



Automatic enrolment

An explanation of the automatic enrolment process

February 2012 v3.0

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The Pensions
Regulator

About this guidance

- This guidance is aimed at professional advisers and employers with in-house pensions professionals. Trustees, managers and pension scheme providers should also familiarise themselves with the automatic enrolment process.
- It contains information on the law surrounding automatic enrolment.
- To aid understanding, we have split the guidance into two sections.

Section 1: How to automatically enrol describes the process an employer must follow to make an eligible jobholder an active member of an automatic enrolment pension scheme. It contains lists of the information an employer is required to provide as part of the new employer duties in relation to automatic enrolment.

Section 2: After completing automatic enrolment explains an employer's ongoing responsibilities once they have completed the initial stages of the process.

- Employers reading this guidance should have already read the following guidance in this series:
 - **Detailed guidance no. 1 – Employer duties and defining the workforce**
 - **Detailed guidance no. 2 – Getting ready**
 - **Detailed guidance no. 3 – Assessing the workforce**
 - **Detailed guidance no. 3a – Postponement**
- We recognise that many employers will already have pension provision for their workers, and that this will often match or exceed the minimum requirements contained in the duties.
- In these cases, such employers may just need to check that the minimum requirements are covered in their existing processes.
- We have identified **7 steps to prepare for automatic enrolment**, which summarises the main steps towards achieving compliance. Employers may find this helpful when navigating this guidance: www.tpr.gov.uk/7-steps
- It will be helpful to employers to be familiar with the different categories of workers. These are explained in detail in **Detailed guidance no. 1 – Employer duties and defining the workforce** or a quick reminder is available in **Key terms** on page 21.
- This guidance has been updated as a result of recent legislative changes including the Pensions Act 2011 receiving Royal Assent. Additionally, some content has been updated as a result of feedback from employers and general review. Appendix D provides details of significant changes made to this guidance. Further minor changes have been made but where these do not significantly impact on the structure or content, they are not listed in the appendix.
- We will be updating this guidance when the revised figures for the lower level of qualifying earnings and the earnings trigger for automatic enrolment are published.

In addition, it will be helpful for employers to be familiar with the content in **Detailed guidance no. 4 – Pension schemes** that is relevant to them.

- 'One month' means 'one calendar month' throughout this guidance.

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Key points

- A key requirement of the new employer duties is for employers to make arrangements so that their eligible jobholders become active members of an automatic enrolment pension scheme from their automatic enrolment date.
- As part of the automatic enrolment process, an employer has to provide certain information to:
 - the pension scheme about the eligible jobholder
 - the eligible jobholder about the pension scheme.
- An employer has ongoing responsibilities once they have completed the initial stages of the automatic enrolment process.



**An employer
has ongoing
responsibilities**

Introduction

1. Automatic enrolment is one of the key employer duties being introduced from 2012. The core requirement is that employers must make arrangements so that their eligible jobholders become active members of an automatic enrolment pension scheme from their automatic enrolment date.
2. An employer must automatically enrol any eligible jobholder working for them who is not already a member of a qualifying pension scheme with that employer, either from the automatic enrolment date, or from the end of the postponement period (where they have chosen to use postponement.) The considerations and action for an employer choosing to use postponement are described in **Detailed guidance no. 3a – Postponement**.
3. Section 1 of this guidance describes the process required to automatically enrol an eligible jobholder into an automatic enrolment pension scheme. The arrangements that an employer must make are set out in law.
4. Employers, trustees, managers and providers of pension schemes alike should familiarise themselves with the automatic enrolment process. It is likely that some changes to the existing process of joining will be necessary for an existing pension scheme to be able to be used, even if the scheme rules currently allow immediate enrolment.
5. Section 2 outlines what happens after automatic enrolment has been completed.
6. If an employer receives an opt-in notice from a jobholder they must arrange active membership of an automatic enrolment scheme. (Opting in is explained in **Detailed guidance no. 6 – Opting in, joining and contractual enrolment**.) They are required to follow the automatic enrolment process to achieve this.
7. When reading this guidance and applying it to opting in, the following terms apply:
 - for 'eligible jobholder' read 'jobholder'
 - for 'automatic enrolment' read 'enrolment'
 - for 'automatically enrolled' read 'enrolled'
 - for 'automatic enrolment date' read 'enrolment date'.

