

Enrolling into a pension at work



Information Pack for Schools

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INTRODUCTION:

Auto Enrolment is coming in March 2013. This will affect all staff in schools and will place obligations on the Head Teacher in terms of managing this process. Starting from March 2013, Kent County Council (and this includes all maintained schools) will be obliged to enrol all new workers into a workplace pension. For staff who are in post before 1st March 2013, KCC is invoking the transition arrangements to 30 September 2017. This means that all your current staff (those employed up to 1 March 2013) need to be assessed. All staff who are currently in a Pension Scheme (either the Local Government Pension Scheme or the Teachers' Pension Scheme) need to be written to and given letter 1 (see below). All staff who are not in a Pension Scheme also need to be written to and given Letter 2 (see below). These letters explain that Kent County Council is invoking the transition arrangements.

Why is this happening

This is a statutory obligation and all schools must comply with the legislation.

People are living longer and could be retired for twenty years and so they need to think about how they will fund it.

The State Pension is a foundation for retirement, but if people want to have more when they retire, they may want to consider contributing to a workplace pension. The full basic State Pension in 2012/13 is £107.45 per week for a single person.

The Government is getting employers to enroll their workers automatically into a workplace pension so it's easier for people to start saving.

Staff who are employed on or after the 1st March 2013 will be contractually enrolled into either the Teachers' Pension Scheme or the Local Government Pension Scheme (if they have a contract for more than 3 months) but if they opt out of the contractual arrangements they will have to be auto enrolled* if they meet the criteria below and they will need to be re-enrolled every three years (i.e., March 2016, March 2019 and so on).

All staff will need to be enrolled into a workplace pension if they:

- are not already in an occupational pension scheme (LGPS or TPS)
- are aged 22 or over
- are under State Pension age
- earn more than £8,105.00 a year (currently)
- work in the UK

Staff who do not meet these criteria will have the right to opt into the scheme.

When they pay into the pension, the employer and the Government will contribute too in the form of tax relief.

***It is important to understand that “Contractual” enrolment is different to “Automatic” Enrolment.**

Employer Duties:

As part of our statutory requirements, the new regulations provide a list of new employer duties:

- To automatically enrol certain members of their workforce into a qualifying pension scheme
- To make a contribution towards the scheme

This starts from October 2012 with each employer being allocated a date from when the duties will first apply to them, known as the ‘staging date’. The date is based on the number of people in an employer’s PAYE scheme. For Kent County Council (which includes all Maintained Schools) the staging date is 1 March 2013 but KCC has agreed to invoke the transitional arrangements until 1 October 2017.

Under the Auto Enrolment regulations (as opposed to contractual regulations) this means any eligible job holder (as defined below) who is not in a qualifying scheme will be automatically enrolled into a qualifying pension scheme. However, when someone joins KCC, as normal practice, they are contractually enrolled into the Local Government Pension Scheme or the Teachers’ Pensions Scheme (although they have the right to opt out). Anyone who has opted out of the scheme, and is an eligible job holder, will be automatically re-enrolled in March 2016 under Auto Enrolment, and every three years thereafter (unless their auto enrolment date has been deferred to 1 October 2017 under the transitional arrangements – Only Eligible Job Holders who are in post before 1 March 2013 can be “transitioned” to October 2017).

The Local Government Pension Scheme (LGPS) and Teachers’ Pension Scheme (TPS) are qualifying pension schemes and their regulations have changed to mirror the AE regulations. Since October 2012, Casual workers and temporary workers, who are employed for less than 13 weeks, are able to opt into the LGPS. There will be some restrictions for people joining the TPS but they will be eligible to join LGPS (see the Appendix 2 or the Teachers’ Pension website for more information:

<https://www.teacherspensions.co.uk/employers/training-and-resources/auto-enrolment.aspx>

There are 3 categories of workers (workers rather than just employees and can include some contractors or agency workers)

Eligible Job Holders – are eligible for auto enrolment and are those who:

- Earn more than the qualifying earnings trigger (currently £8,105)
- Are aged between 22 and state pension age and
- Working, or ordinarily work in the UK

Non-eligible Job Holders – are not eligible for automatic enrolment but who can choose to opt into the scheme if they wish. Their criteria are as follows:

Aged between 16 – 21 or state pension age and 74
Work or ordinarily working in the UK
Earn above £8,105

Or

Aged between 16 and 74
Working or ordinarily work in the UK
Earn above £5,564; (lower earnings level for qualifying earnings)
but below £8,105 (earnings trigger for automatic enrolment)

Then there are the **Entitled Workers** who are entitled to join a pension scheme.
These workers are:

Aged between 16 and 74
Working or ordinarily work in the UK
Earn less than the lower earnings level for qualifying earnings (currently
£5,564)

Each worker needs to be written to informing them of their employer's Staging Date (basically the start date of all this), details of the scheme and of the information relevant to their category. Letter templates can be found in Appendix 1 of this document. Further information will be sent out in E-Bulletins in due course; a new "Auto Enrolment" page has been set up on Kent Trust Web: http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm and there is information on the SPS Website: <http://www.the-sps.co.uk>

Eligible Job Holders (who are not currently in a scheme) – will be automatically enrolled and told what this means to them & their right to opt out and back in again and the processes involved (they only have 1 month to opt out if they want their contributions back under the Auto Enrolment regulations)

Non-Eligible Job Holders – information on opting in and what this means to them (opt in notice)

Entitled Workers – information on joining a pension scheme and what it means to them.

Those who are automatically enrolled and who elect to opt out have to be put back into the scheme every 3 years (on the anniversary of the employer's staging date).

How this all relates to KCC and schools

For Maintained Schools, KCC (as the Local Authority) is the employer for Auto Enrolment purposes and the staging date is 1 March 2013 but this will be deferred to 30 September 2017 for those staff who are Eligible Job Holders and who are in post before 1 March 2013.

The Local Government Pension Scheme (LGPS) and Teachers' Pension Scheme (TPS) are both well above the new minimum standard and so are deemed to be

“qualifying schemes” and as people are appointed to work* in KCC and/or schools they are automatically contractually enrolled into one of these schemes¹ and, as such have 3 months in which to opt out under these arrangements.

Under the Auto Enrolment regulations you will be obliged to go through the process of assessing your workers and assigning them to one of the categories above. Those “Eligible Job Holders” who are in post before 1 March 2013 but not in one of the schemes at the staging date (March 2013) will need to be written to but will not be automatically enrolled into an appropriate scheme (e.g. TPS for teachers and LGPS for support staff¹) until 30 September 2017. Non Eligible Job Holders and Entitled workers who are in post before 1 March 2013 will need to be monitored and automatically enrolled if they become an Eligible Job Holder.

Those who are employed after 1 March 2013 will be contractually enrolled into either LGPS or TPS as happens currently, but if the individual does not want to remain in the scheme they will have the right to opt out. In order for them to have their contributions reimbursed, however, they will need to opt out of the scheme within one month of being automatically enrolled, under contractual enrolment they have 3 months to opt out.

It is, therefore, important for schools to assess their staff and assign them to a category. This data will need to be maintained and when a worker becomes an “Eligible Job Holder” the school will be obliged to inform their payroll provider and request them to auto enrol the worker into the relevant scheme.

If you buy SPS IntePay, the determination of which category your workers fall within, will be done for you as part of your package. Letters will automatically be generated for you, in order that you are able to pass these to your workers.

If you are a school, using a payroll provider, other than Capita, it is important that you conform to the staging date for KCC and you communicate this information to them. NB: Any worker will have the right to opt into either the LGPS or TPS at any time[⊗].

It is important to understand that “Contractual” enrolment is different to “Automatic” enrolment.

