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3HR Legal Weekly

Employee Benefits

Auto Enrolment – half a million more employers with auto enrolment duties!

Recent compliance reports and press releases from The Pensions Regulator indicate that there are over half a million more small and micro employers due to stage over the next three years than previously expected. This will result in many advisors being unable to assist all those employers who require guidance.

Preparing for auto enrolment

The Pensions Regulator recently published their third annual automatic enrolment commentary and analysis. This report states that around 1.8 million employers are expected to stage for auto enrolment over the next three years, significantly up compared to the previous estimate of 1.3 million employers*. Estimates contained within the report show that the summer of 2017 will be the peak period, with over 350,000 employers staging between June and September.

The reason for this increase in employers due to stage is primarily due to an increase in the number of new businesses that have started up since 2012 and fewer employers than originally predicted going out of business.

Employers seeking auto enrolment support

The Pensions Regulator also published a research report in August 2015 which included information on the number of employers that are currently using, or intend to use, an advisor to support them with their auto enrolment requirements. Of those employers surveyed, 89% of small (5-49 employees) and 69% of micro (1-4 employees) are either currently using, or plan to use an advisor**.

Planning ahead

The information contained in these two reports show that very large numbers of employers will be seeking advice over the next three years, as they approach their staging date. Many advisors will find themselves at full capacity and unable to assist those employers that leave it too late. Pension providers are already becoming increasingly selective about the pension schemes they are willing to take on.

3HR Benefits Consultancy has a wealth of knowledge and experience in the pensions market and offer a comprehensive service to assist clients in meeting their auto enrolment duties. However, we advise any clients considering using our service to plan ahead and contact us as early as possible to ensure we have the availability to assist you.

The Regulator issuing penalties

Between April 2014 and March 2015, The Pensions Regulator used their formal powers on 2,169 occasions. These included 1,682 compliance notices, 424 fixed penalties and 5 escalating penalty notices. These penalties were used to punish employers that had failed to correctly comply with their auto enrolment requirements.

*TPR Automatic enrolment, Commentary and analysis: April 2014-March 2015

** TPR, Employers' awareness, understanding and activity relating to automatic enrolment and evaluation of communications campaign, Spring 2015 - A Summary Research Report, published August 2015

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Immigration

Resident Labour Market Tests

Q: How will the Home Office know that core information is missing from the advertisements?

A: When carrying out a Resident Labour Market Test (RLMT), sponsors must include the following core information in their advertisements:

Job title; main duties and responsibilities of the job (job description); location of the job; indication of the salary package or salary range or terms on offer; skills, qualifications and experience needed; and closing date for applications, unless it is part of a rolling recruitment programme. If it is a rolling recruitment programme, the advertisement should show the period of the recruitment programme.

Although the Home Office do not routinely request copies of the advertisements throughout the Restricted CoS (RCoS) allocation process, or even during the Tier 2 (General) visa application, they may request these at their discretion.

By proceeding with the RCoS allocation request, assignment of a RCoS or supporting a visa application, sponsors may be deemed to have confirmed that the RLMT was carried out in accordance with the Home Office's requirements. If the Home Office discovers that the advertisements were non-compliant, for example in the course of considering the visa application or a sponsor audit visit, this can be grounds for revocation of your sponsor licence.

A compliant RLMT entails not only job advertisements that meet the Home Office guidance requirements, but also specific record-keeping duties. To avoid the risk of non-compliance, we can assist you in reviewing the advertisements and advising on relevant compliance duties.

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