



THE CHURCH  
OF ENGLAND

# Automatic Enrolment

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GUIDANCE FOR CHURCH EMPLOYERS

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# Agenda

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# Recap on Automatic Enrolment

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Introduced in October 2012 with the aim of encouraging everyone to save more for later life.

Government hope people will be more engaged in their pension and plan better for retirement.

Automatic Enrolment will start for you from your “staging date”. This will be between now and 2017.

Almost 6 million people have been enrolled already. Only 7% have opted out.

# Step-by-step guide

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

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Supporting Scams Awareness Month

#scamaware

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Automatic enrolment

Pension scams

Defined contribution

Defined benefit

Employers ▶

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Step-by-step guide to automatic enrolment

Business advisers ▶

For IFAs, EBCs, actuaries, accountants & bookkeepers

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advisers

Trustees ▶

Understand your role as a pension scheme trustee

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New duties for DC schemes

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For workers and members of the public

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Protect yourself against pension scams

Public service ▶

Governance and administration of public service pension schemes

★ **Featured:**  
Code of practice

# Step-by-step guide

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## Automatic Enrolment

The law on workplace pensions has changed. Under the Pensions Act 2008, every employer in the UK must put certain staff into a pension scheme and contribute towards it. This is called 'automatic enrolment'.

Whether you're a hairdresser, an architect or employ a personal care assistant, if you employ at least one person you are an employer and you have certain legal duties.

It's important that you understand what to do and by when, this will depend on your circumstances and those of your staff. To work out what you need to do, when you need to do it and to make sure that you only complete the tasks relevant to you, answer the questions in our 'Duties Checker'.

[Start here](#) ➤



Been here before and are using a different device? ☑

# Check your staging date

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**Find out when Automatic Enrolment starts for you.**

**You will need your PAYE payroll reference.**

**The Pensions Regulator will write to you 12 months and 3 months before your staging date.**

**Information on bringing your date forward.**

# Check who you need to enrol

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## Step 3 of step-by-step guide

1. Eligible jobholder = must enrol
2. Non-eligible jobholder = can ask to join
3. Entitled worker = can ask to join but no employer contribution

# Check who you need to enrol

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Earnings (p.a.)	Age 16-21	Age 22 to State Pension Age	State Pension Age to 75
£10,000 or more	Non-eligible	Eligible	Non-eligible
Between £5,824 and £10,000	Non-eligible	Non-eligible	Non-eligible
Less than £5,824	Entitled	Entitled	Entitled

# Create your action plan

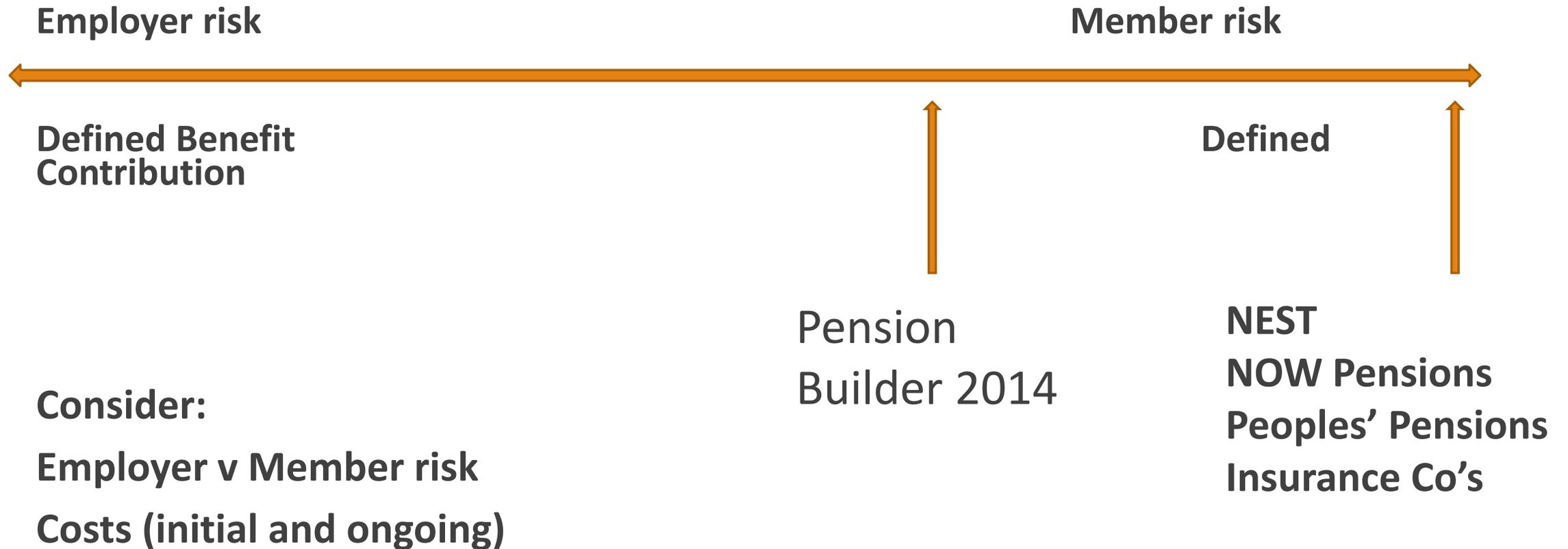
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**Step 4 of step-by-step guide.**

