

Automatic Enrolment for Workplace Pensions

Automatic Enrolment for Workplace Pension Schemes is coming

From February, we will start to enrol all eligible employees into a workplace pension scheme to encourage more people to save for a longer retirement. You will be eligible to be automatically enrolled if you:

- **are not already in a qualifying pension scheme**
- are aged 22 or over
- are under State Pension age
- earn more than £8,105 a year (this figure will change to £9,440 from 6 April), and
- work or usually work in the UK.

HCC currently has two qualifying pensions schemes:

- the [Local Government Pension Scheme](#), and
- the [Teachers' Pension Scheme](#).

What will happen in April?

We will send a letter to **all current employees** advising them about what happens next.

Already a member of a scheme?

Remember, if you are already a member of either of our qualifying pension schemes, the changes won't affect you.

Not currently a member of a scheme?

If you are not currently in a pension scheme we are exercising our discretion in delaying automatic enrolment for you and you will receive a letter in April to explain how this affects you. This delay can be one of two ways:

- **If you are not currently eligible to be enrolled**, we are postponing your assessment for automatic enrolment until 1 July 2014
- **If you are currently eligible to be enrolled** we are postponing your assessment until 1 October 2017.

In both cases an assessment will be made again at the end of the postponement period and if you are due to be automatically enrolled you will receive a letter explaining that process.

Remember if you want to join a pension scheme, you can do this at any time by referring to the relevant pension webpage:

- [Local Government Pension Scheme](#)
- [Teachers' Pensions website](#)

For more information about Automatic Enrolment, read the [FAQs](#).

	<p>Attention managers! What you need to know about Automatic Enrolment - essential managers' summary  (66KB - Acrobat help).</p> <p>Please download this poster  (1.69MB - Acrobat help) and display it in your workplace (click on the poster for full size version).</p>
<p>(1.69MB - Acrobat help)</p>	

Automatic Enrolment - FAQs

I've heard about the new Workplace Pensions Scheme – what is it?

As part of a new initiative, millions of workers will be automatically enrolled into a workplace pension. This is to encourage more people to save for their retirement. You may have heard it referred to as **automatic enrolment**.

HCC has not launched a new pension scheme. This initiative is to encourage eligible workers to save into a pension offered by their employer. HCC is currently a member of the **Local Government Pension Scheme** and the **Teachers Pension Scheme**. From next year, we will also offer the **NHS Pension Scheme** to our Health colleagues.

You will be eligible to be automatically enrolled if you:

- **are not already in a qualifying pension scheme**
- are aged 22 or over
- are under State Pension age
- earn more than £8,105 a year (this figure may change), and
- work or usually work in the UK.

Honiton Community College will start to enrol eligible employees from April 2014, when we will send you a letter to let you know what happens next.

I recently started at HCC and cannot afford to opt into the pension plan. With the new Automatic Enrolment scheme, does HCC have a duty to provide a pension plan where you can contribute at 2 % of pay (which fits the automatic enrolment requirements) instead of the current unaffordable schemes?

HCC must comply with the new auto enrolment legislation from April 2014 and will have a duty to enrol eligible employees into a qualifying workplace pension scheme.

The Local Government Pension Scheme (LGPS) is a qualifying scheme, as is the Teachers Pension Scheme (TPS). HCC is not legally able to offer other pension schemes so DCC's eligible employees will be automatically enrolled into either the LGPS or TPS depending on their jobs.

What happens if I opt out now?

If you choose to opt out now, you are able to opt in to a pension scheme at any time. Please contact [Devon Pension Services](#) for the Local Government Pension Scheme and [Teachers' Pensions](#) for the Teachers' Pension Scheme.

Why have I received a letter about automatic enrolment on one assignment and not my other assignment?

As your employer we must decide how to classify your assignments. As you are entitled to have a separate contract and to join one pension scheme for each assignment, we have decided to look at each assignment separately for automatic enrolment purposes. This means that your earnings on one assignment may be enough to trigger automatic enrolment in a month, but the earnings for another assignment may not be.

I meet the criteria for automatic enrolment on 1 April. Will I be brought in to a pension scheme?

If, on 31 March you were an employee of HCC and were eligible to be automatically enrolled into a pension scheme, you will **not** be brought in to a pension scheme in April. We will postpone your automatic enrolment until 1 October 2017, when we will review your situation again. You can apply to join a workplace pension scheme before then. If that is what you would like to do, please get in touch with Devon Pensions who administer the Local Government Pension Scheme or Teachers' Pensions who administer the Teachers' Pension Scheme:

- www.devonpensions.org/
- www.teacherspensions.co.uk/

I do NOT meet the criteria for automatic enrolment on 1 April. Will I receive a letter?

If you are an employee of HCC on 1 April and you are not eligible for automatic enrolment we will get in touch to explain what the next steps will be for you.

I become 22 soon, will this mean I have to pay pension contributions?

When you become 22, and if you also earn over £8105 in a year, you will become eligible to be automatically enrolled. However, we will be postponing automatic

enrolment for three months for all employees who become eligible (after a period of not being eligible). This will help us to make sure that your earnings are stable and will also allow you to budget for your contributions. We will send you a letter when you become eligible to explain more.

I'm a new employee - what will happen for me?

All new employees will continue to be brought into a pension scheme under contractual enrolment.

