Guide to Workplace Pension Reform

IRIS PAYE-Master

April 2017

Contents

Guide to Workplace Pension Reform & IRIS OpenEnrol

This guide will give you a general overview of **Workplace Pension Reform** and what it means for you as an employer.

It will also demonstrate how your payroll software can help you carry out your new responsibilities. The guide also gives detailed information relating to IRIS OpenEnrol, the element of the IRIS AE Suite™ which simplifies pension communications.

It will cover:

- How to prepare for Workplace Pension Reform and Automatic Enrolment
- How your payroll software can help you with:

    - Automatic Enrolment
    - Pension Funds
    - Pension Deductions
    - NEST
    - Other Pension output files

- What is the IRIS OpenEnrol element of the IRIS AE Suite™?
- How to use IRIS OpenEnrol
- **Glossary of Quick Reference & Definitions**

The following guides are also available from the **Pensions** menu:

- **AE Config Tool Guide**
- **Create Pension File Guide**

How your payroll software can help you with Workplace Pension Reform

The IRIS AE Suite™ has been added to the payroll software to enable you to manage your new or existing **Workplace Pension Scheme** more effectively.

You will be able to:

- Auto enrol employees during payroll calculation

- Manage opt ins

- Manage opt outs

- Print detailed pension reports (from **Pensions | Print**)

- Create pension files

  - to enrol workers
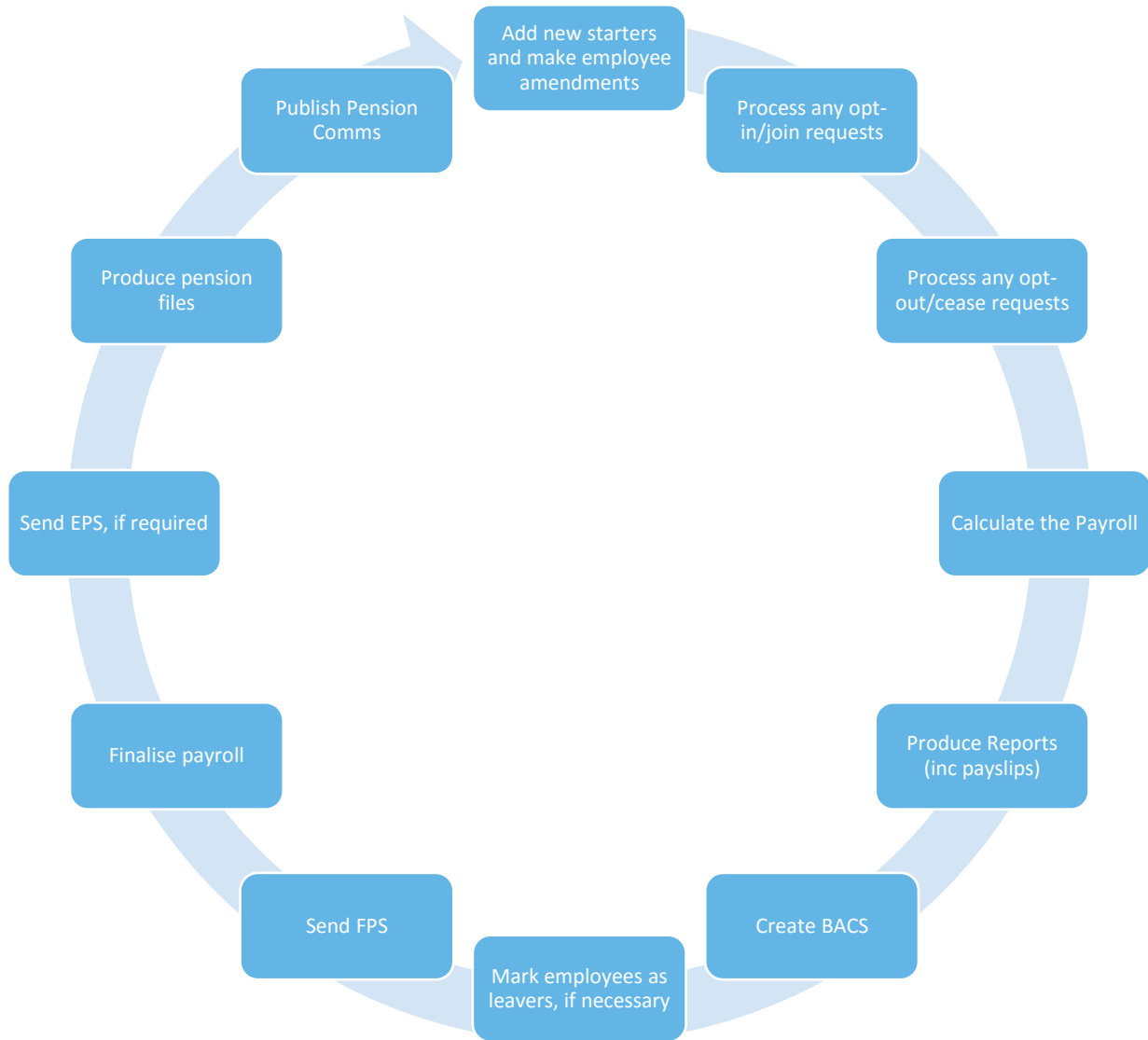 - for a contribution schedule

How do I manage Automatic Enrolment on a day to day basis?

Payroll Run

The software will run the Automatic Enrolment process for each employee individually when you calculate the payroll. It will check if the payroll date is on or after the company **Staging Date** and if so:
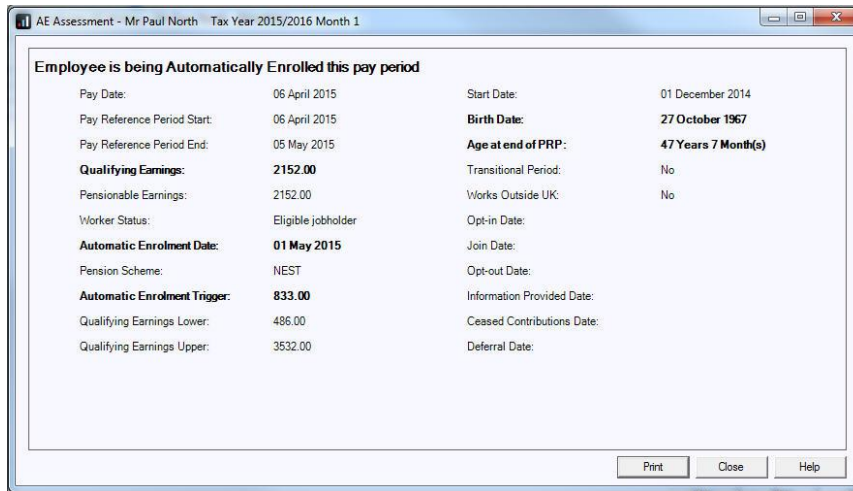
- If a **Postponement Period** is in operation, a **Deferral Date** is entered in **Employee Details**

- If the employee is identified as an eligible or non-eligible jobholder or an entitled worker the employee's **Worker Status** is set accordingly

- If the employee's **Worker Status** is set to **Eligible Jobholder**, then the software assigns an **Automatic Enrolment Date** and adds the pension fund and pension deductions to **Pensions | Employee Details**

