**Employer Guidance on Pension Auto-Enrolment**

Automatic enrolment means that, rather than having to actively choose to join a pension scheme, staff are put into one by their employer as a matter of course (subject to certain criteria, there are three categories of worker under auto-enrolment).

If employees don’t want to be in the pension scheme and they are an eligible jobholder, they must actively choose to opt out; refer anyone who wishes to opt-out to the pension administrators to find out the correct way to opt-out. However, as an employer you need to continue automatically enrolling eligible workers who have opted out every three years.

The figures in the table below are based on current qualifying earnings.

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| --- | --- | --- |
| **Category** | **Criteria** | **Requirement under auto-enrolment** |
| **Eligible jobholders** | Workers who are:* Aged 22 – State Pension Age
* Earning above £10,000 per year (£833 per month, £192 per week)
 | * Must be automatically enrolled into the pension scheme
* Employer must contribute
 |
| **Non-eligible jobholders**  | Workers who are:* Aged 16 – 21 or State Pension Age - 74
* Earning above £10,000 per year

**OR*** Aged 16 – 74
* Earning above £6,136 but below £10,000 per year
 | * Have the right to opt into the pension scheme
* Employer must contribute
 |
| **Entitled Workers** | Workers who are:* Aged 16 – 74
* Earnings below £6,136 per year (£512 per month, £118 per week)
 | * Have right to join the pension scheme
* Employer can choose whether to contribute
 |

For eligible job holders, eligibility is assessed at each pay period so staff may find they are automatically enrolled if their earnings increase even if only for a short period.

As the employer you can select any compliant scheme. Two which you might consider are:

* NEST  [www.nestpensions.org.uk](http://www.nestpensions.org.uk), which is a very simple scheme for small employers
* Church of England Lay workers scheme “Pension Builder 2014”  <https://www.churchofengland.org/sites/default/files/2020-03/Automatic%20Enrolment%20FAQs%20-%20April%202020.pdf>