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Re-enrolment – are you ready?

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Agenda

- Preparing for re-enrolment
- Auto-enrolment – what's new?
- Amending schemes

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Purpose of re-enrolment

Auto-enrolment

– Eligible jobholders have to actively opt out if they don't want to participate

All workers in a good pension scheme unless they actively choose otherwise

Re-enrolment

– Requires eligible jobholders to reconsider decision every 3 years

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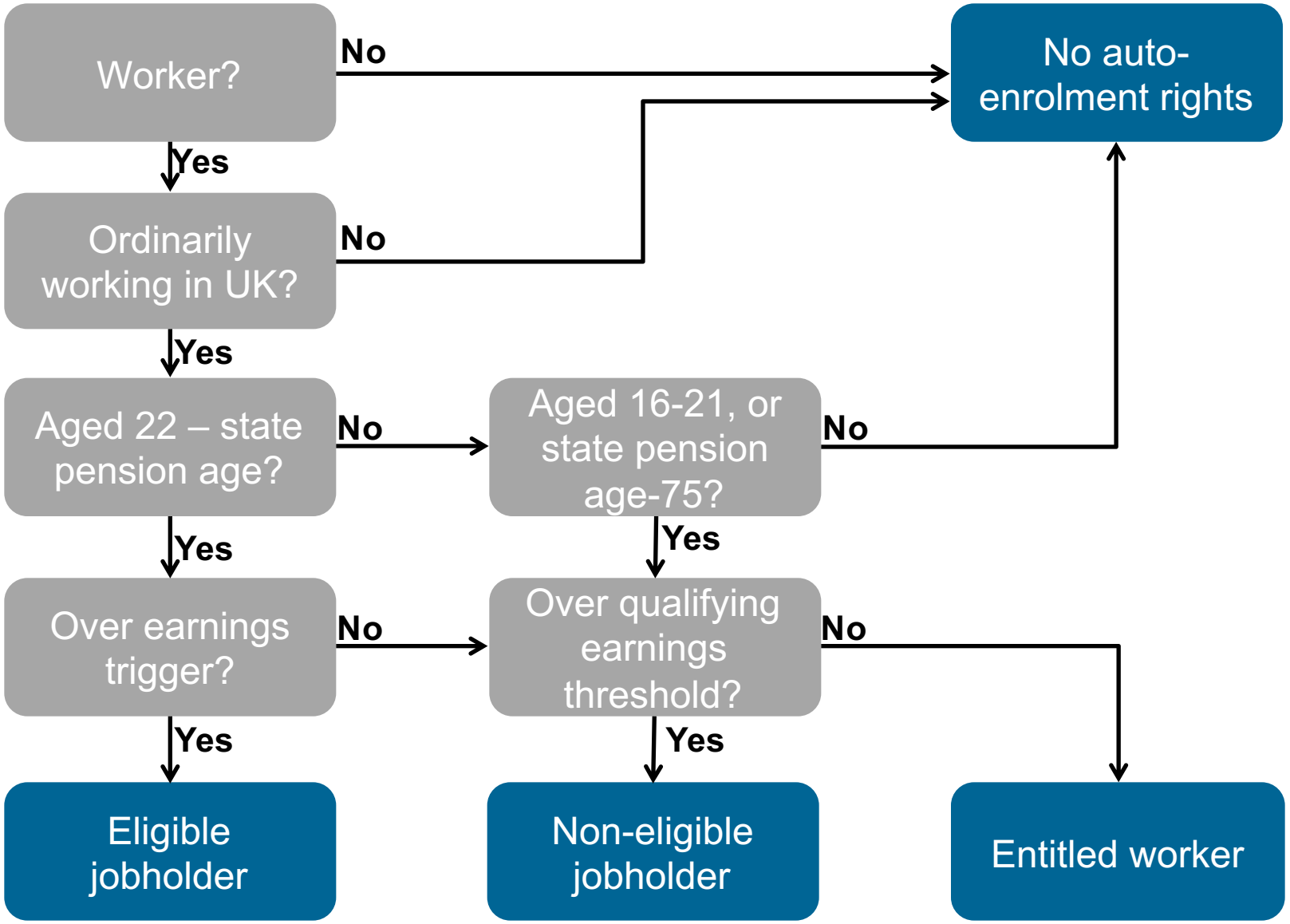
Refresher - Who gets what? (1)



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Refresher - Who gets what? (2)

Eligible jobholder	– Automatic enrolment with minimum employer contributions – Re-enrolment rights – Opt-out rights
Non-eligible jobholder	– Right to require enrolment with minimum employer contributions
Entitled worker	– Right to require enrolment, no minimum employer contributions

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Duty to re-enrol (1) – Cyclical re-enrolment

Eligible jobholders who are no longer active members

Must be re-enrolled on a periodic basis – broadly, every three years

Employer flexibility – can choose re-enrolment up to 3 months before or after the 3-year anniversary of the staging date.