**Recommends starting to plan 12 months ahead.**

**You can set a contact to receive email alerts.**

# Pick a pension scheme



# Pension Builder 2014 v Others...(1)

	Pension Builder 2014	Others (i.e. NEST)
Type of scheme	Cash Balance <i>We guarantee contributions back plus bonuses</i>	Defined Contribution <i>Contributions go up and down in line with investment market</i>
Minimum contribution	8% of pensionable pay. Member contributions take before tax, so take home pay is more	2% until April 2018 5% until April 2019 8% from April 2019 (member contributions after tax. Tax relief added later)
Life Cover	0.5% for 2x salary. Can offer 3 or 4x. Plus refund of "pot"	No multiple of salary Refund of "pot" only

## Pension Builder 2014 v Others...(2)

	<b>Pension Builder 2014</b>	<b>Others (i.e. NEST)</b>
<b>Employer risk</b>	<b>As we guarantee contributions back there may be small debt to pay if you stop using this scheme</b>	<b>None</b>
<b>Member risk</b>	<b>Limited. Contributions guaranteed so can realistically plan for future. Use pot to provide retirement benefits</b>	<b>High. Pot can go down as well as go up. Makes long term planning very difficult</b>
<b>Administration</b>	<b>We collect contributions from you by Direct Debit</b>	<b>Manually upload monthly contributions via Payroll</b>
<b>Other considerations</b>	<b>If move between Church members likely to be able to remain in the same scheme No transfer in      Fee = nil We are free and easy to help you</b>	<b>Limit of £4,700 a year (to 4/17) No transfer in or out (review 4/17) Fee = 2.1% to member pots Help <i>can</i> be harder to get without paying</b>

# Which scheme should I choose?

	Scheme
Looking to limit costs for a few years?	NEST
Looking to limit fees?	PB 2014
Looking to provide staff with better retirement guarantee?	PB 2014
Looking to limit employer exposure to risk?	NEST
Do staff want to pick their own investments?	NEST
Do you have staff with fluctuating hours?	NEST
Do you have staff who earn less than £5,824? (and don't want to make Employer contribution)	NEST
Looking for help and guidance?	PB 2014 ( <i>possibly</i> )

# Write to staff-Step 9

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**You can do this early to give staff warning.**

**You must do this within 6 weeks of them being enrolled.**

**Template letters are for Defined Contribution schemes.  
Will need tweaking if using PB 2014. We can review.**

**You can delay Automatic Enrolment for up to 3 months.**

# Enrol staff

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- **Whichever scheme you use, you can enrol staff electronically.**
- **An individual account will be set up for staff, and contributions stored under this account.**
- **The pension scheme will write to each member to welcome them to the scheme and let them know where they can find more information.**
- **The scheme will send an update known as a “benefit statement” each year.**
- **Changes in information, salary etc., can also be done electronically.**

# 'Opt out' and 'opt in'

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## **Opting out**

**Members do not have to join. They can ask for an 'opt out form' from the pension scheme.**

**There must not be any involvement from the employer.**

**They can opt out at any time, if after 4 weeks of enrolment they may not receive a refund.**

## **Opting in**

**Members can opt in at any time. Must complete and 'opt in form'.**

**You *will* have to pay the same contributions for 'Non-Eligible' jobholders as 'Eligible' jobholders.**

**You do not have to pay contributions for 'Entitled' workers.**

# Ongoing duties- Step 11

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- 1. Complete your declaration of compliance. You will need your PSR and EPSR.**
- 2. Keep a record of everyone who has joined, opted in and opted out.**
- 2. Keep an eye on your staff – how much they earn and how old they are.**
- 3. Keep a record of the contributions you have paid.**
- 4. Keep on top of opt ins and opt outs to ensure correct contributions are paid.**
- 5. You will need to re-enrol everyone on a 3 year cycle.**

# Final points

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- 1. Plan ahead!**
- 2. Check what difference this will make to your budget.**
- 3. Check whether there will be one off costs up front.**
- 4. Check your payroll software.**
- 5. Consult with staff if you need to introduce mandatory employee contributions.**
- 6. Seek advice if you need it.**

# Helpful sources

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**Guidance is available on the Pensions Regulators website.**

**FAQ style guidance:**

**[www.thepensionsregulator.gov.uk/employers/additional-resources.aspx](http://www.thepensionsregulator.gov.uk/employers/additional-resources.aspx)**

**Detailed guidance:**

**[www.thepensionsregulator.gov.uk/doc-library/automatic-enrolment-detailed-guidance.aspx](http://www.thepensionsregulator.gov.uk/doc-library/automatic-enrolment-detailed-guidance.aspx)**

**Church guidance on our website:**

**<http://tinyurl.com/cepbautoenrolment>**