

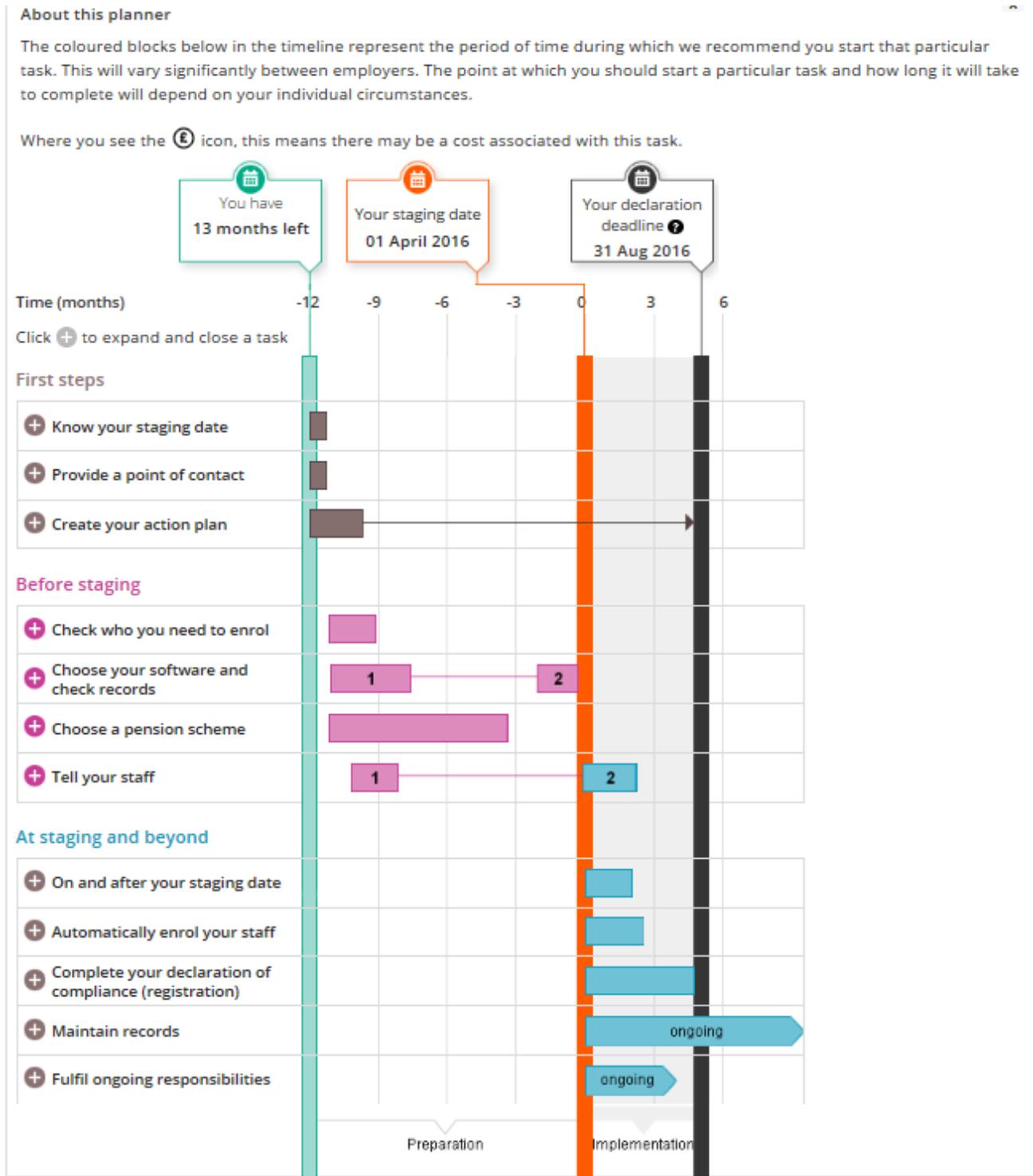
Your Action Plan for Automatic Enrolment

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Your Action Plan

This guide is designed to help you identify what actions are needed in your planning and preparation for automatic enrolment.

