



Keeping you one step ahead

Auto enrolment explained



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What is auto enrolment?

All eligible employees must be automatically enrolled into their company pension. This means you must auto enrol all your eligible employees into a qualifying pension scheme and contribute to their plan.

Only once your employees have been auto enrolled will they have the choice to opt out so long as they do so within one month. If they leave it after this opt-out period, their contributions up to that point will remain invested in their pension until they retire.

Auto enrolment has implications for all sizes of business and every employer has duties to complete. We've put this guide together to help you plan ahead.

This document is based on Legal & General's current understanding of auto enrolment and may be subject to change.



Who is eligible?

Your workforce will fall into one of these three categories:

Eligible jobholders

Eligible jobholders are workers who:

- are aged between 22 and State Pension age
- are working or ordinarily working in the UK
- have qualifying earnings payable by the employer in the relevant pay reference period* that are above the earnings trigger for auto enrolment (£10,000 a year**).

Non-eligible jobholders

Non-eligible jobholders are not eligible for auto enrolment but can choose to opt in to a pension scheme and receive contributions from you. These include workers who:

- are aged between 16 and 74
- are working or ordinarily working in the UK
- have qualifying earnings payable by the employer in the relevant pay reference period that are above the lower earnings level for qualifying earnings (£6,240 a year**) but below or equal to the earnings trigger for auto enrolment (£10,000 a year**)

or

- are aged between 16 and 21 or between State Pension age and 74
- are working or ordinarily working in the UK
- have qualifying earnings payable by the employer in the relevant pay reference period that are above the earnings trigger for auto enrolment (£10,000 a year**).

Entitled workers

Entitled workers are not subject to auto enrolment but are 'entitled' to join a pension scheme. These are workers who:

- are aged between 16 and 74
- are working or ordinarily working in the UK
- have qualifying earnings payable by the employer in the relevant pay reference period that are below or equal to the lower earnings level for qualifying earnings (£6,240 a year**).

Other types of employee

Agency workers

The party that holds the contract of employment for agency workers is responsible for the auto enrolment duties. For example, if a recruitment agency holds the contract of employment for one of your temporary workers, it will be the agency that will have to conduct the auto enrolment duties.

Seconded

These individuals remain the responsibility of the company from which they are seconded.

One-person companies

If you, as the director of your company, are the sole employee there is no requirement to auto enrol. If you were to take on another employee however, both you and your new employee would be subject to auto enrolment.

Self-employed contractors

An individual working under a contract for services with an employer is not normally a worker and so there is no requirement to auto enrol.

* See page 9 to find out more about pay reference periods.

** For the tax year 2023/2024.

Postponing the auto enrolment date

If you wish, you can defer the auto enrolment date for new employees for up to three months by using a waiting period.

This is a sensible move as it can help with:

- Seasonal workers
- Employees on short-term contracts
- One-off peaks in earnings, such as bonuses
- Aligning with the payroll run to ease administration. For example, a company's payroll is run on 28th of each month. John joins the company on 10 October whereas Peter joins on 18 October. Operating a waiting period means that even though the two employees started on different days their auto enrolment date is the same; in this case 1 January. In effect, the employer is tailoring each of their employees' waiting periods, to ensure they're enrolled on the same day, to ease their administrative duties.

You are required to provide information to your employees within six weeks of the first day of their waiting period. The information needs to include:

- That auto enrolment has been deferred
- The new date of auto enrolment
- That on the deferral date, if they meet the criteria to be an eligible jobholder that they will be automatically enrolled
- The employee's right to opt in during the waiting period.

You may also provide the auto enrolment information at the same time. You can choose to send a generic notification or one tailored specifically to each employee. You must record the date on which notifications of the waiting period are sent and the eligible jobholders they are sent to.

You will need to maintain a continuous review of the eligibility of any employees who were not auto enrolled. As soon as they do become eligible, or a new employee joins your company who is also eligible, they will need to be auto enrolled. The table over the page sets out the four types of notice you can send when postponing an employee's auto enrolment.

We can provide templates of postponement notices that you can tailor for your own postponement communications.