- Employees' and employers' pension deductions are calculated and the payroll process continues as normal; once complete it will move on to the next employee

- Re-assesses any workers with a **Deferral Date** assigned, where that **Deferral Date** is in the pay reference period being calculated, to see if they need auto enrolling

- If an employee becomes eligible, the **Deferral Date** is removed, the **Automatic Enrolment Date** is set and the **Pension Fund** and pension deductions are assigned

- Once all employees have been processed, if any employees have been automatically enrolled, the software displays a message asking if you want to print a report outlining the changes made. Click **Yes** to print or preview the report

- When you re-calculate the payroll, employees will be re-assessed. Remember this may result in an employee being auto enrolled or Auto Enrolment dates being removed

The payroll life cycle with Auto Enrolment

The payroll life cycle with Auto Enrolment (clockwise):

- Add new starters and make employee amendments
- Process any opt-in/join requests
- Process any opt-out/cease requests
- Calculate the Payroll
- Produce Reports (inc payslips)
- Create BACS
- Mark employees as leavers, if necessary
- Send FPS
- Finalise payroll
- Send EPS, if required
- Produce pension files
- Publish Pension Comms

AE Assessment Details
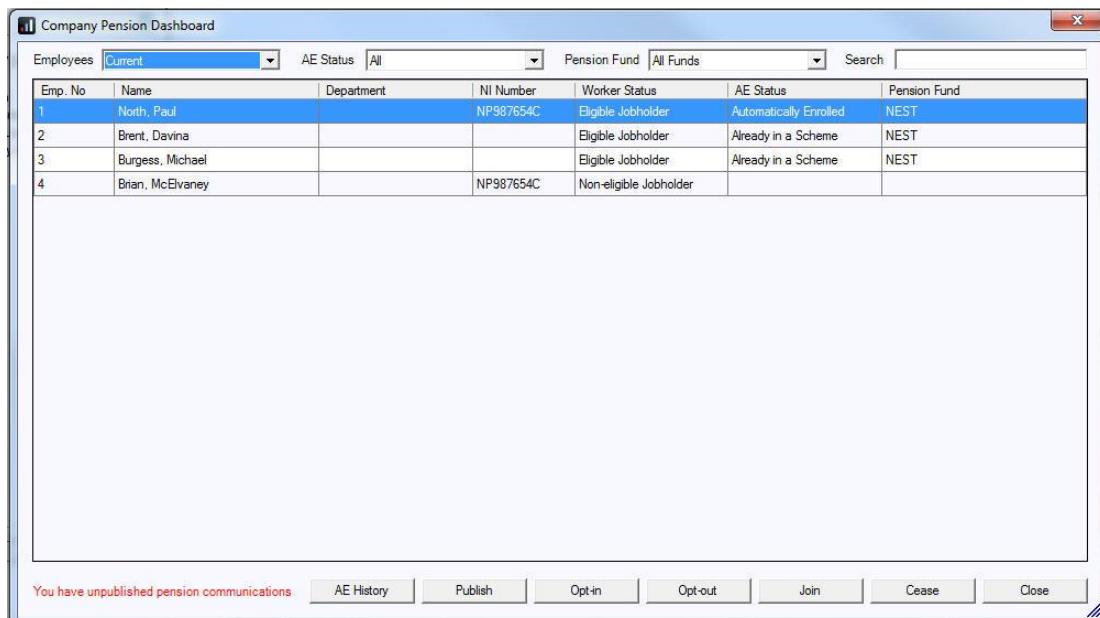
From **Pensions | Employee AE History**, select the employee and click **OK**. Double click on the pay period, this screen displays the employee's AE Assessment status together with the information that the assessment is based on.

The bold text highlights the factors that have triggered the assessment outcome.

Company Pension Dashboard

To access the **Company Pension Dashboard** from the **Pensions** menu, select **Company Pension Dashboard**.

www.iris.co.uk/customer
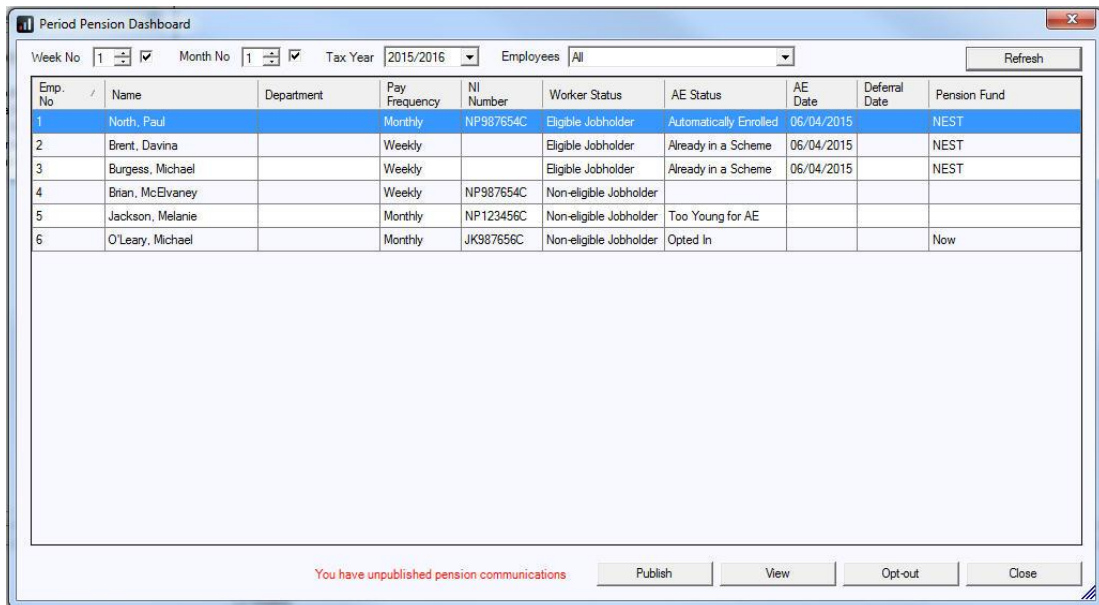
The dashboard displays a list of the employees in the company according to the filters you select at the top of the screen.

- Double-click or highlight an employee and click **AE History** to open their **Employee AE History** screen

- Click **Publish** if you have communications waiting to be published to IRIS OpenEnrol

- Highlight an employee and click on **Opt-in**, **Opt-out**, **Join** or **Cease** to open new screens enabling you to quickly carry out those tasks

- Changes made here will automatically be made within **Employee Details** for you

Period Pension Dashboard

To access the **Period Pension Dashboard**, from the **Pensions** menu, select **Period Pension Dashboard**.

This dashboard displays the pension status of any employees assessed in a particular pay period.

- Double-click or highlight an employee and click on **View** to open their **AE Assessment for...** screen for that period

- Click **Publish** if you have communications waiting to be published to IRIS OpenEnrol

- Highlight an employee and click **Opt-out** to open a new screen enabling you to quickly opt an employee out of the Pension scheme

- Changes made here will automatically be made within **Employee Details** for you

Employee AE History

This screen displays historic periods and tax years for the selected individual where the history is available. You can view the **Worker Status**, **AE Assessment**, **AE Date**, **Deferral Date** and whether the employee is **In Pension** for the relevant pay period.

