

# Finding the knowledge

The Pensions Regulator alerts new employers to their instant auto-enrolment pensions duties from October 2017.

## TEN SECOND SUMMARY

- 1 All businesses in place at April 2012 have now passed their staging date and more than 600,000 employers have complied.
- 2 New employers must complete and submit a declaration of compliance within five months of their duties starting.
- 3 Most employers, including new ones, think that automatic enrolment is beneficial for their employees.

**F**rom October, new businesses with employees will need to put pension plans in place alongside all the usual tasks associated with setting up a business. As soon as they take on their first member of staff, business owners become an employer and will have automatic enrolment duties.

All businesses that existed before April 2012 have now passed their staging date and more than 600,000 employers have complied with the law, integrating automatic enrolment into the day-to-day running of their operations. The Pensions Regulator (TPR) will write to employers to tell them what they need to do and by when. We have launched a new online suite of information and tools for new businesses and their advisers – [www.tpr.gov.uk/employers](http://www.tpr.gov.uk/employers).

We are also working with professional bodies and the adviser and financial service industries so they can let clients, customers and members know in advance what they need to do when they take on a member of staff.

### New businesses

About 70,000 new employers are expected to be established between April and October 2017 and for them the rules are slightly different. Some will have already been allocated with a staging date, while others will have their duties start as soon as they take on their first employee.

Depending on how new the business is, these employers have been allocated staging dates on either 1 January or 1 February 2018. We will write to these employers to tell them when their staging date is and what they will need to do to meet their duties.

## Employers and duties

	When do duties start?	Useful link
Employers on or before 1 April 2012	Will have a staging date – up to 1 April 2017	<a href="http://www.tpr.gov.uk/ae-checker">www.tpr.gov.uk/ae-checker</a>
Employers on or before 1 April 2017 with no PAYE scheme	1 April 2017	<a href="http://www.tpr.gov.uk/employers">www.tpr.gov.uk/employers</a>
Employers after 1 April 2012 and up to and including 30 September 2017 with PAYE scheme	Will have a staging date – between 1 May 2017 and 1 February 2018	<a href="http://www.tpr.gov.uk/ae-checker">www.tpr.gov.uk/ae-checker</a>
Employers between April and October 2017	Will have a staging date of 1 January or 1 February 2018	
Employers after 1 April 2017 with no PAYE scheme	Will not have a staging date – their duties will start from the day that their first employee starts work	<a href="http://www.tpr.gov.uk/new-employers">www.tpr.gov.uk/new-employers</a>
Employers from 1 October 2017 onwards	Will not have a staging date – their duties will start from the day that their first employee starts work	<a href="http://www.tpr.gov.uk/new-employers">www.tpr.gov.uk/new-employers</a>

The **Employers and Duties** table on the next page provides a summary of when duties will start for employers – a more detailed overview can be found at [www.tpr.gov.uk/adviser](http://www.tpr.gov.uk/adviser).

### New employers and their duties

Automatic enrolment duties apply to all employers. They will need to:

- Assess their staff and, if any meet the age and earnings criteria, put them into a pension scheme for automatic enrolment and pay into it.
- Write to each member of staff (whether or not they meet the age and earnings criteria to be put into a pension scheme) to tell them how automatic enrolment applies to them.
- Tell The Pensions Regulator how they met their duties by completing and submitting a declaration of compliance within five months of the date their duties started. It's important that employers understand when their deadline is and submit their declaration on time. Otherwise they risk a fine.
- Manage their ongoing duties. These include continuing to monitor the age and earnings of existing and new staff on every pay date to see whether they need to be put into a pension scheme, and how much needs to be paid in.
- Every three years, employers will also need to re-enrol staff who have opted-out of automatic enrolment, and put them back onto a pension scheme.

### Employers without a PAYE scheme

Businesses that were established after 1 April 2017, but that do not use a PAYE scheme to pay their staff, will not have a staging date. In other words, employers with staff who earn £113 a week (£490 monthly) or less means HMRC may not require them to set up a PAYE scheme. However, these employers will still have certain automatic enrolment duties as follows, and must start to complete them as soon as they employ their first member of staff:

- the employer must write to staff to explain how automatic enrolment applies; and

- if the employee asks, in writing, to be put into a pension scheme, the employer must set this up, but does not have to pay into it.

When employers start paying a member of staff more than £113 a week, they must set up a PAYE scheme with HMRC. They must also assess their employees to work out whether they need to be put into a pension scheme that they must also pay into.

Once an employer has set up a PAYE scheme, we will write to request that they complete a declaration of compliance by a specific date. This is a legal requirement that enables the employer to tell us how they have met their duties.

### Duties applicable to directors

In some cases, directors may be exempt, depending on whether they have an employment contract and who else works for the organisation. Duties apply when a worker who has a contract of employment starts work. There is more information about how automatic enrolment duties apply to director-only businesses on The Pensions Regulator's website.

### Employer survey

Research published recently by The Pensions Regulator demonstrates that the roll out of automatic enrolment continues to run smoothly.

A recent employer awareness and understanding report shows the vast majority of employers reaching their staging date this year are confident they will be compliant with their duties. Further, almost half of new businesses that have only been trading for two or three months said they had already taken their first steps to meet their duties, by determining how many staff they need to enrol into a pension scheme.

The survey of 476 employers, with staging dates between January 2017 and January 2018, also shows that businesses, including new ones, continue to think that automatic enrolment is good for their staff.

A similar survey of business advisers shows that most of them are already helping their clients with automatic enrolment.

### FURTHER INFORMATION

The Pensions Regulator online suite of information and tools for new businesses and their advisers:  
[www.tpr.gov.uk/employers](http://www.tpr.gov.uk/employers)  
 For clients:  
[www.tpr.gov.uk/employers](http://www.tpr.gov.uk/employers)  
 For business advisers:  
[www.tpr.gov.uk/business-advisers](http://www.tpr.gov.uk/business-advisers)  
 For director-only businesses:  
[www.tpr.gov.uk/director-exemptions-from-automatic-enrolment](http://www.tpr.gov.uk/director-exemptions-from-automatic-enrolment)

## The Pensions Regulator

**The Pensions Regulator** (TPR) is the UK regulator of workplace pension schemes. We make sure that employers put their staff into a pension scheme and pay money into it. We also make sure that workplace pension schemes are run properly so that people can save safely for their later years.