This guide 'Your Action Plan for Auto Enrolment' is intended for use by churches, circuits and districts within the Methodist church. Please note that for ease of reference we will be refereeing mainly to circuits through this document.



First Step

Auto-enrolment and Employers' Legal Duties and Safeguards

Under the proposed new legislation, all UK employers must have a workplace pension scheme in place by their "staging date".

Employers must

- Automatically enrol all eligible jobholders into the automatic enrolment scheme
- Put into the qualifying scheme those non-eligible jobholders who have decided to opt in
- If requested allow all entitled workers to join a pensions saving scheme
- Remove from the scheme anyone who has decided to opt out within the opt out period and promptly refund any contributions
- Re-enrol any eligible jobholders who opted out or ceased active membership, after a certain amount of time (approximately every 3 years)
- Declare their compliance to the regulator to give details such as the number of eligible jobholders enrolled
- Provide workers with information about the duties

Employers must not

- Induce their workers to opt out or cease their membership of the qualifying pension scheme
- Do or fail to do something which results in the worker ceasing to be in active membership whilst still employed by the employer
- Take action or make any omission by which the scheme ceases to be qualifying scheme without providing an alternative qualifying scheme
- Breach new employment rights for individuals not to be unfairly dismissed or suffer detriment on grounds related to the new employer duties
- Indicate during a recruitment process that a worker's decision to opt out of automatic enrolment will affect the outcome.

Know when you need to be ready – Know Your Staging Date



When should I do this? 12 to 11 months before your staging date

The date by which you need to have introduced automatic enrolment in your workplace pension arrangement is known as your staging date. For churches, circuits and districts with locally employed lay employees paid through the central payroll bureau their staging date is **01 April 2016 or 01 May 2016**. Circuits which do not use the central payroll bureau will be notified of their staging dates independently by the Pensions Regulator.



How long will this take? 5 minutes

How to find your staging date – [link to the Pensions Regulator's website](#)

Key Dates

These are the key dates you need to know.

Staging Date: An employer's automatic enrolment duty starts on their staging date. Staging dates are based on PAYE information held by the regulator from HMRC on 1 April 2012 and not on current staff headcount. Check your staging date by using the [staging date tool](#) on The Pensions Regulator's website.

Automatic enrolment date: The date auto enrolment first applies to an eligible job holder. The date the worker first becomes an eligible jobholder i.e. first day of employment, their 22nd birthday or when they start earning £10,000.

Assessment date: The date as at which you test eligibility and earning.

Enrolment date: The date enrolment applies to jobholder who opts into scheme membership.

Deferral date: The date auto enrolment will apply to a worker if you postpone enrolment. If you are applying postponement, use the last day of your postponement period (the date you selected and notified your jobholders as the start of enrolment).

Provide a Point of Contact



When should I do this? 12 to 11 months before your staging date

The Pensions Regulator will send regular emails at key stages in the planning process to help you stay on track. By nominating someone who will manage or implement automatic enrolment, you will ensure any information sent gets to the right person.

Note that responsibility for complying with the duties remains with the employing organisation, not the nominated contact.

If your staging date is less than 12 months away, you should have received a letter from the Pensions Regulator about your automatic enrolment duties. You'll need the letter code or PAYE reference from this communication to nominate your contact(s) online.

Primary contact: This must be the most senior person within the employing organisation, for instance, Superintendent or District Chair. This person will receive letters and also emails if no secondary contact is provided.

Secondary contact: The person who will manage or implement enrolment, for instance, District Chair or Circuit Treasurers. This person will receive emails to help with the implementation.

How to do this



How long will this take? 15 minutes

Use the link below to complete an online form. You will need your letter code and PAYE reference number before you can complete the information. If you do not have a letter code or PAYE reference you can contact the [Pensions Regulator's dedicated automatic enrolment team](#).

For churches, circuits and districts with locally employed lay employees paid through the central payroll bureau your [PAYE reference number is 120/YZ85673](#)

[Nominate a Contact – Pensions Regulator website](#)

Develop Your Initial Plan



When should I do this? 12 to 11 months before your staging date



How long will this take? Allow 2-4 weeks

Once you know your staging date, you can work backwards to develop a plan for what preparations you'll need to make and when.