- From the **Pensions** tab, select **Employee AE History**

- Highlight the employee and click **OK**

- To view the **AE Assessment for…** screen for a specific Pay Period, highlight the relevant pay period and click **View**

This screen is also accessible from **Pensions | Company Pension Dashboard | AE History**.

Create Pension output file

For guidance on how to create your pension output file, click here. From this location select the pension provider you want to create your pension output for.

Output files are available in the software for the following pension providers as standard:

- Aviva
- Friends Life
- NEST
- Now Pensions
- Peoples Pension
- Scottish Widows
- Standard Life G2G

Print Pension reports

The payroll software has several pension reports to assist you in administering your pensions. These are available to print from **Pensions | Print**.

Pension Remittance

This report allows you to select a **Pension Fund**, a **From** and **To** date to print it for and also allows you to exclude employees. You may exclude employees that have been auto enrolled but wish to opt out; you are allowed to withhold their contributions from the Pension provider for up to 3 months after **Auto Enrolment**. Please note this option is only permitted by some pension providers. Your pension provider may want to receive contributions regardless of the opt-out period.

The report includes employees that have an employee or employer pension contribution value which is associated with the selected Pension fund and the contributions that were deducted within the date range selected. It will also include employees that have had any pension payments withheld in previous months that now need to be included.

Included in this report are the following: **No, Surname, Forename, NI Number**, and **AE Date** together with a column showing if you have excluded an auto enrolled employee that is having deductions withheld for up to three months.

To assist you in identifying pension values for leavers as well as current employees. When printing this report, a message will be displayed '**Would you like to include employees' leave dates?**'

Employee Details
This report gives details of employees' pension details including: **Employee, AE Scheme, NI Rate, Status, Employees Contribution, Employers Contribution**, and if applicable NEST **Employer Reference Number**.

Pension Status
This report contains the automatic enrolment information for each employee. If you choose **All Funds** from **Select Pension Fund(s)** when printing this report, details of employees that are excluded from Automatic Enrolment, working outside the UK and are not in any pension scheme will also be included on the report. It can be printed per **Pension Fund** or for all **Pension Funds**. This report does not include leavers.

Pension Age Report
This report will print current employees that will reach a key age for Workplace Pensions in the current pay period. Currently the key ages are 16, 22, State Pension Age and 75. This report includes **Employee No, Employee Name, Gender, Date of Birth** and **Age on Birthday**.

Summary per Employee
This report prints details of the pension contributions for individual employees within a selected pay period. It will not show employees where employee and employers contributions are zero.

Summary For Period
This report details employees automatically enrolled this period. It includes **Employee, Age, Automatic Enrolment Date, Worker Status, Qualifying Earnings TP, Pensionable Earnings TP, Employee Standard Contributions** and **Employer Standard Contributions**.

Summary per Fund
This report can be printed for all funds or a selected fund. It details **Scheme Reference, Employer Reference, Pensionable Pay, This Period Employee, This Period Employer**, together with **Year to Date Employee** and **Year to Date Employer**.

Pension Fund Employees
This report will print the total number of employees that have an **Automatic Enrolment Date, Opt-Out Date** or an **Opt-In Date** in the specified period range.

Pension Earnings for Period
This report shows the Pension Earnings for the period together with the Pension Fund assigned to the employee. It includes **Pensionable Pay, Notional Pay** and **Qualifying Earnings**.

Pension Refunds Report

This report displays refunds due, after opting out, that have not yet been processed. This report can be printed from **Pensions | Print**.

History Pension Refunds Report

This new report shows opt-out refunds paid in the selected period(s). To print this report, go to **History | Reports**.

Both the above reports display the following information:

- Employee
- Opt-out Date
- Employee's Refund
- Employer's Refund

Declaration of Compliance

This report includes most of the information required to complete your Declaration of Compliance. It includes **Pension Contact Details**, **Pension Scheme Details** together with the following:

- PAYE Reference
- Date of the last day of postponement (if applicable)
- Total number of workers employed at Staging
- Number of Eligible Jobholders auto enrolled at Staging or after the last day of postponement
- Number of workers who were in a qualifying scheme at Staging
- Number of Eligible Jobholders subject to the Transitional Period
- Number of workers who are not accounted for above

How do I opt an employee in?

An Opt-in request can be received from a non-eligible jobholder, or an eligible jobholder within a postponement period. **Note:** Entitled Workers cannot opt-in, they need to Join.

To enter an **Opt-in Date**:

```
Receive an Opt-in request from employee
```
↓
```
Go to Pensions | Company Pension Dashboard
```
↓
```
Select the employee then click the Opt-in button
```
↓
```
Enter the Opt-in Date
```
↓
```
Choose the Pension Fund
```
↓
```
The Employee Contribution and Employer Contribution will default to the rates set up for the Pension Fund. If necessary, amend here
```
↓
```
Click Opt-in to complete the process
```
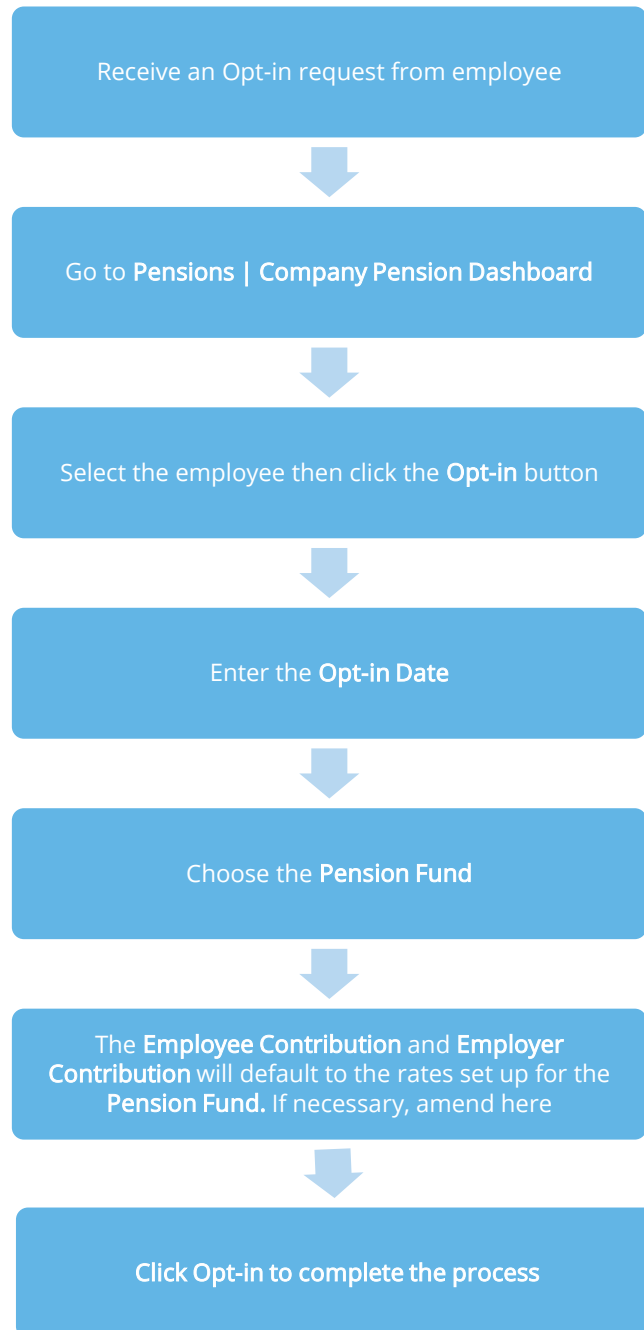
Employee requests to Join your Pension Scheme