Automatic enrolment is one of the key employer duties

Section 1: How to automatically enrol

8. Having identified an automatic enrolment duty in respect of an eligible jobholder, the process for automatically enrolling eligible jobholders into an automatic enrolment scheme consists of a number of steps set out in law.
9. The law also sets out the time limit for completing automatic enrolment. Before the end of what is known as the 'joining window' (the one-month period from the eligible jobholder's automatic enrolment date), the employer must:
 - give information to the pension scheme about the eligible jobholder
 - give enrolment information to the eligible jobholder
 - make arrangements to achieve active membership for the eligible jobholder, effective from their automatic enrolment date.

They can do this by making arrangements with either:

 - the trustees or managers of an occupational pension scheme to create active membership under the scheme rules, or
 - the provider of a personal pension scheme, to ensure that the eligible jobholder is given the information about the policy that is deemed to exist between them and the pension scheme provider.
10. These steps are not sequential and can be done in any order. Flowcharts of example processes can be found in appendices B and C.
11. The employer is also required to keep certain records of this process. For more information on the records to keep, see **Detailed guidance no. 9 – Keeping records**.

Information an employer must provide

Information to the pension scheme about the eligible jobholder

12. A key feature of an automatic enrolment scheme is that the eligible jobholder must not be required to provide information to either join or remain a member. It is the employer's responsibility, working with the pension scheme trustees, managers or pension scheme provider, to achieve active membership for the eligible jobholder.
13. The employer must provide certain personal information about the eligible jobholder to the pension scheme trustees, managers or pension scheme provider. They must do this before the end of the joining window.
14. This is the minimum amount of information required to achieve active membership, although its provision alone does not necessarily mean that active membership has been established. The employer should be aware that the trustees, managers or provider of the pension scheme may require more information, depending on the scheme rules, as long as this does not act as a barrier to automatic enrolment. See **Detailed guidance no. 4 – Pension schemes** for more information.

Who to give the information to

15. **For personal pension schemes**
The information must be given to the pension scheme provider (often an insurance company).
16. **For occupational pension schemes**
The information must be given to the pension scheme trustees or managers.

Providing the information

17. The information must be provided in writing. This can include information sent by email, but does not include merely signposting to an internet or intranet site or displaying a poster in the workplace.
18. Someone acting on the employer's behalf, such as an independent financial adviser or benefit consultant can send the information, but it remains the employer's responsibility to make sure it is provided, on time, and is correct and complete.

Information to the pension scheme about the eligible jobholder

For each eligible jobholder who is being automatically enrolled, it is mandatory for the employer to give the trustees, managers or providers of the pension scheme, the eligible jobholder's:

- name
- sex
- date of birth
- automatic enrolment date
- postal residential address
- National Insurance number (NINO) – if the employer does not have the eligible jobholder's NINO, they can provide it to the pension scheme at a later date. This must be within one month of the employer receiving it.

Employers should also provide the following information, unless the pension scheme does not require it. The eligible jobholder's:

- postal work address
- work email address (if one exists)
- personal email address (if the employer holds this information)
- gross earnings in any pay reference period
- the value of any contributions payable to the pension scheme by the employer and the eligible jobholder in any pay reference period (where this information is available to the employer. The value can be shown as a fixed amount or a percentage of any qualifying earnings or pensionable pay due to the eligible jobholder).

Enrolment information to the eligible jobholder

19. Once enrolled into an automatic enrolment pension scheme, an eligible jobholder can decide to opt out of the pension scheme. It is important they are able to make an informed decision. The employer must provide the eligible jobholder with certain enrolment information, before the end of the joining window, that tells them:

- that they have been, or will be, automatically enrolled and what this means to them
- of their right to opt out and their right to opt back in
- a statement about where to find further information about pensions and saving for retirement.



An eligible jobholder's right to opt out

Automatic enrolment into a qualifying pension scheme is compulsory, but ongoing membership is not. A jobholder has the right to opt out of pension scheme membership, but cannot opt out of automatic enrolment. For more information on managing the opt-out process, see **Detailed guidance no. 7 – Opting out.**

Providing the information

20. The information must be provided in writing, which can include being sent by email.
21. Someone acting on the employer's behalf, such as an independent financial adviser or benefit consultant can send the information, but it remains the employer's responsibility to make sure it is provided, on time, and is correct and complete.
22. There is nothing that prevents the employer, or an agent acting on their behalf, from preparing the information ahead of the eligible jobholder's automatic enrolment date.
23. Guidance (including templates) will be available on: www.businesslink.gov.uk/workplacepension in 2012 to help employers communicate with their workers in advance of automatic enrolment being introduced.

Enrolment information to the eligible jobholder continued...

Mandatory information to the eligible jobholder about automatic enrolment

The employer must provide the following enrolment information to each eligible jobholder who is being automatically enrolled within the joining window. This information is prescribed in regulations. The text in blue below provides a further explanation from the regulator.

