

Session 3 – AAT Auto Enrolment Update

Case Studies and Emerging Lessons



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Automatic enrolment – It is here

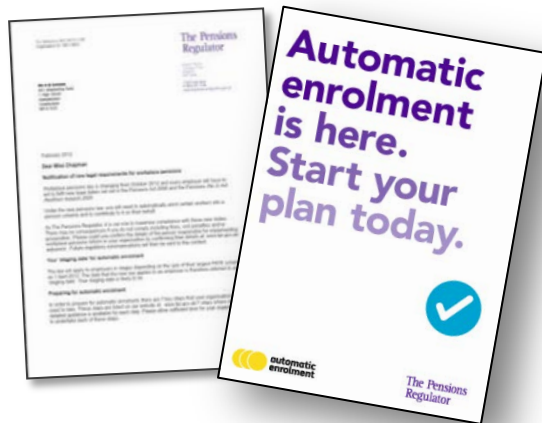
- By the end of January 2014, almost 9,000 employers had registered.
- This represents almost 14 million workers, 3 million of which have been automatically enrolled
- We appreciate the effort for getting ready
- It's crucial organisations plan and prepare
- Pro compliance is critical to the success
 - Our approach to compliance is:



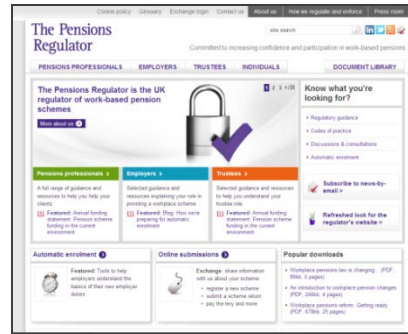
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Communications with employers and intermediaries to date

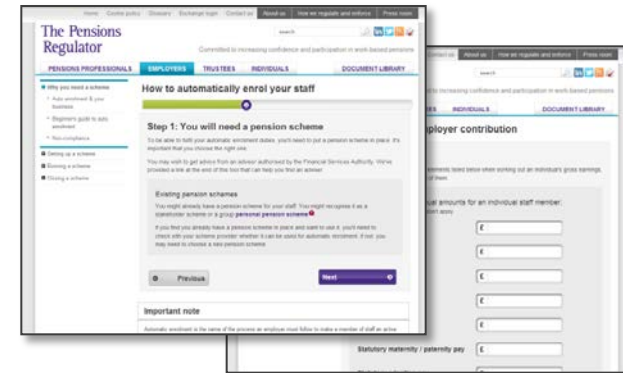
Letters at -18, -12 and -3 months supported by outbound email programme



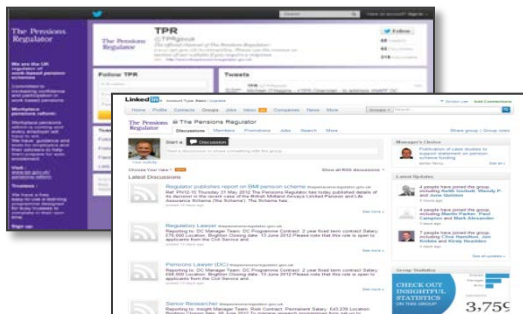
Website Content



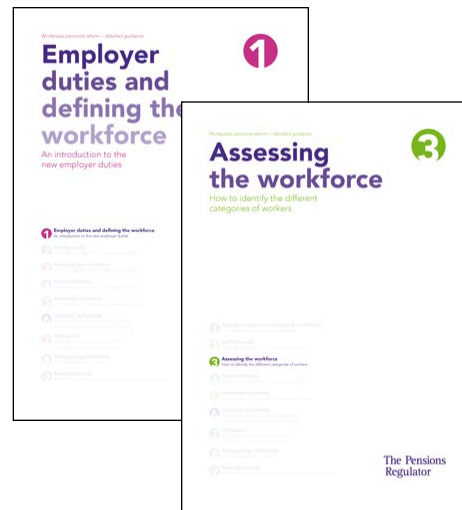
Interactive Tools



Social Media



Detailed guides



Trade Press Advertising



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Tasks to do to prepare for automatic enrolment

- Nominate a point of contact
- Know your staging date and develop a plan
- Assess your workforce
- Review your pension arrangements
- Communicate the changes to all your workers
- Automatically enrol your eligible jobholders
- Register with The Pensions Regulator and keep records
- Contribute to your workers' pensions



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Timeline planner: Enter your staging date

Employers

Why you need a scheme

Setting up a scheme

Running a scheme

Does your existing scheme qualify?

