

**Automatic Enrolment into Workplace Pensions**

**Q&A’s for people who employ workers for their care and support**

* **What is Automatic Enrolment?**

The law on workplace pensions has changed to make it easier for millions more people to save for their retirement.

Automatic enrolment is a universal Government policy, which applies to all employers. Pension contributions from an employer are rapidly becoming the norm - on a par with other requirements such as making National Insurance contributions.

Automatic enrolment is automatic for workers but not for employers.

* **How do I know if this applies to me?**

If you directly employ one or more people to provide you with personal assistance, you’re an employer and automatic enrolment duties will apply to you. This will be the case whether you use the money provided by your local authority or NHS in the form of direct payments, or you use your own money.

If an agency or the local authority provides your Personal Assistant and pays their National Insurance contributions, you’re not an employer and automatic enrolment duties *will not apply to you.*

Automatic enrolment is similar to your employer responsibility to deal with National Insurance and tax. So, in the same way that you have to pay employer National Insurance in respect of your Personal Assistant’s earnings and deduct PAYE tax from their pay, depending on the circumstances, you must also put your Personal Assistant into a pension scheme and pay money into it on their behalf.

The Pensions Regulator will be writing to everyone who employs one or more people in the next few months. Automatic enrolment applies to you from a date known as your staging date, and this will be indicated in your letter.

There is also a tool on the website for you to find out your staging date <http://www.thepensionsregulator.gov.uk/employers/what-is-my-staging-date.aspx>

* **What are the circumstances in which I need to automatically enrol my Personal Assistant into a workplace pension?**

If the Personal Assistant you employ is aged between 22 and the State Pension Age and you pay them more than £192 a week, you’ll have to put them into a pension scheme and pay money (also called ‘contributions’) to that pension scheme.

If the Personal Assistant you employ is aged under 22 or over the State Pension Age, or you pay them less than £192 a week, you don’t have to put them into a pension scheme. But you’ll need to give them the option to join a scheme, unless they are aged under 16 or over 74. If they do join, in some cases this will mean you have to pay contributions to the scheme on their behalf.

* **How do I know which pension scheme to use for my Personal Assistant?**

There are a number of pension schemes that will accept employers like you. One is the National Employment Savings Trust (NEST), which is a pension scheme set up by the Government that must accept all employers who wish to use it for automatic enrolment. This is just one option, however, and other providers are available.

It’s important to remember that, if you need to set up a pension scheme for your Personal Assistant, you should not leave it until the last minute. Not all pension providers will offer you a pension scheme and it takes time to set one up. So if you leave it late, you may struggle to comply with your duties on time.

For more information about setting up a pension scheme visit <http://www.thepensionsregulator.gov.uk/employers/setting-up-a-pension-scheme.aspx>

* **How much will my pension contributions cost me?**

The law sets a minimum level of contributions to be paid by an employer. At the moment this is 1% of your Personal Assistant’s earnings, but this will increase over the coming years. Our website has more information on how much you must pay <http://www.thepensionsregulator.gov.uk/employers/contributions-funding.aspx>

See our general automatic enrolment queries

<http://www.thepensionsregulator.gov.uk/automatic-enrolment-enquiries.aspx#s7575>

* **How will I pay for pension contributions to my Personal Assistant?**

If you receive money from your local authority or NHS to pay your Personal Assistant, they should build the cost of employing them into the money they pay you. This will include National Insurance contributions and any other costs that may arise.

The pension contributions you are required to make under automatic enrolment are a cost of employing someone in the same way as having to pay employer National Insurance on their earnings. It’s for the local authority/NHS to decide the level of the payments they make to you, not The Pensions Regulator. If you have questions about the money you receive, you should contact your local authority/NHS. If you need support in understanding and complying with your automatic enrolment duties, we’re here to help.

* **How is The Pensions Regulator helping people to understand these new duties?**

The Pensions Regulator has been working with care industry bodies and organisations that support people with disabilities and/or care needs to make sure the information helps people to understand if the new duties affect them and what they need to do.

Support includes:

* Frequently Asked Questions for those who employ Personal Assistants are on the TPR website <http://www.thepensionsregulator.gov.uk/automatic-enrolment-enquiries.aspx#s16009>
* The staff at the Pensions Regulator’s contact centre have been briefed on the issues facing people who employ workers for their care and support. They have been assisting such employers when they call and are ready to help others understand their duties. Details can be found here <http://www.thepensionsregulator.gov.uk/contact-us.aspx>
* A bespoke leaflet called the ‘Essential Guide’, written for those who employ Personal Assistants, provides information about their new duties and the role of The Pensions Regulator. It is available on the website <http://www.thepensionsregulator.gov.uk/employers/the-essential-guide-to-automatic-enrolment.aspx>
* Any employer who is worried by the content of the letter they will receive about automatic enrolment can find out more information on The Pensions Regulator’s website, or by calling the helpline.