Postponement notice	Content	When it can be used
<p>General notice A</p> <p>Contains information that must be provided to all categories of worker*.</p> <p>Issued to any worker irrespective of worker category and whether or not they are a member of a qualifying scheme with you.</p>	<ul style="list-style-type: none"> • Postponement information • The requirement to tell a jobholder about their right to opt in to an auto enrolment scheme • The requirement to tell an entitled worker about their right to join a pension scheme • The requirement to tell an existing member of a qualifying scheme about the scheme 	<p>The worker's first day of employment.</p>
<p>General notice B</p> <p>Same as notice A except no information is provided for existing members as they will be picked up in a separate exercise.</p>	<ul style="list-style-type: none"> • Postponement information • The requirement to tell a jobholder about their right to opt in to an auto enrolment scheme • The requirement to tell an entitled worker about their right to join a pension scheme 	
<p>Tailored notice for a jobholder</p> <p>Contains information specific to a jobholder who is not an active member of a qualifying scheme with you.</p>	<ul style="list-style-type: none"> • Postponement information • The requirement to tell a jobholder about their right to opt in to an auto enrolment scheme 	<p>Must be used at the date the eligible jobholder criteria are met:</p> <ul style="list-style-type: none"> • The worker's first day of employment.
<p>Tailored notice for an entitled worker</p> <p>Contains information specific to an entitled worker who is not an active member of a qualifying scheme with you.</p>	<ul style="list-style-type: none"> • Postponement information • The requirement to tell an entitled worker about their right to join a pension scheme 	<p>The worker's first day of employment.</p>

* See page 4 for workforce categories.

Your workforce

Assessing the workforce

You need to assess your full workforce to put your employees into one of the three categories mentioned in the 'Who is eligible?' section of this guide. As part of the assessment the key criteria are:

- the worker's age
- whether the worker is working or ordinarily working in the UK
- whether they have qualifying earnings in the relevant pay reference period.

The assessment must be conducted at particular points in time, or when particular events occur. These dates include:

- the worker's first day of employment with you
- the date of the worker's 22nd birthday
- the date of the worker's 16th birthday.

As you must provide information to your employees about auto enrolment, you have just six weeks from the dates mentioned above to conduct this assessment.

Assessing whether a worker is working or ordinarily working in the UK

Not all types of pension scheme can accept non-UK residents so it is important employers consider this when deciding on the best type of scheme for them.

If a worker is not wholly working in the UK it is necessary to determine whether they are ordinarily working in the UK. To do this the employer needs to establish:

- where the worker begins and ends their work
- where their private residence is or is intended to be
- where the worker's headquarters are
- whether they pay National Insurance contributions (NIC) in the UK
- what currency they are paid in.

These factors are important when assessing workers such as pilots or seafarers.

If you were to send a worker outside the UK on a placement you would need to be satisfied that the worker's base remains in the UK. If it does, the worker is deemed to be ordinarily working in the UK. In such cases you would also need to consider whether the worker's contract remains with yourself in the UK and that there is an expectation that the worker will return to the UK after their placement has finished.

A non-UK employer sending a worker to the UK to work for a UK-based employer would also need to make an appropriate assessment. If the employee's base is not in the UK, they would not be considered ordinarily working in the UK.

For further information, please refer to The Pensions Regulator's (TPR) '[Assessing the Workforce](#)' guide.

Contributions

The government has set a minimum amount that must be paid into a pension scheme for eligible and non-eligible jobholders. This is 8% of qualifying earnings.

An employer can choose to pay more than the minimum shown opposite, and can ask the employee to pay less. The important point is that the total contribution meets, or exceeds, the total minimum contributions, providing the employer pays the minimum required.

Minimum contribution levels

Employee contribution (including tax relief)	Employer contribution	Total contribution
5%	3%	8%

Pay reference periods

A pay reference period is the worker's normal pay period. For example, those paid weekly will be assessed over a week whereas those paid monthly will be assessed on their monthly pay. Pay comprises salary, commission, bonuses, overtime, statutory sick, maternity or paternity pay.

The following examples are taken from TPR's guide, '[Assessing the Workforce](#)'.

Stewart receives a fixed basic salary, regardless of how many hours he's worked in the month, and is paid monthly. This is paid on the last working date of the calendar month. This payment relates to work done during the period from 1st of the month to the end of the month, e.g. the pay reference period for March runs from 1 March to 31 March.

The first day of the next pay reference period is 1 April.

Ann receives a fixed, basic salary regardless of how many hours she has worked in the month, and is paid monthly. This is paid on the 23rd of each month. The payment relates to work done between the 24th and the 23rd day of the following month.

Ann's March pay reference period runs from 24 February to 23 March.

Jermaine is paid weekly on a Friday for the hours worked during the week, beginning on a Monday and ending on the Sunday.

His pay reference period runs from Monday to Sunday.

Mira receives her pay on a Friday for the hours worked during the week, beginning on a Saturday and ending on that Friday.

Mira's pay reference period runs from Saturday to Friday.

You can see a breakdown of the earnings triggers for different pay reference periods below.