Next step forward:

A KCC Project Team has been set up and a communication plan is being developed. Information will be sent out to schools via the E-Bulletin so please ensure that you look out for these. Frequently Asked Question will also be available on the Auto Enrolment page Kent Trust Web.

* If employed for less 13 weeks they can opt into to the LGPS Scheme

¹ This is normally the case but for some employees (therapists, for example) they may be in the NHS pension scheme or other eligible scheme

⊗ There are some restrictions on opting into the TPS – more information can be found on TPS website (<https://www.teacherspensions.co.uk/>) but these people can be enrolled into LGPS

What this means to schools:

We would strongly encourage you to start looking at the data that you hold on your staff and ensure that information about their pension status (i.e. if they are in a scheme and/or which scheme they are eligible for) is recorded (data cleansing).

For those schools who buy the SPS IntePay Service, this data cleansing exercise will be undertaken on your behalf as part of your package.

Time Frame:

Data Cleansing	Now
Initial Communication	September 2012 – February 2013
Staging Date	March 2013
Re-Enrolment Date	March 2016

Communications to Staff

Categories of worker relative to age and earnings

Earnings (2012-2013)	Age (inclusive)		
	16-21	22-SPA*	SPA*-74
Under lower earnings threshold	Entitled worker		
Between lower earnings threshold and earnings trigger for automatic enrolment	Non-eligible jobholder		
Over earnings trigger for automatic enrolment	Non-eligible jobholder	✳ Eligible jobholder	Non-eligible jobholder

* State pension age

These categories are further split into those who are currently in a Qualifying Pension Scheme (either Local Government Pension Scheme (LGPS) or Teachers' Pension Scheme (TPS)).

- ✳ For those in a Qualifying Pension Scheme and who are in post before 1 March 2013 – [Letter 1](#)
For those not in a Qualifying Pension Scheme and who are in post before 1 March 2013 – [Letter 2](#)

NB: Eligible Job Holders, Non Eligible Job Holders and Entitled Workers who are appointed **on or after** 1 March 2013 should be **contractually** enrolled into either the LGPS or TPS on appointment (unless they are non teaching staff and are employed for less than 3 months in which case they have the option to opt into the Local Government Pension Scheme).

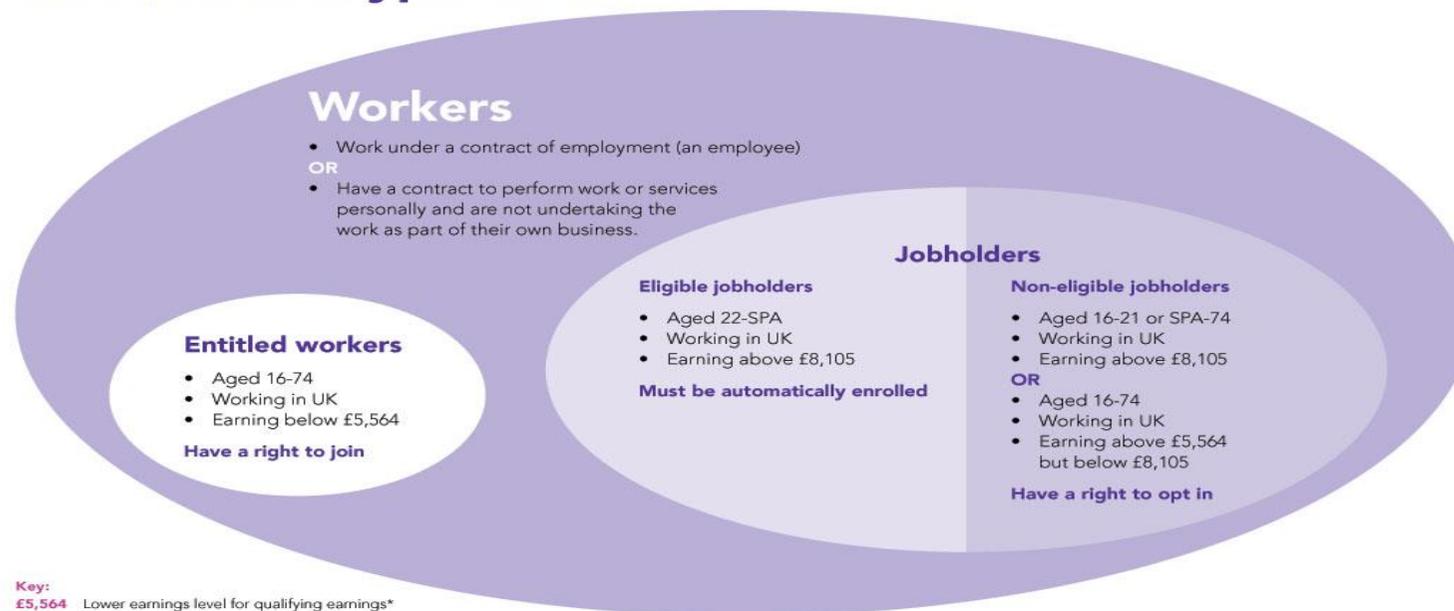
Remember to encourage your staff to submit their claims regularly and in a timely manner. Submitting multiple claims may take an individual over the earnings trigger!

Eligible Job Holders (appointed after 1st March 2013) who opt out of the scheme must be **automatically** re-enrolled every three years on the anniversary of the staging date (i.e. 1 March 2016, 2019 and so on). However, as this falls at the end of the financial year KCC has agreed that the re-enrolment date will be postponed for 3 months to 1 June 2016, 2019 and so on) – Letter 3 to be sent to them on 1 March and Letter 4 sent to them on 1 June.

Non Eligible Job Holders and Entitled Workers who hit the triggers and become Eligible Job Holders must be **automatically** enrolled at the point the trigger is reached – Letter 4 but the enrolment date can be postponed for up to 3 months. If their enrolment date is postponed – Letter 3 and then Letter 4 on the enrolment date.

Another way of looking at the different types of worker:

The different types of worker



Key:
£5,564 Lower earnings level for qualifying earnings*
£8,105 Earnings trigger for automatic enrolment*
SPA State pension age

* These figures are for the 2012-2013 tax year. The Department for Work and Pensions (DWP) intend to announce the figures for the 2013-2014 tax year in November 2012. Following the DWP's announcement, find these figures in the resources section on our website.

Workplace pensions reform – resource **The different types of workers** v2.1

Letters – Explanation and Use

There are four letter templates (see Appendix 1) which include all the information required by law, so we strongly recommend that you do not change the template wording. Your employees will need a separate letter for each contract they have with you:

Letter 1 should be sent to all those staff who, are in a qualifying Pension Scheme (either the Local Government Pension Scheme or the Teachers' Pension Scheme) and who are in post before 1 March 2013. It explains that the Government requires employers to write to all their employees to confirm their membership of a qualifying scheme.

Letter 2 should be sent to all those staff who, are in post before 1 March 2013 who are not in a qualifying Pension Scheme (either the Local Government Pension Scheme or the Teachers' Pension Scheme). This letter explains that Kent County Council has invoked the transitional arrangements and informs them that if they are currently an Eligible Job Holder that they will be automatically enrolled into either the Local Government Pension Scheme or the Teachers' Pension Scheme on 1 October 2017 if they are assessed as eligible and if they are a Non Eligible Job Holder or an Entitled Worker they will be automatically enrolled if they become an Eligible Job Holder. It also explains that they have the right to join the scheme at any time if they wish to.

Letter 3 should be sent to all those staff who, are Eligible Job Holders and who are appointed after the 1 March 2013 and who are not in either the Local Government Pension Scheme or the Teachers' Pension Scheme explaining that they will be automatically enrolled into the scheme but that the auto enrolment date has been postponed. The enrolment date can be postponed to avoid complications with year end processes, or because there is a temporary change to earnings.