An employee can request to join your Pension scheme if they meet the following criteria:

- The employee's worker status was **Entitled Worker** when last assessed for Auto Enrolment

- The following fields in **Employee Details | Pension** are unticked:

  - Member of a Qualifying Scheme
  - Transitional Period
  - Works outside the UK

Receive a Join request from employee

⬇

Go to **Pensions | Company Pension Dashboard**

⬇

Select the employee then click **Join**

⬇

Enter the **Join Date**

⬇

Choose the **Pension Fund**

⬇

The **Employee Contribution** and **Employer Contribution** will default to the rates set up for the **Pension Fund.** If necessary, amend here

⬇

Click **Join** to complete the process
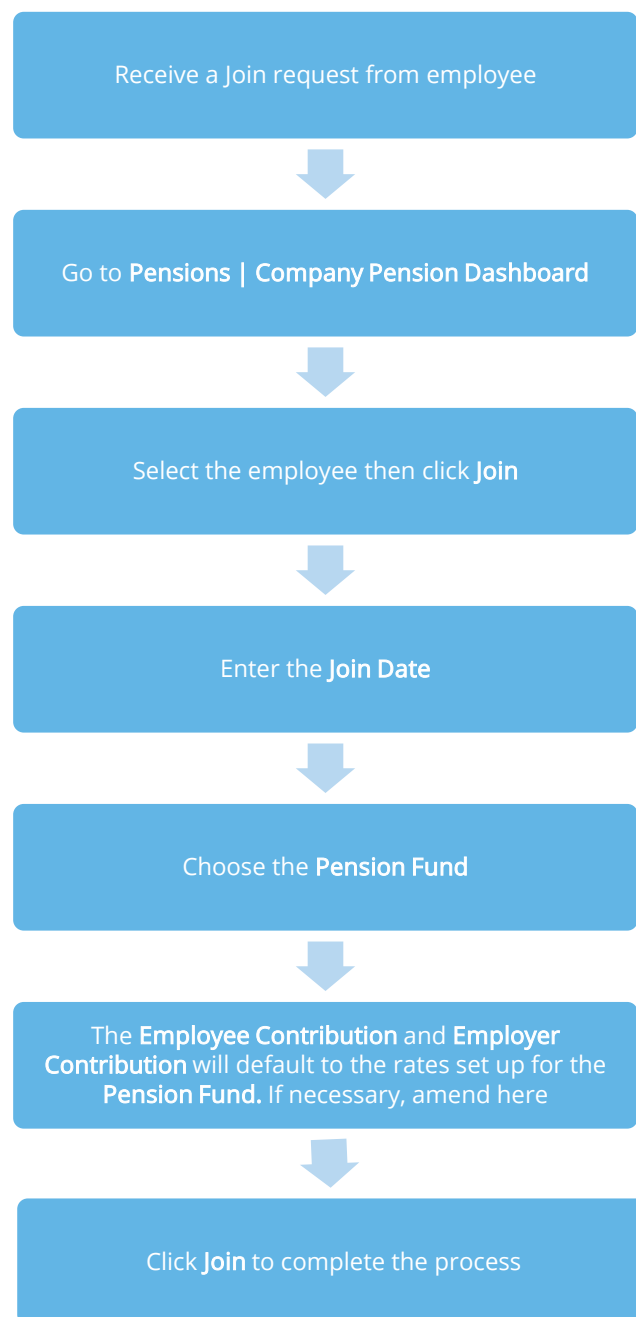
How do I opt-out an employee?

Receive valid Opt-out Notice from employee

Go to **Pensions | Company Pension Dashboard**

Select the employee then click the **Opt-out** button

Enter the **Opt-out Date** and click **Calculate Refund**

Employee and Employer contribution refunds are automatically calculated. To view a breakdown of the refund calculation click **Pay Details**

The refund will be processed in the current pay period and the Employee and Employer pension deduction standard values will be set to zero with the **Pension Fund** set to none

POINTS TO REMEMBER

If you tick **Do not refund in payroll** no refund will be given and the year-to-date value will not be altered. If necessary, you can amend the refund values prior to calculating the payroll.

An **Opt-out** button can also be found in **Employee Details | Pension**. When clicked this will display the **Pension Opt-Out** screen.

An employee with a **Join Date** is not entitled to opt out of a Pension Scheme. If the employee wishes to stop contributions, a **Ceased Contribution Date** should be entered in **Pensions | Company Pension Dashboard | Cease**. This can also be accessed via **Employee Details | Pension**.

> If an employee is **On Hold This Period** in **Pay | Enter Variations | Hold Status** and a refund is due after opting-out, the refund will be carried forward to the next time the employee is paid, at which time the Year to Date values will also be reduced

> When a jobholder gives an opt-out notice, you must check that it is a valid notice. It must contain certain statutory information which can be found here

What if the refund period spans two tax years?

If an employee opts out of the pension scheme following auto enrolment, they are entitled to a full refund of contributions which is reported via RTI to HMRC.

For contributions taken in the current tax year, this is reported via the Full Payment Submission (FPS).

For contributions that span tax years, you must report the refunds taken in the current tax year via the FPS and send an Earlier Year Update (EYU) for any refunded contributions taken in the prior tax year.

For details on how to send an EYU, see the RTI Guide.

Example 1

Pay Period	Auto Enrolled/Opt Out	Refund Due	Reported via
Week 1	Employee Auto enrolled - Contribution taken	✓	Refund due and reported via FPS as all contributions deducted in current tax year
Week 2	Contribution taken	✓	
Week 3	Employee Opts Out		

Example 2

Pay Period	Auto Enrolled/Opt Out	Refund Due	Reported via
Week 51	Employee Auto enrolled – Contributions taken	✓	Refund due but as spanning tax year, refund for weeks 51 & 52 reported via EYU
Week 52	Contributions taken	✓	
Week 1	Contribution taken	✓	Refund due and reported via FPS
Week 2	Employee Opts Out		

Automatic Enrolment - Examples

Example 1: Employee aged 35 joins the company on 7 July 2014 and earns £20000 per annum.

During Month 4 **Calculate,** the **Automatic Enrolment** process assesses employee

It assigns a **Deferral Date** of 1st August 2014, as the **Postponement Period** is set to beginning of next pay period

No pension deduction is made

In **Month 5** employee is reassessed. **Postponement Period** has passed and they earn more than the trigger amount

Employee's **Worker Status** is set to **Eligible Jobholder**. They are assigned an **Automatic Enrolment Date**

Default Pension Fund is a qualifying scheme with 3% employee and 5% employer contributions. **Pension Fund** and **Pension Deductions** are added to **Employee Details**

3% of the employee's earnings between lower limit and upper limit are deducted. Employer contribution of 5% is made on the same earnings

Example 2: Employee aged 42 with variable earnings, receiving more than the earnings trigger in month 1. Deferral Date is set in Month 3

During Month 1 payroll run the **Automatic Enrolment** process assesses the employee

The employee earns more than the earnings trigger, but the **Deferral Date** is set in Month 3 so they are not automatically enrolled

In Month 2, as there is a **Deferral Date** in place, the Automatic Enrolment process will ignore the employee

In Month 3 the employee is reassessed. They now earn less than the earnings trigger and are not automatically enrolled

Again the **Deferral Date** is left in place as the pay period may be rerun with different earnings

In Month 4 the **Deferral Date** from the previous period is removed. The employee is reassessed and is still earning less than the earnings trigger so is not enrolled

The employee will be reassessed each pay period

What is Re-enrolment?

