

Auto Enrolment – Employer FAQs

Contents:

1. Sources of Information
2. Staging
3. Enrolling Eligible Workers into the HSC Pension Scheme
4. Enrolling Non-Eligible Workers into Other Qualifying Pension Schemes
5. Opting Out / Form SD502
6. Refunds

1. Sources of information

Q. Where can I obtain further information and advice about automatic enrolment and my obligations as an NHS employer?

- A. The following organisations provide comprehensive guidance for employers:

The Pensions Regulator: www.thepensionsregulator.gov.uk/

The NHS Employers Organisation (NHSE): www.nhsemployers.org

2. Staging

Q. When will my staging date happen/how do I find out about my staging date?

- A. The Pensions Regulator has provided a timeline for the allocation of Staging dates for employers, according to the size of their PAYE Scheme as at April 2012. The Staging date timeline can be found on their website at: www.thepensionregulator.gov.uk.

Q. Does my staging date change if I choose to postpone enrolment?

- A. No. The staging date allocated to employers will not change for any reason.

Q. Do I have to inform HSC Pension Service about my staging date?

- A. No

- Q. What if I have a shared Payroll Service or 3rd Party Payroll arrangement? Do all employers that use this service have the same staging date?**
- A. No. Each employer is allocated their own staging date according to the size of their PAYE scheme as at April 2013.
- Q. What are the HSC Pension Scheme Registry Numbers?**
- A. HSC Pension Scheme (1995/2008) Registry Number is: 10000725
Health and Social Care Pension Scheme 2015 scheme: 10276692
- 3. Enrolling eligible workers into the HSC Pension Scheme**
- Q. Can HSC Pension Service tell me which employees I should auto-enrol Into the HSC Pension Scheme?**
- A. No. The employer must check each employee to establish if they are paying Contributions into the HSC Pension Scheme and if not, establish if they can Re-join. If they are not eligible to join the HSC Pension Scheme, then the Employer must establish if the employee is eligible to join an alternative Qualifying pension scheme.
- Q. Do we need to assess employees for auto-enrolment if they opted out before our staging date?**
- A. Yes. If an employee opts out before the staging date (even if this occurred Only one day before) and they are assessed as an eligible worker on the Staging date they must be auto enrolled into the Scheme.
- Q. Do I have to auto-enrol all my eligible jobholders on the staging date?**
- A. Yes, all eligible jobholders must be enrolled at the same time, on your staging date. You should continue to monitor the status of any ineligible jobholders to identify their possible eligibility for auto-enrolment following the staging date.
- Q. Do I need to issue a Scheme Guide each time I auto-enrol an employee?**
- A. Yes – the normal scheme joiner procedure applies.

Q. Do I need to set up a pension record for auto enrolled members straight away or can I wait and see if they opt out within a month?

A. The normal scheme joiner procedure applies therefore; you should submit the usual joiner details to HSC Pension Service.

Q. Do we have to auto enroll employees who are currently on sick or maternity leave?

A. Yes. Employees who are not members of the HSC Pension Scheme and are absent from work, for any reason, on the Staging Date, are not eligible to re-join the HSC Pension Scheme, but they must still be assessed for auto enrolment.

Subject to the level of sick or maternity pay, etc. the employee is receiving; they may be enrolled in an alternative qualifying scheme at the Staging Date.

Once the employee returns to work they must be enrolled into the HSC Pension Scheme if they meet the eligibility criteria.

Q. Does automatic enrolment apply to workers with Fixed or Enhanced Protection?

A. Yes. If an employee has previously opted out of the HSC Pension Scheme, then they must be assessed under automatic employment rules.

To comply with HMRC rules, employees with enhanced or fixed protection may wish to avoid accruing further benefits in the HSC Pension Scheme in order to retain their protection and may want to opt out again having taken independent financial advice. If they do, they must follow the normal opt out procedure and complete another SD502.

Q. What is the position when an employee has two jobs with the same employer?

A. It is for the employer to decide how multiple employments are assessed for auto enrolment purposes.

Worked examples of multiple employment scenarios can be found in the NHS Employers website.

Q. What is the position when an employee has two jobs with different employers?

- A. If an employee has more than one job with two or more HSC employers (with separate PAYE references) each employer is required to assess the worker under automatic enrolment legislation. The auto enrolment eligibility questionnaire is available on our website at <http://www.hscpensions.hscni.net/quick-links/scheme-forms/> may help you when assessing your employee.

Q. Can agency workers be enrolled in the HSC Pension Scheme?

- A. No. Normal HSC Pension Scheme eligibility criteria apply.

Agency workers are, however, covered by auto enrolment rules and either the Agency or the HSC employer where the employee is working must assess them for automatic enrolment.