Pay reference period	Lower level of qualifying earnings (2023/2024)	The earnings trigger for auto enrolment (2023/2024)
1 week	£120	£192
Fortnight	£240	£384
4 weeks	£480	£768
1 month	£520	£833
1 quarter	£1,560	£2,499
Bi-annual	£3,120	£4,998
Annual	£6,240	£10,000

You must continue to monitor the status of non-eligible jobholders and entitled workers to see if they ever satisfy the auto enrolment criteria. If their pay reaches the trigger, you need to auto enrol them within one month of them becoming eligible. It may be a good idea, however, to use a waiting period to help deal with jobholders that receive a one-off spike in their pay.

Joe works for a retail company. His pay reference period is one month. He normally receives £550 a month.

During December, he works some overtime and picks up a bonus; his pay in December is now £900. He has reached the trigger of £833 and his employer must now auto enrol him.

Joe's employer operates a waiting period of three months and he's told that he will be enrolled in March. At the enrolment date Joe's employer reassesses his pay; he has dropped back down to £550 so will not need to be enrolled.

Joe's employer goes back to monitoring whether his pay will reach the trigger figure – if it does his employer repeats the exercise.

It's possible to use the waiting period each and every time your employees reach the auto enrolment threshold.

Having identified the categories of worker, you must communicate certain messages to each of them, listed below. You will find further information about what you need to include in the 'Providing details' section of this guide.

Category of worker	Information to be provided
Entitled worker	Information about their right to join a pension scheme.
Non-eligible jobholder	Information about their right to opt into an auto enrolment scheme.
Eligible jobholder	<ol style="list-style-type: none"> Those to be auto enrolled: scheme information, what auto enrolment means and their right to opt out. Those already members of a qualifying scheme: information about the scheme.
All workers	If the employer is to operate a waiting period they must inform workers when they will be auto enrolled.

Certification

The concept, introduced in the auto enrolment regulations, of basing pension contributions on a band is not commonly used (for example, contributions within the qualifying earnings band of £6,240 and £50,270 a year). Most employers currently make contributions starting from the first pound earned, and will have a definition of the pay on which pension contributions are based.

Therefore, you may certify one of three models to satisfy that the contribution based on the first pound method will meet the minimum criteria set out by the regulations.

The three models are:

1. A minimum of 9% of basic pay (including 4% employer), or
2. A minimum of 8% of pensionable pay (including 3% employer) provided pensionable pay equates to at least 85% of total pay, or
3. A minimum of 7% of pensionable pay (including 3% employer) provided pensionable pay equates to total pay.

Pensionable pay is most commonly basic pay without bonuses, overtime or commission.

You only need to certify one of these models if you want to avoid using the contributions band.

If you are going to phase your contributions you can use certification. Three models can be used during the phasing period, which are in line with the three above.

Model one

Based on the minimum contribution of 9% of basic pay

Employer minimum contribution (Calculated on basic pay)	Employee minimum contribution (Calculated on basic pay)	Total minimum contribution (Calculated on basic pay)
4%	5%	9%

Model two

Based on the minimum contribution of 8% of pensionable pay

Employer minimum contribution (Calculated on pensionable pay which must be at least 85% of total pay)	Employee minimum contribution (Calculated on pensionable pay which must be at least 85% of total pay)	Total minimum contribution (Calculated on pensionable pay which must be at least 85% of total pay)
3%	5%	8%

Model three

Based on the minimum contribution of 7% of pensionable pay

Employer minimum contribution (Calculated on total pay)	Employee minimum contribution (Calculated on total pay)	Total minimum contribution (Calculated on total pay)
3%	4%	7%

You can choose to use all three models of certification, if you need to, by breaking your workforce down into sub-groups within your pension scheme. For example, some employees may only receive basic pay meaning you may wish to choose model three, whereas other employees may be entitled to commission in which case you may wish to choose either one of the other two models.

Who can certify?

You are responsible for certifying your pension scheme. You'll have one month from the start date to conduct the necessary checks and calculations before completing the certificate. Those permitted to complete the certificate include:

- In a limited company, a director or officer of the company;
- In a partnership, a senior partner;
- For a sole trader, the business owner;
- In a government department, a member of the executive team or the permanent secretary;
- In a local authority the chief executive;
- In a government agency, the chief executive;
- In a public body, the chief executive;
- In an academic institution, the dean or principal; and
- In a National Health Service Trust – the chief executive.

Where there is a multi-employer group one employer may be able to certify on behalf of the other employers provided they have the appropriate authority to do so.

The certification period

The certification period can run for up to 18 months from the date your enrolment duties start, or from the end of a deferred period. You can choose a shorter period if need be, for example, to align to other annual reporting requirements.

