

# Auto Enrolment

Auto enrolment is a government initiative to help people save for later life through a workplace pension.

In the past, many employees may have missed out on valuable pension benefits, either because they didn't join their company's pension scheme or their employer didn't offer them a pension.

This was changed by the introduction of auto enrolment which makes it compulsory for employers to enrol eligible employees into a pension scheme and to pay a minimum contribution into it.

Auto enrolment was phased in from 2012 and all eligible employees should have been enrolled by 1 February 2018.

Employees – how much do I and my employer have to pay?

The government has set minimum levels of contributions that must be paid to the workplace pension scheme by you and/or your employer.

Your employer must pay some of the minimum total contribution. If your employer doesn't pay all the minimum total contribution, you will need to make up some of the difference. Your employer will tell you how much you need to pay.

Through tax relief on your contributions, the government will effectively also be paying into your pension pot. Even if you don't pay Income Tax, you'll still get tax relief if your pension scheme uses tax relief at source.

The minimum total contribution to the scheme is usually based on your 'qualifying earnings'. These are your earnings from employment, before Income Tax and National Insurance contributions are deducted, that fall between a lower and upper earnings limit that are set by the government.

If your employer decides to pay only the minimum amount, the minimum total contribution, as a percentage of your qualifying earnings is:

Your employer pays:	You pay:	The government adds tax relief of:	Total contribution:
3.0% of your qualifying earnings	4.0 of your qualifying earnings	1.0% of your qualifying earnings	8.0% of your qualifying earnings

## Employer responsibilities

Under the Pensions Act 2008, if you employ at least one person, you have a legal duty to enrol certain staff into a workplace pension scheme and contribute towards it.

What you need to do will depend on whether you have staff who need to be put into a pension scheme or not. The Pensions Regulator has an [online tool](#) to find out what you'll need to do to meet auto enrolment requirements.

## Ongoing duties

Automatic enrolment is a continuous responsibility and each time you pay your staff you need to do the following:

- monitor changes in their age and earnings to see if they need to be enrolled into the scheme
- pay the correct amount into the pension scheme
- manage requests to join or leave the scheme
- keep records

In addition, every three years you must carry out re-enrolment to put back in any staff who have left the scheme.