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## **AUTO ENROLMENT FACT SHEET FOR EMPLOYERS**

As an employer there is every likelihood that you will soon have a need to incorporate an additional cost into your business expenses, ApC want to help you understand Auto Enrolment and have as such put together a brief fact sheet below to help highlight what you should already be thinking about... If you need more then we're happy to help!

- Almost every employer operating a PAYE scheme will need to address and action these regulations by 2016.
- What is coming; 1%, 2% and then 3% contributions towards all eligible employees pension. This will be mandatory and effectively, is an increased cost to employers.

### **For example:**

#### **Auto Enrolment Scheme starting July 2016**

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Deducted from employee (Incl. tax relief)	1%	3%	5%
Contribution by employer	1%	2%	3%
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Paid over to pension provider	2%	5%	8%

- There are different percentages available for use depending upon whether the employer wishes to work out the contributions based on gross pay, or remove overtime, holiday pay, sick pay, bonuses etc.
- It is up to the employer to select the most appropriate scheme for their employees and then set it up in time for their staging date.
- Employees are automatically enrolled but have the option to opt out of the scheme. It is very important that employers do not influence this decision in any way. Severe penalties exist where employers are found to have encouraged employees to opt out.
- Administratively there are legal requirements to provide employees with the correct information every step of the way. There is also a large administrative requirement to monitor the decisions already taken every time the employees are paid
- Failure to comply with the new regulations can result in fines and penalties from the Pensions Regulator.
- Employers need to make a plan to investigate this whole area starting with knowing their staging date (the start date).

**PLEASE DO NOT LEAVE IT TOO LATE TO ACT AS THE FINANCIAL CONSEQUENCES ARE VAST NOT TO MENTION THE ADMINISTRATION INVOLVED**

**THERE IS ADVICE AVAILABLE AND WERE HERE TO HELP GIVE YOU CLEAR DIRECTION ON WHAT YOU NEED TO DO, SO PLEASE DON'T HESITATE TO GIVE US A CALL EVEN IF YOU HAVE A SIMPLE QUESTION**

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