Here's an example of a twelve-month process:

- The auto enrolment duty commences on 6 April 2023.
- The effective date of the certificate is 6 April 2023.
- The certificate can be based on the earnings data for the period 6 April 2022 to 5 April 2023.
- Employer has one month in which to undertake the relevant calculations and sign the certificate.
- The certificate should therefore be signed by 5 May 2023.
- The certificate expires on 5 April 2024.
- Effective date of any new certificate is 6 April 2024.

It may be necessary to bring the certification period to an end prematurely owing to a change in circumstances, such as:

- Corporate transactions such as mergers, acquisitions and transfers under the Transfer of Undertakings (Protection of Employment) Act (TUPE);

- Changes to a scheme's benefit structure;
- Changes to the contribution rate;
- Changes to the pay and reward structure;
- The winding up of a scheme.

Renewing the certificate

In order to renew your certificate you must make sure that, following a review at the end of the previous certification period, the contribution rate will continue to meet the required levels.

If not, then remedial action will need to be put in place, such as:

- Increasing contribution rates in the scheme
- Changing the definition of pensionable earnings so that it is a higher proportion of total earnings
- Paying contributions at 8% of the qualifying earnings bands.

Pensionable earnings

The definition of pensionable pay varies depending on each employer. The certification requirements insist that pensionable pay can be no lower than basic pay.

Therefore, the Department for Work and Pensions (DWP) has clarified what pensionable pay should include and what can be set aside.

Pensionable pay should include:

- Earnings before deductions
- Holiday pay, and
- Statutory benefits such as maternity, paternity, adoption, and sick pay

Items that can be excluded:

- Car allowances
- Bonuses
- Commission
- Clothing allowances
- Meal allowances
- Attendance allowances
- Shift allowances
- Health and safety allowances (e.g. fire warden, first aider)
- Relocation allowance

Qualifying pension schemes

A qualifying pension scheme can be either a defined contribution scheme (DC) or a defined benefit scheme (DB). Below shows the requirements for a DC scheme. Alternatively, if you would like to find out more on DB schemes, please contact your usual Legal & General representative.

Choosing your pension scheme for auto enrolment

To allow you to fulfil your auto enrolment duties, you must choose a pension scheme with certain features. This is called an auto enrolment qualifying scheme.

A qualifying scheme:

- must be able to receive minimum contributions of 8% of banded earnings or the appropriate certification model
- the employer must contribute at least 3% with the employee making up the difference to 8%
- must comply with the government's charge cap for auto enrolment schemes.

An auto enrolment qualifying scheme:

In addition to the requirements of a qualifying scheme, an auto enrolment scheme must:

- have a default investment option
- be able to support the employer with appropriate disclosure of information
- be able to be used for auto enrolling eligible jobholders, also allowing non-eligible jobholders to opt in and entitled workers to join.

You'll need to assess any existing pension scheme that you currently have in place and decide whether or not you wish to continue to use it or choose another scheme that meets the requirements. If you do not have an existing scheme, you will need to choose a new scheme altogether.

For a UK pension scheme to be an auto enrolment scheme the following criteria must be met. It must:

- be an occupational or personal pension scheme
- be tax registered
- contain no barrier to enrolment
- have a default investment option, and
- satisfy certain minimum requirements set out below.

To meet auto enrolment requirements, after phasing, the pension scheme must satisfy the following:

- the employer must make a contribution of at least 3%
- the jobholder must make up the difference to 8%
- the minimum contributions must be based on qualifying earnings*.

You can use your existing scheme as a qualifying scheme for existing members, provided the minimum contributions mentioned above are paid. If any member's contributions are below this level, they should either be increased, or the member should be auto enrolled into an auto enrolment qualifying scheme, where the minimum contributions must be paid.

See pages 10 and 11 for more information on certification.

* An employer can use a method of certification to satisfy the minimum requirement.

Salary sacrifice

Salary sacrifice and flexible benefits packages

Salary sacrifice is where an employee agrees to sacrifice a percentage of their salary in return for a non-cash benefit (in this case a pension contribution equal to the amount sacrificed). Their contract of employment would be amended to reflect this.

For example:

Joe earns £20,000 a year and he is not currently a member of a pension scheme. He has been contacted by his employer about a salary sacrifice arrangement, which Joe had to agree to in writing (signed and dated).

Joe's contribution is 5% (£1,000 gross) and his employer's contribution is 3% (£600 gross).

Joe's salary is reduced to £19,000. The £1,000 is instead put directly into Joe's pension pot, avoiding any income tax or NIC on the sacrificed amount.

Joe saves 12% NIC on the £1,000 sacrificed, a saving of £120, which can be given back to Joe – effectively increasing his take home pay – or be used to increase his pension contribution.

