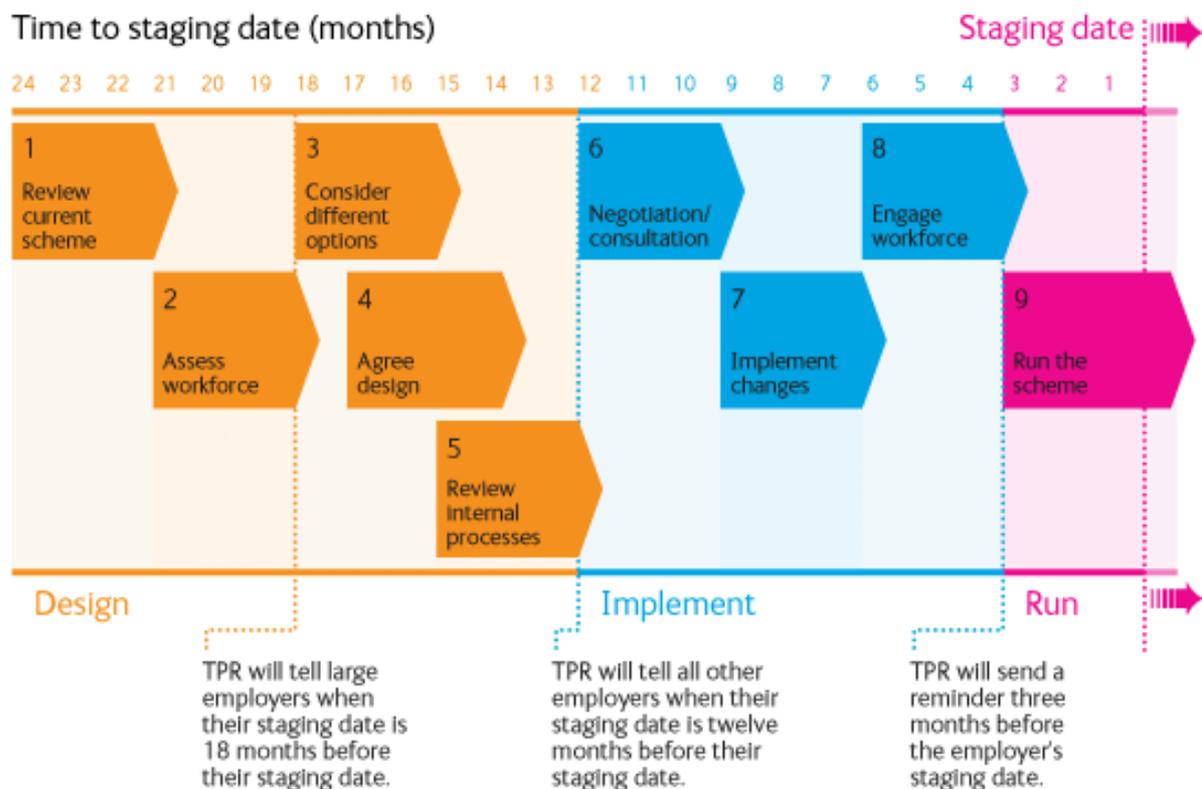


# Preparing for automatic enrolment and the employer duties

Although most employers won't have their staging date until 2015/16, there's a lot to do to plan and prepare for automatic enrolment. For example, employers will need to consider the cost implications and make sure the right systems and processes are in place to meet the new employer duties. On average, we estimate this could take at least 12 months so it's important employers start to prepare early. The timeline below demonstrates some of the key steps involved. It's just a guide and the time needed to complete each step will vary from employer to employer.



## 1. Review current scheme

Employers need to review their current pension scheme and compare it to the new requirements to identify any changes needed. If they don't have a pension scheme, they'll need to set one up.

## 2. Assess workforce

Employers then need to assess their workforce to determine which types of worker they employ and the employer duties they'll have for each type.

## 3. Consider different options

Different options must be considered to see the impact of different scheme designs on the employer's business and workforce. For example, using different categories within the scheme and using salary exchange.

#### **4. Agree design**

Then the scheme design needs to be agreed. Designing the right solution means getting the right balance between costs and administration supported by effective communications to workers.

#### **5. Review internal processes**

Internal systems and processes such as payroll and HR will need to be reviewed to ensure they comply with the new requirements. This will help the scheme to remain compliant.

#### **6. Negotiation/consultation**

Negotiations with unions might be needed to agree any changes to the basis of the scheme or contracts of employment. Consultations with employment lawyers might also be needed.

#### **7. Implement changes**

The changes must be implemented effectively to ensure the scheme runs smoothly day to day. This involves agreeing the detail of how the scheme will operate in practice with minimum disruption to the employer's business and workforce.

#### **8. Engage workforce**

Employers must provide the right information to workers at the right time. This ensures workers are kept informed and that they understand what's happening.

#### **9. Run the scheme**

Employers must continue to meet their employer duties on an ongoing basis and ensure that they remain compliant at all times.