

Auto-enrolment: Your new pension duties explained

All eligible UK employees now need to be included in a workplace pension. Rebecca Gascoyne-Richards gives an update on how the new rules affect GP practices



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The new pension duties for GP practices are quite far-reaching. Like every employer in the UK, practices must include eligible employees in a qualifying workplace pension scheme (QWPS) and contribute towards it. This is called ‘automatic enrolment’.

While the NHS Pension Scheme is a QWPS, it might not be suitable for everyone the practice employs so an additional scheme might be needed to meet legal requirements.

Before your staging date, which is the date your pension auto-enrolment duties come into effect, systems and procedures need to be in place to help you comply with the rules. It is a good idea to start planning ahead as soon as you can to help mitigate extra costs. It is possible to meet your duties in a way that reduces your administrative burden, minimises the changes you must make and provides a better enrolment for your employees.

Which employees should be included?

You will need to automatically enrol employees who:

‘You can choose any re-enrolment day in the three months before or after the third anniversary of your original staging date’

- Are not already in a QWPS
- Are at least 22 years old
- Have not yet reached state pension age – note new exceptions introduced from 1 April 2015 covering workers:
 - Who have previously ceased active membership of a qualifying scheme
 - With HMRC tax protected status for their pension savings
 - Who have received a pension winding-up lump sum payment
- Earn more than the earnings trigger in the relevant pay reference period
- Work or ordinarily work in the UK.

You must provide information to all other employees, even if they do not automatically qualify, and allow them to join the scheme if they choose to. But you only have to make payments for them if they have qualifying earnings. If an employee does not want to be a member of the QWPS they can decide to opt out, but you must automatically enrol them first.

Postponement

Postponing auto-enrolment can be a useful procedure if you need more time to get your paperwork in order. Postponement suspends the duties of auto-enrolment and can be used when you are approaching your staging date or when new employees join the practice after the staging date.

You can only use postponement once for each given employee. Postponement can last from one day to three months and the employee must be notified of the day of postponement



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within six weeks. The employee has the right to opt in or join the scheme during postponement.

On the last day of postponement, the employer must assess the employee and automatically enrol them if they are eligible for the scheme. If they are not eligible for auto-enrolment the practice must monitor them for eligibility at each future pay period.

Monitoring eligibility for automatic enrolment

After your staging date, you will have to assess every pay period, any worker who:

- Is not an active member of a QWPS
- Is not under postponement
- Has not previously been automatically enrolled.

If necessary, they should be auto-enrolled onto the scheme or they should be postponed while you organise the necessary documentation.

Cyclical re-enrolment

The practice will need to assess whether to re-enrol their employees onto their workplace pension scheme every three years. You can choose any re-enrolment day in the three months before or after the third anniversary of your original staging date. On this date, all workers will need to be re-assessed, and, if

eligible, re-enrolled if:

- They are not already an active member of a QWPS
- They are not being monitored every pay period, and they opted out or ceased membership more than 12 months ago, or if they opted out or ceased membership within the last 12 months and the practice, as the employer, wishes to automatically enrol them.

Note that you cannot use postponement at the point of cyclical re-enrolment.

Record-keeping

As the employer, the practice must keep records about the workers employed, and the pension scheme used to comply with employer duties.

Paper or electronic systems may be used, provided you can provide legible copies. Most records must be kept for six years, but for opting out it is four years. If the Pensions Regulator requests to see these records they must be provided.

Declaration of compliance

This must be completed with five months of the original staging date, and within two months of each cyclical re-enrolment date. If you do not submit a declaration of compliance the practice may be fined. **PM**