

Employee Benefits

Pension Governance Timeline 2018

Employers have continuing governance duties that they need to meet in order to ensure that their workplace pension scheme continues to comply with UK legislation. Below we have provided information on key governance tasks The Pensions Regulator will likely require you to complete in 2018.

Pension increases

In April 2018, the minimum contributions that need to be paid into a workplace pension scheme will increase. If you are currently paying statutory minimum employer contributions - these will either be 1% or 2%, depending on the scheme design used - then you will need to increase these from April. It is likely that your employee's contributions will also need to increase.

There are some key steps that you will need to complete as part of the contribution increase process. This includes communicating with staff, updating the pension provider, updating your payroll provider and checking the increased contributions have been calculated correctly. It is important to ensure all necessary information is clearly communicated to your workforce.

Your re-declaration

When you first set up your auto enrolment pension scheme you were required to complete a declaration of compliance. This is completed online via the Pension Regulator's website. The purpose of this declaration is to confirm that you have set up a compliant pension scheme and enrolled all eligible jobholders into the scheme.

This declaration needs to be re-completed every three years. The date for doing this re-declaration will be three years from your original staging date. Therefore, if your organisation staged in 2015, your re-declaration will be due this year. As part of this process, you will need to analyse your workforce and identify those existing employees that have opted out of the pension scheme. If they meet certain criteria, they will need to be re-enrolled into the pension scheme. You will need to inform these employees that they have been re-enrolled and allow them the chance to opt out again. Once this re-enrolment process has been finalised, you will then be required to complete the new declaration of compliance. The Regulator will write to you nearer the deadline to remind you that this needs to be completed.

Your re-certification

Similar to the declaration of compliance, when your scheme was first established you may have been required to sign and store a scheme certificate (this does not apply to all schemes and will depend on the scheme design you have used). This certificate will only be valid for 18 months. Once they have expired, a new certificate should be produced, signed and stored on file. If your scheme was first set up before August 2016, your new scheme certificate will now be due. If you are unsure if your scheme requires a scheme certificate to be completed, please contact 3HR and we can assist you.

New expatriate workers

Any new worker that joins your company will need to be assessed, and may need to be automatically enrolled into the pension scheme if they meet certain criteria. This includes expatriate workers assigned to the UK office for a temporary period. If 3HR assisted you with the implementation of your pension scheme, we would have assessed your existing expatriate workers to determine if they should be enrolled into the scheme. Any new expatriates that have joined since then will also need to be assessed as well and a record of this assessment should be kept.

It is important to ensure that each of the above tasks is completed accurately and in accordance with The Pensions Regulator's Auto-enrolment legislation. If you require any assistance with the above tasks, or if you have any general pension governance queries, please do contact 3HR Benefits Consultancy and we will be glad to assist you.

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