The HR Department

BE BETTER ADVISED

MAIN ISSUES FOR EMPLOYERS RE AUTO ENROLMENT

David Bell
Email dbell@thehrdepartment.ie
Mobile 0878527723

What options are employers looking at?

The HR Department

BE BETTER ADVISED

1. Implementing Auto Enrolment
2. Making a contribution into Employees PRSA's, where applicable, through payroll
3. Offering option for all staff to join existing Company Pension scheme- setting one up where necessary-and making a contribution or going into auto enrolment
4. Obliging all employees to join a Company Pension Scheme with both parties making a contribution

Implementing Auto Enrolment

The HR Department
BE BETTER ADVISED

- Enrolling on the Employers portal, provide bank details etc. for DD to pay employer contribution
- Obligation to advise staff they are being auto enrolled
- Templates will be available on the Employer portal (Early December?)
- We have assisted many clients preparing letters and FAQ's for staff now to advise of the introduction and implications of AE.

Making a contribution into Employees PRSA's, through payroll

- This will only apply where some or all staff have a personal pension like a PRSA set up and where the contribution is not going through payroll.
- Would be unusual given most contributions will be made this way.
- If employer makes a contribution through payroll the employees wont be auto enrolled

The HR Department

BE BETTER ADVISED

Offering option for all staff to join Company Pension scheme

The HR Department
BE BETTER ADVISED

- Many clients are looking at this option.
- Giving the employee the choice of joining the Company Scheme and avoiding auto enrolment as contributions will go through payroll.
- Employer may need to set up a pension scheme if one doesn't exist.
- Generally for this option the employer makes a contribution to match the employee's contribution

Obliging all employees to join a Company Pension Scheme

- Some, but not many, clients are looking at this option.
- Making it a contractual obligation that the employees join Company Scheme.
- Employer may need to set up a pension scheme if one doesn't exist, but usually there is a Scheme already in place.
- Generally for this option the employer makes a contribution to match the employee's contribution.
- No opt out clause and no reimbursement of employees contribution
- If employee fails to make contribution employer will need to maintain their contribution or the employee will be back to Auto enrolment
- Possible issue changing an employee's terms and conditions of employment as this requires their consent.

The HR Department

BE BETTER ADVISED

Next Steps?

- Talk to a Pensions Adviser your accountant and consider your options other than Auto enrolment.
- Once you have decided the option you are going to take you should draft correspondence to staff advising them of the decision, FAQ’s and the next steps, if any.
- We recommend communicating with the staff sooner than later.
- Whichever option is taken the employees contracts/Staff Handbook will need to be updated and current contract templates will need to be amended and updated for new employees
- If the change is going to require employee consent then this could delay matters.

The HR Department

BE BETTER ADVISED

HR

The HR Department

BE BETTER ADVISED

David Bell

Email dbell@thehrdepartment.ie

Mobile 0878527723