



## **SCHEDULE 5E**

### **AUTO-ENROLMENT SERVICES**

This schedule of services should be read in conjunction with the engagement letter and the terms of business.

#### **1 RESPONSIBILITIES AND SCOPE FOR AUTO-ENROLMENT SERVICES**

##### **1.1 Recurring compliance work**

1.1.1 We will prepare the auto-enrolment elements of your UK payroll for each payroll as set out in the payroll services schedule.

1.1.2 We will provide the payroll-associated workplace pensions administration services as follows:-

- (a) acting as a secondary contact for The Pensions Regulator (TPR);
- (b) informing TPR of the secondary contact;
- (c) sending and receiving relevant information directly to and from the scheme regarding staff being enrolled into the scheme, and opt-out and refund information;
- (d) deciding on whether to use calendar-based or tax-period-based pay reference periods for assessing staff and for determining contributions;
- (e) establishing payment arrangements for paying contributions to the pension scheme (for example, contributions can be paid via direct debit with payment initiated by the scheme, by you, or by us as your agent);
- (f) deciding on whether to use postponement or deferral in respect of some or all employees, either on a case-by-case basis or by establishing ongoing general default rules, ascertaining the deferral date;
- (g) establishing processes to receive any opt-in and joining requests, to assess whether they are valid and to processing any such requests, ascertaining the enrolment date and the date on which active membership is achieved;
- (h) determining whether the business is exempt from auto-enrolment duties and if a TPR letter has been received, informing TPR of exempt status, monitoring of ongoing exempt status;

- (i) at the auto-enrolment duties start date (DSD) or the enrolment date for any new staff (or in either case the relevant deferral date), assessing whether employees are Type 1 (eligible jobholders) or Type 2 (non-eligible jobholders or entitled workers) in order to determine which auto-enrolment duties they are owed;
- (j) at each pay period, monitoring the status of Type 2 employees (non-eligible jobholders or entitled workers) to determine whether they become Type 1 (eligible jobholders) and thus require auto-enrolment;
- (k) if pensionable pay is not the same as qualifying earnings, advising on whether to certify that employer and total contributions meet at least the statutory minimum for those employees, or whether to use entitlement checks;
- (l) producing statutory communications for employees, including postponement/deferral information if a postponement/deferral period is used;
- (m) assisting with the incorporation of new or newly-eligible staff into the pension scheme on an ongoing basis including compiling and providing the required joining information to the pension provider;
- (n) submitting contributions information and ongoing information to the pension scheme;
- (o) obtaining or receiving any opt-out notices and refund information from the pension scheme and processing such notices and information including checking their validity, making arrangements to unravel active membership, stopping contributions from being deducted and, if applicable, notifying the relevant employee that the notice is invalid and explaining why;
- (p) processing any employee requests to cease membership of a scheme, including making arrangements to stop contributions from being deducted, and determining whether any refunds are payable;
- (q) processing any employee requests to pay reduced employee contributions that are below the statutory minimum level, including making arrangements to reduce the contributions being deducted, and ensuring they are re-enrolled at the next cyclical re-enrolment;
- (r) requesting payment of any contribution refunds due;
- (s) preparing and submitting the declaration of compliance to TPR;
- (t) selecting triennial re-enrolment dates and maintaining information required to determine when cyclical re-enrolment processes must occur;
- (u) dealing with any enquiry from TPR (additional fees may be payable);
- (v) ascertaining the data requirements of the pension scheme; and
- (w) compiling and maintaining the information needed to assess and communicate with employees (information should be provided to us within two working days).

- 1.1.3 Any advice or assistance we provide to you on pension scheme selection will be provided to you in your capacity as an employer rather than to you personally as an individual and, as such, will not constitute regulated investment business advice.
- 1.1.4 We will inform you of the workplace pension scheme provider(s) that are compatible with our payroll software and discuss with you the workplace pension scheme provider(s) you are considering using so that we can discuss any practical implications with you.
- 1.1.5 You are aware that we have not assessed your specific needs against the factors that should be considered when selecting a scheme, and therefore that there may be other pension schemes available that could be more appropriate for you, and you accept full responsibility for selecting this/these pension scheme(s).