Preparing for auto enrolment

Explaining automatic enrolment to workers

How we're preparing for automatic enrolment

Main steps to automatic enrolment

Planning for automatic enrolment

Detailed guidance

Staging date timeline

Phasing

Learn the terms

Planning for automatic enrolment



This planner has been designed to help you identify what you'll need to do to prepare for automatic enrolment. It's most relevant for you if:

- ✓ you employ between 50 and 250 workers
- ✓ all of your workers are based in the UK
- ✓ you have one Pay As You Earn (PAYE) scheme
- ✓ you have or are planning to set up a defined contribution (DC) pension scheme

But you could still find the planner useful even if you don't tick all of these boxes.

Create your plan

Allow plenty of time to prepare. We recommend starting 12-18 months before your staging date, though this will vary depending on your individual circumstances - not all employers will need to allow so much time.

To create your plan, you'll need to enter your staging date. If you don't know it, you can find out your staging date using your PAYE reference.

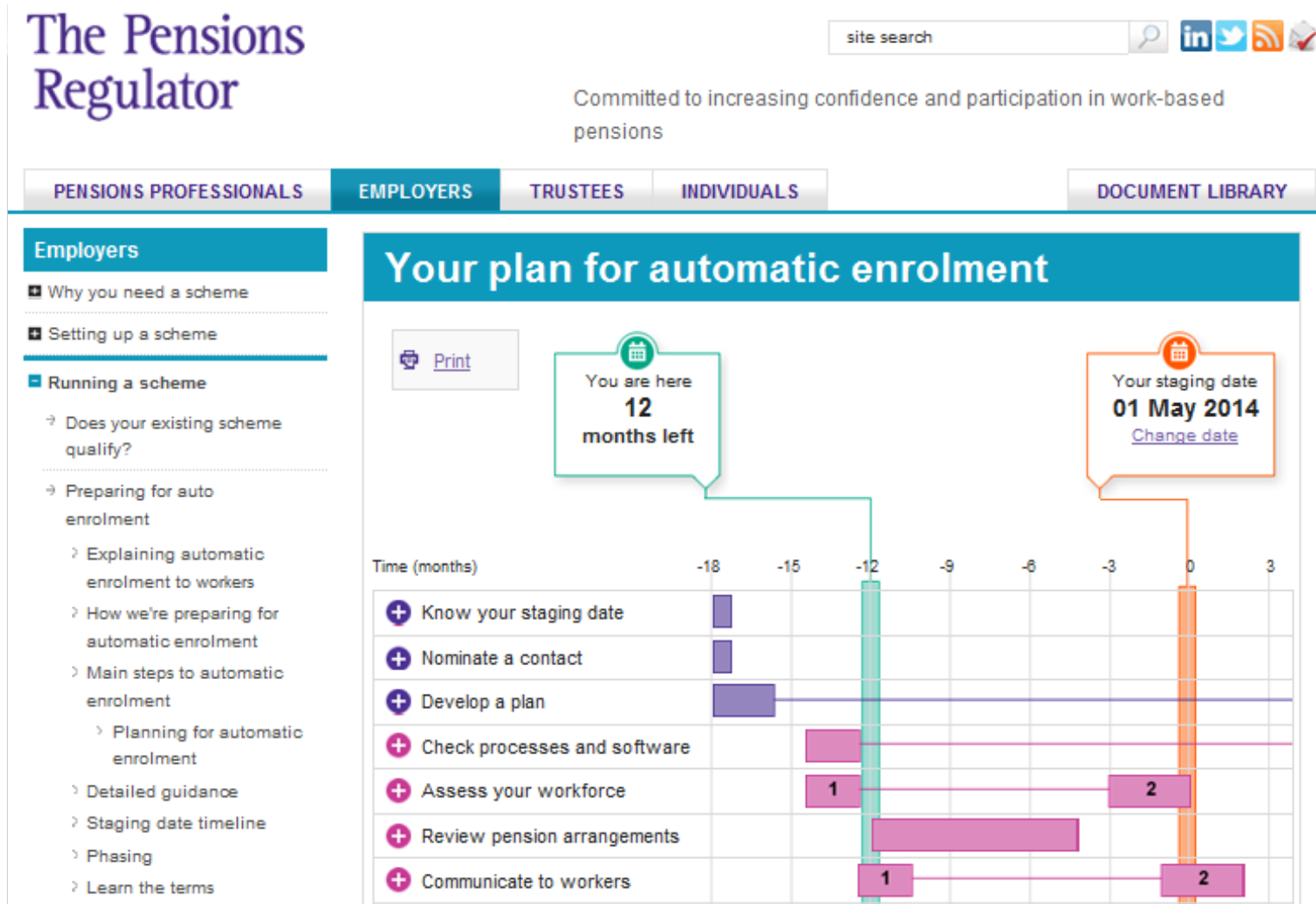
Enter your staging date

DD/MM/YYYY



Create my plan

Timeline planner



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Case studies

Three companies shared their experiences of staging.