What about non-teaching casuals?

Non-teaching casuals have been allowed to join the LGPS since 1 October 2012 and the automatic enrolment process will start in April. Currently, any casual can opt in. If you have a current casual assignment and wish to opt in to the LGPS please contact Devon Pension Services on 01392 688218.

Once I have been automatically enrolled, can I come out of the pension scheme?

Yes. You can ask for an opt-out form from the pension scheme you wish to opt out from. You are only able to opt out after you have been enrolled.

How do you know that I earn enough to be eligible? How is my pay calculated? Is overtime included?

Pay for automatic enrolment eligibility purposes are calculated from your gross pay. Your gross pay includes overtime, bonuses and any payments that could reasonably be considered part of your pay in a month.

This is not the same as the pay that your pension is deducted from (pensionable pay does not take into account overtime). Pay for auto enrolment eligibility purposes is calculated on your pay for a particular month – it is not an average or based on an annual salary. The pay you receive each month is multiplied by 12 to calculate your equivalent annual salary. If in any month that is over the £8105 (12/13 threshold) you may be automatically enrolled'.

I have been automatically enrolled. If next month my pay goes down, will I be brought out again?

No, once you have been brought in to the scheme you will remain in the scheme until you opt out. A change in how much you are paid the following month does not affect the process of automatic enrolment.

How will I know that you are bringing me into a pension scheme?

When you first become eligible for automatic enrolment we will send you a letter to tell you that you have become eligible. The letter will also advise you that we will be postponing automatically enrolling you for three months. After those three months we will check your pay again and if you are still eligible you will be brought in. Your pay advice will show your pension contributions and we will also send you a letter to let you know that you have been put in to the pension scheme. If you want to opt

out of the scheme you can do so by filling in an opt-out which you can obtain from the pension schemes:

- www.devonpensions.org/
- www.teacherspensions.co.uk/

I only have a six-month contract, will I be exempt?

No, eligibility does not depend on how long your contract is. If you are aged between 22 and 75 and earn over £8105 (2012/13 figure) you will be eligible.

I was brought in to the pension scheme when I started with HCC. I chose to opt out of the pension scheme, but have now been brought back in. Will this keep happening?

When you started with HCC you were brought in to the pension scheme as part of your contract – you were not brought in under the automatic enrolment process.

Because you chose to opt out, we must assess you for automatic enrolment. If we find that you are eligible we will send you a letter to let you know that in three months we will review your pay again. If at the end of the three months you are still eligible you will be enrolled. If you decide to opt out again, you will then not be considered for automatic enrolment until HCC's re-enrolment date, which is 1 Jul 2017.

I have heard that this all happens again in three years time. Is that true?

The Pension Regulations require that all employees who are not in a pension scheme are assessed again for automatic enrolment every three years. This is known as the re-enrolment date and for HCC it will be 1 Jul 2017. Anyone who has opted out of the workplace pension scheme within one year of that date will be exempt from the assessment then but will be picked up on the next re-enrolment date which is 1 Jul 2020.

My husband works for another company and they are not bringing him into a pension scheme. Why is HCC doing this now?

The Government introduced new pensions regulations in October 2012. This was when the largest employers began to automatically enrol their eligible employees. All employers will eventually offer automatic enrolment, working to a timetable based on the number of employees, with the largest employers starting first, and the rest following. HCC is a medium employer and so is one of the first to have to apply automatic enrolment. Very small organisations do not need to apply automatic enrolment until 2014.

Why can managers not hand out opt-out forms now?

Pension regulations do not allow employers to issue opt-out forms – only the pensions providers themselves can issue opt-out forms directly to employees. This is why the payroll forms have changed and we have removed questions about whether an employee wants to join the scheme.

If I opt out of the pension scheme, will you keep putting me back in?

We must enrol you into a pension scheme through auto-enrolment once and if you opt out you will be reassessed for automatic enrolment every three years from the staging date.

I have a lot of arrears due to me. Does that mean that I will be brought in to a pension scheme that month?

If the additional payments mean that you earn enough to become eligible for automatic enrolment we will send you a letter to let you know that HCC will look at your situation again in three months time. If at the end of the three months you are still eligible, we will bring you in to a pension scheme and send you a letter to let you know.

GLOSSARY

Staging date The start of Automatic Enrolment, which is based on the number of employees. For HCC this is 1st April 2014.

Eligibility for automatic enrolment

You will be eligible to be automatically enrolled if you:

- are not already in a qualifying pension scheme
- are aged 22 or over
- are under State Pension age
- earn more than £8,105 a year (£9440 from 6th April 2013), and
- work or usually work in the UK.

Re-enrolment date This is three years from the staging date and can be moved by three months. For HCC this will be 1 Jul 2017.

Postponement HCC will be applying two postponements:

- Postponement by three months for all employees who become eligible for automatic enrolment.
- Postponement to 1st October 2017 for all current employees as of 31 March 2014 who are not in a pension scheme and are eligible for automatic enrolment.

[Automatic Enrolment Key Facts \(DWP booklet\)](#)

<http://www.dwp.gov.uk/docs/auto-key-facts-enrolment-booklet.pdf>

- [Automatic Enrolment FAQs \(DWP booklet\)](#)

<http://www.dwp.gov.uk/docs/workplace-pensions-faq.pdf>