About being automatically enrolled

- A statement that the eligible jobholder has been, or will be, automatically enrolled into a pension scheme to help save for the eligible jobholder's retirement.*
- The eligible jobholder's automatic enrolment date**.
- The name, address, telephone number and electronic contact details of the pension scheme of which the eligible jobholder is, or will be, an active member.
- The value of any contributions payable to the pension scheme by the employer and the eligible jobholder in any applicable pay reference period. The value can be shown as a fixed amount or a percentage of any qualifying earnings or pensionable pay due to the eligible jobholder in any pay reference period.
- If the pension scheme chosen for automatic enrolment is a defined contribution (DC) occupational pension scheme or personal pension scheme, a statement advising the jobholder of the phased increase in contributions as part of the introduction of the reform. [More information about the phased increase in contributions can be found in Detailed guidance no. 4 – Pension schemes.](#)
- A statement that any contributions payable to the scheme by the eligible jobholder have been, or will be, deducted from any qualifying earnings or pensionable pay due to the eligible jobholder.
- Confirmation as to whether tax relief will be given through relief at source or relief under net pay arrangements. [Net pay arrangements can be used if the automatic enrolment scheme is an occupational pension scheme and registered with Her Majesty's Revenue & Customs \(HMRC\).](#) If the automatic enrolment pension scheme is a personal pension scheme, employers should check with the pension scheme as to how tax relief is to be administered and build in either relief at source, or net pay arrangements into their payroll processes. Net pay arrangements cannot be used in any other circumstances. For more information see HMRC's Employer Guide CWG2 at: www.hmrc.gov.uk/guidance/cwg2.pdf
- A statement that if the eligible jobholder, on a date, ceases to be an active member of the pension scheme (without the eligible jobholder ceasing to be employed by the employer), by reason of something other than an action or omission by the eligible jobholder, the employer must make arrangements by which the eligible jobholder becomes an active member of an automatic enrolment scheme with effect from the day following that date.

Enrolment information to the eligible jobholder continued...

Mandatory information to the eligible jobholder about automatic enrolment continued...**About the eligible jobholder's right to opt out and opt back in**

- A statement that the eligible jobholder has the right to opt out of the pension scheme during the opt-out period.
- If the start and end of the opt-out period are known by the employer: the start and end date of the opt-out period for the eligible jobholder.
- If the start and end of the opt-out period are not known by the employer: a statement that the opt-out period is to be determined in accordance with regulation 9(2) or (3) of the Occupational and Personal Pensions Schemes (Automatic Enrolment) Regulations 2010: **This means that the opt-out period will start on the latest of:**
 - the date of the issue of this enrolment information, or
 - the date active membership is established for an occupational scheme or the date the terms and conditions are sent to the eligible jobholder for a personal pension scheme.
- The source from which the opt-out notice may be obtained.
- A statement that opting out means that the eligible jobholder will be treated for all purposes as not having become an active member of the pension scheme on that occasion.
- A statement that after a valid opt-out notice is given to the employer, any contributions paid by the eligible jobholder will be refunded to the eligible jobholder by the employer.
- A statement that where the eligible jobholder opts out, the eligible jobholder may then choose to opt in, in which case the employer will be required to arrange for that eligible jobholder to become an active member of an automatic enrolment pension scheme once in any 12-month period.
- A statement that a written notice from the worker must be signed by the worker or, if it is given by means of an electronic communication, must include a statement that the worker personally submitted the notice.
- A statement that after the opt-out period, the eligible jobholder may cease to make contributions towards their pension scheme in accordance with the scheme rules.
- A statement that an eligible jobholder who opts out or ceases active membership will normally be automatically re-enrolled into an automatic enrolment pension scheme by the employer, in accordance with section 5 of the Pensions Act 2008. **Broadly this means every three years, although in some special circumstances it will be earlier.**

About where to find more information

- Where to obtain further information about pensions and saving for retirement. **Eligible jobholders can go to: www.direct.gov.uk/workplacepension for more information on pensions and saving for retirement.**

* If sending this information to a jobholder who is opting in, replace with:
'A statement that the jobholder has been, or will be, enrolled into a pension scheme to help save for the jobholder's retirement.'

** If sending this information to a jobholder who is opting in, replace with:
'The jobholder's enrolment date.'

Making arrangements for active membership

24. It is the employer's responsibility to make arrangements to establish active membership of the pension scheme for the eligible jobholder. These arrangements differ depending on the type of pension scheme the employer chooses to use.

