



Pension Reform Auto Enrolment

The SMQ Group has constructed this presentation and the associated compliance manual, to assist its customers with their responsibilities under the 2008 pensions reform act, in the setting up and managing of their auto enrolment pension scheme.

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Workplace Pension Reform



- The current pension system does not reach all of the UK population.
- The Government wishes to promote personal responsibility for retirement savings.
- State Pensions are currently unsustainable and are set to get worse as the population ages.
- Auto enrolment ensures employees must join their employer's qualifying pension scheme.
- Employers will share the responsibility (and cost) of their employees retirement.
- Where no employer scheme exists, a Qualifying Scheme (QS) will need to be established.

Auto Enrolment - The Basics

- All eligible employees must be automatically enrolled into a Qualifying Scheme (QS) by the company's staging date.
- The regulations state that there will be no exemptions.
- Employers must certify on their staging date, that their current pension scheme meets the required contribution levels.
- Existing schemes may only be used for new members if auto enrolment requirements can be met.
- Where no QS exists, or an existing scheme has no provision for auto enrolment, an employer must set up a new QS.

Minimum Contributions of 'Banded Earnings'



	Minimum Employer	Minimum Employee	Tax Relief
Oct 2012 – Sep 2017	1%	1%	0.2%
Oct 2017 – Sep 2018	2%	3%	0.6%
From Oct 2018	3%	5%	1%

Penalties



- A fixed penalty of £400 for failing to respond to a warning notice from The Pension Regulator
- An escalating Daily penalty for none compliance

5-49 employees	£500
50-249 employees	£2,500
250-499 employees	£5,000
500 or more employees	£10,000

- Fixed penalty fines for prohibited recruitment conduct

5-49 employees	£1,000
50-249 employees	£1,500
250-499 employees	£2,500
500 or more employees	£5,000

Civil penalties for cases where an employer fails to pay contributions due, face a fine of up to £5,000 for individuals and up to £50,000 for organisations.

**We don't believe that Auto
Enrolment has to be costly or
complex**



Talk to us today and see if your business qualifies for
our Free consultancy and implementation service...

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