

# Impact of automatic enrolment on business: Editors notes

In 2011, there were 1.6 million private sector organisations in Britain employing around 20 million private sector workers. Around 2 million employees work for micro employers (employers with less than 5 workers).

Small firms are currently less likely to provide access to a pension scheme and to provide contributions.

## Implications for employers

The duties set out in the Pensions Act 2008 and in the Pensions Act 2011 will apply to all companies or individuals who employ one or more workers in Great Britain. For many employers, especially micro employers and small employers, the process of providing a workplace pension will be entirely new.

Employers with existing pension provision will have to go through the processes to carry out automatic enrolment, to register with the Pensions Regulator, to ensure their schemes comply with the requirements for scheme quality, and to take decisions regarding their contribution levels.

Information about what employers need to do is available on the Pensions Regulator's website. Detailed guidance on the reforms for employers and intermediaries has also been published to explain the whole process of automatic enrolment and what the employer duties are<sup>1</sup>. For small and micro employers, who may have less knowledge of pension provision, they have produced a suite of user-friendly interactive tools to help them understand what must be done to comply with the employer duties<sup>2</sup>.

The Pensions Regulator has published guidance on the criteria that must be met for a scheme to be a qualifying scheme. Over time they will publish further guidance on the necessary characteristics of a pension scheme to deliver a good outcome for the workers retirement savings. There is a toolkit<sup>3</sup> for employers which includes templates for letters to workers and frequently asked questions.

This note is only a guide and does not cover every circumstance. The information contained in the note is correct as of July 2012. Some of the information may become inaccurate over time, for example because of changes to the law.

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<sup>1</sup> [www.thepensionsregulator.gov.uk/pensions-reform/detailed-guidance.aspx](http://www.thepensionsregulator.gov.uk/pensions-reform/detailed-guidance.aspx)

<sup>2</sup> [www.thepensionsregulator.gov.uk/tools.aspx](http://www.thepensionsregulator.gov.uk/tools.aspx)

<sup>3</sup> available at [www.thepensionsregulator.gov.uk/employers/writing-to-workers-about-automatic-enrolment.aspx](http://www.thepensionsregulator.gov.uk/employers/writing-to-workers-about-automatic-enrolment.aspx)