Joe's employer also saves 13.8% NIC on £1,000 – a saving of £138.

Most flexible benefits schemes work on the basis that there is a basic salary, then sitting on top of this is an amount that can be flexed to provide other benefits. An eligible jobholder would need to be auto enrolled after the flexible benefits have been set.

For example:

John has a basic pay of £30,000 and £5,000 available for flexible benefits. He will have to be auto enrolled.

If he uses all of the £5,000 his pension contributions will be based on £30,000. However, John uses just £3,000 with the £2,000 balance added to his pay; his pension contributions must now be based on £32,000.

With auto enrolment there is no requirement for the jobholder to make a choice about whether to have a pension; they must be auto enrolled into a pension scheme regardless.

For further information on how salary sacrifice works and the various advantages or disadvantages, please refer to the Salary Sacrifice: Employers' Handbook, available from your Legal & General contact.

Enrolment

Provision of information

On enrolling your employees, you must provide information to your pension scheme provider and your employees.

Providing information to the pension scheme provider

You're required to give the trustees, managers or providers of your pension scheme the following details of each eligible jobholder:

- name
- gender
- date of birth
- auto enrolment date
- postal residential address
- National Insurance number (NINO).

You may also be required to provide the following information for each employee, depending on the pension scheme set-up:

- postal work address
- work email address (if one exists)
- personal email address (if you hold this information)
- gross earnings in any pay reference period
- the value of any contributions payable to the pension scheme by you and the eligible jobholder in any pay reference period where this information is available. (The value can be shown as a fixed amount or a percentage of any qualifying earnings or pensionable pay due to the eligible jobholder.)

The enrolment notification

You're responsible for providing the following information to eligible jobholders on being automatically enrolled into your pension scheme. The information must be provided in writing but can be sent by email, if you'd prefer.

- A statement that they have been, or will be, automatically enrolled into a pension scheme to help save for retirement.
- Their auto enrolment date.
- The name, address, telephone number and electronic contact details of the pension scheme of which they are, or will be, an active member.
- The value of any contributions that both they, and you, will make in any pay reference period.

- If the pension scheme chosen for auto enrolment is a defined contribution (DC) occupational pension scheme or personal pension scheme.
- A statement that their contributions have been, or will be, deducted from any qualifying earnings or pensionable pay in any pay reference period.
- Confirmation of whether tax relief will be given at source or under net pay arrangements.
- A statement that they have the right to opt out of the pension scheme during the opt-out period.
- The start and end of their opt-out period.
- Where they can obtain the opt-out notice.
- A statement that opting out means that they will be treated as if they had never joined the pension scheme.
- A statement that after a valid opt-out notice is given, any contributions they have paid will be refunded.
- A statement that where an eligible jobholder opts out, they may then choose to opt back in, at least once in a twelve-month period.
- A statement that after the opt-out period, they may cease to make contributions towards their pension scheme in accordance with the scheme rules.
- A statement that if they opt out or cease active membership they will normally be re-enrolled into an auto enrolment pension scheme by you, in accordance with section 5 of the Pensions Act 2008.
- A statement giving details of where to get more information about pensions and saving for retirement.

We can provide the enrolment notification on your behalf. See Appendix 1 for samples of our communications.

Opting in and joining

The opt-in process for non-eligible jobholders

After completing the assessment of your workforce and having identified non-eligible jobholders, you must give them the opportunity to opt in to your auto enrolment scheme and benefit from your contributions.

On receipt of a valid opt-in notice you must follow the same process that is in place for eligible jobholders and your employee must still be given the opportunity to opt out.

Where an employee has ceased to be an active member within the last 12 months or has chosen to opt out within the last 12 months then you do not need to action the opt-in request.

If you do choose to action the opt-in then you must follow the auto enrolment process.

The enrolment date will be the first day of the next pay reference period, after you receive the opt-in notice. If you have already closed the payroll for the next pay reference period then the enrolment date will commence on the first day of the second pay reference period.

The joining process for entitled workers

On receipt of a valid joining notice you must make arrangements for that employee to join your pension scheme. This does not have to be the same scheme that you use for your eligible and noneligible jobholders. You are not obliged to make any contribution for an entitled worker.

You do not have to act on the joining notice if your employee has stopped membership within the previous 12 months.

To create active membership you must:

- enter into arrangements with either the trustees of an occupational scheme or the provider of a personal pension scheme
- give information about your employee to the trustees, managers or providers of the scheme.



Opting out

Opting out

Employees can opt out of the pension scheme but only after they've been enrolled and have received their enrolment information.