Q. What do I do about employees on secondment?

- A. If a worker is on secondment to another organisation, they retain the terms and conditions of their originating employer and the originating employer is responsible for automatically enrolling the worker.

Q. Can I delay automatic enrolment until 2017 using the transitional period that is available for Defined Benefit Schemes?

- A. Yes but the transitional period only applies to existing eligible jobholders and does not apply to new joiners. Please refer to the Pensions Regulator website or the NHS employers website for more information.

4. Enrolling Non-Eligible workers into other Qualifying Pension Schemes

Q. Can the employer or the employee choose to auto-enrol an eligible HSC Pension Scheme employee in an alternative pension scheme?

- A. No. The HSC Pension Scheme is the default pension scheme for auto-Enrolment purposes.

Q. In what circumstances should I enroll a worker into an Alternative Qualifying Pension Scheme (AQPS) rather than the HSC Pension Scheme?

- A. Employers should only consider an alternative qualifying pension scheme for

those employers who are not eligible to join the HSC Pension Scheme.

Q. Where can I find more information about NEST?

A. NEST (the National Employment Savings Trust) is a new workplace pension scheme that has been set up to help employers meet their Auto-Enrolment obligations. It is open to employers of any size. For more information, see Their website: www.nestpensions.co.uk.

Q. Do I have to undertake a procurement exercise to select an Alternative Qualifying Pension Scheme?

A. Yes. Please refer to the Pension Regulator's website for more information.

Q. My employee is already paying into a personal pension arrangement. Do I still need to assess them for auto-enrolment?

A. Yes. Auto enrolment duties still apply and the employee should be enrolled in a qualifying workplace pension scheme.

The HSC Pension Scheme is the default pension scheme for HSC employees, provided they satisfy the scheme's eligibility criteria.

Q. Should employers pay the same level of contributions to an alternative Qualifying pension scheme as they do to the HSC Pension Scheme?

A. The statutory minimum pension contributions have been set by law but employers can pay higher contributions, if they wish.

Q. Can the employer or employee choose to auto-enrol an eligible HSC Pension Scheme employee in an alternative pension scheme?

A. No. The HSC Pension Scheme is the default pension scheme for auto-enrolment purposes.

5. Opting Out/Form SD502

Q. How does an employee opt out of the HSC Pension Scheme?

A. They must complete and sign the form SD502 and return this to their employer.

Q. Can I provide SD502 opt out form to my employees in any way?

A. No. Under the auto enrolment rules, employers are not allowed to provide Scheme opt out forms to their employees, once the staging date has

passed.
This includes their party payroll providers.

Q. How do employees obtain an SD502 form?

A. The form can be accessed from the HSC Pension Service website and printed out.

Q. My employee has no personal access to the internet or a printer. Can they use 'on site' facilities to obtain an SD502 form?

A. Yes. You can make a PC or printer available to employees for this purpose, provided they complete the download and printing processes themselves.

Q. What do I do with the original SD502 once I've finished with it?

A. Once you have completed your actions, please retain this form for your record purposes.

Q. When can an employee opt out?

A. An employee can opt out at any time after being enrolled. Under automatic enrolment rules they cannot opt out until at least one day after the day they were enrolled as an eligible jobholder.

Q. Do I have to deduct contributions before someone can opt out?

A. No. Contributions have to be collected from pensionable pay in the normal way. The deductions of contributions has not changed because of auto enrolment.

Q. Do I have to enroll or re-enrol a worker that has already opted out?

A. Under automatic enrolment legislation, employers must enroll all eligible workers not currently in a pension scheme on their staging date. They must re-enrol eligible jobholders three years after the initial staging date and then at least every three year intervals thereafter. This is known as the 'automatic' enrolment.

Once an eligible jobholder has been enrolled and subsequently opts out, they no longer need to be monitored by the employer and only need to be re-enrolled on the automatic re-enrolment date.

6. Refunds

Q. When can a local refund be made by the employer?

A. Please refer to page 4 of the SD502 opt out form and the SD502 completion notes. This explains the circumstances in which a local refund can be paid.

Q. In what circumstances can the employer retain the employer's contribution?

A. An employer may only retain their employer contribution where a local refund has been made.

Q. When must a refund be processed by HSC Pension Service?

A. Please refer to page 4 of the SD502 opt out form and the SD502 completion notes. This explains the circumstances in which a refund is to be paid locally or by HSC Pension Service on receipt of the refund application REF1.

Q. How does a member claim a refund from HSC Pension Service?

A. The normal refund procedures apply – form REF1 must be completed.

Q. What if the member is auto-enrolled, then leaves HSC employment before opting out?

A. The normal Scheme Rules apply. According to the length of membership in the Scheme, a member may have accrued additional benefits that can be preserved or they may be entitled to a refund of contributions.