

# Auto-Enrolment

## Avoiding Daily Fines



Pension reform deadlines are imminent. The requirement for an employer to run a qualifying workplace pension scheme will affect practically all employers. Those that do not meet the onerous requirements will be subject to the following.

1. An initial warning letter from The Pension Regulator
2. A second warning and a fine of £400.00
3. Subsequent daily fines amounting to the following

Number of Employees	Amount of Daily Fine
500 +	£10,000
250 - 499	£5,000
50 - 249	£2,500
5 - 49	£500
1 - 4	£50

Source: AVIVA Life and Pensions website

In our experience to date all employers have needed to address one or more of the items listed below:

- Do you offer every eligible employee access to a workplace pension scheme
- Do you automatically enrol these employees as per the new regulatory requirement
- Does your scheme meet one of the 4 minimum funding requirements
- Do you offer access to a default investment that includes a life-styling option

If the answer to any of the above is "No" you will need to seek advice in order to ensure your company is not subject to the three stage fine process outlined above.

The details of your existing pension arrangement(s) form only a small part of the overall requirements set by The Pension Regulator.

Are you satisfied that you have the resource to manage the following onerous administrative burden presented by automatic enrolment?

- Managing employee opt-outs
- Managing your monthly payroll certification (or weekly where applicable)
- Managing your payroll requirements including:
  - Enrolment
  - Opt Outs
  - Re-Enrolment
  - Certifying qualifying contribution levels
- Record Keeping

The requirements highlighted above represent only a few of the many processes you will need to meet in order to meet full compliance status with The Pension Regulator.

In order to ensure that your company is not subject to DAILY FINES please contact [tfenquiries@towergate.co.uk](mailto:tfenquiries@towergate.co.uk) and an adviser will be in touch with you shortly.

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