You'll need to involve key people in your planning, such as the person who runs payroll, DLES, circuit administrator and circuit treasurer, as might be carrying out some of the day-to-day activities once automatic enrolment is up and running.

As part of your preparations, you should log in to the Pensions Regulators automatic enrolment [declaration of compliance \(registration\) online service](#) and start providing some of the information required as you get it. You can add information you already know, such as the employer address and your PAYE reference. When you set up your pension scheme, add the scheme information, like the employer pension scheme reference and the address.

Before Your Staging Date

Find Out Who To Enrol



When should I do this? 11 to 9 months before your staging date

It's likely that you'll have employer duties for all staff on your PAYE. You'll probably have to automatically enrol at least some of them. What you'll need to do depends on their ages and how much they earn. [How to automatically enrol your staff.](#)

An initial assessment should take a view of the likely makeup of the workforce on the staging date. This does not have to be an in-depth assessment, but it is necessary as it will give the employer an idea about whether they will have workers who will have to be automatically enrolled, or workers with a right to opt in or to join a scheme. The outcome of the initial assessment should be made available to the trustees, usually via the circuit meetings.

The employer will need to look at the contractual relationships they have with the people working for them to ensure that they have correctly identified those who are considered workers. It is this group of people in respect of whom the employer may have duties.

Worker Status

All workers will need to be categorised into one of three categories; eligible jobholder, non-eligible jobholder or entitled worker. This is done by assessing their age, worker status and qualifying earnings.

A worker is defined as any individual who:

- works under a contract of employment (express or implied). Trainee and apprentices as well as temps/agency workers (if paid by you) can all count as workers. or
- has a contract to perform work or services personally (i.e. they cannot send a substitute or sub-contract the work) and is not undertaking the work as part of their own business.
- Office holders and volunteers, don't usually count

TUPE transfers: Where a worker changes employer as a result of a Transfer of undertakings protection of employment (TUPE) transfer, the new employer will be responsible for complying with the employer duties that arise in relation to that worker. This means they will have to assess the worker with effect from the transfer date and where appropriate, automatically enrol them.

Secondment: If a worker is on secondment to another organisation they retain the terms and conditions of their originating employer and the originating employer is responsible for automatically enrolling the worker.

You must automatically enrol everyone working for you:

- who is aged between 22 and state pension age
- who works in the UK
- for whom you deduct income tax and National Insurance contributions from their wages
- who is likely to have gross earnings over £10,000. This figure will be reviewed annually by the Government.

Assessments are not required for non-UK workers, people under 16 or over 75 or anyone who provides services (i.e. is genuinely self-employed).

[Assessing the Workforce – Pensions Regulator website](#)

The regulations require you to sort your members into the following groups:

Eligible jobholders

Must be automatically enrolled into a qualifying scheme, with minimum employer contributions.

Opt out rights

Re-enrolment rights

Non-Eligible jobholders

Do not have to be automatically enrolled, but has the right to request enrolment into an automatic enrolment scheme with minimum employer contributions.

If the right is exercised, opt out rights

Entitled workers

Do not have to be automatically enrolled, but has the right to request enrolment into a pension scheme, but not minimum employer contributions

You'll have to do a formal assessment (this should be revised and kept up-to-date i.e. after your annual salary review) on/before your staging date (or after postponement), so you know exactly who you'll have to automatically enrol.

The assessment must be conducted at particular points in time, or when particular events occur. These dates include:

- at your staging date
- the worker's first day of employment with you if this is after the staging date
- the date of the worker's 22nd birthday if this is after the staging date
- the date of the worker's 16th birthday if this is after the staging date.

Working out who is in which category



How long will this take? Up to 1 day

The table shows the rights of staff depending on their age and what they earn in a year.

