

To: Salaries and Wages
Human Resources
Pension Contacts

Circular 14/2017
15 December 2017

At: All Employing Authorities

Dear Colleagues,

DWP Confirmation on Transitional Delay for Automatic Enrolment

Following on from circular 10/2017 which was sent to all employing authorities on 20 October 2017, we have now received confirmation from the Department of Work and Pensions (DWP) in relation to members to whom the transitional delay was applied, who were not eligible jobholders on 30 September but who become eligible jobholders after this date. Circular 10/2017 instructed employers to continue assessing at each pay reference period any transitioned employees who were not eligible when assessed on 30 September 2017. Furthermore, the circular set out that if at any point transitioned employees become eligible jobholders (and unless one of the exceptions apply) they must be automatically enrolled **with effect from 1 October 2017** irrespective of when they become eligible.

As you will recall this procedure was queried with DWP as it could prove complex if employers would have to backdate contributions for several years. DWP has now confirmed its position – that they agree with The Pension Regulator's guidance and in their view it is consistent with the requirements of the Pensions Act 2008 and, correspondingly, the Pensions (No.2) Act (NI) 2008. DWP is of the view that the start date for active membership remains 1 October 2017, but there is no requirement for employees to be brought into the Scheme until they become an eligible jobholder again. If and when they do become an eligible jobholder the start date for active membership will remain 1 October 2017 and this will mean their membership should be backdated to 1 October 2017.

DWP is of the view that the Pensions Act 2008 requires the above approach because where an eligible jobholder has been subject to transitional delay the start date for active membership is the day after the end of transitional delay – 1 October 2017. However in light of the issues raised they have stated that they will review the treatment of these individuals, but it is not expected that this will fundamentally alter the situation set out above.

All employers should note that the **exception** preventing employers automatically enrolling those who **opted out of the LGPS (NI) more than 12 months prior** to 2

October 2017 continues to apply and therefore employers will only need to backdate membership of the LGPS (NI) in cases where:

- Transitional delay applied to the individual
- The individual was not an eligible jobholder on 1 October 2017
- The individual subsequently becomes an eligible jobholder
- The individual had not opted out of the LGPS (NI) more than 12 months before their automatic enrolment date.

Please contact our Employer Liaison Officer, Hannah Berryman (Hannah.berryman@nilgosc.org.uk) if you have any queries regarding this circular.

Yours sincerely

A handwritten signature in black ink that reads "Zena Kee". The signature is written in a cursive, slightly slanted style.

Zena Kee
Pensions Manager