



The following questions were asked during the sessions held at the seminar held on 22 November 2011 at Bristol Zoo Gardens.

1. Does an employee have to provide a reason to the employer for opting out of the scheme?

No reason has to be given. It is a free choice.

2. Can an employer use a different scheme for automatic enrolment than its normal one?

Yes, an employer may use one scheme for auto enrolling its current non-pensioned employees and its new employees but keep its existing scheme, providing it is a qualifying scheme that meets the minimum contribution/benefits test, for the current members.

3. Does the requirement to automatically re-enrol an employee apply on the three-year anniversary of the employer's staging date (or deferral date if deferred by up to three months) or on the three-year anniversary of a new employee's automatic enrolment date?

Automatic re-enrolment must be on the three-year anniversary of the employer's staging date (or deferral date if deferred by up to three months), or can be on a date three months either side of that three year-anniversary (and so on for future automatic re-enrolment dates). The re-enrolment cycle is not specific to each individual employee and note that an employee cannot be automatically enrolled more than once in any 12 month period.

4. Can an employer automatically enrol all its employees to avoid having to analyse its workforce?

No, that would not be permitted as the employer is only permitted by law to automatically enrol Eligible Jobholders.

5. Would a Worker employed on a series of temporary contracts with breaks between each period of employment be classed as a Worker and be subject to the new provisions?

Possibly, each case would need to be assessed individually to see whether a pattern developed. If so, the employee would probably be classed as a Worker.

6. Would students working in holidays, and possibly evenings/weekends, be classed as Workers?

Yes, students will be classed as Workers if, as above, a pattern develops over time. The same applies to casual workers but, as always, each case will need to be assessed on its own merits.

7. If an employer has a closed Group Personal Pension (GPP) scheme with, for example, a contribution requirement of 6% shared equally between the employer and employee (i.e. a scheme that would fail the quality test to be an automatic enrolment scheme from 1 October 2017), when the employer automatically enrolls the members of that scheme into a scheme that does meet the quality requirements, can it also insist that the members leave the GPP? If not, the members will receive the benefits of employer contributions to both schemes.

To avoid this situation, the employer would have to either modify the GPP to make it a qualifying scheme, or announce its intention to close the GPP and introduce a new scheme that does meet the quality requirements and is capable of being used for automatic enrolment.

8. Is there any prospect of a national standard (kite mark or similar) for HR/payroll systems to ensure that employers can assess whether their supplier will be capable of providing the services necessary to comply with automatic enrolment?

Not that we are aware of, although many insurance companies and some pension specialists, including BBS, are developing software to assist employers in analysing their data. We see the problem more whether the employer holds all of the required information and, if so, whether it is on one system, or spread across the business, e.g. some in HR and some in Finance.

9. Can an employer bring its staging date forward?

Yes, provided at least one month's notice is given to the Pensions Regulator, employers can opt for any date from the table of staging dates published, from 1 October 2012 at the earliest. However, the very largest employers, generally those with more than 50,000 people on their PAYE scheme, may elect to bring forward their staging date to either 1 July, 1 August or 1 September 2012.

10. Is NEST currently open to business?

Yes, NEST is open to employers who have already decided that they wish to use NEST as their workplace pension scheme and wish to participate early. Although those employers cannot automatically enrol their employees until their staging date, they can get used to the NEST processes and procedures to ensure that everything is up and running by the time that they do have to comply.

11. Please confirm whether the embargo on transfers to and from NEST (apart from in limited circumstances such as where they involve divorce) and the maximum annual contribution will be removed in due course?

The limits referred to are due to be reviewed in 2017. They were imposed by the government to ensure that current providers of pension products did not face adverse competition during the early years of NEST following its launch. The current expectation is that the limits will be removed from 2017.