To opt out they must request an opt-out notice from the pension provider and submit it within one month of being enrolled. You will find an example of our opt-out notice in Appendix 1.

Refunds

The regulations state that you, as the employer, are responsible for refunding any contributions deducted during the opt-out period to your employees. Your payroll will have a record of how much this is.

You will need to refund any contributions deducted from pay, within a month of the employee opting out. Normally, you should issue the refund in the next payroll after you get the opt-out notice.

Where money has been passed to the pension provider, they will refund any contributions directly to you, on behalf of the employee.

It is important that you do not wait for the pension provider to return any money before making the refund to your employee, as this could mean you miss the one-month deadline.

Leaving the pension scheme

A pension scheme member is entitled to leave the scheme at any time, although their contributions must remain invested in the pension scheme until they take their benefits. This is referred to as a deferred benefit.

For members of a personal pension scheme, they may stop contributing at any time. However, they will only receive a refund if they opt out within one month of being enrolled. If they decide to leave after one month their contributions, up to that point, will remain invested until they take their benefits.

If the scheme operates on a salary-sacrifice basis there would be no refund available because the contributions would have been made by the employer.

The benefits available to members who leave an occupational pension scheme are summarised below:

Period of active membership	Benefit
Less than 30 days	Scheme rules dictate
More than 30 days	A deferred benefit or transfer to another registered pension scheme

If we provide our enrolment notification to your employees on your behalf, we'll direct them to WorkSave Choice, where they can opt out online. Employees who do not have internet access and wish to opt out can telephone our helpline to request an opt-out form.

Eligible jobholders

There will be occasions when an eligible jobholder may express a wish to either:

1. reduce their contributions below the minimum required, or
2. opt out at the auto enrolment stage only to request to join a pension scheme at a level below the minimum required.

It's up to you whether you allow them to remain in the pension scheme like this. If they do remain in the scheme they must be separately identified, because at the re-enrolment date you are required to re-enrol them at the minimum auto enrolment contribution rate, if they are still an eligible jobholder at that time.

Safeguards

You must not take any action which results in your employees ceasing active membership of your qualifying pension scheme. Any choice to leave the scheme or opt out should be made solely by your employee.

You must also not do anything to avoid having to automatically enrol new employees. For example, you must not screen job applicants so that those less likely to join the pension scheme are employed.

You must not pressure workers into leaving the pension scheme, for example by offering extra pay or holiday or suggesting that future progression within the company would be compromised.

Some instances may be less clear-cut. For example, an employer could offer a flexible benefit package from which the worker may choose.

Auto enrolment must be a default option and the employer must demonstrate that the other flexible benefits are not a bribe for opting out of the pension scheme.

Keeping track

To adhere to auto enrolment regulations, you must keep the following records about your employees:

Who the record relates to	What record must be kept	How long must it be kept
Eligible and non-eligible jobholders who become members	<ol style="list-style-type: none"> 1. Name 2. National Insurance (NI) number 3. Date of birth 4. Gross earnings in the pay reference period 5. The amount of employer and employee contributions 6. The date contributions were paid to the scheme 	6 years
Information for eligible and non-eligible jobholders only	<ol style="list-style-type: none"> 1. Auto enrolment date 2. Opt-in notice (original format) 3. The contributions to which the jobholder is entitled under the scheme rules 	6 years
	Opt-out notice	4 years
Information for entitled workers only	<ol style="list-style-type: none"> 1. Name 2. NI number 3. Date of birth 4. Date, with effect, from which the worker became an active member 5. Joining notice (original format) 	6 years
All workers for whom the employer has used postponement	<ul style="list-style-type: none"> • Name • NI number (where one exists) • Date the notice was sent to the worker 	6 years

Records must be kept about the pension scheme as well:

Type of pension scheme being used	What record must be kept	How long must it be kept
Defined contribution occupational trust-based scheme (UK-administered)	<ol style="list-style-type: none"> 1. Employer pension scheme reference number 2. Scheme name and address 	6 years
Contract-based personal pension scheme (UK-administered)	<ol style="list-style-type: none"> 1. Employer pension scheme reference number 2. Name and address of pension provider 	6 years

The pension scheme provider must keep the following information about the pension scheme member recorded:

Who the record relates to	What record must be kept	How long must it be kept
Active member	<ol style="list-style-type: none">1. Full name2. Date of birth3. NI number4. Gender5. Residential address (including postcode)6. Date on which the person became an active member of the scheme7. The date on which the person ceases to be an active member of the scheme8. A description of the member's status (i.e. active if a member is receiving contributions or, inactive if the member falls outside of this category)	6 years
Jobholders who opt out	<ol style="list-style-type: none">1. Full name2. The date on which the scheme was informed by the employer of the jobholder's decision to opt out	4 years
Pension scheme	Employer pension scheme reference number	6 years

Appendices

Appendix 1 – Our enrolment communications

Enrolment notification: To advise eligible jobholders, non-eligible jobholders and entitled workers that they have been enrolled into their employer's pension scheme.