Annual earnings (2014-2015)	Age		
	16-21	22-state pension age	State pension age -74
Under lower earnings threshold £5,772 or below	Has a right to join a pension scheme (Entitled Worker)		
Between lower earnings threshold and earnings trigger for automatic enrolment Over £5,772 to £10,000	Has a right to opt in (Non-Eligible Jobholder)		
Over earnings trigger for automatic enrolment Over £10,000	Has a right to opt in (Non-Eligible Jobholder)	Automatically enrol (Eligible Jobholder)	Has a right to opt in (Non-Eligible Jobholder)

Note: If someone in your workforce is not an eligible jobholder, keep monitoring the situation for any changes – you will need to do re-assessment.



A worker rights and the contribution payable will vary depending on what they earn during the pay reference period. This is the period by reference to which you pay the worker their regular wage or salary. This may differ from pay frequency.

Two part-time jobs with the same employer – single employment relationship

If you have a worker with multiple contracts but in reality there is one employment relationship, assess earnings based on aggregate pay across all contracts.

Two part-time jobs with different employers

If these two part-time jobs were with separate employers they should be separately assess and meet its auto enrolment duties.

Earnings means gross earnings, which includes all of the following pay elements for the purpose of determining eligible jobholder status: wages, commission, bonuses, overtime, statutory sick pay, statutory maternity, paternity and adoption pay.

Qualifying earnings are a band of earnings used as the basis for assessing eligibility and contributions.

Automatic enrolment earnings thresholds

Annual earnings thresholds	Proposed annual threshold	
	2014-2015	2015 - 2016
Lower level of qualifying earnings	£5,772	£5,824
Earnings trigger for automatic enrolment	£10,000	£10,000
Upper level of qualifying earnings	£41,865	£42,385

Link: [Automatic enrolment earnings thresholds](#)

Tell your Staff (Raise Awareness)



When should I do this? 10 to 8 months before your staging date.

The responsibility fall on the employer to give the statutory information to a worker, and to give the information in writing. 'Giving' information, in the regulator's view includes:

- sending information by post or internal mail
- handing over information by hand
- sending information by email
- sending information in pdf attachments or other attachments by email.

With automatic enrolment becoming more publicised, it's a good idea to start communicating to your staff early on, to raise general awareness about its arrival and how they'll be affected.

Evaluate the payroll system, review existing pension scheme and check your records



How long will this take? Depends on circumstances

You'll need to make sure your business software will support automatic enrolment. Many of the functions necessary for handling the specific requirements will need to be automated, such as:

- deducting and paying contributions to the scheme
- monitoring the ages and earnings of your staff
- handling requests to join the pension scheme from members of staff who haven't been automatically enrolled.

Part 1: Getting your systems in place



When should I do this? 11 to 8 months before your staging date

Your existing payroll software may be able to support the requirements, or your pension provider may even do this for you.

Our central payroll bureau operates a monthly payroll for some 500 circuits and other employing bodies, paying stipends and, where requested, salaries to lay employees. For Circuits with locally employed lay employees paid through the central payroll bureau no further actions are needed.

In order for the system to run in an efficient and timely manner all Circuit using this service should adhere to strict deadlines for the provision of payroll related information. This information includes:

- Who should be paid, and how much
- Any allowances (standard or discretionary)
- Pension contributions, including AVCs
- Payee details: name and address, date of birth, NI number, bank details
- P46 or P45 form for each new starter
- Any other details we need.

To ensure a robust Auto Enrolment process, your chosen payroll system needs to have an automated exchange of data with your pension system.

As payroll timescales are often short, it is imperative that if the data leaves the payroll process for assessment that it is sent across in a standardised, easily replicable way so that it can be loaded, assessed and returned with minimal risk to the payroll run.

Part 2: Making sure your systems work



When should I do this? 2 months before your staging date

Allow time to test your systems to make sure they perform the required functions. You'll need to make sure all your staff records are up to date so the information you put in produces an accurate report. You should be confident by your staging date that your systems are able to carry out all of the functions necessary to be compliant.

Check records

You must be able to provide information to your pension scheme in the correct format. Make sure the necessary records are easily to hand and that you have correct information about your staff before your staging date, including:

- Dates of birth
- National Insurance numbers, and
- Latest contact details.

Choose a Pension Scheme



When should I do this? 11 to 4 months before your staging date. If you don't have a pension scheme



How long will this take? Depends on circumstances

If your initial assessment identified that you have any staff that are eligible for automatic enrolment, you'll need to put a pension scheme in place and enrol them into it.

