of the pension scheme. If the employee remains in the scheme the employer must contribute to their pension and employees will receive tax relief on their contributions.

### **Existing Pension Arrangements**

The current practice, within Scottish Borders Council, is to enrol all new starters into a pension, regardless of their age or earnings, with the exception of Casual/Relief employees. This will not change, as the policy on automatic enrolment and eligibility criteria are the minimum standards that employers are required to meet. Employers will still have the flexibility to enrol any employees (who do not meet the eligibility criteria) into the scheme.

### **Communication and Record Keeping**

The duty to communicate changes to all workers, at the right time, falls on the employer, not the Pension Fund. Additionally, the requirement to retain records and monitor the eligibility criteria of employees falls with the employer and not the Pension Fund.

### **Opt Out**

In order to comply with the legislation an employer **must not** send opt-out notices, the opt-out process should be handled by the Pension Fund Administrator. In the event of an opt-out the responsibility to refund any contributions falls to the employer and not the Pension Fund.

### **Scottish Borders Council**

Responsibility as employer, processing of payroll payments, and administration of the Scottish Borders Council Pension Fund are handled by the HR Shared Services team. We are currently looking at the legislation and what it means for the Council as an Employer, once we have fully planned this we will be contacting all Admitted and Scheduled Bodies to share our thoughts on a best approach to ensure all requirements under Automatic Enrolment are considered.

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