



Qualifying Criteria

All new and existing schemes will have to meet qualifying criteria:

- The scheme must permit auto-enrolment for all eligible employees
- Employees must be auto-enrolled within 90 days of joining the company
- The scheme must deliver a minimum contribution rate of 8% of qualifying earnings, 3% of which is contributed by yourself as an employer

Eligible Employees

Only eligible employees will be required to be automatically enrolled. It will be necessary for you to identify the employees who:

- Are aged between 22 and state pension age
- Earn equal to or greater than the income tax personal allowance (£7,475 from 2011/2012)

Employees who are not eligible for auto-enrolment may still wish to join the pension scheme. You will be obliged to provide the employee with details of the scheme, and if they wish to join, enrol them into the scheme.

Pensions Act Reforms – Facts and Figures

Phasing Dates

The requirements announced under the Pension Act reforms will be staged in over a 4 year period, with duties imposed by a specific date dependant on size of your company. Larger businesses will have their duties imposed first, from the 1st Oct 2012.

As well as a staging approach to auto-enrolment, the level of contribution paid may be phased with the intention of giving you the opportunity to adjust gradually to the costs of reforms.

Contributions will ultimately reach 8% in October 2017.

Employer Compliance

The Pensions Regulator (TPR) will be responsible for compliance of the reforms. Failure to comply with regulations could result in you paying your workers' contributions as well as your own, and continued non-compliance can lead to fines of up to £10,000 a day depending on company size.

Separate fines will apply if you as an employer prohibit individuals who want to save in a pension scheme from doing so.

For further information, please contact us on **02380 558300** or info@aeins.co.uk

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Note – Information is correct at time of printing, and may be subject to legislation changes in the future.