Circuits are responsible for nominating their pension scheme for auto enrolment. Payment of the Circuit's contribution to an employee's own Personal Pension will NOT satisfy the auto enrolment obligations. "The Conference requires employing bodies to offer pension provisions to all employed Lay Workers to whom a new contract of employment is issued under S.O. 438A on the basis of **contributions of at least 6% of salary by the employing body and 6% by the Lay Worker.**"

The 2012 Conference agreed that The Pensions Trust should no longer be the recommended provider. However, for those employing body (churches, circuits and districts) using the Central Payroll Bureau they must continue to use the Pensions Trust for the time-being. This is currently the only provider for whom our systems satisfy the auto enrolment requirements. The intention is to widen this to include two or three additional providers, but it is not possible to guarantee that this will be in place by 1 April 2016.

The Pensions Trust - [Link to Website](#)

Alternative pension providers who have meet the requirements for auto enrolment for which circuits can consider looking into are;

- National Employment Savings Trust (NEST) is a UK government backed pension scheme • Charges 0.3% a year + 1.8% on contributions - [Link to Website](#)
- The People's Pension is a Not-for-profit organisation • Single charge 0.5% a year and no set up or ongoing fees for employers - [Link to Website](#)

To be a qualifying auto enrolment scheme, a scheme must meet the qualifying criteria and the auto enrolment criteria.

Qualifying criteria

The main part of the qualifying criteria requires the pension scheme to meet certain minimum standards, which differ according to the type of pension scheme. Most employers will want to offer a defined contribution pension scheme. The minimum requirements for such schemes are a minimum total contribution based on qualifying earnings, of which a specified amount must come from the employer. Irrespective of the minimums stated by the Government or by specific schemes, Methodist employers **MUST** contribute 6% of salary as **MUST** the employee.

Auto enrolment criteria

To be an auto enrolment scheme, the scheme must not contain any provisions that:

- prevent the employer from making the required arrangements to automatically enrol, opt in or re-enrol a 'jobholder'
- require the jobholder to express a choice in relation to any matter, or to provide any information, in order to remain an active member of the pension scheme.

[Does your existing scheme qualify?](#)

Getting your scheme up and running

Contact the pension scheme to find out what they'll need from you and when, in order to enrol your staff.

What information to provide

The employer will need to provide the pension scheme with certain information about the **eligible jobholder** who is being automatically enrolled.

- name
- sex
- date of birth
- postal residential address
- National Insurance number (NINO) – if the NINO is not available to the employer, the employer must provide it to the scheme within one month of receiving it.

The employer must also provide the following information, unless the scheme does not require it. The entitled worker's:

- postal work address
- work email address (if there is one)
- personal email address (if the employer holds this information)
- gross earnings in any pay reference period (if the employer holds this information)
- the value of any contributions payable to the scheme by the employer and the entitled worker in any pay reference period (where this information is available to the employer. The value can be shown as a fixed amount or a percentage rate of any qualifying earnings or pensionable pay due to the entitled worker).

An employer using an existing pension provider will only need to check that these data requirements are already included in their joining process.

Communicate the changes to all your employees (formal communication)



When should I do this? Within 6 weeks of your staging date.



How long will this take? Depends on circumstances

One of your new duties is to write to each member of staff telling them how automatic enrolment law affects them, for example, whether they've been automatically enrolled, or that automatic enrolment has been postponed for them. You must do this within certain time limits, usually within six weeks of them being enrolled, or within six weeks of your staging date if you're postponing.

Start planning these communications before your staging date, so you know who should receive what information; what information you tell them will be different depending on their rights.

What communications to send

There are different information requirements for each category of worker.

