

To: Salaries and Wages  
Human Resources  
Pension Contacts

Circular 13/2015  
7 August 2015

At: All Employing Authorities

Dear Colleagues,

## **Automatic Enrolment, Request for Updated Contact Details for Employers and Reminder for Policy Statements**

This Circular has been issued to:

- Highlight recent changes to the automatic enrolment process
- Provide information on automatic re-enrolment
- Request updated contact details from employers (\*\*EMPLOYER ACTION NEEDED)
- Remind employers that their approved policy statements should have been sent to NILGOSC by 31 July 2015. (\*\*EMPLOYER ACTION NEEDED)

### **1. Recent changes to the Automatic Enrolment process**

The Department for Social Development has recently made regulations to simplify some of the automatic enrolment requirements with effect from 6 August 2015. The changes are expected to ease some of the administrative burden on employers as well as recognising that automatic enrolment may not be the best approach for all individuals.

In summary, the changes are:

- Four new exemptions from the employer duty to automatically enrol eligible workers
- An extended time limit for employers to comply with information requirements – generally increased from four to six weeks
- The removal of the mandatory requirement for employers to write at staging date to those employees who already participate in the Scheme and therefore do not need to be automatically enrolled.

#### **1.1 New exemptions**

Employers now have discretion on whether to automatically enrol individuals where any of the following four exemptions apply.

- **Workers in notice periods** – this applies where an individual has given notice to end their employment or has been given notice of dismissal within six weeks of their automatic enrolment or re-enrolment date.
- **Optants out** – this applies where an individual has opted out within the last 12 months.
- **Individuals with tax protections** – this applies where an employer has reasonable grounds to believe that a worker has one of the forms of protection against the <sup>1</sup>lifetime allowance tax charge i.e. primary protection, enhanced protection, fixed protection 2012, fixed protection 2014 or individual protection 2014.
- **Certain individuals who have been paid winding-up lump sums** – it is highly unlikely this will apply to any individual eligible for the LGPS (NI) as it relates to receiving a lump sum in respect of commuted pension benefits from a previous employer's pension scheme that has wound up in the last 12 months.

## 1.2 Extended Time Limit

Employers now have an extended statutory time limit in which they must give relevant information on an automatically enrolled member to NILGOSC. The statutory time limit has been extended from four to six weeks.

## 1.3 Removal of mandatory requirement to write to members of the LGPS (NI) on automatic enrolment staging date

Until now, employers who reached their staging date had to write to all employees who were currently in the Scheme to advise them that they were not being automatically enrolled as they were already participating in a qualifying automatic enrolment scheme. This requirement is removed from 6 August 2015 and employers no longer need to write to those staff who are already participating in the Scheme.

## 1.4 Actions taken by NILGOSC

The Automatic Enrolment part of the Employers' section of the [NILGOSC website](#) has been updated to take account of these changes. In addition, The Automatic Enrolment Guide, the automatic enrolment template letters and The Employers' Guide have been updated and are all available on our website.

## 2. Automatic Re-enrolment

Some of our larger employers will be close to their first automatic enrolment re-enrolment date as it will be three years since they first reached their staging date (automatic enrolment commenced in August 2012). An employer's re-enrolment date is the third anniversary of that employer's staging date or a date chosen by the employer that is within three months on either side of the third anniversary date.

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<sup>1</sup> Lifetime allowance is the amount of pension savings that an individual can build up over their lifetime without becoming liable for a tax charge

On this date, employers must repeat the duties that they carried out at their original staging date, or their deferral date, if they used postponement, i.e. the employer must:

- Re-enrol eligible staff into the LGPS (NI) Scheme, if they are not already active members. There is no requirement to re-enrol eligible jobholders who opted out of the Scheme in the 12 months immediately preceding the employer's re-enrolment date.
- Write to the staff affected by automatic re-enrolment. These newly enrolled members can choose to opt out of the Scheme again, if they wish. If they do so, the employer must notify NILGOSC of the optants out in the normal way.
- If there are eligible staff to re-enrol, complete its on-line re-declaration of compliance within two months of its selected re-enrolment date. Failure to complete a re-declaration of compliance could result in a fine.
- If there are no staff to re-enrol, its re-declaration deadline is the day before the third anniversary of its original declaration of compliance. Failure to complete a re-declaration of compliance could result in a fine.

More information is available in paragraphs 72 to 77 of the [LGPC Automatic Enrolment Guide](#) and [Detailed Guidance No. 11](#) on The Pensions Regulator's website.

## **2.1 Summary of Re-enrolment Actions for Employers**

1. Decide when their re-enrolment date will be
2. Assess who is eligible to be automatically re-enrolled
3. Test their software to ensure that it will assess eligibility and trigger automatic re-enrolment
4. Prepare communications to affected staff
5. Submit a declaration of compliance to The Pensions Regulator.

## **2.2 Actions taken by NILGOSC**

A new section has been added to the NILGOSC website on [automatic re-enrolment](#).

## **3. Contact Details for Employers – *response to NILGOSC needed***

A recent review of NILGOSC's employer database has highlighted that many of the named contacts and authorised signatories for each employer are out of date. Please could each employer complete a new [LGS40, Employer Contact and Signatory Form](#) and return it to NILGOSC by 30 September 2015.

It is important that we hold current employer contact information as we will only accept completed employer forms or notifications from a member of staff who is an authorised contact or signatory. In addition, general employer information on the Scheme, for example Circulars, is normally sent to the named contacts on the

LGS40 i.e. Chief Executives, Personnel, Salaries and Wages and Pensions contacts. If there is insufficient space on the form, please complete the relevant sections of an additional LGS40 form. If you have completed this form in the last six months there is no need to submit another form unless your contacts or signatories have changed.

**4. Reminder for approved Employer Policy Statements – *response to NILGOSC needed***

31 July 2015 was the statutory deadline for employers to publish and send a copy of their Discretionary Policy Statement to NILGOSC. If you have not already forwarded your Discretionary Policy Statement to NILGOSC, you must do so as soon as possible. NILGOSC cannot issue pension claim forms nor pay benefits if an employer is exercising a discretion and has not provided us with its final approved Discretionary Policy Statement.

If you have any questions regarding the content of this Circular please contact our Employer Liaison Officer - Ruth Benson, Technical Officer - Christina McMaster, or myself.

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