



# Workplace Pension Reforms

## Are you prepared?

**In October 2012, UK workplace pensions law changed to encourage more people to save for retirement. Employers are now legally required to provide a qualifying pension scheme and automatically enrol all employees who meet the specified criteria into this scheme.**

### The key changes:

- New legal duties that require employers to automatically enrol their eligible workers into a qualifying pension scheme
- A compliance regime enforced by The Pensions Regulator to ensure employers and others meet their new duties and workers get their new rights

### Staging dates:

The Department for Work and Pensions has set out staging dates for compliance according to the size of your organisation.

A staged roll out with larger employers started in 2012. All employers will have staged by April 2017.

The number of employees on your PAYE determines your staging date. If you have more than one PAYE scheme, your staging date will be determined by the largest. There are some exceptions to this, so you should confirm your staging date with The Pensions Regulator to be certain of when your auto-enrolment dates will commence.

Employers are encouraged to begin preparing for the complex financial and administrative changes necessitated by the new Pension's Law at least 12-18 months in advance of their staging date.

The staging dates are:

Size of employer	Staging date
249 – 50	From 1 April 2014 to 1 April 2015
49—30	From 1 August 2015 to 1 October 2015
Less than 30	From 1 June 2015 to 1 April 2017 (dependant on PAYE reference)

### What does this mean?

By your staging date you must...

- Provide a qualifying pension scheme for your employees
- Automatically enrol all eligible employees who are not currently in a qualifying pension into the scheme
- Pay employer contributions for all eligible employees starting with at least 1% rising to a minimum of 3% by October 2018
- Notify all eligible employees that they have been enrolled
- Notify all eligible employees that they have the option to opt-out
- Notify all employees what your plans are for auto-enrolment

## Who is eligible?

Eligible employees are those that are:

- Over 22 years of age and under the State Pensions age
- Earn more than £10,000 annually (subject to annual review)
- Options for employees outside these circumstances are available and as an employee you may still have to make contributions

Employees have the ability to opt-out of an employer's pension scheme within 1 month of enrolment which means they will be entitled to a refund of any payments made and be removed from the scheme.

Employees can leave an employer's pension scheme but will be automatically re-enrolled every 3 years from their employers staging date. At which point, they may wish to opt out again and the cycle is repeated.

## What to do next?

Cowgill Holloway Wealth Management LLP already provide advice to employers and their employees on retirement planning. This includes help at their wealth accumulation stage and guidance when taking retirement benefits.

If you already have a scheme in place for your employees and would like a review, if you require help with implementing a new scheme or are just looking for clarity on your obligations as an employer, please contact us.

## Contact

We can provide a free no obligation consultation about the changes. For more information please contact **Matthew Bromley** on 01204 414243 or email [matthew.bromley@cowgills.co.uk](mailto:matthew.bromley@cowgills.co.uk)



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