Pensions Regulator's website – [Letter Templates](#)

1. **Employee Already in the Pension Scheme (No action needed from employees)**
 - ✓ Contact details of the existing scheme
 - ✓ A statement that the pension scheme meets automatic enrolment requirements
 - ✓ Information about certain protections provided to the worker
2. **Eligible Job Holders (Must be automatically enrolled)**

The employer must auto-enrol eligible jobholders who are not already members of a qualifying pension scheme

- ✓ They have been, or will be automatically enrolled and what this means for them
- ✓ Information about their right to opt out and what this means
- ✓ Information about opting in and re-enrolment following opt-out
- ✓ Information about certain protections provided to the worker
- ✓ Where to get more information about pensions and saving for retirement

If an eligible jobholder is already an active member of a qualifying scheme on the automatic enrolment date, the employer does not need to take any further action, other than to provide them with information about the scheme.

3. **Non Eligible Job Holders (Do not need to be automatically enrolled but have the right to opt in)**
 - ✓ Information about pointing in to an automatic enrolment scheme and what that means for them
 - ✓ This information must be provided within one month of the date on which they become a non-eligible jobholder (the staging date) or first day of employment
 - ✓ If the which to opt in they must provide an 'opt-in notice'
 - ✓ Where to get more information about pensions and saving for retirement
4. **Entitled Workers (Do not need to be automatically enrolled but have a right to join a pension scheme)**
 - ✓ Information about joining a pension scheme and what that means for them
 - ✓ This information must be provided within one month of the date on which they become an entitled jobholder (the staging date) or first day of employment
 - ✓ If the then wishes to join a pension scheme they must give the employer a 'joining notice'

At Staging and Beyond

On and After your Staging Date



When should I do this? Within 2 months of your staging date.



How long will this take? 1 – 2 days

On your staging date (if not done already), or on the last day of the postponement period, you'll need to assess the ages and earnings of each member of staff. This is to identify the duty you have for them, for example whether you need to automatically enrol them. Remember earnings might change after your annual salary review.

At the point of declaration, you'll need to account for everyone who worked for you on your staging date. You'll need to tell the Regulator how many people were automatically enrolled, how many were already in an existing pension scheme you provide, and what you did for anyone else in your employment.

You'll still need to complete your declaration even if you didn't have to automatically enrol any of your staff.

Automatically enrol your staff



When should I do this? Within 2 months of your staging date



How long will this take? You will have a maximum of 1 month

Now you know who you need to automatically enrol, you'll need to provide the scheme with whatever information they need to get their membership up and running. You should have already identified what this is when you were getting your scheme up and running.

If you've postponed automatic enrolment from staging, you'll need to assess the ages and earnings of each member of staff on the last day of the postponement period, to see who's eligible for automatic enrolment.

You'll have one month from the end of the postponement period to automatically enrol any staff who are eligible.

Joining Window

The one-month period from the automatic enrolment date or enrolment date during which the employers must ensure the individual is enrolled in an automatic enrolment scheme and all process complete.

Important note: You must not say or do anything that could be viewed as influencing any of your staff to opt out of your pension scheme. This is referred to as 'inducement' which is a breach of the law and could result in fines.

Keep records of who you've enrolled. You'll need to tell the Regulator how many you've enrolled into which scheme at declaration.

Complete your declaration of compliance (Registration)



When should I do this? Within 5 months of your staging date



How long will this take? Depends on circumstances

Declaration of compliance (registration) is the legal requirement to submit information to the regulator about how you've complied with your employer duties. Failure to complete your declaration on time means you will not have complied with all of your duties and could result in fines and/or prosecution.

Your declaration deadline is five calendar months from your staging date.

You need to provide the information online. You'll need to provide information like the details of the pension scheme you've used for automatic enrolment and how many people you've automatically enrolled into it.

Even if you haven't automatically enrolled anyone, you'll still need to complete a declaration.

Download Checklist: [Download the checklist \(PDF, 123kb, 2 pages\)](#)

Maintain and Keeping Records



When should I do this? From your staging date onwards



How long will this take? Ongoing

Keeping records about the workers

Certain records must be kept about your staff and about the pension scheme. Some of these will be kept by the pension scheme provider; some must be kept by the employer. Make sure you know what these records are and where to get them from. You'll also need to decide how you'll store them so you can easily access them. The employer must be able to produce these records to the Pensions Regulator when required.

Keeping records is good governance and is proof that you've carried out your duties.