Private and Confidential

<Member Name>
<Address line 1>
<Address line 2>
<Address line 3>
<Post Code>

SCHEME NAME GOES
HERE

DD Month YYYY

<Full Member Name>
Retirement Age: 65 years 5 months
Enrolment code: XXXXXXXXX
Your reference: XXXXXXXXXX

ABC PENSION SCHEME

We are pleased to confirm that you joined your company pension plan on <DD Month YYYY>.

Legal & General is the company selected by your employer to provide your plan and to make sure you have all the help and information you need every step of the way.

What being in the plan means for you

Joining the plan means you are saving towards your future. Both you and your employer will be making monthly contributions to your pension pot. You will have agreed how much this is with your employer. The government helps too in the form of tax relief.

You can find out more about how this works in your Key Features document. You can find this at: www.legalandgeneral.com/lego-uk

What happens to your money

Your contributions will be invested in:

- Legal & General (FMC) Multi-Asset Fund 3

Unless you were given an option to make an investment choice before you joined, we will place your contributions in the default investment option for your plan. This is considered to be a good starting point for most people, but it won't take into account your personal circumstances or goals. So it's a really good idea to look at the other options available and decide whether you want to make any changes.

You can find out more about investing and your fund choices at legalandgeneral.com/wsp-uk.

Legal & General (FMC) is a limited company registered in England. Registered office: 100 Broad Street, London, W1A 3DF. Legal & General Investment Management (UK) Limited is authorised by the Financial Conduct Authority (FCA) to provide financial services. FCA registration number: 120973. Legal & General Investment Management (UK) Limited is authorised by the Financial Conduct Authority (FCA) to provide financial services. FCA registration number: 120973.

Legal & General

The next step

If you're happy to stay in the plan please check the details we hold for you at www.legalandgeneral.com/choice using your enrolment code 842aspwp@lg. You can update them online if anything needs to change.

You don't need to do anything else.

In the next few weeks you'll receive confirmation of your membership and a personalised illustration of what your pension could be worth when you come to access your money.

If you don't want to be in the plan, you can opt out at any time. If you opt out on or before 10 April 20XX, you'll get back the money that you've already paid in and be treated as if you never joined. If you opt out any time after 10 April 20XX, your money must stay invested until you are at least 55 years old.

If you decide to opt out, go to www.legalandgeneral.com/choice by 10 April 20XX and log in with your enrolment code 842aspwp@lg. If you don't have access to the Internet you can call us to request an opt out form.

If you do leave the plan, you'll have an opportunity to re-join at least once a year. You must speak to your employer to organise this.

Finally

With the help of your employer, you've taken the first step towards building your savings for later in life. Look out for your membership pack in the post soon.

Thank you for saving with Legal & General.

Yours sincerely

Nike Crowley

Nike Crowley
Head of Customer Services,
Workplace DC Pensions


For more information

For more information on the features and benefits of your company pension scheme, please visit www.legalandgeneral.com/wsp-uk or call us on 0845 816 8862. Call charges will vary, your call may be recorded and monitored.

Or write to us: J1, Workplace DC Pensions, Legal & General Investment Management, Brunel House, 2 Plaxton Road, Cardiff, CF24 0EB.
Your reference: 8123456789

First step **On your way** **Getting started** **Acting**

Opt-out notice: To be provided to those looking to opt out by post.



Private & Confidential
your employer's confidential information
 your details
 your employer's confidential information
 your details
 your employer's confidential information

Dear **[Name]**,

NOTICE TO OPT OUT OF PENSION SAVING.

You're requested a form to opt out of pension saving with your employer's pension scheme. Please read the information carefully and if you agree with them, sign and date the form and send it to the person named below.

(If you don't send your employer's form, we may automatically enrol you. (Enrolling you will mean you will have to pay to join the pension scheme.)

To read more information about the impact of opting out please visit <http://www.legalandgeneral.co.uk/pensions> using the enrolment code provided in your pension notification.

If you wish to opt out of this pension scheme, the form must be returned by **[Date]**. Any contributions that have already been deducted from your salary since **[pension start date]** will be returned to your employer.

Please also note that this form only enables you to opt out of pension saving and should not be used to request any information or provide any additional details.

If you've any questions, please contact us and we'll be happy to help you.