In an occupational pension scheme

25. It is up to the employer to communicate with the trustees to establish active membership for the eligible jobholder.
26. Active membership for an occupational pension scheme means that the eligible jobholder is in pensionable service under the pension scheme. This means service by the eligible jobholder in any employment (to which the scheme relates), which qualifies them for pension (or other) benefits under the scheme.
27. The rules of the pension scheme will state what creates membership or pensionable service, eg often the rules may say that membership starts as soon as employment starts.
28. Often, the provision of the jobholder information to the pension scheme on its own will not be enough to create active membership, unless the rules of the pension scheme expressly defines active membership as being created by the receipt of this information. If they do not, active membership is created by whatever the rules stipulate.
29. An employer will need to find out from the pension scheme the date on which active membership is achieved. This is important as they will need it to work out the start of the period during which the eligible jobholder can opt out.
30. Regardless of what point in the joining window active membership is created for the eligible jobholder, it must take effect from the automatic enrolment date. Pensionable service under the pension scheme must be backdated to that date.
31. Contributions are due and must be calculated on earnings paid from the automatic enrolment date. If the eligible jobholder is making contributions, the employer must deduct their contributions from every pay after the automatic enrolment date. More information can be found in paragraph 48-51.

In a personal pension scheme

32. Personal pension schemes are contract-based, meaning they are made up of an agreement between the provider of the scheme and the scheme member. The member is given the key features information about the personal pension, including the terms and conditions of the agreement. The member then agrees to it.
33. For automatic enrolment, it will be up to the employer and the pension scheme provider to establish that agreement on behalf of the eligible jobholder.
34. The employer must make arrangements with the pension scheme provider so that the eligible jobholder is given the terms and conditions of the contract they are being entered into to become an active member of the pension scheme.
35. These terms and conditions must be given to the eligible jobholder during the joining window. They can be part of the key features information that the provider must issue under the **Financial Services Authority (FSA) rules**¹.
36. Whilst in practice the provider may issue the terms and conditions, it remains the employer's responsibility under the law to make arrangements for this to happen.
37. The eligible jobholder is deemed by law to have entered into the agreement, with effect from their automatic enrolment date on the later of:
 - the date the pension scheme provider issues them with the terms and conditions of the contract, or
 - the date the employer gives them the enrolment information.
38. Employers should be aware that this alone does not create active membership of the pension scheme. An active member of a personal pension scheme is a person for whom there is an agreement in place between the pension scheme provider and the employer about employer contributions (part of the minimum requirements for personal pension schemes).

¹ FSA Policy Statement PS11/8 Pension Reform – Conduct of Business Changes, published 27 May 2011

39. Regardless at what point in the joining window active membership is created for the eligible jobholder, it must take effect from the automatic enrolment date.
40. Contributions are due and must be calculated from the automatic enrolment date. If the eligible jobholder is making contributions, the employer must deduct their contributions from every pay after the automatic enrolment date. More information can be found in paragraphs 48-51.

Mandatory information to be included in the contract

41. The minimum information that the terms and conditions of the agreement must contain is listed below. If there are other terms and conditions that the pension scheme provider usually issues, these can also be included in this agreement. There is no need for separate documents.

Terms and conditions of the contract between the pension scheme provider and the eligible jobholder

The terms and conditions that the agreement must contain as a minimum are to:

- explain the purpose of the personal pension scheme
- specify the services to be provided by the personal pension scheme provider
- specify the value of any contributions payable by the eligible jobholder, where this information is available to the pension scheme provider
- specify the charges payable to the pension scheme provider
- in the absence of a choice made by the eligible jobholder, explain the investment strategy adopted by the pension scheme provider for the contributions made by the eligible jobholder and employer.

Summary of automatic enrolment

42. Figures 3 and 4 in appendix A illustrate the process for completing automatic enrolment.
43. Flowcharts of example processes can be found in appendices B and C.

Section 2: After completing automatic enrolment

44. Once automatic enrolment has been completed, an employer will have ongoing responsibilities either:
- with the pension scheme, as the jobholder remains a member of the scheme, such as paying contributions, or
 - to manage the opt-out process, if the jobholder chooses to opt out of the pension scheme, and
 - to keep records (see **Detailed guidance no. 9 – Keeping records**).

