

Briefing Note to: Schools Forum

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Auto Enrolment Process

Introduction:

This briefing note contains information that you need to be aware of. It details the requirements for all employers to enrol their workers into a pension scheme and for Schools to have considered these prior to implementation of the Auto-enrolment process. It sets out the key measures, their importance and the process.

Background of Auto Enrolment / Key Principles

On 1st October 2012 laws contained in the Pension Act 2008 came into force, which have introduced new core duties relating to employee pension provision. From 1st October 2012 (subject to the employers own staging date), all eligible workers have to be auto-enrolled into a qualifying pension scheme. The government's aim is to get more people to have another income, on top of the State Pension, when they come to retire. It is important that any workers decision to opt out of a scheme, or stop saving for retirement altogether, should be taken freely and without influence by the employer. Consequently, employers are required to enrol their workers automatically into a scheme to make it easier for people to start saving. This is known as automatic enrolment.

All employers have been given a date (known as a staging date) whereby they have to have implemented the auto-enrolment process for their workers. The staging date for Slough Borough Council was **1st July 2013** which has now been postponed to **1st October 2013 (now known as the deferment date)**. This has been necessary as there are technical issues with the HR software which requires an additional upgrade to be able to conform to the requirements for auto-enrolment. An email was sent to schools explaining this change.

Please note the above date is for all Schools that have Slough Borough Council as the employer of their staff, i.e. Community schools, Voluntary controlled schools. All other schools will need to find out what their staging date as it may not be the same as Slough Borough Council. Further if schools are not using Slough' payroll services they will need to contact their own payroll provider to ensure they are aware of these changes that will need to be processed.

For those schools that currently use SBC's payroll we have sent letters out on behalf of schools to home addresses informing their staff of this postponement. For those schools that do not use SBC payroll we have provided a template letter for them to use to communicate the deferment message to their staff within the school. Please note this must be actioned before the 1st July 2013 i.e. the original staging date.

Project Plan

A project group has been established in partnership with Arvato to implement auto enrolment process and a project plan has been devised to ensure we meet the key timescales.

Implications for Schools

Clearly as the process of Auto enrolment is going to raise awareness for all staff it is likely that membership to the appropriate pension scheme will increase. As a result, individual Schools contributions' to the pension scheme will rise accordingly. At this stage we cannot confirm what the costs will be for this however you should advise your School Bursar/ Finance Officer to make appropriate provisions.

Supporting Paperwork

- 1) *Deferment Letter (for information only)*