Yours sincerely,
[Name]
 Legal & General

Your details

Your full name: **[Name]**
 Your employer's name: **[Employer's Name]**
 Group Name: **[Group Name]**
 Group Number: **[Group Number]**

Contact us

Automatic Enrolment Helpline
(A&E Tel Number)
 Monday to Friday 8.30am to 7.00pm and Saturday 8.00am to 12 noon.
 We may record and monitor calls.
 Call charges will vary.
(0800 100 0000)

Legal & General Pension Savings Limited (reg. no. 140551) Legal & General (Pensions Management) Services Limited (reg. no. 326322) Registered in England at Temple Court, 11 Queen Victoria Street, London EC4A 3DF.
 Authorised and regulated by the Financial Services Authority.

PLEASE RETURN TO:

Private & Confidential
your employer's confidential information
 your details
 your employer's confidential information
 your details
 your employer's confidential information

NOTICE TO OPT OUT OF PENSION SAVING.

If you want to opt out of pension saving fill in this form and return it to the address above.

Your full name: **[Name]**
 Your Employer's name: **[Employer's Name]**
 Your date of birth: **[DOB]**

I wish to opt out of pension saving.
 I understand that if I opt out I will lose the right to pension contributions from my employer.
 I understand that if I opt out I may have a lower income when I retire.


Sign:
 Date:

Please note your request to opt out will not be processed unless you sign and date above.

WHAT YOU NEED TO KNOW

Your employer cannot ask you to force you to opt out.
 If you are asked or forced to opt out you can tell the Pensions Regulator - see www.pensionsregulator.gov.uk.

If you change your mind you may be able to opt back in - write to your employer if you want to do this.
 If you stay opted out your employer will normally put you back into pension saving in around 3 years.
 If you change your job your new employer will normally put you back into pension saving straight away.
 If you have another job your other employer might ask you to join pension saving, now or in the future. This notice only puts you out of the pension saving with the employer named above. A separate notice must be filled out and given to any other employer you work for if you wish to opt out of that pension saving as well.



Appendix 2 – Information to be included in each postponement notice

Mandatory information to be included (This information is prescribed in regulations. The text below provides a further explanation from the regulator.)	General notice A*	General notice B*	Tailored notice (jobholder)	Tailored notice (entitled worker)*
A statement that the employer has deferred auto enrolment.	✓	✓	✓	✓
The deferral date.	✓	✓	✓	✓
A statement that the employer will automatically enrol the worker into an auto enrolment scheme if, on the deferral date, the worker is aged between 22 and State Pension age and earns more than the earnings trigger for auto enrolment.	✓	✓	✓	✓
The amount of the earnings trigger for auto enrolment. Currently £10,000 for the 2023/2024 tax year.	✓	✓	✓	✓
A statement that, by giving a written notice to the employer, the worker, may:	✓	✓	✗	✗
a) where they earn more than the lower level of qualifying earnings and are a non-eligible jobholder and not an active member of a qualifying scheme, opt in to an auto enrolment scheme and that the non-eligible jobholder will be entitled to employer's contributions.				
b) where they are not an eligible or non-eligible jobholder, (for the sole reason that they earn less than the lower level of qualifying earnings) and are not a member of a pension scheme, require the employer to make arrangements for the worker to become an active member of such a pension scheme.				
The lower level of qualifying earnings. Currently £6,240 for the 2023/2024 tax year.	✓	✓	✗	✗
A statement that any written notice from the worker must be signed by the worker or, if it is given by means of an electronic communication, must include a statement that the worker personally submitted the notice.	✓	✓	✓	✓
A statement that the jobholder may, by giving written notice to the employer, require the employer to make arrangements for the jobholder to become an active member of an auto enrolment scheme and that the jobholder will be entitled to employer's contributions.	✗	✗	✓	✗
A statement that the worker may, by giving written notice to the employer, require the employer to make arrangements for the entitled worker to become an active member of a pension scheme.	✗	✗	✗	✓

* For more information regarding General notices A and B – refer to our template communications. Please speak to your usual Legal & General contact.

Legal & General (Portfolio Management Services) Limited

Registered in England and Wales No. 02457525. Authorised and regulated by the Financial Conduct Authority.

Legal & General Assurance Society Limited

Registered in England and Wales No. 00166055. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registered office for both companies: One Coleman Street, London EC2R 5AA.

Trust-Based Occupational Pension Schemes are regulated by The Pensions Regulator.

Administrator: Legal & General Assurance Society Limited.

Registered in England and Wales No. 00166055. Registered office: One Coleman Street, London EC2R 5AA.

Legal & General Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. However, the administration of occupational pension schemes is not regulated by the FCA or PRA.

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