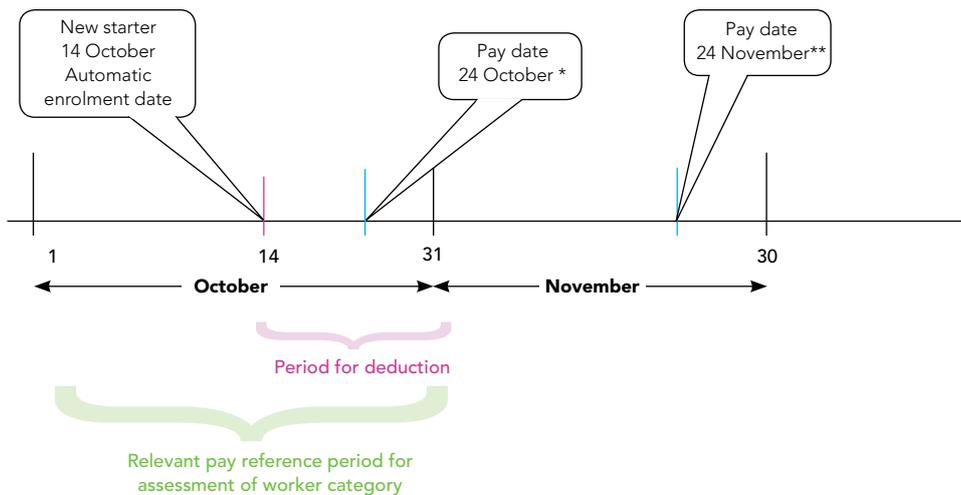
Deducting and paying pension contributions

45. The employer will need to calculate and pay their own contributions as well as calculating, deducting and paying the jobholder's contributions (if they are making any) to the automatic enrolment scheme. They must do this for as long as the jobholder remains in employment with that employer and is an active member of the pension scheme.
46. The actual process of calculating and paying contributions is unchanged by any of the new employer duties. The rules or governing documentation of the pension scheme determine what contributions are due in relation to the eligible jobholder.
47. However, the new duties do introduce a requirement for employers to deduct contributions. They also amend certain time limits for paying contributions over to a scheme during the joining window and opt-out period. More information about opting out and opt-out periods is in **Detailed guidance no. 7 – Opting out**.

Required deduction of contributions

48. The employer must, on or after the automatic enrolment date, deduct any contributions payable by the eligible jobholder from any qualifying earnings or pensionable pay due to the eligible jobholder in each pay reference period.
49. Active membership must start from the automatic enrolment date.
50. This means that contributions are due on that part of the earnings paid from the automatic enrolment date to the end of the pay reference period, and in each subsequent pay reference period. Therefore, where the automatic enrolment date falls within a pay reference period, this will mean that for the first payment, contributions will need to be calculated on part-period earnings.
51. Employers should note that this is different to assessing the category of worker, where earnings for the whole pay reference period are assessed (see figure 1).

Figure 1
This example uses a calendar monthly pay reference period

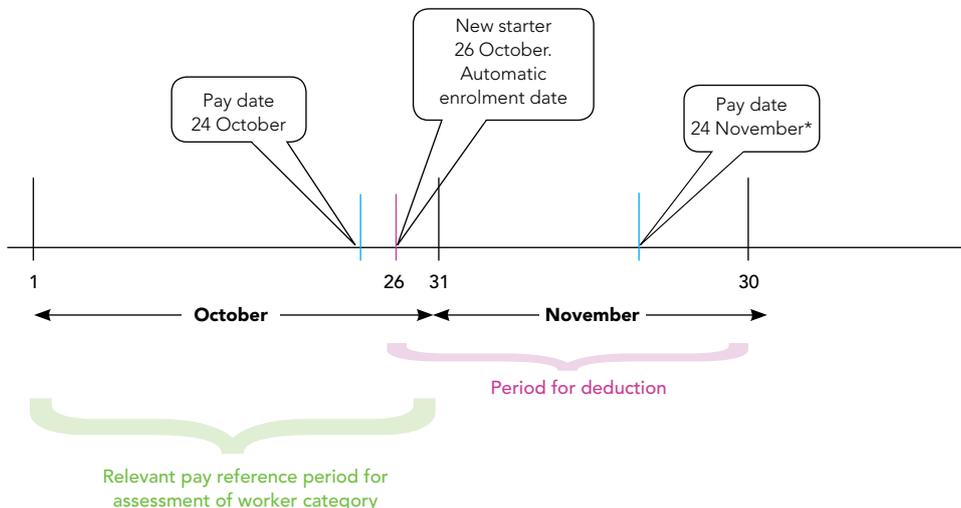


* must include pension contribution deduction for 14 October to 31 October

** must include pension contribution deduction for 1 November to 30 November

52. It may also mean that the first contribution payment is in respect of a period longer than a pay reference period, depending on when the automatic enrolment date falls (see figure 2).

