

# FAQ

## Workplace Pensions and Automatic Enrolment

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**What is automatic enrolment?**



Automatic enrolment is a new requirement imposed on employers in the United Kingdom under the pension reform laws. To comply with this requirement, UK employers must systematically enrol eligible jobholders into a qualifying pension scheme and make mandatory minimum contributions into their employees' pension schemes.

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**How do workplace pensions work?**



A percentage of each employee's pay is put into a pension scheme automatically each payday. Additionally, your business will be legally obligated to add money into your employees' pension schemes.

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**Who must be enrolled in a pension scheme at my business?**



As an employer, you must automatically enrol workers who meet the following qualifications:

- Are between the ages of 22 and State Pension age
- Earn more than £10,000 per year
- Work in the United Kingdom

However, there are several exceptions:

- Workers who earn less than £10,000 per year must request to be enrolled in the pension fund—if their monthly gross earnings are between £487 and £833, you must pay regular contributions into their pension schemes, but not if their monthly gross earnings are £486 or less
- Individuals under the age of 22 or over the State Pension Age and still working can opt in by requesting to be enrolled





**Who will be affected by the changes?**



Every business—excluding individuals who are self-employed—will be affected by the scheme.



**What are the consequences of not implementing the new scheme?**



If your business fails to comply with the new workplace pension scheme, you face fines, prosecutions and loss of credibility.



**When do I enrol employees into a workplace pension scheme?**



When your business must start providing your employees with a workplace pension depends on your staging date. Check your staging date with [The Pensions Regulator](#).



**What are the main steps for enrolment?**



1. Twelve to Nine Months before Staging
  - Know when you need to be ready
  - Provide a point of contact
  - Develop your initial plans
2. Nine to Zero Months before Staging
  - Find out whom to enrol
  - Choose your software and check records
  - Choose a pension scheme
3. Staging Date
  - Automatically enrol your staff
4. Up to Six Weeks from Staging Date
  - Tell your staff
5. Up to Five Months from Staging Date
  - Complete your declaration of compliance (registration)
6. Ongoing
  - Maintain records
  - Fulfil ongoing responsibilities