



INFORMATION FOR AUTOMATIC ENROLMENT

What is automatic enrolment?

Automatic enrolment is the new law which requires all employers to provide a workplace pension for certain staff. This includes employers of Nannies and domestic staff.

Does the change in law affect me?

Yes, if you employ at least one member of staff, you'll need to comply with the law.

When will the change in law affect me?

Each employer has a date by which they need to comply with the law. This is called your staging date.

What do I need to do and by when?

There are a number of tasks that will need to be completed by your staging date, including assessing your workforce to see who is eligible, choosing a pension scheme and communicating to staff; Way2paye can help you through this process.

How much will I have to pay into the pension?

You will have to pay a percentage of your employee's gross salary into their pension.

Please note if you have agreed a gross salary you should not have to pay more than 3% of the gross salary. If you have agreed a net salary you may have to cover all costs.

Please note you will be fined by the pension regulator if you do not comply with auto enrolment.

Way2paye can help you.

Way2paye will be able to calculate the pensions through our payroll software however as an employer it is your responsibility to decide who you wish to use to provide your employee with a Pension.

The Government has set up a pension scheme called the National Employment Savings Trust (NEST) to accept all employers wishing to use the scheme for automatic enrolment. This is one option, and there are other providers available.

The Pensions Regulator

www.thepensionsregulator.gov.uk

NEST Pensions

www.nestpensions.org.uk

Date	Employer's contribution	Employee's contribution	Government contribution	Total contribution
Before 05/04/2018	1%	0.8%	0.2%	2%
06/04/2018 05/04/2019	2%	2.4%	0.6%	5%
06/04/2019 onwards	3%	4%	1%	8%



ELIGIBILITY FOR AUTOMATIC ENROLMENT



The table below outlines your duties depending on the salary of your employee.

Monthly gross earnings	Age		
	From 16 to 21	From 22 to SPA*	From SPA to 74
£490 and below	Has a right to join a pension scheme		
Over £490 up to £833	Has a right to opt in		
Over £833	Has a right to opt in	Automatically enrol	Has a right to opt in

*Figures correct as of 2017//18. * SPA = state pension age*

Has a right to join a pension scheme

If they ask you to, you must provide a pension scheme for them, but you don't have to pay contributions.

Has a right to opt in

If they ask to be put into a pension scheme, you must put them in your automatic enrolment pension scheme and pay regular contributions.

Automatically enrol

You must put these members of staff in your automatic enrolment pension scheme and pay regular contributions. You don't need to ask their permission. If they give notice, or you give them notice, to leave employment before you have completed this process, you have a choice whether to automatically enrol them or not.

It is against the law to try to influence your staff into opting out of the pension scheme or ask your employee if they wish to opt out before they have been assessed and enrolled into a pension. (This is the reason it's called automatic enrolment).

You must carry out a full assessment of all your staff when you reach your staging date.

It may be that you do not have to automatically enrol anyone, but you will still have other duties to fulfill to your employee(s) and The Pension Regulator.

The pensions will need to be calculated through your payroll provider; However as an employer it is your responsibility to decide who you wish to use to provide a pension for your employee(s).



CALCULATING AUTOMATIC ENROLMENT



Unless otherwise instructed, Way2paye's Automatic Enrolment Service will:

- Be calculated based on the Minimum Contributions and the Gross Pay
- Be calculate based on the Qualifying Earnings
- Not use Postponement

Minimum Contributions

For Automatic Enrolment there are minimum contributions you must pay in order to comply with your duties. Please see the table shown:

The amount you will need to pay as an employer into the pension scheme is based upon your employees (nannies) gross pay.

The costs for the pension are based on three people paying in: the employer, employee and the government. You will all be contributing

on a percentage which is detailed above. The % contribution does not have to be paid on the whole salary. It can be paid on something called 'Qualifying Earnings'. Using Qualifying Earnings means that you only pay a pension contribution on part of the gross salary, rather than the whole salary.

Dates	Employer	Employee	Government	Total
Before 05/04/2018	1%	0.8%	0.2%	2%
06/04/2018 05/04/2019	2%	2.4%	0.6%	5%
06/04/2019 onwards	3%	4%	1%	8%

Qualifying Earnings

The Qualifying Earnings are the part of the salary between the Lower Earnings Limit (currently £113 per week, £490 per month or £5876 per year) and the Upper Earnings Limit (currently £866 per week, £3750 per month or £45,000 per year).

For example if paid £866.66 gross per month, £490 can be deducted leaving £376.66 as the figure that the pension calculations are based on: £376.66 x 1% Employers Contribution = £3.76

£376.66 x .08% Employees Contribution = £3.01

Please click here for: [Pension Calculator](#) (guide only)

Postponement

Postponement can be applied for up to 3 months from either:

- the staging date
- the employee start date
- the date an employee becomes eligible for automatic enrolment

If you choose to use postponement you must inform Way2paye immediately as obligations apply which include letters to be issued for you to give to your employee. Please note your employee may choose to opt in during the postponement period. If they do you must comply.



Useful Links

NEST Pensions
www.nestpensions.org.uk

The Pensions Regulator
www.thepensionsregulator.gov.uk

Tel: 01604 743 346

www.way2paye.co.uk