Figure 2
This example uses a calendar monthly pay reference period



* must include pension contribution deduction for 26 October to 30 November

53. An employer may use postponement to avoid such part-period calculations.

54. If an employer is not using postponement, they will need to ensure that their payroll processes can calculate contributions on part-period earnings.

Time limits

55. The timely ongoing payment of contributions is fundamental to pension saving. Employers should therefore note the changed time limits set out on this page.

Occupational pension schemes

56. Trustees and managers of occupational pension schemes will operate a schedule of payments, as required by law. This schedule is usually agreed with the employer. It will set out the due dates for paying jobholder contributions (if any) and employer contributions to the scheme, and the amount of those contributions.

57. There is an additional safeguard in the law for contributions deducted from earnings:

- Any eligible jobholder contributions that have been deducted must be paid across to the trustees or managers of the pension scheme by the 22nd day (for electronic payments) or 19th day (for cheque or cash payments) of the month after deduction.
- If the contributions were deducted in the period between the eligible jobholder's automatic enrolment date and the end of their opt-out period, they must be paid across to the scheme by the end of the second month after the month in which the automatic enrolment date fell.

58. It is important to note that in the case of occupational pension schemes, this is not the due date for the payment of contributions, but an extra safeguard for deductions from salary. The due date is the date on the relevant schedule, operated by the scheme trustees or managers, for the payment of contributions – both eligible jobholder contributions deducted from salary and employer contributions.

59. The due dates on the relevant schedule for the payment of eligible jobholder contributions will usually be on or before the 22nd or 19th day after the month of deduction (as appropriate), to ensure that this additional safeguard in the law is always met. The employer should not agree a due date for paying eligible jobholder contributions deducted from pay later than this safeguard.

For personal pension schemes

60. To use a personal pension scheme for automatic enrolment there will have to be direct payment arrangements in place. The due dates for the payment of employer contributions is whatever date is set out under these arrangements.

61. The due date for paying any eligible jobholder's contributions to the scheme is set out in law:

- Any eligible jobholder contributions that have been deducted must be paid across to the trustees or managers of the pension scheme by the 22nd day (for electronic payments) or 19th day (for cheque or cash payments) of the month after deduction.
- If the contributions were deducted in the period between the eligible jobholder's automatic enrolment date and the end of their opt-out period, they must be paid across to the scheme by the end of the second month after the month in which the automatic enrolment date fell.

Further assessing of the worker's category

62. In practice, as long as the eligible jobholder remains in active membership of the automatic enrolment pension scheme, there is no need to assess whether qualifying earnings are payable as described in **Detailed guidance no. 3 – Assessing the workforce**, even if earnings fall below the earnings trigger.
63. The rules of the pension scheme will determine what contributions are due in relation to the eligible jobholder and, if earnings fall, may mean that in relation to that eligible jobholder, no contributions are paid for that period.
64. If active membership ceases at any stage after the automatic enrolment date, or if the scheme ceases to be a qualifying scheme in relation to the worker who was automatically enrolled, the employer may need to start the process of assessing the worker again. This is to identify if re-enrolment is triggered and also whether any information requirements are triggered.
65. If the worker who was automatically enrolled opt outs or ceases membership on their own account, then in practice, there is no need for the employer to assess earnings again to identify the next point at which the criteria to be an eligible jobholder are met, until their re-enrolment date. This is because the employer will not have to re-enrol that worker until their three-yearly re-enrolment date. However, the employer may need to assess earnings to identify when information requirements are triggered (see paragraph 69).
66. If the worker who was enrolled (ie they opted in) following the automatic enrolment process opts out or ceases membership on their own account, and they have never been an eligible jobholder, an employer will need to assess the worker again. This is to identify the first time that the criteria to be an eligible jobholder are met after active membership has ceased, and therefore when automatic enrolment is triggered.
67. An employer will need to take further action if active membership of a qualifying scheme ceases because of any of the following:
- A. The employer has caused active membership to cease and it was not at the request of the worker who was automatically enrolled.
 - B. The trustee, managers or other third party have caused active membership to cease.
 - C. The worker who was automatically enrolled ceased to be working or ordinarily working in the UK.
 - D. The worker ceased to have qualifying earnings in the relevant pay reference period.
68. In these circumstances, they will need to assess the worker again. This is because re-enrolment back into a qualifying scheme must be immediate for a jobholder to whom (A) or (B) applies, and on the first occasion the worker starts working or ordinarily working in the UK again (C), or regains qualifying earnings (D).
69. An employer may need to take further action to identify if any of the information requirements are triggered. They need to do this if they have not previously issued information to the worker about the right to join a pension scheme, or if the worker ceased membership after the end of the opt-out period and they have not previously issued the worker with information about the right to join a pension scheme.

