

Bringing Clarity to Auto Enrolment

From 1st October 2012 to February 2018 all employers will have to automatically enrol all eligible employees into a qualifying workplace pension scheme and contribute to their plan



Why is it happening?

A large number of the working population in the UK are not saving enough for retirement or taking advantage of pension schemes provided by their employers that may be on offer. As a result the Government is putting more responsibility on employers to help encourage more people to save:

- Employers will be required to automatically enrol eligible employees into a Qualifying Workplace Pension Scheme (QWPS). This could be an existing scheme if it meets certain criteria or a low cost alternative by another provider.
- Employers will eventually be required to contribute a minimum of 3% of each employee's 'qualifying' earnings, which is intended to incentivise them to join.

- Employee's contributions and tax relief will be added to this to meet a minimum 8% contribution rate from 2018.

The Government recognises that these reforms need employer support so are proposing key measures that are designed to minimise the burden on you:

- Contributions can be phased in.
- Certification is available for existing company schemes, allowing many employer schemes to continue as they are with minor changes.
- A 'light touch' but effective compliance regime for the employer duties.

Planning ahead

The new auto enrolment legislation will have implications for all sizes of business and every employer will have duties to complete before their start date. We have put this guide together to help employers plan for the changes ahead.

Action Plan

What do you need to do?

The Pensions Regulator (TPR) has put together a seven stage process to help employers prepare for auto enrolment. We have summarised these steps below and explain how we can assist you in this process.

This is just a summary of the process and further detailed information can be found at:
www.thepensionsregulator.gov.uk

Stage 1

Know your staging date

This will be based on the number of persons in your PAYE scheme on **1st April 2012**

Stage 2

Assess your workforce

Establish who you need to auto enrol into your qualifying workplace pension scheme

Stage 3

Review your pension arrangements

Check your current scheme is fit for purpose and amend where required

Stage 4

Communicate the changes to all your workers

Inform your workers about the changes and how it affects them

Stage 5

Automatically enrol your eligible jobholders

Enrol your employees in to your qualifying workplace pension scheme

Stage 6

Register with The Pensions Regulator and keep records

Register with the regulator and maintain records about the scheme and the membership

Stage 7

Contribute to your workers' pensions

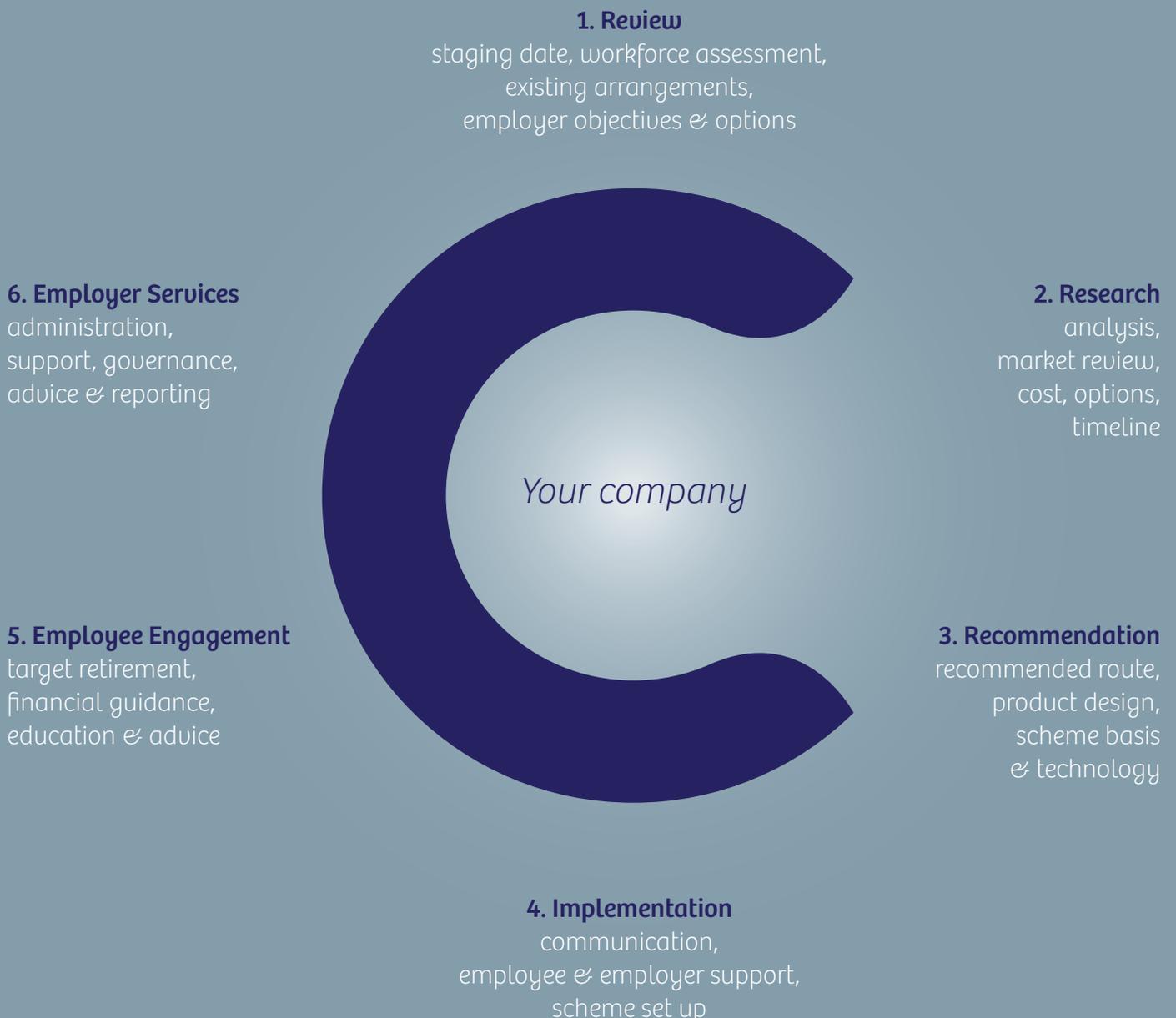
Contribute to your chosen pension scheme on behalf of your workers