Letter 4 should be sent to all those staff who, are Eligible Job Holders and who are appointed on or after the 1 March 2013 and who are not in either the Local Government Pension Scheme or the Teachers' Pension Scheme explaining that they are being automatically enrolled into the scheme.

Letters can be sent via e-mail but they must be personalised (i.e. include the name of the individual, their OAN/Payroll number and Job Title) and the employee must be given information about the pension scheme or where they can get more information from and their right to opt out of the scheme. Employees should be informed that if they opt out of the scheme and remain eligible job holders they will be re-enrolled every three years.

Employees who are not eligible job holders but who are contractually enrolled and who opt out of the scheme must be monitored. If they become eligible job holders they must be automatically enrolled but you can postpone their enrolment for up to 3 months if this helps with your administrative processes or if the reason that they hit the trigger for auto enrolment is temporary. For example, if they are normally paid under the earnings threshold but their TCP Lump sum payment takes them over the monthly amount, as this is a one off payment you can postpone their auto enrolment and re-assess them 3 months later when their monthly pay has gone back below the auto enrolment limit. If you postpone auto enrolment you must write to the employee and

inform them that you are doing this. Use **Letter 3** and amend the dates as appropriate.

Use **Letter 4** when you are auto enrolling staff who become Eligible Job Holders and who have opted out of the contractual arrangement. For example, they become 22 years old or they are promoted and their new pay takes them over the earnings limit.

You are obliged to tell your payroll provider who should be auto enrolled, when they should be auto enrolled and which scheme they are entitled to be in.

NB: If you buy SPS IntePay Service, the relevant letter will be generated for your employees as part of your package. Your employee's records will also be monitored on an ongoing basis and should a member of staff hit the trigger and need to be auto enrolled, this will happen automatically and the necessary notification letter will be generated and sent to them and you for information.

Teachers' Pensions Exemptions

There are exemptions to the Teachers' Pensions Regulations and if any of your teachers fit into the categories below you cannot enrol them into the Teachers' Pension Scheme. If these members of staff are Eligible Job Holders and are not in a qualifying scheme you must enrol them into the Local Government Pension Scheme.

- Pre 1 April 1997 ill health retirees who are re-employed on a part-time basis and are still in receipt of their pension whilst under age 60 provisions
- Establishments which have previously elected to participate in the Teachers' Pension Scheme under Schedule 2 (Part 2) and (Part 3) of the Scheme regulations will continue to have access but may need to offer an alternative provision where they identify that a post is a non Teachers' Pension Scheme post

From reaching age 60 or ceasing to be incapacitated, whichever is earliest:

- Auto enrol pre 1.4.97 ill health retirees who took up a part-time post prior to 1 January 2007, have never made a part-time election and remained in the same post after 1 January 2007

See Appendix 2 for a flow chart or visit the Teachers' Pension Website:

<https://www.teacherspensions.co.uk/employers/training-and-resources/auto-enrolment.aspx>

Part-time employment

Part-time employment is where the employee works for less than the whole working week. It's automatically pensionable and contributions must be deducted. Unless either of these applies:

- The teacher has opted out of the scheme.
- The teacher has a full-time job which is also subject to the Teachers' Pension Scheme and is in addition to the part-time employment. In these circumstances, the part-time employment is not classed as pensionable employment with

regards TPS. In these circumstances if the Auto Enrolment regulations apply you must enrol the teacher into the Local Government Pension Scheme.

You need to be able to identify these teachers and it is recommended that you inform candidates as part of the recruitment processes.

Opt out inducements

The Auto Enrolment regulations came into force in July 2012 and since that time it has been illegal to offer employees inducements to opt out of a qualifying pension scheme. This means that you should not take any action which attempts to persuade a member of staff not to join or opt out of the pension scheme. This could be as simple as giving a member of staff an opt out form. Please, therefore, ensure that you do not keep copies of the opt-out forms in the office. If someone requests a form they must obtain this from either Kent Fund Pension (for LGPS) (<http://www.kentpensionfund.co.uk>) or the Teachers' Pensions (<https://www.teacherspensions.co.uk/public/resources/forms.aspx>)

If you currently have stocks of opt out forms and/or copies of the PAY 301, with the opt out option, **please ensure that these are destroyed**. New PAY 301 forms are available from the SPS website: <http://www.the-sps.co.uk>

High Earners

Auto Enrolment legislation guarantees people, who opt out of the pension scheme within one month, a full refund of contributions.

If any of your employees have fixed or enhanced protection i.e. their pension savings are expected to be more than £1.5 or £1.7 million, they **must** opt out within one month in order to retain their fixed or enhanced protection.

Keeping Records

Since the introduction of employer's duties in 2012, there will be a new legal requirement on employers to keep certain records. The records that an employer must keep will enable them to prove that they have complied with their duties. Keeping accurate records also makes good business sense because it can help an employer to:

- Avoid or resolve potential disputes with employees
- Help check and reconcile contributions made to the pension scheme.

By law, there are two different types of records that an employer must keep. These are:

- Records about jobholders and workers e.g. name, National Insurance number, opt-in notice and joining notice
- Records about the pension scheme e.g. employer pension scheme reference and scheme name and address

Employers can use their existing business documentation (e.g. payroll records) for the purpose of collecting and storing records, but should note that the notices (an opt-in

notice, joining notice or opt-out notice) must be retained in the original format, as this is proof of an individual exercising a right. Copies of the original format or electronically-stored versions are acceptable. All records, however, must be kept in such a form and manner that they are legible or can be provided to the Regulator in a legible format.

If you outsource your business/payroll administration to a third party you must authorise the third party to keep, preserve and/or provide these records on your behalf. It remains, however, your legal responsibility, as the employer to ensure that these records are kept, and if requested, produced.

The Pension Regulator expects employers to have an appropriate system in place with any service provider to ensure:

- Record-keeping requirements are being adhered to
- Records can be produced to the Regulator (if requested) in a timely manner.

For a full list of information that needs to be kept please see Appendix 3.

Further information is available from:

- **SPS Helpdesk** (if you buy a service from them)
 - 01622 605708
 - admin@the-sps.co.uk
 - <http://www.the-sps.co.uk>

or

- | | | |
|----------------|----------------|--|
| – Jill Maskell | – 01622 221706 | } KCC Reward Team
Sessions House, Maidstone |
| – Ann Lewis | – 01622 221721 | |
| – Chris Curtis | – 01622 221719 | |

A list of Frequently Asked Question can be found on the Auto Enrolment page of Kent Trust Web: http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm

Other Useful Sources of Help:

- ❖ **Kent Pension Fund Website** (for all information relating to the Local Government Pension Scheme): <http://www.kentpensionfund.co.uk>
- ❖ **Teachers' Pensions Website:** <https://www.teacherspensions.co.uk>
- **Individuals and workers** can find out more about how automatic enrolment into a workplace pension might affect them by visiting the Gov.UK website <https://www.gov.uk/workplacepensions>
- **The Pension Advisory Service** is an independent, non-profit making organisation which provides free advice about pensions. For more information visit the Pensions Advisory Service website: www.pensionadvisoryservice.org.uk
- **The Pensions Regulator** where you will find detailed guidance: <http://www.thepensionsregulator.gov.uk/employers/detailed-guidance.aspx>
- **SPS Website** – where you will find information regarding IntePay and how this can help you with the administration of Auto Enrolment: www.the-sps.co.uk

Appendix 1 - Letters

Letter 1 – Local Government Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Insert Job Title]

Confirmation of your membership of a Qualifying Pension Scheme

Dear [Name],

To help people save more for their retirement, the government now requires all employers in the public and private sector to enrol eligible workers into a qualifying workplace pension scheme. Under this legislation we are also required to write to those already in qualifying pension scheme, to confirm their membership.