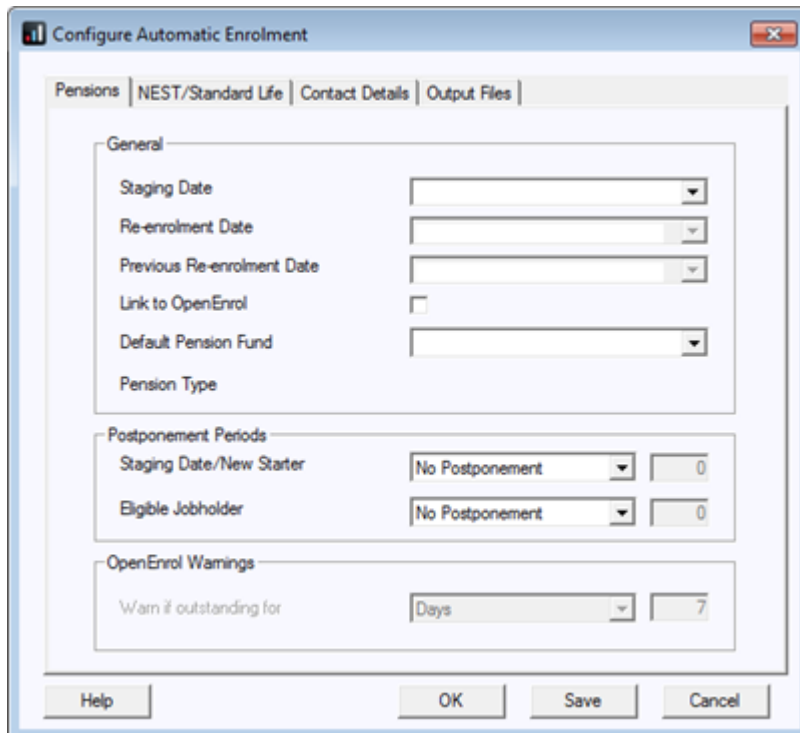The process of automatically putting workers back into pensions is known as 'automatic re-enrolment'. Re-enrolment occurs approximately three years after staging and then every three years after that. At the **Re-enrolment Date** Automatic Enrolment Assessment occurs for all the employees that previously opted out or ceased contributions more than a year before the **Re-enrolment Date**.

You can set your **Re-enrolment Date** to be any time within the re-enrolment window, which is three months before and three months after the third anniversary of your staging date.

Re-enrolment Date and **Previous Enrolment Date** fields allow you to enter the required information. These fields are in the following location:

- Pensions | Configure Auto Enrolment | Pensions

If the re-enrolment employee is an eligible jobholder within the pay reference period when re-enrolment occurs, they will be automatically enrolled into the default pension fund. If the individual is not an eligible jobholder within the relevant pay reference period, no further action will be taken until the next Re-enrolment Date.

> A re-enrolment employee cannot be postponed.

For re-enrolment a new letter type L1R will be published to the IRIS OpenEnrol element of the IRIS AE Suite™.

Re-enrolment Date & Previous Enrolment Date

- If the **Staging Date** field is blank, the **Re-enrolment Date** and **Previous Enrolment Date** fields will be disabled

- If you run the year-end restart process, more than 3 months after re-enrolment date, the software will automatically move the **Re-enrolment Date** to the **Previous Enrolment Date** field

- When logging into a company, if the re-enrolment window end date is approaching, a warning will be given that the **Re-enrolment Date** field is blank

Declaration of Compliance

Employers are required to submit a new declaration of compliance at the re-enrolment date. The declaration of compliance has been amended and if a re-enrolment or previous re-enrolment date is entered, this date will be used instead of the staging date to produce the details required.

What is IRIS OpenEnrol?

IRIS OpenEnrol is an element of the IRIS AE Suite™; a new way to distribute workplace pension communications to employees. Letters that need to be sent to employees, in order to comply with legislation, will be created automatically when you run the payroll. They will then be published to a secure online portal. The letters are emailed directly to each employee, and once they have registered with the portal they will be able to quickly view all of their past automatic enrolment letters in an easy to access, secure area.

What will IRIS OpenEnrol do for me?

- Employees receive pension communications directly via email

- Letters can be accessed anywhere an internet connection is available

- Quick and easy to setup with no software to install

- Increases Automatic Enrolment administration efficiency

- Reduces carbon footprint demonstrating an environmentally friendly solution

- Reduces communication distribution costs including printing, postage and processing

- Fully secure

- Allows employees immediate 24/7 access to their own pension communication information

- Free IOS, Android and Windows Phone apps available for employees to securely view their own pension communications on tablets or smartphones

- An Employer can log into the IRIS OpenEnrol portal and print communications if an employee does not have an email address

- All published communications are date stamped for audit purposes and a copy stored against the employee record

How does IRIS OpenEnrol work?

Certain Automatic Enrolment triggers during the payroll run will cause a communication to be created, which you then need to publish to the IRIS OpenEnrol secure website. IRIS OpenEnrol takes that data and creates letters in the form of Adobe PDF files to be sent to your employees.

- If the employee has an IRIS OpenEnrol account the Adobe PDF will be emailed to the employee and stored online

- If the employee does not have an account but has an email address the letter will be emailed and the employee prompted to configure their account

- If the employee does not have an email address you can log onto IRIS OpenEnrol to print the required letter

When you Publish for a company for the first time, the company and employee details are created for you in IRIS OpenEnrol.

How to set up IRIS OpenEnrol in the payroll software

When using IRIS OpenEnrol it is vital for your Pension configuration to be set up fully. The letters require certain information to be present in order to be produced correctly.

Essential steps to setting up IRIS OpenEnrol

In **Utilities | Change Passwords | Online Login Details** enter your IRIS OpenEnrol login details

Go to **Pensions | Auto Enrolment Configuration Tool** & enter all relevant details...

