

AUTOMATIC ENROLMENT

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This guide is to help small Church organisations answer automatic enrolment questions.

 THE CHURCH
OF ENGLAND

PENSIONS BOARD

Automatic enrolment

Can we use a Church of England pension scheme?

Yes, providing you are associated with the Church.

We have a number of pension schemes you can use. The most suitable scheme is likely to be Pension Builder 2014 (PB 2014).

You can find further information at

 churchofengland.org/pb2014

PB 2014 is different from defined contribution pensions offered by the mainstream providers. It provides guarantees and automatic life cover. It may not be suitable for everyone.

How to join Pension Builder 2014

If you would like to join PB 2014 email or call us. Our contact details are at the end of this leaflet.

We will send you a Participation Agreement for you to formally join.

Are there other schemes we can use?

Yes. National Employment Savings Trust (NEST) is the Government backed automatic enrolment pension scheme and will accept any employer that applies to them.

You can find more information at

 nestpensions.org.uk

There are also other providers that may be able to help such as Now Pensions and Peoples Pensions.

Can I delay enrolling staff?

Yes, you can postpone enrolling staff for up to 3 months. For example, if you have a probationary period of 6 months you will have to enrol them after 3 months. Many employers' enrol staff immediately.

Is salary sacrifice allowed?

We allow salary sacrifice, and most other pension schemes also allow this, but there are points you should consider first. This document will guide you through these points

 thepensionsregulator/files

What if I only employ 'non-eligible'?

Staff can ask to 'opt in' and if they do, you need to have a qualifying pension scheme for them to join. There is no need to have a pension scheme set up in advance, but you may want to have back up arrangements in place in case someone opts in.

You need to write to these staff to let them know they can join a pension scheme.

What if I only employ 'entitled' staff?

These staff have the right to join a pension scheme and this scheme must be a registered pension scheme.

There is no requirement for the employer to contribute. However, if you use a personal pension scheme, you must set up a direct payment arrangement and pay the employee's contributions to the provider.

Joining is not the same as opting in. You do not have to pay employer contributions and the pension scheme does not have to meet the Government standards. Although you may feel a moral duty to offer them a pension scheme that meets the Government standards and pay contributions on their behalf.

We do not provide a pension scheme that these staff can join, but you can use NEST.

You need to write to these staff to let them know they can join a pension scheme. You can find a template letter at

 thepensionsregulator.gov.uk/

What if 'eligible' staff later become 'non-eligible' or 'entitled' staff?

If eligible staff later reduce their hours or pay and become non-eligible or entitled staff, they must stay in the pension scheme, unless they decide to opt-out.

What about part-time staff?

Part-time staff are treated the same as full-time staff. If a part-timer has another job their other employer will also consider them for automatic enrolment.

What about staff on zero-hour contracts?

You need careful consideration and assessment if you employ staff on zero-hour contracts.

This guidance can help you decide whether you need to automatically enrol them:

 thepensionsregulator.gov.uk/docs

What if pension contributions are covered by the Diocese or another organisation?

If someone is employed by a small Church organisation, but the Diocese pays their pension contributions, this can continue. If there is an arrangement where the Diocese pays the pension contributions and the small Church organisation reimburses the Diocese, either in full or in part, in most cases this can continue.

The Church organisation should become a Participating Employer with our scheme as this will satisfy the need to provide a pension scheme under automatic enrolment.

Please let us know if you have an arrangement like this and we can check whether this meets automatic enrolment requirements.

What if we are not a registered company?

This may be the case if you do not employ anyone who earns above the Lower Earnings Limit.

Automatic enrolment will start when you first pay PAYE income (i.e. income above the Lower Earnings Limit). However, staff can ask to join a pension scheme.

This reflects our understanding of current legislation and practice. You should talk to a financial or legal adviser if you need specific guidance or advice.