The Local Government Pension Scheme is a qualifying pension scheme under the new law. Therefore, I am writing to confirm that as you are already a member of the Local Government Pension Scheme, this change in the law does not affect you.

The school and you are already paying into the pension scheme and you are receiving tax relief on your contributions.

A commitment from us, which we are required to share with you by law:

As your employer we must by law continue to maintain your membership, and ensure the scheme continues to meet certain government standards.

The Local Government Pension Scheme is provided by the Kent Pension Fund who will ensure that the scheme continues to meet the standards required by the new law. However, if you cease to be a member for any reason other than your own choice, we, as the employer, must enrol you into another pension scheme that meets those government standards with effect from the next day.

Please read the additional information below on pensions which includes information on opting out of membership.

Yours sincerely

[insert signatory]

Additional information

For further information on the Local Government Pension Scheme, please visit:
www.kentpensionfund.co.uk

For general information about pensions and saving for later life visit:
<https://www.gov.uk/workplacepensions>

If, at anytime, you decide that you want to opt out of the pension scheme you can subsequently request to re-join the Pension Scheme at any time. To do so please:

- Complete the Opt-in form on the Kent Pension Fund Website:
http://www.kentpensionfund.co.uk/i_am_thinking_of_joining.aspx and give it to the Head Teacher. If you send it via e-mail the message must contain the phrase 'I confirm I personally submitted this notice to join the Local Government Pension'.

Letter 1 – Teachers’ Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Insert Job Title]

Confirmation of your membership of a Qualifying Pension Scheme

Dear [Name],

To help people save more for their retirement, the government now requires all employers in the public and private sector to enrol eligible workers into a qualifying workplace pension scheme. Under this legislation we are also required to write to those already in qualifying pension scheme, to confirm their membership.

The Teachers’ Pension Scheme is a qualifying pension scheme under the new law. Therefore, I am writing to confirm that as you are already a member of the Teachers’ Pension Scheme, this change in the law does not affect you.

The school and you are already paying into the pension scheme and you are receiving tax relief on your contributions.

A commitment from us, which we are required to share with you by law:

As your employer we must by law continue to maintain your membership, and ensure the scheme continues to meet certain government standards.

The Teachers’ Pension Scheme is provided by the Department for Education who will ensure that the scheme continues to meet the standards required by the new law. However, if you cease to be a member for any reason other than your own choice, we, as the employer, must enrol you into another pension scheme that meets those government standards with effect from the next day.

Please read the additional information below on pensions which includes information on opting out of membership.

Yours sincerely

[insert signatory]

Additional information

For further information on the Teachers' Pension Scheme, please visit:

www.teacherspensions.co.uk

For general information about pensions and saving for later life visit:

<https://www.gov.uk/workplacepensions>

If, at anytime, you decide that you want to opt out of the pension scheme you can subsequently request to re-join at any time. To do so please obtain an 'Election to join' the TP Scheme form from the Teachers Pension website:

<https://www.teacherspensions.co.uk/public/resources/forms.aspx> and send this to the Teachers' Pensions Unit, Room 4.26 Sessions House, County Hall, Maidstone, Kent ME14 1XQ. Please also send a copy to the school.

Letter 2 – Local Government Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Job Title]

Local Government pension scheme - A change in the law that affects you

Dear []

To help people save more for their retirement, the government now requires employers to enrol their workers into a workplace pension scheme. This applies to those who aren't already in one and who are Eligible Job Holders i.e.:

- earn over a minimum amount (currently £8,105 a year)
- are aged 22 or over; and
- are under State Pension age.

Kent County Council has a staging date of 1 March 2013 but has decided to invoke the Transition Arrangements which means we will therefore enrol you into the Local Government pension scheme on 1 October 2017 (your automatic enrolment date), if you currently meet the criteria above. (Information on why your automatic enrolment date is so far in the future can be found on FAQ sheet on Kent Trust Web (http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm) /School Office). If you do not meet the criteria above you will only be auto-enrolled into the Local Government Pension Scheme if you become an Eligible Job Holder.

- When this happens, you can choose to opt out of the scheme if you want to, but if you stay in you'll have a pension which will be paid to you when you retire;
- The school and you will pay into it every month
- The government will also contribute through tax relief
- Your pension will belong to you, even if you leave us in the future

You have the right to join the scheme before 30 September 2017 if you want to. The school and you would pay into the pension every month.

Why is this happening?

The government's aim is for more people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension in 2012-13 is £107.45 a week for a single person. This is intended to be a foundation - you may want more.

Employers are enrolling their workers automatically into a scheme to make it easier for people to start saving.

What you need to do now

This depends on what you want to do. You have three options:

1 - If you want to join the pension scheme now (before 30 September 2017), complete the “Opt-In” form on the Kent Pension Fund website: http://www.kentpensionfund.co.uk/i_am_thinking_of_joining.aspx and give this to the Head Teacher. If sending it electronically, the e-mail has to contain the phrase “I confirm I personally submitted this notice to join a workplace pension scheme”. A copy of this form should be given to your payroll provider but the school will probably do this on your behalf.

2 - If you want to join the pension scheme on 1 October 2017 and you are an Eligible Job Holder, you don’t need to do anything. It will happen automatically. We will write to you again around the time you are automatically enrolled.

3 - If you do not want to join the pension scheme and you are an Eligible Job Holder, you don’t need to do anything before 30 September 2017. Once you have been automatically enrolled on 1 October 2017 you can opt out. Instructions on how to do this will be sent to you nearer the time.

Yours sincerely

[Insert name of signatory]

Letter 2 – Teachers’ Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Job Title]

Teachers’ Pension scheme - A change in the law that affects you

Dear []

To help people save more for their retirement, the government now requires employers to enrol their workers into a workplace pension scheme. This applies to those who aren’t already in one and who are Eligible Job Holders i.e.:

- earn over a minimum amount (currently £8,105 a year)
- are aged 22 or over; and
- are under State Pension age.

Kent County Council has a staging date of 1 March 2013 but has decided to invoke the Transition Arrangements which means we will therefore enrol you into the Teachers’ pension scheme on 1 October 2017 (your automatic enrolment date), if you currently meet the criteria above. (Information on why your automatic enrolment date is so far in the future can be found on FAQ sheet on Kent Trust Web (http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm) /School Office). **If you do not meet the criteria above you will only be auto-enrolled into the Teachers’ Pension Scheme if you become an Eligible Job Holder.**

- When this happens, you can choose to opt out of the scheme if you want to, but if you stay in you’ll have a pension which will be paid to you when you retire;
- The school and you will pay into it every month
- The government will also contribute through tax relief
- Your pension will belong to you, even if you leave us in the future

You have the right to join the scheme before 30 September 2017 if you want to. The school and you would pay into the pension every month.

Why is this happening?

The government’s aim is for more people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension in 2012-13 is £107.45 a week for a single person. This is intended to be a foundation - you may want more.

Employers are enrolling their workers automatically into a scheme to make it easier for people to start saving.

What you need to do now

This depends on what you want to do. You have three options:

1 - If you want to join the pension scheme now (before 30 September 2017), contact Teachers Pension (<https://www.teacherspensions.co.uk/public/resources/forms.aspx>) and download an 'Election to join' form, complete it and send it to the Teachers' Pensions Unit, Room 4.26 Sessions House, County Hall, Maidstone Kent ME14 1XQ and please send a copy to the School Office

2 - If you want to join the pension scheme on 1 October 2017 and are an Eligible Job Holder, you don't need to do anything. It will happen automatically. We will write to you again around the time you are automatically enrolled.

3 - If you do not want to join the pension scheme and you are an Eligible Job Holder, you don't need to do anything before 30 September 2017. Once you have been automatically enrolled on 1 October 2017 you can opt out. Instructions on how to do this will be sent to you nearer the time.