...it is essential to enter the **Staging Date**, tick the **Link to OpenEnrol** box and enter **Contact Details** for pension administration

Ensure **Pension Fund Details** are completed and marked as **Qualifying Scheme**

Tick **Transitional Period** for relevant employees

Set up your IRIS OpenEnrol Portal

In order to use IRIS OpenEnrol, follow these steps:

1. Go to **Utilities | Change Passwords**

2. Select **Online Login Details**

3. Enter the **Email Address** and **Password** that you used to register on the IRIS OpenEnrol website (the login details are the same as IRIS OpenPayslips)

4. Click **OK**

5. Select the **Pensions** menu, click **Auto Enrolment Configuration Tool** and complete all the required information

6. On **Step 3 - Company Pension Scheme Administrator Details**, ensure the **Link to OpenEnrol** box is ticked

7. Ensure your company's contact details for pension administration have been entered in the **Contact Details** section, these are required for IRIS OpenEnrol communications

8. If required, click the **AE is coming button** to generate a letter for your workforce informing them that Automatic Enrolment is coming (your Staging Date must have been entered in Step 1 of the **Auto Enrolment Configuration Tool** before you can generate this letter)

9. Click **Close**

Please Note: If you are using the IRIS AE Suite™, to enable you to set login details for a specific company, if you log into the company and enter the **Username** and **Password** in **Utilities | Change Passwords | Login Details** this will restrict the published data that can be seen to this **Username/Password** only.
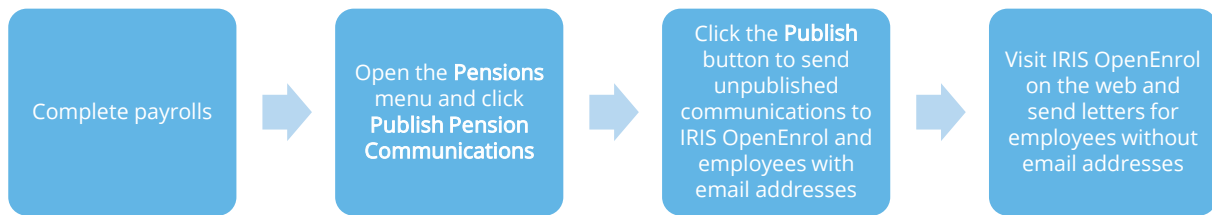
If you have entered the **Username** and **Password** in **Utilities | Change Passwords | Login Details** when <u>not</u> logged into a company; these will be used as the default for any companies without specific **Login Details**.
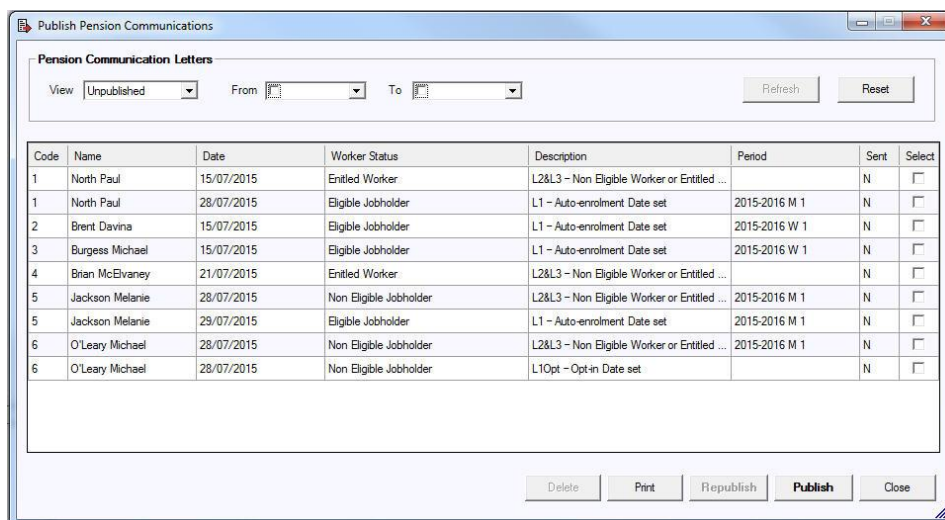
How do I set up IRIS OpenEnrol online?

To see how to set up the IRIS OpenEnrol portal, click here to view the guide.

How are the auto enrolment letters created?

Complete payrolls	→	Open the **Pensions** menu and click **Publish Pension Communications**	→	Click the **Publish** button to send unpublished communications to IRIS OpenEnrol and employees with email addresses	→	Visit IRIS OpenEnrol on the web and send letters for employees without email addresses

After you have completed your payroll, click on the **Pensions** menu and select **Publish Pension Communications** to open the publishing window. This can also be accessed via **Pensions | Company Dashboard | Publish**

This screen displays the pension communications that are to be sent or have already been sent to IRIS OpenEnrol, depending on the options selected in the **View** box at the top of the screen.

By default the screen shows all the currently available unpublished data. You can also view previously published data if you need to. The data is sorted alphabetically, by surname and forename.

You can reorder the grid by clicking on a column heading. Clicking again will toggle the order ascending to descending etc.

If there is no unpublished data the screen will display the first page of the most recent published data in alphabetical surname/forename order.

- **Code** – the employee code

- **Name** – the surname then forename

- **Date** – the date the communication was created

- **Worker Status** – employee's **Worker Status** at the time of generating the communication

- **Description** – describes the type of letter to be sent

- **Period** – the year, frequency and pay period e.g. tax year 2014/2015 Week 23 would appear as 2014-2015 W 23

- **Sent** – tick box showing whether a communication has been published to IRIS OpenEnrol

- **From Date** and **To Date** - these can both be blank or either can be blank or both can be populated:

  - If both dates are blank, all data matching the criteria in the **View** box will be displayed
  - If the **From Date** is blank all data up to the **To Date** will be displayed
  - If the **To Date** is blank all data from the **From Date** will be displayed
  - If the **From Date** and **To Date** are both populated only data in that date range will be populated
  - The **From Date** and **To Date** can be the same day

Reset

Click this button to reset the screen to its initial state. Both dates will become blank. The **View** field will be reset to **Unpublished** or **Published** depending on what was set when the screen was first opened. The grid display will be refreshed and the **Refresh** button will be disabled.

Refresh

The **Refresh** button is disabled until you change the **View** selection or enter a date range. The text, **Click Refresh to update view**, will appear when the **Refresh** button is enabled. After clicking **Refresh** the button will be disabled and the text, **Click Refresh to update view**, will not be visible.

> You need to click the **Refresh** button if you make changes to the **View** selection or the **From** and **To** dates

Print

Click '**Print**' for a printed listing of pension communications. You can choose to print **All**, **Unpublished** or **Published**, a **Date Range** and selected employees using the **Selection** button.

> This prints a summary of the communications, not the actual letters

Delete

Each single row in the grid can be highlighted. Multiple rows can be highlighted using standard windows functions e.g. CTRL & click or SHIFT & click. Highlight the rows you want to delete then click the **Delete** button.

Publish

When you are ready to send the unpublished pension communications to IRIS OpenEnrol you need to click the **Publish** button. **Publish** will always send all unpublished data for the current company. This will send the communications to the IRIS OpenEnrol portal and directly to employees with email addresses in their **Employee Details**.

Republish

This option allows you to republish data that has already been published previously, for a date range you select.

> Recalculating the payroll will re-assess any actions relating to Automatic Enrolment or IRIS OpenEnrol. If a payroll is recalculated, employees will be reassessed, if communications have not been sent, they can be amended or deleted before the pay period is complete.

What letters are sent and when?

