

# Pension Reform - Less than 18 months to go and doing nothing is not an option...

The Pensions Act 2008 laid out the foundations for automatic enrolment into pension schemes and as an employer you will be required by law to comply with the Act with serious penalties imposed for non compliance.

## Employer Duties

From October 2012 employers will be required by law to:

- Automatically enrol all eligible employees into a qualifying workplace pension scheme and pay contributions for every employee who does not opt-out of the pension scheme.

## Timetable

Employer duties will be staged in over 4 years from 2012 with larger employers required to comply first and smaller employers last. Any employer with less than 50 employees will have their staging date set depending on the last two digits of their PAYE reference number. For confirmation of your staging date please contact us.

## Qualifying Workplace Pension Schemes (QWPS)

The level of contribution required for a scheme to be treated as a QWPS is being phased in as follows:

| Date                                 | Total Minimum Contribution | Minimum Employer Contribution | Minimum Difference to be made up by employee (% Gross) |
|--------------------------------------|----------------------------|-------------------------------|--|
| <b>October 2012 – September 2016</b> | 2%                         | 1%                            | 1%   |
| <b>October 2016 – September 2017</b> | 5%                         | 2%                            | 3%   |
| <b>October 2017 onwards</b>          | 8%                         | 3%                            | 5%   |

## How can we help?

- Assess the cost of the employer contribution and explore options to minimise impact
- Assess the cost of the employer administration and consider options to meet requirements
- Audit of current arrangements – will they meet the new requirements?
- Workforce profiling – will one type of scheme be appropriate for all employees?
- Assess the impact on your business planning of mergers, acquisitions and expansion

### Contact:

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