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Duty to re-enrol (2) – Immediate re-enrolment

Jobholders' continuity of membership disrupted by something outside their control

Must be re-enrolled immediately (normally from next working day) if certain conditions are met

This duty will normally apply to eligible and non-eligible jobholders

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Differences from auto-enrolment

- Cyclical re-enrolment duty typically only applies to eligible jobholders who have already had an auto-enrolment date with that employer
- Postponement cannot be used with re-enrolment
- Employer typically only needs to assess workers who have opted out or ceased active membership, but…

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Re-enrolling active members

Where contributions fall below minimum, members must be re-enrolled at minimum statutory levels

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Key dates

Staging date

Automatic enrolment date

Assessment date

Deferral date

Enrolment date

Re-enrolment date

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Employer discretion to enrol

Individuals who opted out or voluntarily ceased contributions less than 12 months ago

Individuals with primary, enhanced, fixed or individual protection from tax charges on pension savings

Individuals who have given notice of resignation / retirement or have been given notice by employer

Partners in limited liability partnerships

Company directors, where the director also has a contract of employment with the company

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DB scheme qualification

When?

– From 6 April 2016, coinciding with abolition of DB contracting-out

What?

– DB schemes are required to be certified as meeting specific quality standards in order to qualify for auto-enrolment purposes

How?

– As well as the DB test scheme standard, a number of alternative quality tests are available

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Information requirements

Communications to all types of worker may now be combined in a single letter

No longer any need to send notices to employees who are already active members

Sections are flexible – can be by benefit design, by employer or groups of employers

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Other changes (1)

- Pay reference periods
- Pay frequency
- Scheme quality assessment
- Information deadlines
- Opt-out period contributions

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Other changes (2)

DC short service refunds

CARE scheme revaluation

Automatic transfers

Pay thresholds

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Importance of HR and payroll systems

- Assessing workers to determine rights
- Processing automatic enrolments into a suitable pension scheme
- Communications to workers, pension scheme administrators and TPR
- Maintaining systems for records and compliance
- Processing other admissions
- Processing opt-outs and other exits
- Dealing with high-earning members and the annual allowance

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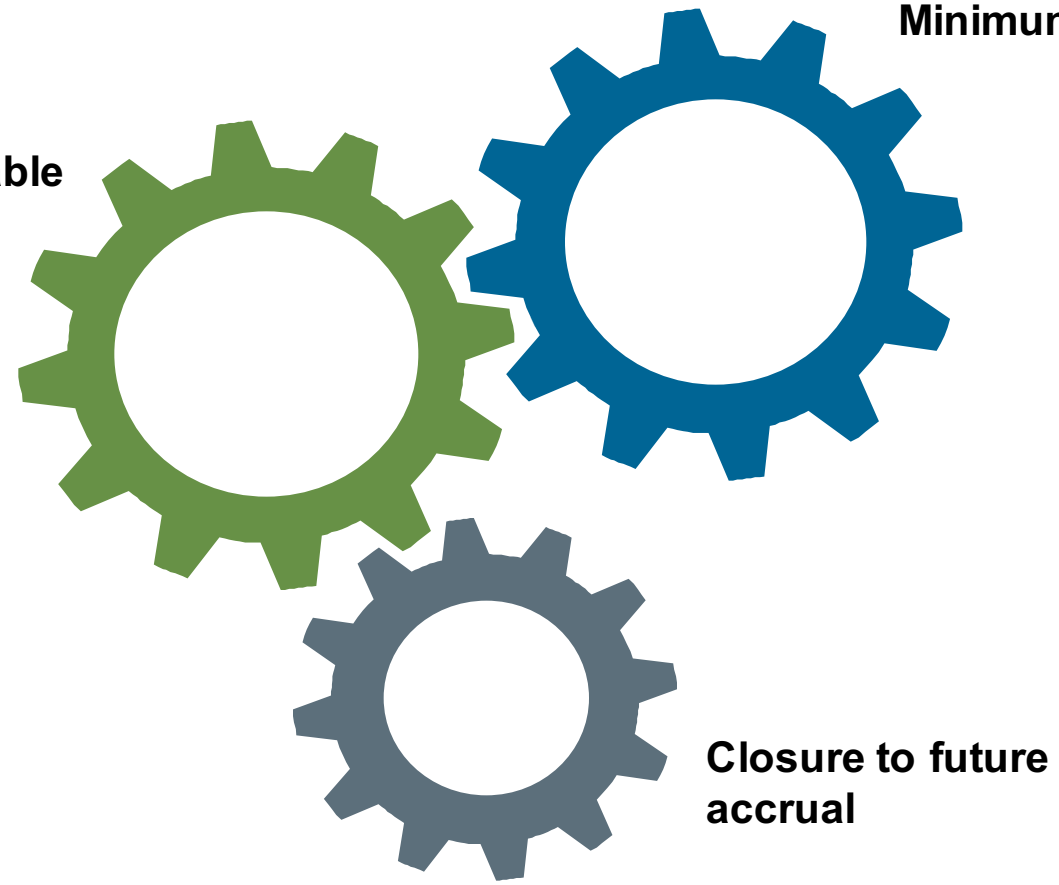
Scheme amendments



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Questions?

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