L0	IRIS 'Staging Letter' – This letter is optional and lets employees know Auto Enrolment is coming and is sent once to all employees, except employees who are: ■ 75 and over ■ Worker Status 'Exclude from auto enrolment' ■ Works outside of UK box ticked ■ Leavers
L1	Issued when Auto Enrolment Date is assigned
L1R	Issued at Re-enrolment Date to Eligible Jobholders who opted out or ceased contributions more than a year before the Re-enrolment Date
L1T	Issued at Staging to employees with the Transitional Indicator set
L1P	Issued after Staging Date, each time a Deferral Date is assigned and the employee is an Eligible Jobholder
L1Opt	Issued when an Opt-in Date is entered for an employee who is an Eligible Jobholder or a Non Eligible Jobholder, or when a Join Date is entered for an Entitled Worker
L2 & L3	Sent to Non Eligible Jobholder or to Entitled Worker when assessed and a Postponement Period is not used. This letter is only sent once
L4	Sent to employees where they are a Member of a Qualifying Scheme at staging when no Postponement Period is used
L6	Issued to all employees at staging if Postponement Period is in use (apart from employees receiving Letter 1T). Also sent to new starters after staging if Postponement Period is in use and their Worker Status is Non-Eligible Jobholder or Entitled Worker
Excluded Employees	The following employees will not receive Auto Enrolment Communications:- ■ 75 and over ■ Worker Status 'Exclude from auto enrolment' ■ Works outside of UK box ticked

Examples of when Letters are created

At Staging without Postponement

```
                    ┌─────────────────────┐
                    │   Does the          │
                    │   employee have a   │
                    │   Transitional      │
                    │   Period selected?  │
                    └─────────────────────┘
                     │                   │
              ┌──────────┐         ┌──────────┐
              │   No     │         │   Yes    │
              └──────────┘         └──────────┘
                   │                     │
         ┌──────────────────┐    ┌──────────────────┐
         │ Is the employee a│    │                  │
         │ Member of a      │    │ Create Letter 1T │
         │ Qualifying       │    │                  │
         │ Scheme           │    └──────────────────┘
         └──────────────────┘
            │              │
      ┌──────────┐   ┌──────────┐
      │   Yes    │   │   No     │
      └──────────┘   └──────────┘
           │              │
    ┌──────────────┐  ┌──────────────────┐
    │ Create       │  │ Is the Auto      │
    │ Letter 4     │  │ Enrolment Date   │
    │              │  │ set?             │
    └──────────────┘  └──────────────────┘
                        │              │
                  ┌──────────┐   ┌──────────┐
                  │   Yes    │   │   No     │
                  └──────────┘   └──────────┘
                       │              │
                 ┌──────────────┐  ┌──────────────────┐
                 │ Create       │  │ Is the employee a│
                 │ Letter 1     │  │ Non-eligible     │
                 │              │  │ Jobholder or an  │
                 └──────────────┘  │ Entitled Worker? │
                                   └──────────────────┘
                                          │
                                   ┌──────────────────┐
                                   │ Create Letter    │
                                   │ 2 & 3            │
                                   └──────────────────┘
```
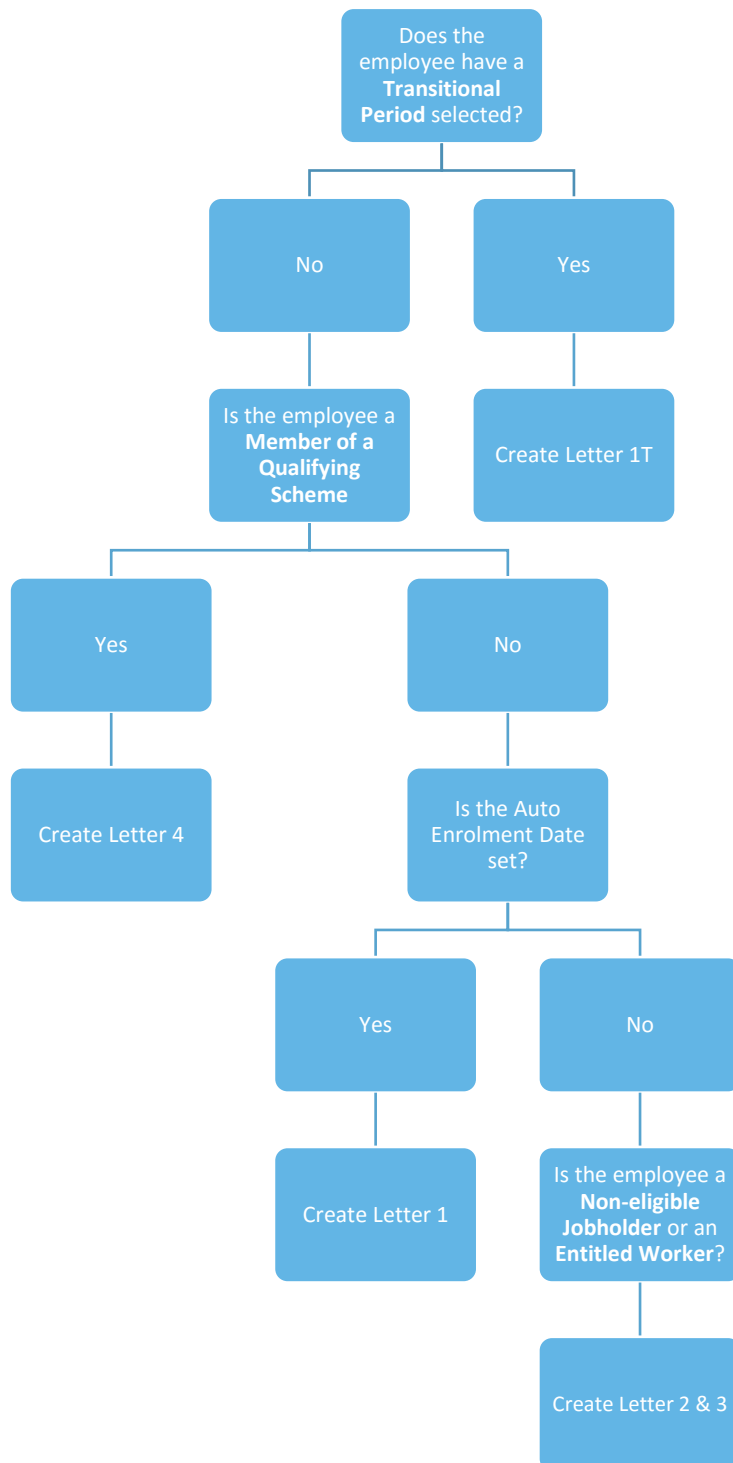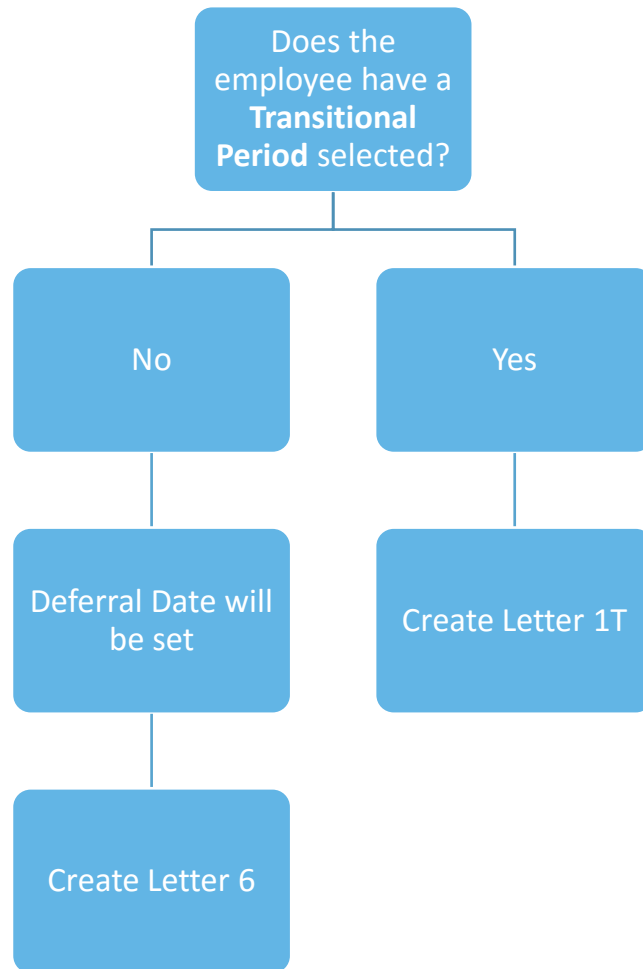
At Staging with Postponement

