

Automatic Enrolment Factsheet

Audience

This factsheet provides brief information about automatic enrolment legislation and what it means in the context of the Civil Service pension arrangements. It is intended for employees of the UK Civil Service (government departments and their Executive Agencies) and those non-Civil Service organisation covered by the Civil Service Pension arrangements. It is not intended to be used by employees of organisations who are not covered by the Civil Service Pension arrangements as there are aspects covered in this factsheet that would not apply to them.

Background

The Pensions Act 2011 requires all employers to automatically enrol eligible workers into a qualifying workplace pension scheme from the employer's staging date. Employers are required to re-enrol eligible workers who are not in (or have opted out of), a qualifying pension scheme periodically (typically every three years), from the employer's staging date. This legislation is intended to ensure that all workers have an additional income to the state pension and to help people save for their retirement.

The eligibility criteria in the legislation

The legislation defines an eligible worker as someone who is:

- at least 22 years of age;
- under State Pension Age; and
- earning more than the minimum earnings threshold (£8,105 per year from April 2012, but please refer to the Pensions Regulator Website for the latest figure: www.thepensionsregulator.gov.uk).

Civil Service employers

In the Civil Service, the policy is to automatically enrol all employees (other than those already in a qualifying pension scheme) into the Civil Service pension scheme, irrespective of their age or income (i.e. including those under 22, over State Pension Age, or earning no more than the minimum earnings threshold). This is consistent with Civil Service policy before the introduction of automatic enrolment.

Non-Civil Service organisations covered by the Civil Service pension arrangements

Non-Civil Service organisations covered by the Civil Service pension arrangements are only required by law to automatically enrol people who meet the definition on 'eligible worker'. However, many such organisations have adopted the Civil Service policy in respect of automatic enrolment. If you work for one of these organisations, please contact your employer to confirm their automatic enrolment policy.

Automatic Enrolment Staging Dates

The automatic enrolment staging dates are set out in the legislation and are managed by The Pensions Regulator. Employers may bring their staging date forward, but cannot move it back. Please contact your employer if you are unsure of their staging date.

Automatic enrolment and re-enrolment

Employers are required to tell all new entrants about automatic enrolment and confirm the employer's staging date. They must tell workers who are not already members of a qualifying pension scheme about automatic enrolment and how this will apply to them. They must also tell them that they are being automatically enrolled into the pension scheme and that they have the right to opt out.

Opting out and opting in

All those enrolled into the Civil Service pension scheme, whether as new entrants or through automatic enrolment, have a right to opt out of the scheme. However, if you are considering opting out, you should read the opting out factsheet on the Civil Service Pensions' website to understand the consequences of opting out: www.civilservice.gov.uk/pensions under publications.

Please note: If you have fixed or enhanced protection, you need to take special note of the consequences of being automatically re-enrolled into the scheme. If you do not opt out within one calendar month of being informed that you have been enrolled into the pension scheme, you may lose your fixed or enhanced protection and/or incur additional tax charges. Please refer the HMRC website for information about fixed or enhanced protection: www.hmrc.gov.uk

All those who have opted out of the Civil Service pension scheme and remain in eligible employment can apply to rejoin. From the departments staging date those who rejoin or are automatically re-enrolled and then opt out again can, under the new legislation, now opt back into the scheme at any time more than twelve months after they last opted out.

Sources of further information

You should ask your employer, in the first instance, for more information about automatic enrolment and how it affects you. The Pensions Regulator's website also has information about automatic enrolment legislation: www.thepensionsregulator.gov.uk