

To: Salaries and Wages
Human Resources
Pension Contacts

Circular 10/2017
20 October 2017

At: All Employing Authorities

Dear Colleagues,

End of the Transitional Delay Period for Automatic Enrolment – for information

As you may recall, employers providing defined benefits schemes such as the Local Government Pension Scheme (Northern Ireland) ('the Scheme') were able to choose to delay automatic enrolment until 30 September 2017. This transitional period could only be applied to eligible jobholders who were able to participate in the Scheme. We are aware that some of our employers applied the transitional period.

Employees to whom the transitional delay was applied should have been assessed on 30 September and if eligible automatically enrolled into the Scheme on 1 October 2017. We have added a template [Letter Z](#) to our [website](#) which you may find useful for communicating with these members. The exception to this is employees who were transitionally delayed and who opted out more than 12 months prior to the 1 October 2017 – they cannot be automatically enrolled on 1 October 2017 but they do have the option to opt in to the Scheme. They will be automatically enrolled when the employer reaches its re-enrolment date. This exception arose following an amendment to the Occupational and Personal Pension Scheme (Automatic Enrolment) (Northern Ireland) Regulations in 2015. Many employers will have had staging dates before April 2015 and you will have informed members that the transitional delay was being applied and you would enrol them on 1 October 2017. As this is no longer the case you may wish to inform any members to whom this applies. We have added a template [Letter U](#) to our [website](#) to cover this scenario.

Employers must continue to assess at each pay reference period, any employees to whom the transitional delay was applied, but who were not eligible when assessed on 30 September 2017. If at any point after 1 October 2017 the employee becomes eligible, unless one of the exceptions apply they must be automatically enrolled with effect from 1 October 2017 irrespective of the date the employee first meets the eligible jobholder criteria. This has been queried with the Department for Work and Pensions as it could have consequences if employers are to have to backdate contributions for several years. We'll let you know the outcome in due course.

More information on the transitional period and employer duties is available on The Pensions Regulator's website www.thepensionsregulator.gov.uk/docs/detailed-guidance-3b.pdf .

Employer National Insurance Payments from April 2018 – for information

Employers are probably already aware that HM Revenue and Customs (HMRC) are making termination payments in excess of £30,000 liable for employer National Insurance Payments from April 2018. You may wish to refer to <https://www.gov.uk/government/publications/income-tax-and-national-insurance-contributions-treatment-of-termination-payments/income-tax-and-national-insurance-contributions-treatment-of-termination-payments> for more information. This does not apply to any benefits payable from NILGOSC but may apply to severance payments that employers may be making directly to their employees.

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

Yours sincerely



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Pensions Manager