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THE QUICK START **GUIDE TO** **STAFF PENSIONS**

Need-to-know information for small-business owners

THE QUICK START GUIDE TO STAFF PENSIONS

Find out about auto enrolment and staff pension schemes

Pension basics

The new auto-enrolment rules, which are being introduced in stages, are changing employers' pension obligations. Employers that have reached their staging date (which will soon include all businesses) must enrol eligible employees in a suitable pension scheme and contribute towards it.

Only certain employees must be enrolled automatically. As part of your auto-enrolment duties, you need to carry out a workforce assessment each time employees are paid to ascertain if they should be enrolled into a pension scheme.

Only eligible employees must be enrolled automatically. Non-eligible employees can opt-in to their company pension scheme and entitled workers can choose to join.

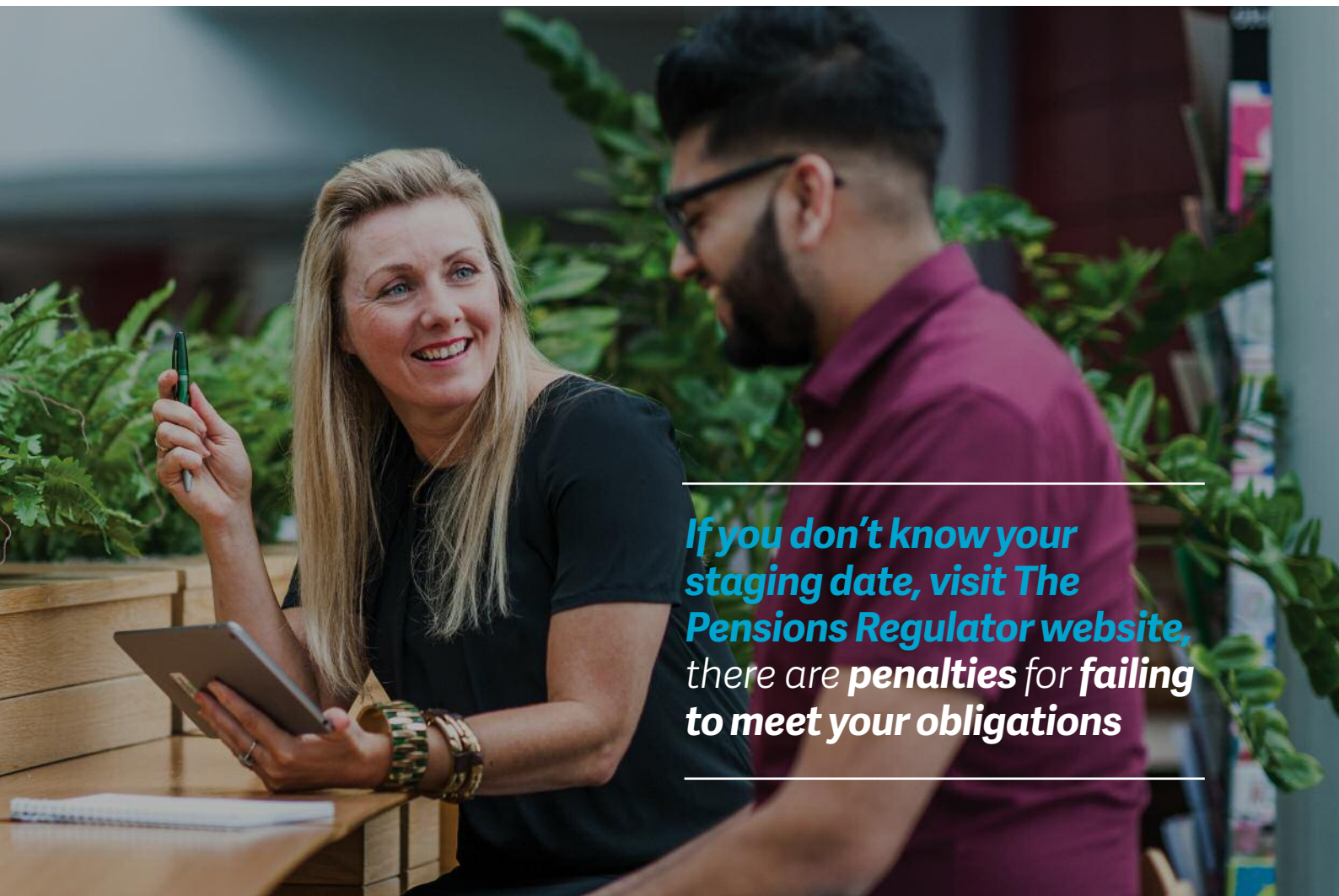
Auto enrolment

Your obligations under the new auto-enrolment rules start when you reach your 'staging date' (come 1 April 2017 this will include most businesses).

If you don't know your staging date, visit the website of **The Pensions Regulator** to find out, because there are penalties for failing to meet your auto-enrolment obligations.

On reaching your staging date, you need to have set up a suitable pension scheme for your employees. If you already have a pension scheme, check that it meets auto-enrolment requirements.

Employees aged over 22 earning £10,000 or more a year must automatically be enrolled into the pension scheme, although they have the right to opt-out. Most other employees will have the right to opt-in if they wish.



If you don't know your staging date, visit [The Pensions Regulator website](#), there are **penalties for **failing to meet your obligations****

Contributing to a **pension scheme** can be a highly **tax-efficient way to get greater financial rewards from your business**

For eligible employees, employers must contribute at least 1% of their earnings, rising to 2% in April 2018 and 3% from April 2019. Total minimum contributions (including employee contributions) must be at least 2% of their earnings, rising to 5% in April 2018 and then 8% from April 2019.

Other objectives

Employers must meet their legal obligations, but going further might help you to attract and retain employees. For example, your contributions could be more than the legal minimum, allowing your employees to reduce their own contributions or build up a larger pension fund.

Also think about your own retirement. Contributing to a pension scheme can be a highly tax-efficient way to get greater financial rewards from your business.

Pension schemes

All but the largest employers will use a pension scheme offered by a pension scheme provider. Providers include **NEST**, a scheme set up by the Government, but there are other options. You can go direct to a pension provider or speak to an independent financial adviser.

Your provider will invest pension contributions and deal with most of the administration. But the contributions you make and individual employees' contributions must be handled through your payroll scheme. You'll also need to inform your employees, whether you're introducing a new scheme or changing your existing scheme to meet the new requirements.

Get help

You can check your staging date and get more information on your staff pensions obligations from **The Pensions Regulator** (Tel: 0345 600 1011), which also offers guidance on choosing a pension scheme provider.

Business owners can get advice on their pension options from **The Pensions Advisory Service** (Tel: 0300 123 1047) and find an independent financial advisor through **unbiased.co.uk**.

With **Sage One Payroll** you can pay your employees quickly and accurately, but it also helps you to prepare for auto enrolment, carry out ongoing employee pay assessment, automatically enrol staff, handle opt-ins and opt-outs, employee letters and send pension information to your pension provider.