What next?

Any employer who has an automatic enrolment duty must also have processes in place to deal with any jobholders who wish to opt out.

Detailed guidance no. 7 – **Opting out** explains when the right to opt out applies, the timescales involved and the process an employer must follow, if they receive an opt-out notice.

In addition to record-keeping for automatic enrolment, there are other records an employer must keep in relation to the new duties, see **Detailed guidance no. 9 – Keeping records**.

Appendix A

Summary of automatic enrolment process

Figure 3
Summary of automatic enrolment process

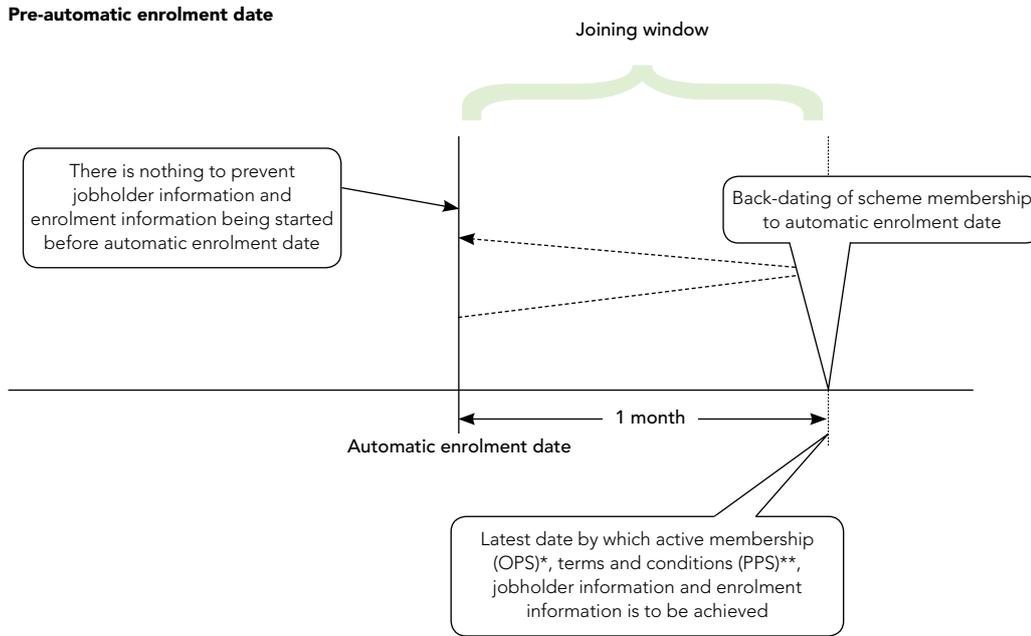
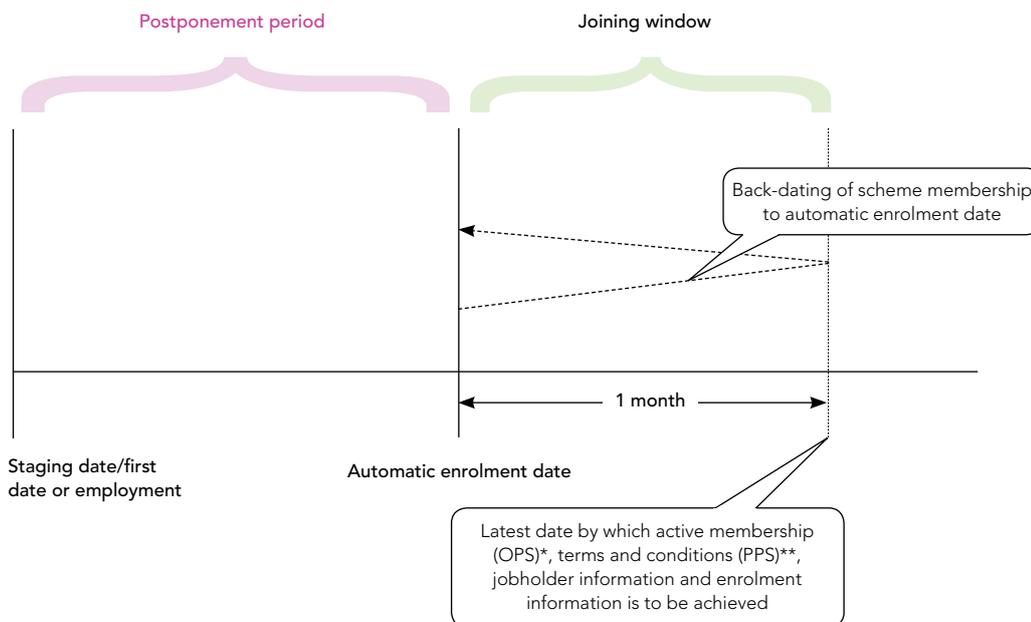