NB: if you are in part-time employment but also have another full time job which is subject to the Teachers' Pension Scheme, this part-time employment is not classed as pensionable employment with regards TPS. In these circumstances if the Auto Enrolment regulations apply you will be enrolled into the Local Government Scheme. Please make your employer aware of this if it applies to you.

Yours sincerely

[Insert name of signatory]

Letter 3 – Local Government Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Job Title]

Local Government pension scheme - A change in the law that affects you

Dear []

To help people save more for their retirement, the government requires employers to enrol their workers into a workplace pension scheme. This applies to those workers who aren't already in one, and who

- earn over £8,105 a year
- are aged 22 or over; and
- are under State Pension age.

We are enrolling these workers into our workplace pension scheme on 1 June 2016, also known as the 'deferral date'.

Why is this happening?

The government's aim is to get more people to have another income, on top of the State Pension, when they come to retire. The full basic State Pension in 2012-13 is £107.45 a week for a single person.

Employers are enrolling their workers automatically into a scheme to make it easier for people to start saving.

How it will affect you on 1 June 2016

If on that date you are aged 22 or over, under State Pension age, work or usually work in the UK, and earn more than £8,105 a year (£676 a month):

We will enrol you into the Local Government pension scheme on 1 June 2016. You don't have to do anything – it will happen automatically.

- You can choose to opt out of the scheme if you want to, but if you stay in you will have your own pension which you get when you retire. For more information about the benefits of the scheme please visit the Kent Pension Fund Website: http://www.kentpensionfund.co.uk/i_am_thinking_of_joining/reasons_for_joining.aspx
- The school and you will pay into it every month;
- The government will also contribute through tax relief;
- Your pension belongs to you, even if you leave us in the future;
- You have the right to join the scheme before 1 June 2016 if you want to.

We will write to you nearer the time with further information on the pension scheme.

If on that date you are aged under 22 years, or over State Pension age (but under 75), or earn more than £5,564 (£464 a month) but not more than £8,105 a year (£676 a month):

We will not be automatically enrolling you into the pension scheme. This is because you do not meet the criteria set by the government (see first paragraph of this letter). However, you have the right to join the scheme if you want to. Both you and the school would pay into it.

If on that date you are under 75 and earn £5,564 or less a year (£464 or less a month):

We will not be automatically enrolling you into our workplace pension scheme. This is because you do not meet the criteria set by the government (see first paragraph of this letter). However, if you ask us to do so, we will enrol you into a pension scheme.

The school would contribute to this pension.

What to do if you want to join a pension scheme now

- Complete the “Opt-In” form on the Kent Pension Fund website: http://www.kentpensionfund.co.uk/i_am_thinking_of_joining.aspx and give this to the Head Teacher. If sending it electronically, the e-mail has to contain the phrase “I confirm I personally submitted this notice to join a workplace pension scheme”. A copy of this form should be given to your payroll provider but the school will probably do this on your behalf.

You will then be sent further information and confirmation you are being enrolled.

Where to go for further information

You may have questions about workplace pensions and saving for your retirement. More information on the scheme can be found. Local Government Pension Scheme: <http://www.kentpensionfund.co.uk/>

More information on pensions and saving for later life can be found on: <https://www.gov.uk/workplacepensions>

Yours sincerely

[Insert name of signatory]

For those who meet the criteria listed in the first box on page 2:

Explanation as to why you can join the workplace pension scheme before 1 June 2016, also known as the 'deferral date' if you want.

We have, as allowed by law, postponed the automatic enrolment of our workers into our pension scheme until 1 June 2016, also known as the 'deferral date'. This is three months after the date we were first required by law to carry out automatic enrolment. During this period, you have the right to join the workplace pension scheme if you want. If you want to do this, follow the instructions in the above.

For Frequently Asked Questions please go to Kent Trust Web:

http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm

We will write to you nearer the time with further information on the pension scheme.

If on that date you are aged under 22 years, or over State Pension age (but under 75), or earn more than £5,564 (£464 a month) but not more than £8,105 a year (£676 a month):

We will not be automatically enrolling you into the pension scheme. This is because you do not meet the criteria set by the government (see first paragraph of this letter). However, you have the right to join the scheme if you want to. Both you and the school would pay into it.

If on that date you are under 75 and earn £5,564 or less a year (£464 or less a month):

We will not be automatically enrolling you into our workplace pension scheme. This is because you do not meet the criteria set by the government (see first paragraph of this letter). However, if you ask us to do so, we will enrol you into a pension scheme.

The school would contribute to this pension.

What to do if you want to join a pension scheme now

If you want to join the pension scheme now, contact Teachers' Pensions (<https://www.teacherspensions.co.uk/public/resources/forms.aspx>) and complete the 'Election to join form' and send this to the Teachers' Pensions Unit, Room 4.26 Sessions House, County Hall, Maidstone, Kent ME14 1XQ. Please also send a copy to the school.

You will then be sent further information and confirmation you are being enrolled.

Where to go for further information

You may have questions about workplace pensions and saving for your retirement

More information on the scheme can be found

Teachers' Pensions website: <https://www.teacherspensions.co.uk/>

More information on pensions and saving for later life can be found on:

www.gov.uk/workplacepensions

Yours sincerely

[Insert name of signatory]

**For those who meet the criteria listed in the first box on page 2:
Explanation as to why you can join the workplace pension scheme before 1 June 2016, also known as the 'deferral date' if you want.**

We have, as allowed by law, postponed the automatic enrolment of our workers into our pension scheme until 1 June 2016, also known as the 'deferral date'. This is three months after the date we were first required by law to carry out automatic enrolment. During this period, you have the right to join the workplace pension scheme if you want. If you want to do this, follow the instructions in the above.

For Frequently Asked Questions please go to Kent Trust Web:

http://www.kenttrustweb.org.uk/Personnel/personnel_autoenrol.cfm

NB: if you are in Part-time employment but also have another full time job which is subject to the Teachers' Pension Scheme, this part-time employment is not classed as pensionable employment with regards TPS. In these circumstances if the Auto Enrolment regulations apply you will be enrolled into the Local Government Scheme. Please make your employer aware of this if it applies to you.

Letter 4 – Local Government Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Job Title]

Local Government Pension Scheme – A change in the law that affects you

Dear []

To help people save more for their retirement, the government now requires all employers in the public and private sector to enrol eligible workers into a qualifying workplace pension scheme.

We have a long standing policy of automatically enrolling most new entrants into the Local Government Scheme. In order to ensure continuation of this benefit and comply with the new legislation, all eligible workers will be enrolled into Local Government Pension Scheme

We are enrolling you into the Local Government Pension Scheme. To find out more information about the Scheme, visit <http://www.kentpensionfund.co.uk/>

What does this mean for you?

The school and you will both pay into it every month. The payments into your pension will be taken directly from your monthly pay and will include your contributions including tax relief and our contribution as follows:

- Our contributions of **21%**.
- Your contributions are dependent on your salary:

The bands for 2012/2013 are:

Band	Pay Range	Employee contribution rate (%)
1	Up to £13,500	5.5
2	£13,500.01 to £15,800	5.8
3	£15,800.01 to £20,400	5.9
4	£20,400.01 to £34,000	6.5
5	£34,000.01 to £45,500	6.8
6	£45,500.01 to £85,300	7.2
7	More than £85,300.01	7.5

The rate you pay will depend on which pay band you fall into and is based on your full-time equivalent pensionable pay (including any pensionable allowances) or full-time

equivalent term-time pay. If you work part-time you only pay contributions on the pay you earn although the rate is based on the whole-time pay rate for your job.

- You can choose to opt out of the Scheme if you want to but if you stay in, you will have your own pension which you get when you retire.
- You will receive tax relief on your contributions.
- Your pension belongs to you, even if you leave our employment in the future.

