

Micro employers auto-enrolment

No matter what size your business, our auto-enrolment partner, Johnson Fleming is able to support you through your auto-enrolment journey; we understand that for some smaller employers the fees may be prohibitive so we have produced this guide to assist you through the steps you need to take.

The purpose of auto-enrolment legislation is to ensure everyone in the UK has made some provision for retirement; every employer across the UK has to offer a workplace pension and make regular contributions to it even if they employ just one person.

Does it apply to me?

You will have received a communication from The Pensions Regulator confirming your staging date, this is the date from which your auto-enrolment duties apply. There are very few exceptions; so don't ignore your duties and ensure you comply with requirements of The Pensions Regulator (TPR) otherwise you may be subject to fines.

The following are reasons why your company may be exempt from auto-enrolment duties:

- You're self-employed or the sole director of your company, with no other staff
- The company is only directors and none of them have an employment contract
- Your company has ceased trading, gone into liquidation or has been dissolved
- You no longer employ people in your home (cleaners, nannies, care assistants etc.)

It is your duty to inform The Pensions Regulator that your company is exempt by emailing:

customersupport@autoenrol.tpr.gov.uk

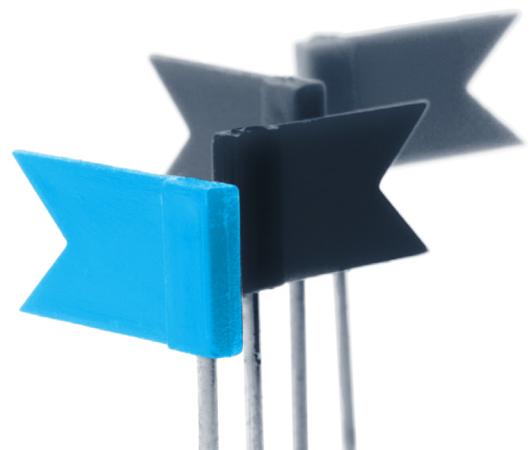
Fulfilling your duties

TPR research suggests that micro employers with between one and four workers usually spend around 10 hours per year carrying out their auto-enrolment tasks, but the actual time it takes will vary from business to business.

While you can carry out the automatic enrolment tasks yourself, you may choose to seek extra support. Business advisers offer a range of services that you may find helpful, particularly if you don't have much time or require more help to make the right choices.

What you pay and the amount of time you spend on setting up auto-enrolment will depend on various factors, including how you use business advisers, how you run your payroll and, which pension scheme you choose. There's a higher risk of paying more if you are unprepared and start the process late. Make sure you prepare early to avoid any unnecessary costs.

If you choose to pay for advice or support from your accountant, bookkeeper, payroll provider or financial adviser, you will need to understand and agree which tasks you and they are doing so that nothing is missed and, to agree prices upfront. It is good practice to get both the service level agreement and fees payable in writing before proceeding.



Selecting a pension scheme

You'll need to have a qualifying workplace pension scheme that is set-up for auto-enrolment. You and your workers will pay into this scheme to help save for their retirement. From April 2018 this contribution will be 8% of an employee's income so this places extreme importance on you selecting a high-quality pension scheme from the outset. The Regulator recommends that employers allow time to look at different schemes before deciding which is suitable for them and their staff.

There are a limited number of pension schemes aimed at micro employers and many will have a monthly or set-up charge for auto-enrolment. Some schemes may also manage some or all of the auto-enrolment tasks for you.

You should ask the provider what they will charge you based on how many employees you have and which charging method is best for you. You should also ask the provider what charges the scheme members will pay. It's important that you weigh up the costs and charges for both you and your staff against the level of services that the scheme will provide – some of the services may make running auto-enrolment easier for you over the longer term.

If you'd like to obtain financial advice on a suitable scheme, Johnson Fleming can help you source a qualifying workplace pension scheme:

www.johnsonfleming.com/openwork/apss

Payroll set-up

Whether you manage payroll yourself or someone does this for you, you'll need to find out which auto-enrolment tasks payroll can help with and whether it will provide all the information that your pension scheme provider needs.

If you manage your own payroll and use payroll software, find out if it is compatible with auto-enrolment, if not, you may face a small increase in cost to make sure it is. If your payroll is run by your accountant, bookkeeper or payroll agency you'll need to check if they will include auto-enrolment in their current charges or if you'll have to pay extra.

Remember, not all payroll software or services fulfill all your auto-enrolment employer obligations so make sure you are clear about who is performing which duty.

Here to help

If this all sounds like too much hard work and you just want to focus on your business, we are here for you and are happy to help.



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Free auto-enrolment checklist

Download your free auto-enrolment checklist to see everything you need to do **before**, **at** and **after** your staging date.

www.johnsonfleming.com/openwork/aechecklist

