

Employer Auto Enrolment Checklist

1. Find out your staging date using your PAYE reference number. See:
<http://www.thepensionsregulator.gov.uk>
2. Do you need a work place pension scheme? Some smaller employers are exempt. See:
<http://www.thepensionsregulator.gov.uk/employers/What-if-I-dont-have-any-staff.aspx>
3. If you have an existing scheme is it compliant with AE regulations?
4. Have an IFA check over any existing schemes for compliance.
5. Approximately 12 months before staging provide The Pensions Regulator (TPR) with a point of contact in your business. See
<http://www.thepensionsregulator.gov.uk/employers/provide-a-point-of-contact.aspx>
6. Carry out a review of your staff to help you work out what you have to plan next. When assessing who you'll need to automatically enrol, there are three different categories of staff to consider. You must assess them for automatic enrolment based on their ages and how much they earn, regardless of how many hours they work for you.
7. Six months before staging, if you need an AE pension scheme, decide whether you are going to do this by yourself by registering directly with an online pension provider or use the advice of an IFA or your accountant.
8. Get your accountant to help you work out the costs of the various types of scheme (Banded earnings, all pay etc) to help you make your decision. Generally they charge a fixed price for this help.
9. Choose a pension provider and set up your scheme well in advance of your staging date.
10. Check your records and payroll process. If you do your own payroll make sure it is AE compliant. Ask your accountant for advice on payroll and they may be able to do your payroll post-staging for you. They will charge a fixed price per payroll run based on the number of employees you have and the frequency of pay periods. In addition they will have AE compliant software.
11. Make sure your payroll system can generate a report or file in the correct format for your pension provider's system.
12. Consider postponement of AE for up to three months. For example you might decide to postpone if you have temporary or short term employees who you know will stop working for you within three months. Ask your accountant for advice. See
<http://www.thepensionsregulator.gov.uk/employers/postponement.aspx>
13. Just before staging date assess and enrol your employees into the scheme. You will generally do this by completing an online form from your pension provider.
14. Write to your employees and tell them about AE and what it means to them. This must be done in writing and within six weeks of your staging date. There are several letters that need to be sent. TPR provides letter templates to help you do this. See.
<http://www.thepensionsregulator.gov.uk/employers/write-to-your-staff.aspx>
15. Keep all letters and other information in a secure file as these may be reviewed later by TPR. Keep records of your AE activities for six years and opt-out notices for four years.

16. Be prepared to answer employee queries but be careful not to influence whether they opt out or not and be extra careful not to offer any advice whatsoever regarding their investment choices.
17. Employees who have been automatically enrolled or who have opted in have the right to opt out. You must not influence this decision and the pension provider should tell you this information. Adjust your payroll and AE records accordingly. Pension refunds may need to be made for employees who opt out.
18. At the end of your first and subsequent pay periods you will need to export an Excel CSV payroll file and upload this to your pension provider in their preferred Excel template. This will allow the pension provider to allocate funds to individual employees and tell them how much to collect from the employer. Ask your accountant for help if you are unsure how to do this.
19. Every pay period monitor the ages and earnings of employees and check their automatic enrolment eligibility every month (AE compliant software will help you do this). Enrol staff and write to them to let them know how automatic enrolment applies to them as they become eligible.
20. Once you've enrolled your employees, you must complete a declaration of compliance for TPR. This confirms to them that you've complied with your duties. Even if you haven't had to enrol anyone (but had staff on your staging date), you still need to complete your declaration to tell TPR this.
21. You have five months from your staging date to complete your declaration: you shouldn't leave it to the last minute. Completing your declaration is a legal duty and if you fail to complete yours within five months you could be fined upwards of £50 per day!

In summary ask your accountant whether they can take your new AE payroll duties off your hands, ask whether they will also take over the monthly compliance duties post staging and ask them for help in choosing an AE compliant pension that is cost effective for your business and satisfies the new legal requirements. Do not leave this till the last minute, talk to them now!

This checklist was compiled from a review of the Pensions Regulator website:

www.thepensionsregulator.gov.uk and should not be relied upon as comprehensive guidance but as a checklist of the key points of the new regulations. It is written for employers to help understand their legal obligations. No responsibility for loss occasioned to any person acting or refraining from action as a result of the material in this document can be accepted by the author.