What you need to do now?

This depends on what you want to do. You have two options:

1. If you want to join the pension scheme on **[insert Auto Enrolment date]**, you don't have to do anything and your personal details will be passed on to Local Government Pensions.
2. If you do not want to join the pension scheme, you can opt out from **[insert start date of opt out period]**. You cannot opt out until after you have been enrolled into the scheme. The end date of your opt out period will be either one month or three months later, depending on the scheme rules and the Auto Enrolment Regulations 2010.

Please ensure you read the additional information on pages 3/4, below for important information on opting out and the time period for doing so.

Yours sincerely

[Insert name of signatory]

Additional Information

How to opt out

Auto Enrolment legislation guarantees people, who opt out of the pension scheme within one month, a full refund of contributions. However, the Local Government Pension Scheme rules go beyond the minimum requirements of the legislation. You will be able to opt out within three months of enrolment and receive a full refund of contributions, unless the exception below applies to you.

- If you have fixed or enhanced protection i.e. your pension savings are expected to be more than £1.5 or £1.7 million, you must opt out within one month in order to retain your fixed or enhanced protection.

If your valid opt out application is received between **[insert start date of one month opt-out period]** and **[insert end date of one/three month opt out period]**, you will be removed from the pension scheme. Any payments you have already made will be refunded, and you will not become an active member of the scheme on this occasion.

- You cannot opt out until after you have been enrolled into the Scheme. **To opt out** complete the Opt-out form on the Kent Pension Fund Website: http://www.kentpensionfund.co.uk/i_am_a_current_scheme_member.aspx and

give it to the Head Teacher. If you send it via e-mail the message must contain the phrase 'I confirm I personally submitted this notice to join the Local Government Pension'.

If you are thinking about opting out please read the information on Kent Pensions Fund Website:

http://www.kentpensionfund.co.uk/i_am_a_current_scheme_member/i_am_thinking_of_opting_out.aspx or if you would like more information about pensions in general, you may wish to refer to www.gov.uk/workplacepensions .

Can I stop making payments after the opt out period has expired?

Yes. You can leave the scheme after the opt out period has expired but you must write or e-mail the Head Teacher. Whether you will be able to receive a refund, or have your benefits preserved until pension age will depend on how long you have been in the scheme, as well as other factors.

If I opt out or stop making payments, can I re-join the pension scheme at a later date?

Yes. You can request to re-join the Local Government Pension Scheme at any time. To do so please write to Head Teacher (see above).

If I opt out, will I be re-enrolled back in to the pension scheme?

In accordance with section five of the Pensions Act 2008, anyone who opts out or stops making payments will be automatically enrolled back into the Local Government Pension Scheme at a later date. This will normally be every three years, although in some special circumstances it will be earlier.

We will contact you at this time, and once you have been enrolled you can choose whether you want to stay in or opt out.

Where can I get further information?

If you have any questions about the Local Government Pension Scheme, please visit: <http://www.kentpensionfund.co.uk/>

For information on pensions and saving for later life visit www.gov.uk/workplacepensions

A commitment from us, which we are required to share with you by law:

If you do not opt out, once you are a member of the pension scheme we must by law continue to maintain your membership and ensure the scheme continues to meet certain government standards.

The Local Government Pension Scheme is provided by Kent Pension Fund who will ensure that the scheme continues to meet the standards required by the new law. However, if you cease to be a member for any reason other than your own choice, we, as the employer, must put you into another pension scheme that meets those government standards by the next day.

Letter 4 – Teachers’ Pension Scheme

Please note this template contains all the elements required by law and should not be changed.

[Insert Date]

[OAN/Payroll Number]

[Job Title]

Teachers’ Pension Scheme – A change in the law that affects you

Dear []

To help people save more for their retirement, the government now requires all employers in the public and private sector to enrol eligible workers into a qualifying workplace pension scheme.

We have a long standing policy of automatically enrolling most new entrants into the Teachers’ Pension Scheme. In order to ensure continuation of this benefit and comply with the new legislation, all eligible workers will be enrolled into Teachers’ Pension Scheme

We are enrolling you into the Teachers’ Pension Scheme. To find out more information about the Scheme, visit

Teachers’ Pensions Website: <https://www.teacherspensions.co.uk/>

What does this mean for you?

The school and you will both pay into it every month. The payments into your pension will be taken directly from your monthly pay and will include your contributions including tax relief and our contribution as follows:

- Our contributions of **14%**.
- Your contributions are dependent on your salary:
 The confirmed member contribution rates for April 2012 – 2013 are set out in the table below. The rates are calculated based on your full-time equivalent salary.

Lower Salary	Higher Salary	Contribution Rate in 2012-13	Increase (against 6.4%)
	£14,999	6.4%	0%
£15,000	£25,999	7.0%	0.6%
£26,000	£31,999	7.3%	0.9%
£32,000	£39,999	7.6%	1.2%
£40,000	£74,999	8.0%	1.6%
£75,000	£111,999	8.4%	2.0%
£112,000		8.8%	2.4%

- You can choose to opt out of the Scheme if you want to but if you stay in, you will have your own pension which you get when you retire.
- You will receive tax relief on your contributions.
- Your pension belongs to you, even if you leave our employment in the future.

What you need to do now?

This depends on what you want to do. You have two options:

1. If you want to join the pension scheme on **[insert Auto Enrolment date]**, you don't have to do anything and your personal details will be passed on to Teachers' Pensions.
2. If you do not want to join the pension scheme, you can opt out from **[insert start date of opt out period]**. You cannot opt out until after you have been enrolled into the scheme. The end date of your opt out period will be either one month or three months later, depending on the scheme rules and the Auto Enrolment Regulations 2010.

Please ensure you read the additional information on pages 3/4, below for important information on opting out and the time period for doing so.

Yours sincerely

[Insert name of signatory]

Additional Information

How to opt out

Auto Enrolment legislation guarantees people, who opt out of the pension scheme within one month, a full refund of contributions. However, the Teachers' Pension Scheme rules go beyond the minimum requirements of the legislation. You will be able to opt out within three months of enrolment and receive a full refund of contributions, unless the exception below applies to you.

- If you have fixed or enhanced protection i.e. your pension savings are expected to be more than £1.5 or £1.7 million, you must opt out within one month in order to retain your fixed or enhanced protection.

If your valid opt out application is received between **[insert start date of one month opt-out period]** and **[insert end date of one/three month opt out period]**, you will be removed from the pension scheme. Any payments you have already made will be refunded, and you will not become an active member of the scheme on this occasion.

- You cannot opt out until after you have been enrolled into the Scheme. You can opt out by downloading an opt out form from:
<https://www.teacherspensions.co.uk/public/resources/forms/why-not-stay.aspx> .
The form should be sent to the Teachers' Pensions Unit, Room 4.26 Sessions House, County Hall, Maidstone, Kent ME14 1XQ. Please give a copy to the school office.

If you are thinking about opting out please read the information on Teachers' Pensions Fund Website: <https://www.teacherspensions.co.uk/public/the-scheme/new-teacher/is-it-any-good.aspx> or if you would like more information about pensions in general, you may wish to refer to www.gov.uk/workplacepensions .

Can I stop making payments after the opt out period has expired?

Yes. You can leave the scheme after the opt out period has expired by obtaining an opt out form from Teachers' Pensions (see above). Whether you will be able to receive a refund, or have your benefits preserved until pension age will depend on how long you have been in the scheme, as well as other factors.

If I opt out or stop making payments, can I re-join the pension scheme at a later date?

Yes. You can request to re-join the Teachers' Pension Scheme at any time. To do so please complete the opt in form on the TP website: <https://www.teacherspensions.co.uk/public/resources/forms.aspx>. The form should be sent to the Teachers' Pensions Unit, Room 4.26 Sessions House, County Hall, Maidstone, Kent ME14 1XQ. Please give a copy to the school office

If I opt out, will I be re-enrolled back in to the pension scheme?