## **1.2 Excluded, ad hoc and advisory work**

- 1.2.1 The scope of our services provided to you will be only as set out above, and all other services which we may offer are excluded. If you instruct us to do so, we will provide such other taxation, ad hoc and advisory services as may be agreed between us from time to time. These services will be subject to the terms of this engagement letter and terms of business unless we decide to issue a separate engagement letter. An additional fee may be charged for these services. Examples of such work that you may wish to instruct us to undertake include:-
  - (a) dealing with an enquiry from The Pensions Regulator; and
  - (b) preparing any amended records which may be required and corresponding with the Regulator as necessary.
- 1.2.2 We are only able to assist you with providing an auto-enrolment service in relation to individuals handled by us in our capacity as your payroll agent. Your auto-enrolment obligations to workers who are engaged to provide services to you in a personal capacity are outside the scope of this agreement

## **1.3 Your responsibilities**

- 1.3.1 In addition to your responsibilities as set out in the terms of business, you are responsible for keeping and retaining the records required by law. These include:-
  - (a) records about jobholders and workers: e.g. name, date of birth, national insurance number, gross earnings, contributions, gender, address, status within the pension scheme, opt-in notice, opt-out notice and joining notice; and
  - (b) records about the pension scheme: e.g. employer pension scheme reference, scheme name and address and other information in respect of specific pension schemes.
- 1.3.2 You are responsible for choosing an eligible scheme and for regularly reviewing its suitability.
- 1.3.3 You are responsible for providing all relevant information to the trustees or managers of the pension scheme within the statutory period.

- 1.3.4 If the scheme is a personal pension scheme, you are responsible for putting the necessary types of agreement in place between the employer, the employee and the personal pension scheme provider.
- 1.3.5 You will provide us with complete and accurate information regarding your employees, including a worker's age and earnings, ordinary working location, pension tax protection status and any changes in employee working, including starting a notice period, so that we can determine whether their employment status has changed in relation to auto-enrolment. You will review our assessments of your employees and accept responsibility for the completeness and accuracy of the assessments.
- 1.3.6 You are responsible for monitoring opt-in and opt-out requests and where workers with the right to opt-in or opt-out exercise that right. If required and requested by you we will assist you in providing appropriate information for you to provide to the jobholder.
- 1.3.7 Employers cannot delegate these legal responsibilities to others.
- 1.3.8 You are no less responsible for errors in unapproved returns, submitted on the basis of the information provided to and processed by us, than if you had confirmed your approval of the returns.
- 1.3.9 To enable us to carry out our work you agree:-
- (a) to advise us in writing of changes of payroll pay dates;
  - (b) to notify us at least two working days or such other period as agreed with us before the payroll pay date of all transactions or events which may need to be considered in relation to auto-enrolment obligations for the period, including details of:
    - all new workers and details of their remuneration packages;
    - all leavers and details of termination arrangements for all workers;
    - changes in categorisation or status of your workers;
    - all opt-in and opt-out requests from your workers;
    - all remuneration changes for all workers;
    - all pension scheme changes; and
  - (c) to notify us within two working days (or such other period as agreed with us in writing) of your receiving any workplace pension scheme joining or opt-in notices, including the date you received the notice and the full names, addresses, gender, date of birth, national insurance number (NINO), unique email address and, if different from any standard rules agreed, their pensionable pay, the relevant employer and employee contribution rates, the relevant pension scheme, how tax relief is operated, i.e. relief at source or net pay, and whether their pension contributions will be made via salary sacrifice.
- 1.3.10 If the information required to complete the auto-enrolment services set out above is received later than the dates specified above or agreed with us we will still endeavour to meet the filing deadlines but we will not be liable for any costs or other losses arising if the deadlines are not met in these circumstances. We may charge an additional fee for work carried out in a shorter time period.
- 1.3.11 You must re-enrol eligible jobholders every three years. We recommend that you

establish a process for this review. We believe a review of the workforce who have ceased membership of the scheme or who have opted out three years from the staging date, and every three years thereafter with a view to re-enrolling opted-out eligible jobholders if they are still eligible for auto-enrolment, would suffice. We will assist you with this review by providing at the outset a document detailing the requirement. At the time of the review, if required and requested by you, we will prepare a notice for you to give to the eligible jobholder telling them that they have been enrolled, and setting out what that means for them, and also detailing their right to opt out (and to opt back in again).

#### **1.4 Limitation of liability**

- 1.4.1 Our services as detailed above are subject to the limitations on our liability set out in the engagement letter. These are important provisions, which you should read and consider carefully.