Records employers must keep about worker

Who the record relates to	What record must be kept	How long must it be kept
Eligible and non-eligible jobholders who become members	<ol style="list-style-type: none"> 1. Name 2. NI number 3. Date of birth 4. Gross earnings in the pay reference period 5. The amount of employer and employee contributions 6. The date contributions were paid to the scheme 	6 years
Additional information for eligible	<ol style="list-style-type: none"> 1. Auto enrolment date 2. Opt-in notice (original format) 	6 years

and non-eligible jobholders only	3. The contributions to which the jobholder is entitled under the scheme rules	
	Opt out notice	4 years
Additional information for entitled workers only	1. Date, with effect, from which the worker became an active member	6 years
	2. Joining notice (original format)	

Records must be kept about the pension scheme as well:

Type of pension scheme being used	What record must be kept	How long must it be kept
Defined contribution occupational trust-based scheme (UK-administered)	<ol style="list-style-type: none"> Employer pension scheme reference number Scheme name and address 	6 years
Contract-based personal pension scheme (UK-administered)	<ol style="list-style-type: none"> Employer pension scheme reference number Name and address of pension provider 	6 years

The pension scheme provider must keep the following information about the pension scheme member record:

Who the record relates to	What record must be kept	How long must it be kept
Active Member	<ol style="list-style-type: none"> Full name Date of birth NI number Gender Residential address (including postcode) Date on which the person become an active member of the scheme The date on the person ceases to be an active member of the scheme A description of the member's status 	6 years
Jobholder who opt out	<ol style="list-style-type: none"> Full name The date on which the scheme was informed by the employer of the jobholders' decision to opt out 	4 years
Pension scheme	Employers pension scheme reference number	6 years



Fulfil ongoing responsibilities



When should I do this? From your staging date onwards



How long will this take? Ongoing

Although it may seem as though all the work happens before your staging date, that doesn't mean that it's all done with when your staging date arrives. The preparations you've made in the run-up to your staging date will allow you to manage automatic enrolment on an ongoing basis.

Just like submitting real-time PAYE, all your automatic enrolment activities will become 'business as usual'. These include the following:

Paying contributions

You'll need to deduct and pay regular contributions into your staff members' pensions.

Processing opt outs

'Opting out' is when a staff member decides to leave your pension scheme within a month of being enrolled. Staff you've automatically enrolled and those who have opted in can choose to opt out.

Staffs you've automatically enrolled have a right to opt out if they decide they don't want to be in your pension scheme. Once staffs have been enrolled into the pension scheme, they have one calendar month during which they can opt out and get a full refund of any contributions. This is known as the '**opt-out period**'. It starts from whichever date is the later of:

- the date active membership was achieved, or
- the date they received your letter with the enrolment information.

You must process any opt-out requests promptly, including issuing any refunds.

Jobholder

- Contact the pension scheme provider to get an opt out form (employees should be provided with information as to how to access the opt out form)
- Give notice to opt-out before the end of the opt-out period to employer

Employer

It is up to the employer to make sure that opt-out notices received are valid. A valid opt-out notice must include:

- the employee's full name;
- the name of the employer;
- the employee's national insurance number or date of birth;
- the employee's signature or, if in electronic format, a statement confirming that the jobholder personally submitted the notice; and
- the date the form was completed.

In addition, the following statements must appear just above the employee's signature:

- "I wish to opt out of pension saving.
- I understand that if I opt out I will lose the right to pension contributions from my employer.
- I understand that if I opt out I may have a lower income when I retire."

If the employer receives an invalid opt-out notice, they must inform the employee, saying what is required to make the notice valid. In such circumstances the employee is allowed an additional two weeks to complete the opt-out, effectively extending the opt-out period from one-month to six weeks.

If you receive an opt-out notice you must:

- make sure the notice is fully completed and signed
- send the opt-out notice to the scheme and keep a record of it yourself
- stop the deduction of pension contributions for that staff member with immediate effect
- refund any contributions already deducted to the staff member in the next payroll
- Re-enrol the worker at the next re-enrolment date if eligible

Staff can't opt out before the opt-out period starts or after it ends. If they decide to leave the scheme outside this period, they will instead be 'ceasing active membership'. Whether they get a refund of contributions will depend on the pension scheme rules.