How Champain can help you and your business:

As you can see, the process to comply with the legislation is reasonably straight forward, but as is often the case the devil is in the detail. To fully understand the implications and what you need to do, why not arrange a meeting with one of our advisers.

We have developed a rigorous process that is closely aligned to the Pensions Regulators guidelines to give you the peace of mind you require when there are changes to legislation.

You are at the centre of everything we do:



Employee Engagement

One of the key processes in Auto Enrolment is the need to communicate the changes to your employees. Champain has a wealth of experience in delivering effective employee communication strategies that are designed to fully engage employees with their pension scheme.

This leads to employees having a greater understanding of the benefit and the greater their understanding is, the more value they will place on it.

With that in mind, we have developed a range of communication, support and advice options to suit all companies and these include:

- Joining Packs; member specific packs with bespoke scheme summaries for employees to get a clear understanding of what is available to them
- Group Presentations; provided on site to ensure employees fully understand the benefits of their pension scheme
- Individual Member Meetings; to give employees the opportunity to discuss confidential matters regarding their pension arrangements
- Retirement Analysis; ensuring employees know how much they need to contribute to obtain sufficient income at their chosen retirement age
- Risk Profiling; to provide support and guidance to employees in understanding their attitude to risk and directing them to funds that align with this risk
- Pension Scheme Websites; so employees can access their pension account at a time to suit them, to see what their plan is worth and make changes to their fund choice
- Pension Transfer Advice Service; advising members on the potential for consolidation of other pension arrangements they may have
- At Retirement Consultations; to discuss the various options available to employees at retirement and ensure best value for money from their pension plan
- Telephone and Email Contact; access to experienced advisers and support staff for all employees
- Financial Focus; our quarterly newsletter designed to keep employees up to date with important financial planning issues
- Financial Planning; provides independent financial advice to your employees

Pension Quality Mark (PQM)

Champain is proud to support this initiative which is a standard that recognises high quality defined contribution (DC) pension schemes.

The PQM is designed to raise confidence in workplace pensions, help employers demonstrate the value of their scheme

to current and future employees and help employees recognise that their scheme is of a good quality.

Our Workplace Pensions Service compliments this initiative by focusing on the three key areas of; contributions, governance and communication.

The Workplace Benefits Platform

To help employers cope with the administration of auto enrolment, we have developed **The Workplace Benefits Platform**.

As well as being an administration tool for auto enrolment, the platform can be used to run your entire employee benefits package and can give your employees access to all of their benefits in a single place.

Amongst other things, the platform can be used to communicate with employees, act as an on line holiday planner and provide employees with an online total reward statement so they can fully understand the overall value of their benefits package.

Cost savings

Auto Enrolment may lead to increased costs to your company, but effective planning can mitigate some of these additional costs. This could be through salary exchange, making use of the auto enrolment postponement period or through effective administration that reduces the time burden on your business.

Our aim is to work with you to ensure you fulfil your obligations in a cost effective manner.



About Champain

Champain is an established company of Independent Financial Advisers who provide a structured and clear approach to financial planning in two key areas:-

- Workplace Benefits
- Financial Planning

We operate nationally and since 2003 have become the trusted partner for a large number of corporate and private clients.

Our aim is to deliver an effective, efficient and clear solution to your auto enrolment requirements. This is underpinned by our core values of trust, integrity, fairness and the highest levels of customer care - values that are embedded in our people.

To find out how we can help you and your business with the challenges of auto enrolment please contact:-

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This document is based on our current understanding of auto enrolment and may be subject to change.



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