After Staging without Postponement


```
                    Is the employee an
                    Eligible Jobholder?
                    ┌──────────┴──────────┐
                   No                     Yes
                    │                      │
          New employee &            Create Letter 1
          Member of
          Qualifying Scheme
          ticked?
          ┌─────────┴─────────┐
         No                   Yes
          │                    │
   Status changed        Create Letter 4
   from None to Non-
   Eligible Jobholder
   or Entitled Worker
   ┌────────┴────────┐
  No                Yes
   │                 │
 End Process    Create Letter 2 & 3
```

After Staging with Postponement

```
                              Automatic
                           Enrolment Date set?

              ┌──────────────────────┴──────────────────────┐
             No                                             Yes

              │                                              │
        Deferral Date set?                            Create Letter 1

     ┌────────┴────────┐
    No                Yes

     │                 │
Status changed from    Is the employee an
None to Non-Eligible   Eligible Jobholder?
Jobholder or
Entitled Worker

  ┌──────┴──────┐              ┌───────┴───────┐
 No            Yes           No               Yes

  │             │             │                │
End Process  Create Letter   This will be a   Create Letter 1P
             2 & 3           new employee who
                             is an NEJ or EW.
                             Create Letter 6
```

Quick Reference & Definitions

Pensions FAQ	An IRIS webpage designed to help you with Auto Enrolment/Pensions frequently asked questions
	www.iris.co.uk/WPRFAQ
Department of Work & Pensions (DWP)	Policy owner and responsible for enabling and coordinating activity for the programme – and for communications to workers
	www.dwp.gov.uk/policy/pensions-reform
The Pensions Regulator (TPR)	The UK regulator of work-based pension schemes (any scheme that an employer makes available to employees, including occupational, stakeholder and personal)
	www.tpr.gov.uk
NEST	a pension provider available to all employers who want to use it. NEST is a workplace pension scheme designed for automatic enrolment that is available to any UK employer regardless of the organisations' size
	www.nestpensions.org.uk
The Pensions Advisory Service	an independent non-profit organisation that provides free information, advice and guidance on the whole spectrum of company, personal and stakeholder schemes
	www.pensionsadvisoryservice.org.uk

Eligible jobholder	a worker:

- who is aged at least 22 and not yet reached SPA
- earnings are above the earnings trigger for automatic enrolment

Non–eligible jobholder	a worker:

- who is aged between 16 and 74 <u>and</u>
- earns above the lower earnings level for qualifying earnings but below the earnings trigger for automatic enrolment

    or

- who is aged at least 16 and under 22 or between SPA and under 75
  and
- earns above the earnings trigger for automatic enrolment

Entitled worker	a worker:

- who is aged at least 16 and under 75 <u>and</u>
- earns **below** the lower earnings level for qualifying earnings

Qualifying Earnings	Includes all of the following pay elements (gross):

- Salary
- Wages
- Commission
- Bonuses
- Overtime
- SSP, SMP, SPP, ShPP, SAP

These earnings are used to identify whether an employee is an eligible jobholder or a non-eligible jobholder and their level of contributions

When a worker is paid in arrears, the employer considers what is due to be paid in this period regardless of what period it is earned

Automatic Enrolment — **Eligible jobholders** who are not already a member of a **qualifying scheme** on the employer's **Staging Date** must be automatically enrolled into an automatic enrolment scheme. The employer will choose the scheme for automatic enrolment

Staging Date — The date when the new law is 'switched on' for a business

Qualifying Scheme	To be a **qualifying scheme**, minimum contributions must be made or it must provide a minimum rate at which benefits will build up. A scheme suitable for automatic enrolment must also **not**:

- impose barriers to joining the scheme, such as probationary periods or age limits for members
- require staff to make an active choice to join or take any other action prior to joining
- require the provision of extra information in order to stay in the scheme

Postponement Period	Postponement is an additional flexibility for an employer that allows them to choose to postpone automatic enrolment for a period of their choice of up to three months
Deferral Date	This is the last day of the **Postponement Period** and the date employees will be re-assessed for auto enrolment.
Opt-out	**Eligible jobholders** may choose to opt out after they have been automatically enrolled. **Non-eligible jobholders** who have opted in may choose to opt out after they have been enrolled. Workers who have been enrolled under contractual enrolment (e.g. under their contract of employment) and **entitled workers** who have asked to join a scheme do not have the right to choose to opt out. If they want to leave the scheme, they must cease membership in accordance with the scheme rules.
Opt-in	A jobholder has the right to opt in to an automatic enrolment scheme, unless they are:

- an active member of a qualifying scheme with that employer
- an eligible jobholder for whom the employer has an automatic enrolment duty or
- an eligible jobholder for whom the employer has a re-enrolment duty

Pay Reference Period	This is the period an employee's auto enrolment assessment is based on. For further information please see our **Pension FAQs**

Additional Software and Services Available

IRIS AE Suite™

The IRIS AE Suite™ works seamlessly with all IRIS payrolls to easily manage auto enrolment. It will assess employees as part of your payroll run, deduct the necessary contributions, produce files in the right format for your pension provider* and generate the necessary employee communications.

IRIS OpenPayslips

Instantly publish electronic payslips to a secure portal which employees can access from their mobile phone, tablet or PC. IRIS OpenPayslips cuts payslip distribution time to zero and is included as standard with the IRIS AE Suite™.

IRIS Auto Enrolment Training Seminars

Choose from a range of IRIS training seminars to ensure you understand both auto enrolment legislation and how to implement it within your IRIS software.

Useful numbers

HMRC online service helpdesk	HMRC employer helpline
Tel: 0300 200 3600 Fax: 0844 366 7828 Email: helpdesk@ir-efile.gov.uk	Tel: 0300 200 3200 Tel: 0300 200 3211 (new business)

Contact Sales (including stationery sales)

For IRIS Payrolls	For Earnie Payrolls
Tel: 0844 815 5700 Email: sales@iris.co.uk	Tel: 0844 815 5677 Email: earniesales@iris.co.uk

Contact support

Your Product	Phone	E-mail
IRIS PAYE-Master	0844 815 5661	payroll@iris.co.uk
IRIS Payroll Business	0844 815 5661	ipsupport@iris.co.uk
IRIS Bureau Payroll	0844 815 5661	ipsupport@iris.co.uk
IRIS Payroll Professional	0844 815 5671	payrollpro@iris.co.uk
IRIS GP Payroll	0844 815 5681	gpsupport@iris.co.uk
IRIS GP Accounts	0844 815 5681	gpaccsupport@iris.co.uk
Earnie or Earnie IQ	0844 815 5671	earniesupport@iris.co.uk