



Auto Enrolment: Staging in 2016? 7 Top Tips

Auto enrolment can be daunting for small businesses for a number of reasons. From the financial implications to the changes in legislation and your responsibilities, there are many things to consider. Recently, The Pensions Regulator announced that over 63% of all non-compliance fines given out since the workplace pension reforms began in October 2012, were given out between October-December 2015.

This is interesting as this would indicate that businesses with fewer than 40 employees were the recipients of the fines, possibly highlighting a lack of auto enrolment awareness amongst small and medium-sized businesses (SMEs).

Here are our 7 top tips for managing auto enrolment for your business.

Please note that this guide is for guidance only, and is not definitive advice for auto enrolment. For advice on staging for auto enrolment, please contact The Pensions Regulator visit www.thepensionsregulator.gov.uk.

1. Know your staging dates

The first thing to know is when your business actually stages. This is the date on which your business and employees need to begin contributing to a workplace pension scheme.

You don't need to be an expert in auto enrolment, but by knowing your staging date and preparing in enough time, you can help ensure that things run smoothly on the date your company begins staging. You can check your business's specific staging date on The Pensions Regulator website: www.thepensionsregulator.gov.uk.

2. Find the right pension provider

Don't assume that your current pension is a qualifying workplace pension.

There are many pension providers out there, and making sure that your business is with the right provider is one of the most important decisions you will make where auto enrolment is concerned. Having the right type of pension is also important and there are also a few other things to consider, for example:

- How many employees your business has
- Depending on how many employees are enrolled in an auto enrolment scheme has an effect on the annual charges your business will face. Pension providers often require a scheme cost (sometimes referred to as an

annual charge) which whilst relatively low, can still add up depending on the size of your business.

- The joining charges

Some pension providers are now reaching peak capacity, and because of this, it's becoming more and more common to see providers ask for joining fees from the employers themselves. For example, a provider could have a £500 joining fee for enrolling your employees with them.

- Staging date

Your staging date could influence more than you think. The aforementioned joining charges could rise depending on how many businesses stage before you, and this could have an effect on potential joining charges your business may have to pay. As well as this, some pension providers may actually refuse new business as they've reached capacity due to the amount of businesses who've staged before you.

3. Choose the right business software

The Pensions Regulator recommends that employers use payroll software that caters for their auto enrolment duties.

The easiest way to help ensure compliance with auto enrolment is by making sure that your payroll software is capable of handling the various calculations and deductions each pay period.

Developed through close relationships with both pensions providers and The Pensions Regulator, as well as customer feedback, the Auto Enrolment module works with Earnie Payroll to perform the calculations for each pay period automatically.

Additionally, the package automatically creates an audit trail of documentation, and even prepares emails to The Pensions Regulator on your behalf, so all you need to do is check over them and click send to help ensure compliance.

By having the right software in place your business can streamline auto enrolment to a fully automatic process.

The right software can save time, help ensure compliance and avoid fines, and also manage the communication aspect of auto enrolment to assist with audits.



4. Assess your workforce

Do this in advance to help understand the costs of pension contributions you will need to make for your workforce.

Assessing your workforce to see who is eligible to be enrolled is also an important step towards auto enrolment compliance.

Employees who will automatically be enrolled into a workplace pension scheme are referred to as 'eligible jobholders'.

5. Don't forget to complete your declaration of compliance

Once your staging date has been reached and your workplace pension scheme is up and running, there are three things you then need to do:

- You must inform The Pensions Regulator that you have now fulfilled your duties and have started your workplace pension scheme. You can do this by registering your information on The Pension Regulator's website.
- You will also need to keep specific records about your enrolled workers, their status within your business's scheme, payment contributions of both the employee and employer, as well as information about the scheme itself. This is largely for audit purposes and can help avoid fines from The Pensions Regulator if kept up-to-date.
- Additionally, after your staging date, you must write to each staff member and explain how auto enrolment applies to them and explain their rights. This must be done in writing and within six weeks of your staging date, failure to do so can result in fines from The Pensions Regulator.

6. Don't ignore the workplace pension

Failure to comply with the workplace pensions reform could see The Pensions Regulator issue your business with a warning notice at first, before a fine is later issued due to further non-compliance. After this, The Pensions Regulator is within its rights to take your business to court if further non-compliance continues.

The Pensions Regulator state that in cases where employers simply don't understand their responsibilities, they will work with them to ensure that the business becomes compliant as soon as possible. However, if they believe that a business is purposely avoiding auto enrolment, then they can take action.

1,013 of fixed penalty notices were issues between October 1st and December 31st 2015

2,596 compliance warning notices issued between October 1st and December 31st 2015

7. Speak to Farmplan for help

We understand that the workplace pension reform can seem daunting, so to help make sure that auto enrolment goes as smoothly as possible for your business we offer:

1. Industry Standard Auto Enrolment Software
2. Comprehensive Training
3. Support to get started and whenever needed whilst using the program

Contact Farmplan today for further information about the Auto Enrolment Module and Earnie Payroll, call **01594 545000** or email **sales@farmplan.co.uk**

Please note that we are only able to advise on the operation of the program, Earnie Payroll and associated Auto Enrolment module. We strongly advise that you contact a Financial Advisor for details about the new scheme and for help in setting up a qualifying pension scheme.