Read through the case study handouts, note key points and discuss how you and your clients can plan effectively – 15 minutes



- Justin Johnson, Head of HR at Elinor UK plc. A catering company with 10,000 employees.
- Lisa Dunne, Company Secretary at JW Stratton. A Housebuilder with 15 employees who brought their staging date forward.
- Dermot Courtier, Company Secretary at Kingfisher. A retailer with 38,000 employees.



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Case studies

Some initial thoughts ...

- “If I’m honest, when I first sat reviewing the legislation and the information from The Pensions Regulator, I thought how on earth do you work your way through this?”
 - Justin Johnson, Elinor UK plc.
- “I don’t have a background or any specific training in pensions but was given the job of delivering the company’s vision... If I’m being totally honest, I was worried about it, but when it came to it I couldn’t believe how easy it was.”
 - Lisa Dunne, JW Stratton.

Case studies

On planning ...

- “I’d say focus on pinning down what you need to physically do in your own company, draw up a plan, and then it does become more manageable.”
 - Justin Johnson, Elinor UK plc.
- “I started out doing a lot of research... The regulator now has a planning for automatic enrolment tool on its website. I would advise people to make a plan, do lots of homework and research and get hold of all the advice that’s out there.”
 - Lisa Dunne, JW Stratton.
- “...plan ahead. We gave ourselves at least 18 months from start to finish.”
 - Dermot Courtier, Kingfisher.



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Case studies

On contacting a pension provider ...

- “We chose our pension provider for two reasons. One was flexibility, in that employees with their identifying National Insurance number can go on contributing to their pension pot wherever their working life takes them. The other reason was because we liked their communication materials.”
 - Justin Johnson, Elinor UK plc.
- “The regulator recommends contacting providers at least six months ahead of staging to give them sufficient time to meet the employer’s needs at staging. I doubt I could have succeeded without their help.”
 - Lisa Dunne, JW Stratton.
- “Kingfisher had an existing pension arrangement in place, but it needed to be reviewed to ensure it was a qualifying scheme under the rules of automatic enrolment.”
 - Dermot Courtier, Kingfisher.



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Case studies

On communicating with your workforce ...

- “It’s a challenge to engage in all your employees on the subject of pensions, so you can’t communicate enough in advance of staging.”
 - Justin Johnson, Elinor UK plc.
- “Our provider helped with this employer duty. They gave us animations to show staff. These were short films using pictures that were very easy to understand because our construction workers don’t really know about pensions. They also gave us booklets and letters to say when things were going to happen, to help us communicate with our employees.”
 - Lisa Dunne, JW Stratton.

Case studies

On testing your systems ...

- “What I did have to do was make sure all the relevant data on our small workforce was up to date so they could be assessed. This was not onerous, but every detail about an employee: their name, date of birth, National Insurance number, salary and employee/employer contributions must be totally accurate and up-to-date.”
 - Lisa Dunne, JW Stratton.
- “One thing I think is really important in your planning ahead of staging, is to test your payroll processes before they go live. That’s my best piece of advice: make sure your pension provider gives you adequate information and tests all the data you have gathered before you go live after your staging date.”
 - Lisa Dunne, JW Stratton.

Emerging lessons

Some employer's have:

- Used their existing pension scheme provider for automatic enrolment, or
- Looked for a new scheme provider with automatic enrolment project experience.

All large employers asked said:

- **Planning** was key.
- Allow 12 months to understand the legislation and plan your strategy.
- You must have a test payroll cycle period before 'going live'.



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Emerging lessons

Employers who have staged already have said that they have:

- Changed employment T&C's to fit their automatic enrolment processes and overall benefits policy.
- Brought forward the staging dates of their smaller companies to the same date.
- Had to data cleanse their staff data to check it is up to date before staging.
- Checked the quality and governance of the automatic enrolment scheme's default fund.
- Tailored staff communications to their company's needs and used multiple media.



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Questions?



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