In accordance with section five of the Pensions Act 2008, anyone who opts out or stops making payments will be automatically enrolled back into the Teachers' Pension Scheme at a later date. This will normally be every three years, although in some special circumstances it will be earlier.

We will contact you at this time, and once you have been enrolled you can choose whether you want to stay in or opt out.

Where can I get further information?

If you have any questions about the Teachers' Pension Scheme, please visit: <https://www.teacherspensions.co.uk/>

For information on pensions and saving for later life visit www.gov.uk/workplacepensions

NB: if you are in Part-time employment but also have another full time job which is subject to the Teachers' Pension Scheme , this part-time employment is not classed as pensionable employment with regards TPS. In these circumstances if the Auto Enrolment regulations apply you will be enrolled into the Local Government Scheme. Please make your employer aware of this if it applies to you.

A commitment from us, which we are required to share with you by law:

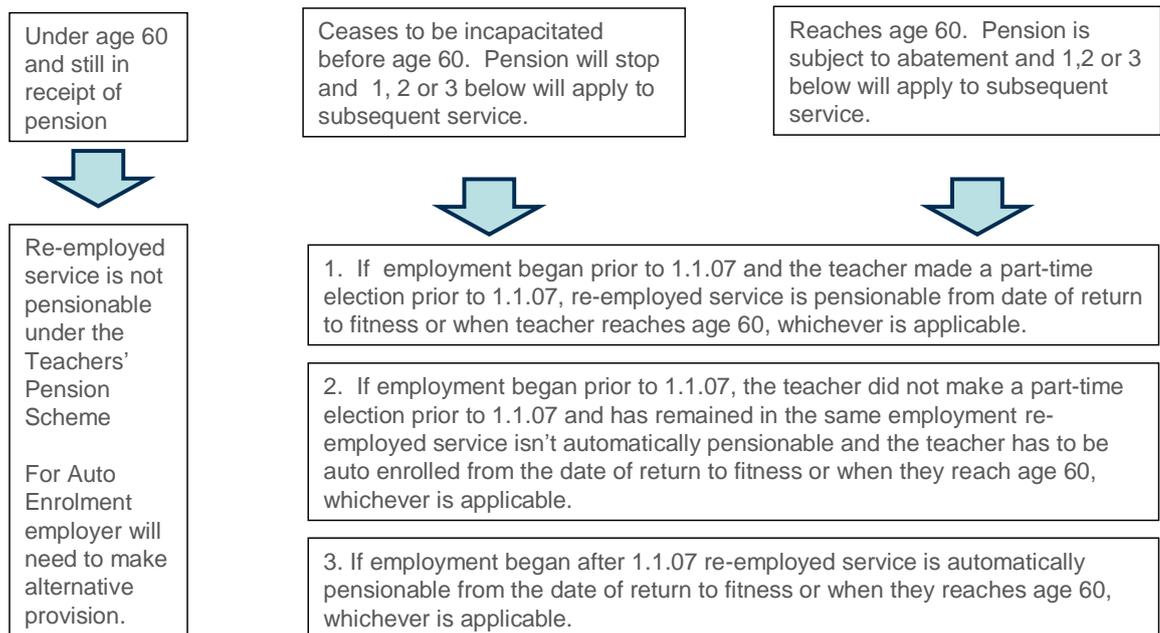
If you do not opt out, once you are a member of the pension scheme we must by law continue to maintain your membership and ensure the scheme continues to meet certain government standards.

The Teachers' Pension Scheme is provided by the Department of Education who will ensure that the scheme continues to meet the standards required by the new law.

However, if you cease to be a member for any reason other than your own choice, we, as the employer, must put you into another pension scheme that meets those government standards by the next day.

Appendix 2 – Teachers’ Pension Exemptions

Pre 1.4.97 III Health Retiree re-employed part-time



Please Note: those employees who are not eligible to join the Teachers’ Pension Scheme will need to be enrolled into the Local Government Pension Scheme

Please also note: Part-time employment

Part-time employment is where the employee works for less than the whole working week. It’s automatically pensionable and contributions must be deducted. Unless either of these applies:

- The teacher has opted out of the scheme.
- The teacher has a full-time job which is also subject to the Teachers’ Pension Scheme and is in addition to the part-time employment. In these circumstances, the part-time employment is not classed as pensionable employment with regards TPS. In these circumstances if the Auto Enrolment regulations apply you must enrol the teacher into the Local Government Pension Scheme.

You need to be able to identify these teachers and it is recommended that you inform candidates as part of the recruitment processes.

Appendix 3 – Records to be Kept

Records an employer must keep about jobholders and workers

Who the record relates to	What record must be kept	How long it must be kept*
Jobholders and workers who become members of the pension scheme (either TPS or LGPS)	<ul style="list-style-type: none"> • Name • National Insurance Number (where one exists) • Date of Birth • Gross earning in each relevant pay reference period • The contributions payable in each relevant pay reference period by an employer to the scheme, and the amount payable. This includes contributions due on the employer's behalf and deductions made from earnings. • The date contributions were paid to the scheme 	6 Years
Additional information for jobholders only	<ul style="list-style-type: none"> • Automatic enrolment date • Opt-in notice (original format)* • The contributions to which the jobholders is entitled under the scheme rules (this demonstrates that the scheme used is a qualifying scheme) 	
	<ul style="list-style-type: none"> • Opt-out notice (original format)* 	4 years
Additional information for	<ul style="list-style-type: none"> • Date with effect 	

* These are the minimum periods. It is recommended that you keep records, such as opt-out forms for at least 20 years. This will help you if an employee queries the length of their pensionable service when they retire.

workers only	from which the worker became an active member <ul style="list-style-type: none"> • Joining notice (original format)* 	6 years
All workers for whom the employer has used postponement	<ul style="list-style-type: none"> • Name • National Insurance Number (where one exists) • Date the notice was sent to the worker 	

If you outsource your business/payroll administration to a third party you must authorise the third party to keep, preserve and/or provide these records on your behalf. It remains, however, your legal responsibility, as the employer to ensure that these records are kept, and if requested, produced.

The Pension Regulator expects employers to have an appropriate system in place with any service provider to ensure:

- Record-keeping requirements are being adhered to
- Records can be produced to the Regulator (if requested) in a timely manner.

* The notices (an opt-in notice, joining notice or opt-out notice) must be retained in the **original format**, as this is proof of an individual exercising a right. Copies of the original format or electronically-stored versions are acceptable. All records, however, must be kept in such a form and manner that they are legible or can be provided to the Regulator in a legible format.

Appendix 4 – Glossary

Key terms: Summary of the different categories of worker (also see diagram below)

Category of worker	Description of worker
Worker	An employee or someone who has a contract to perform work or services personally, that is not undertaking the work as part of their own business.
Job Holder	A worker who: is aged between 16 and 74 is working or ordinarily works in the UK under their contract has qualifying earnings.
Eligible Job Holder	A jobholder who: is aged between 22 and state pension age has qualifying earnings above the earnings trigger for automatic enrolment.
Non-eligible Job Holder	A jobholder who: is aged between 16 and 21 or state pension age and 74 has qualifying earnings above the earnings trigger for automatic enrolment or is aged between 16 and 74 has qualifying earnings below the earnings trigger for automatic enrolment.
Entitled worker	A worker who: is aged between 16 and 74 is working or ordinarily works in the UK under their contract does not have qualifying earnings.

Automatic enrolment: The employer must make arrangements by which an eligible jobholder becomes an active member of an automatic enrolment scheme with effect from the automatic enrolment date. The arrangements are set out in the law and described in detailed guidance no. 5 – Automatic Enrolment.