[Opting out – Pension Regulators website](#)

Refunds

You must give the staff member a full refund of any contributions they've made. Your payroll will have a record of how much this is. You'll need to refund any contributions they've made within a month of them opting out. Normally, you should issue the refund in the next payroll after you get the opt-out notice.

The pension scheme will refund to you any contributions it's received for that staff member.

Processing opt-in and joining requests

Some staff who weren't automatically enrolled can choose to opt in to, or ask to join your pension scheme. You must process these requests straight away and enrol them into a pension scheme.

All requests to opt in or join must be in writing and signed by the person asking to opt in or join. If they sent it to you electronically, it must include a statement from them that they personally submitted the request.

It could be months or even years after you first told staff about their right to opt in or join that they choose to do so. So you'll need to check they're still entitled to opt in or join by checking their age and earnings.

Initial Checks

- Is the workers a jobholder or an entitled worker?
- Is the notice valid?
- Is the worker already an active member of a scheme?
- Has the worker applied before?
- Don't enrol if: the worker is already an active member of a qualifying pension scheme or already schedules for auto-enrolment or re-enrolment.

Checking the right to opt in

Staff who can opt in are:

- aged 16-21, or state pension age to 74
- earning above £10,000 a year
- or
- aged 16-74
- earning above £5,772 up to and including £10,000 a year.

Staff who have previously opted out, either from being automatically enrolled or from opting in, can also opt in again. But if they've already asked to opt in the last 12 months and subsequently opted out or ceased membership, it's up to you to decide whether to enrol them. There's no obligation to do so.

Checking the right to join

Staff who can join are:

- aged 16 to 74
- earning £5,772 or less per year.

Staff opting in

You must enrol staff who has opted into a pension scheme you are using for automatic enrolment. You must usually do this within a month of receiving their request. Once in the pension scheme, they are treated the same as staff you've automatically enrolled which means you must pay an employer contribution.

[Opting in or Joining – Pension Regulators website](#)

Admitting Entitled Workers

Entitled workers have the right to join a workplace pension scheme at any time while still an entitled worker.

No right to employer contribution.

The worker must give a valid join notice to the employer and comply with all the joining requirement of the scheme.

If the worker leaves the scheme, an employer is not bound to honour a second request within 12 months.

Process for employers:

- Contact the pension scheme and provide them with the relevant information to set up the membership.
- Choose whether or not to make employer contributions.
- Keep a record of the joining notice.
- Monitor the worker for any change in their status to become a jobholder.

Monitoring ages and earnings

Your business software (or pension provider) should be set up to monitor the ages and earnings of each member of staff and alert you if any of their rights change, e.g. by turning 22, or their earnings changing, as your duties in relation to them will change. This age and earnings check must happen every time you run payroll.

Their earnings are important - if a member of staff is earning under £10,000 and has an increase in salary over this amount, you'll need to automatically enrol them.

Assessing new starters

When anyone new starts working for you, you'll need to check whether they're eligible for automatic enrolment. If they are, you'll need to enrol them into your pension scheme following the same process as you did at staging or after postponement.

Re-enrolment

Workers can leave a pension scheme at any time.

Each employer must set a re-enrolment date within a window from three months before, to three months after, the third anniversary of their staging date.

Re-enrol anyone who at that time an eligible jobholder, but not active member of a qualifying pension scheme.

Exceptions: Jobholders who opted out of members of a qualifying pension scheme after being enrolled, in the 12 months before the re-enrolment date.

Risks to consider

- Failing to comply with regulations
- Not budgeting properly
- Encouraging staff not to join

Budgeting

Naturally, contributing to employees' pension pots is an expense. Employers need to assess how much they can expect their costs to rise with auto-enrolment, whether that can be accommodated within existing budgets and, if not, where savings can be made.

Impact on Business: It is likely that the administration of the employer duties will fall across different areas of an employer's operation. Assessment of worker's category, pensions administration (third party pension scheme) payroll function.



We hope that you have found this helpful.

Please let us know if you have any questions.



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