Figure 4
Summary of automatic enrolment process with postponement



* Occupational pension scheme
** Personal pension scheme

Appendix B

Example process for automatic enrolment into an occupational pension scheme

This flowchart is intended as supporting material for Detailed guidance no. 5 – Automatic enrolment.

It spans two pages and is best viewed in A3 size.

Match up the dots on your print out to read the whole flowchart. Before you print, you'll need to ensure that the A3 paper tray is selected on your printer. If your printer doesn't have an A3 tray, the document will print on two pages of A4 but you may find the text size too small to read comfortably.

Download the flowchart:

www.tpr.gov.uk/docs/pensions-reform-automatic-enrolment-appendix-b.pdf

Appendix C

Example process for automatic enrolment into a personal pension scheme

This flowchart is intended as supporting material for Detailed guidance no. 5 – Automatic enrolment.

It spans two pages and is best viewed in A3 size. Match up the dots on your print out to read the whole flowchart. Before you print, you'll need to ensure that the A3 paper tray is selected on your printer. If your printer doesn't have an A3 tray, the document will print on two pages of A4 but you may find the text size too small to read comfortably.

Download the flowchart:

www.tpr.gov.uk/docs/pensions-reform-automatic-enrolment-appendix-c.pdf

Appendix D

Changes from v2.0

This guidance has been updated in light of changes to legislation made by the Pensions Act 2011, which has now received Royal Assent. Specifically, new content has been added relating to postponement and the further assessment of worker category after completing automatic enrolment.

We have also updated the guidance as result of the publication by the DWP of the regulations under the Pensions Act 2011.

Additionally, we have further clarified the process of deducting and paying contributions, primarily in relation to the first contribution calculation and subsequent deduction, in response to feedback.

This guidance has been restructured in response to feedback. Some content has been moved to **Detailed guidance no. 3 – Assessing the workforce** and its subsets.

Significant changes from v2.0 (published July 2011) as a result of the above are as follows:

- New content in introduction and appendices A and B relating to postponement.
- Content in section 2 of v2.0 'When to automatically enrol' moved to **Detailed guidance no. 3 – Assessing the workforce** and its subsets.
- New content in section 2 relating to calculation, deduction and payment of contributions and the time limits involved.
- Updated content in section 2 relating to further assessment of worker category.

Table 1 lists other substantial changes included in v3.0. This list is not exhaustive. It does not include minor editorial changes.

Table 1
Record of additional changes included in v3.0

| Page | Location | Change |
|------|--------------------------|--|
| 5 | Paragraph 6 and 7 | Additional: Explanatory for applying content in this guidance to opt ins |
| 8 | Table after paragraph 22 | Updated: Mandatory information updated to reflect changes in regulations |
| 11 | Paragraphs 42 and 43 | Additional: relating to new figures 3 and 4 in appendix A |

Key terms

Summary of the different categories of worker

| Category of worker | Description of worker |
|-------------------------------|--|
| Worker | <ul style="list-style-type: none">• An employee or <ul style="list-style-type: none">• Someone who has a contract to perform work or services personally, that is not undertaking the work as part of their own business. |
| Jobholder | A worker who: <ul style="list-style-type: none">• is aged between 16 and 74• is working or ordinarily works in the UK under their contract• has qualifying earnings. |
| Eligible jobholder | A jobholder who: <ul style="list-style-type: none">• is aged between 22 and state pension age• has qualifying earnings above the earnings trigger for automatic enrolment. |
| Non-eligible jobholder | A jobholder who: <ul style="list-style-type: none">• is aged between 16 and 21 or state pension age and 74• has qualifying earnings above the earnings trigger for automatic enrolment or <ul style="list-style-type: none">• is aged between 16 and 74• has qualifying earnings below the earnings trigger for automatic enrolment. |
| Entitled worker | A worker who: <ul style="list-style-type: none">• is aged between 16 and 74• is working or ordinarily works in the UK under their contract• does not have qualifying earnings. |

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Detailed guidance no. 5

Automatic enrolment

An explanation of the automatic enrolment process

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