Contractual enrolment: If you are eligible for membership of a pension scheme you will be contractually enrolled into the scheme from the day that you are appointed.

Opting in: A job holder can require the employer to arrange for them to become an active member of an automatic enrolment scheme, with effect from the enrolment date. They do this by giving the employer an 'opt-in notice'.

Joining: An entitled worker can require the employer to arrange for them to become an active member of a pension scheme. They do this by giving the employer a 'joining notice'.

The enrolment date is the start date of active membership for the job holder. As such, it is a key piece of information for the employer. Not only is it the start date of active membership, but it is also:

- the start date of the joining window (the one-month period during which enrolment must be completed)
- the start date for the calculation of contributions due to the pension scheme.

Postponement is optional for an employer. Postponement is described as 'postponement of automatic enrolment', and sometimes referred to as a 'waiting period'. Essentially, postponement is the postponement of the assessment of the worker and therefore a postponement of whichever employer duty may apply, depending on the category of worker. The assessment is postponed until a date of the employer's choosing known as the 'deferral date'.

The deferral date is the last day of the postponement period. It is key for the employer as it is the date on which they must assess the worker and it must be included in the postponement notice.

'**One month**' means 'one calendar month'

The transitional period for defined benefit (DB) and hybrid pension schemes allows the employer to choose to delay automatic enrolment. This is only applicable to employers who provide a DB or hybrid pension scheme and can only be used in respect of eligible jobholders who meet certain conditions

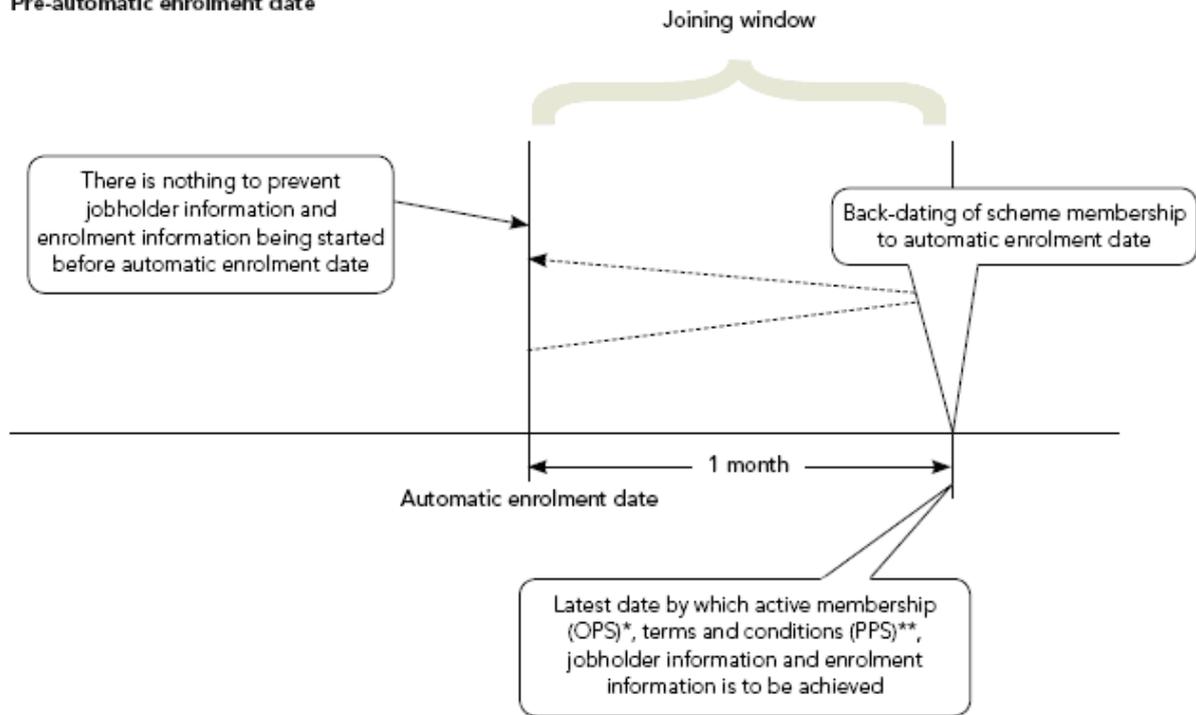
An eligible job holder's right to opt out

Automatic enrolment into a qualifying pension scheme is compulsory, but ongoing membership is not. A jobholder has the right to opt out of pension scheme membership, but cannot opt out of automatic enrolment.

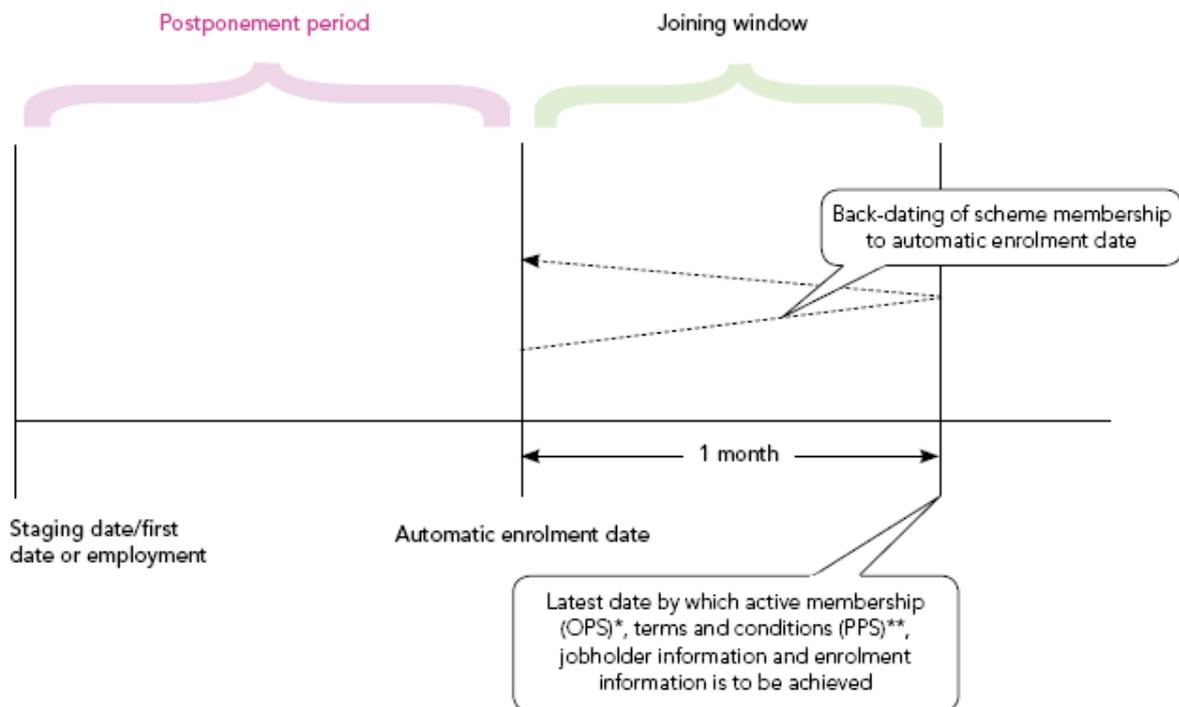
'**Opt out**' has a specific meaning in the pensions reform. It refers to the provision of a mechanism under the law which has the effect of undoing active membership, as if the worker had never been a member of a scheme on that occasion. It can only happen within a specific time period, known as the 'opt-out period'.

Summary of automatic enrolment process

Pre-automatic enrolment date



Summary of automatic enrolment process with postponement



* Occupational pension scheme
 ** Personal pension scheme

Timescales surrounding automatic enrolment and opting out

