



Disclaimer: The Scottish Golf Union and the Scottish Ladies' Golfing Association have sought advice from financial advisors on the implications for golf clubs across Scotland of Workplace Pensions Reform. This guidance note sets out a summary of that advice. Please note that the advice provided in this guidance is general in nature and is based on an understanding at an early stage of how the legislation will work in practice. Clubs may wish to take additional legal advice tailored to their own particular circumstances.

Automatic Enrolment and your new employer duties

The law on workplace pensions has changed to make it easier for millions more people to build up a pension, particularly those on lower incomes. Since October 2012, automatic enrolment legislation is being rolled out to help workers save more for their retirement.

Automatic enrolment means that, rather than having to actively choose to join a pension scheme, workers are put into one by their employer as a matter of course. If they don't want to be in the pension scheme, they must actively choose to opt out. It's to encourage people to stay in pension saving.

By 2018 all employers need to automatically enrol workers who meet certain criteria into a workplace pension scheme if they are not already in one. Other entitled workers will need to be enrolled if they request it.

The Pensions Act 2008 established new duties for all UK employers with at least one worker.

You'll need to:

- Provide your workers with access to a workplace pension scheme that meets certain minimum standards.
- Automatically enrol some of your workers, while others can ask to join.
- Pay contributions into the retirement pots of your workers, depending on how old they are and how much they earn.

Staging Date: When do you have to be ready?

The new law is being introduced in stages: the date by which you need to have a scheme in place and be ready to auto-enrol your workers is based on the number of employees that were on your payroll on 1 April 2012.

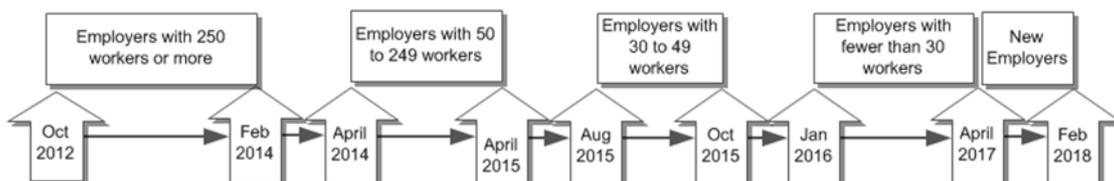
You can find out your individual staging date at The Pensions Regulator's website www.thepensionsregulator.gov.uk/employers/tools/staging-date.aspx using your PAYE number.

The Pensions Regulator has assigned a staging date to your PAYE number. If you have more than one PAYE reference your staging date is normally based on the PAYE reference with most employees.

The Pensions Regulator will write to you at least 12 months before you need to have a pension scheme ready.

You can choose to enrol your workers into a scheme ahead of your staging date. You can only choose a date from the list of available staging dates from The Pensions Regulator's website. You will need to tell The Pensions Regulator a month in advance.

You can also choose to postpone the date that you automatically enrol your workers by up to three months. You will need to be signed up and have the scheme ready to accept workers who ask to enrol: workers will have the right to opt in on your staging date.





Who'll be enrolled?

Employers have to automatically enrol workers who:

- Are not already in a workplace pension scheme
- Are aged 22 or over
- Are under State Pension age
- Earn more than £9,440 in the 2013/14 tax year and £10,000 in the 2014/15 a year (this figure may change each April) and
- Work, or usually work, in the UK.

Please note: The Pensions Regulator calls workers who meet the above conditions **'eligible jobholders'**.

You'll also need to enrol the following workers if they ask you to:

- Workers who are under 22, are State Pension age or over, or earn less than £10,000 but over £5,772 a year for tax year 2014/2015, called **'non-eligible jobholders'**.
- Workers who earn less than £5,772 2014/2015 a year, called **'entitled workers'**.

You'll need to make contributions for non-eligible jobholders as well and you can choose to make contributions for 'entitled workers', but you don't have to.

Letting your workers know what's happening

You have a legal responsibility to let your workers know how the reforms affect them, even if they are not eligible for automatic enrolment. That means telling them:

- Whether they are being automatically enrolled or have the right to opt in

- Whether they are entitled to contributions from you and how much they will need to contribute
- About the scheme you have chosen
- When they will be affected

Opting Out

Eligible jobholders and **non-eligible jobholders** can opt out within one month of their enrolment. If they opt out you'll need to refund any contributions they've made and treat them as if they were never enrolled. Workers can choose to stop contributions after the opt-out period. They may be entitled to a refund.

Employers have to automatically enrol all workers who have opted out or have left the scheme (as long as they are eligible) every three years after the original staging date. The employer can do this on any date during the three months before the anniversary of the staging date, or during the three months after.

Contributions

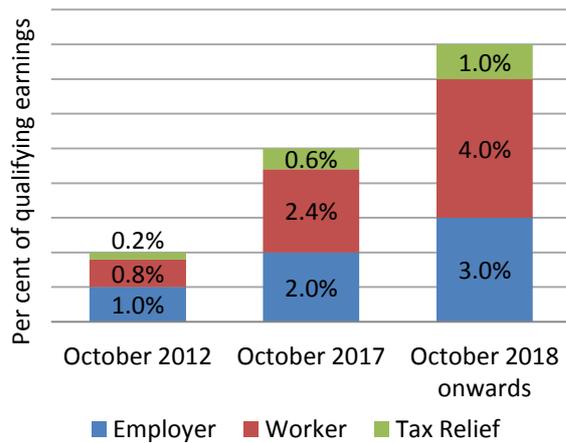
The government has set a minimum amount of money that has to be put into the pension by employers and in total. This minimum is starting low and will go up gradually over a number of years.

The legal minimum for all jobholders is currently 2 per cent of their 'qualifying earnings'. Of this, the employer will have to pay at least 1 per cent, but you can pay more if you want to.

Qualifying earnings are your worker's earnings in a year between £5,668 and £41,450 for the 2013/2014 tax year and between £5,772 and £41,865 for the 2014/2015 tax year. Please note these earnings figures may change each April.



The total legal minimum contribution for qualifying earnings rises to 8 per cent of qualifying earnings from October 2018 onwards, of which you must pay at least 3 per cent.



Different ways to work out minimum contributions

- The legislation sets out the minimum contribution levels depending on the earnings definition you use.
- You don't have to use qualifying earnings to work out contributions for jobholders. For example, you could use your existing definition of pensionable earnings if you already have a scheme in place or you might find it easier to use total pay.

- The Pensions Regulator has an online tool to help you work out your minimum employer contribution. You can find it at: www.thepensionsregulator.gov.uk/employers/tools/employer-contributions.aspx

Planning Tools

The Pensions Regulator's website has a series of online tools to help you understand what you need to do for automatic enrolment and when you need to do it by.

- **Staging Date Calculator:** to find out your staging date.
- **Employer Duties:** an overview of what you'll have to do by your staging date for everyone who works for you
- **How to automatically enrol your staff:** an explanation of the process you'll need to follow to automatically enrol your staff.
- **Contribution Calculator:** to work out your minimum contribution for each person you'll need to automatically enrol.
- **Automatic Enrolment Planner:** summarises the main steps towards achieving compliance.

You can find these tools at:

www.thepensionsregulator.gov.uk/employers/beginners-guide-to-auto-enrolment.aspx

To request an employer guide with further details of Fairstone's low cost Auto Enrolment solution email us or visit our website.

info@fairstonepensiontrust.co.uk
www.fairstonepensiontrust.co.uk