

Pension Auto Enrolment & Re-Enrolment

Under the Pensions Act 2008, every employer in the UK must put staff that qualify into a workplace pension scheme and contribute towards it. This is called 'Automatic Enrolment' or 'Auto Enrolment'.

Auto enrolment came into effect from 2012 and was rolled out to ESR user organisations in 2013. It was based on the "Staging Date" which was determined by the number of people in the largest PAYE scheme that they use. Further employer duties were introduced relating to Re-Enrolment in 2015.

Re-Enrolment is effective every 3 years, previously this was from 2019. This year some organisations will reach their next cyclical re-enrolment date during 2022.

There are 2 types of automatic re-enrolment:

- **Cyclical re-enrolment:**

Employees can 'opt-out' of a pension scheme. This could be because they choose to opt out or cease membership after the employer's staging date, or the worker may have chosen to reduce their contributions and could be an active member of a non-qualifying scheme.

On a three-yearly cycle, an employer must put their eligible jobholders, who are no longer active members back into a qualifying pension scheme.

- **Immediate re-enrolment:**

If a jobholder not through their own choice, ceases active membership of a qualifying scheme (e. g. if the scheme ceases being a qualifying one), the employer must put them into another qualifying scheme immediately.

Whether cyclical or immediate, the process of automatic re-enrolment is the same as for automatic enrolment.

In preparation for the next re-enrolment cycle, we thought it would be useful to remind users of the most common occurring errors regarding pension auto enrolment, along with suggested solutions. We have also included some updates about the NHS Pensions Update PAYE Reference Request, Pensions Information element, and information about opting out of Pensions auto enrolment.

If you incur any of these errors they will need to be rectified as soon as possible to ensure a smooth re-enrolment process.

Common Errors

Auto Enrolment

1. A 'Qualifying Scheme Name' exists is set to yes but no qualifying scheme name has been entered.

Solution

Check the assignment is in a qualifying pension scheme and enter the relevant scheme name in the 'Qualifying Scheme Name' if required. If the assignment has opted out of the pension scheme, then the 'Qualifying Scheme Exists' should be set to 'No'.

2. The 'Qualifying Scheme Name' has been entered for the assignment, but 'Qualifying Scheme Exists' is not set to 'Yes'.

Solution

Check the assignment is in a qualifying pension scheme and enter 'Yes' in the 'Qualifying Scheme Exists' or if the assignment has opted out of the pension scheme remove the 'Qualifying Scheme Name'.

3. The 'Qualifying Scheme Name' entered for the assignment is not valid.

Solution

The 'Qualifying Scheme Name' needs to exactly match the name used when the scheme was set up in the 'Pensions Auto Enrolment Schemes'.

4. Pension classification is set to 'Eligible Job Holder', but 'Eligible Job Holder Date' is not set correctly.

Solution

The 'Eligible Job Holder Date' will need to be set to the date at which the employee was first an 'Eligible Job Holder'.

5. Assignment does not have a 'Qualifying Scheme' attached, yet 'Qualifying Scheme Exists' flag is set to 'Yes'.

Solution

The Pensions Information element should be updated whenever an assignment is opted out of the scheme. The 'Qualifying Scheme Name' should be removed and the 'Qualifying Scheme Exists' should be set to 'No'.

The 'Opt-Out Date' or 'Membership End Date' should also be updated as appropriate.

6. 'Postponement End Date' is entered for the assignment, but 'Postponement Type' is not entered.

Solution

Where a 'Postponement End Date' is entered a 'Postponement Type' should also be entered.

7. Postponement Type is entered, but Postponement End date is not entered.

Solution

Where a 'Postponement Type' is entered an 'End Date' should also be entered.

8. Postponement Period is longer than 3 months.

Solution

If this has been manually entered it must be the correct date after the staging date start date, when they first become an 'Eligible Job Holder' or when reaching the age of 22. The 'Postponement End Date' should be updated by the 'NHS Pensions Automatic Enrolment Commit Process' and only rarely be updated manually.

9. No data found for 'Pension Information' for the assignment.

Solution

The 'Pensions Information' element needs to be reinstated for the assignment.

Re-Enrolment

10. An Opt out Date has been entered for the assignment, but Auto Enrolment Date or Opt in Date is not entered.

Where an assignment had been a member of a Qualifying Scheme and has since ceased membership after the staging date, the completion of the 'Opt Out Date field in the Pensions Information element would have made auto enrolment skip the assignment each period. However, this field should only be completed after they have been assessed for auto enrolment.

Re-enrolment provides validation rules such that any assignments with an Opt Out date entered but no Auto Enrolment Date (indicating they were auto enrolled by the process) or no Opt In date (indicating manual enrolment for a non-eligible jobholder) will error.

Solution

There are three solutions in order to correct the above error:

- 1) The Opt Out date should be removed from this field and re-entered in the 'Membership End Date' field;
- 2) If the assignment was originally auto enrolled but the Auto Enrolment date was manually removed – in such cases the Auto Enrolment date should be re-entered;
or
- 3) Where the assignment was manually enrolled then an Opt In date should be entered.

Assignments then meeting re-enrolment criteria will be assessed.

NHS Pensions Update PAYE Reference Request

Users need to submit this process prior to running the NHS Pensions Automatic Re-Enrolment Process. The Re-enrolment date, Left Scheme within 12 months and Notice Given fields are all required to be completed before submitting.

Submit Request

Run this Request

Name: NHS Pensions Update PAYE Reference

Operating Unit: [Empty]

Parameters: [Empty]

Language: Parameters

At these Times: [Empty]

Run the Job: [Empty]

Upon Completion: [Empty]

Layout: [Empty]

Notify: [Empty]

Print to: [Empty]

Parameters

PAYE Reference: 999/Z9999

Staging Date: 01-MAR-2013

Worker Postponement Rule: None

EJH Postponement Rule: None

Re-Enrolment Date: 01-MAR-2022

Left Scheme within 12 months: Include

Notice Given: Include

Buttons: OK, Cancel, Clear, Help

Buttons: Help (C), Submit, Cancel

Pensions Information Element

The pension auto enrolment/re-enrolment process will use this element to determine eligibility and will record and update information after the assessment has taken place, therefore it is important that this element is not deleted.

Period	11 2022 Calendar Month (01-FEB	Qualifying Scheme Name	[Empty]
Classification	[Empty]	Aggregate Earnings	[Empty]
Element Name	Processing Type	Main Entry for Aggregatio..	No
Basic Contracted NHS	Recurring	Qualifying scheme exists	No
Enhanced Multipliers NHS	Recurring	Postponement Type	[Empty]
NI	Recurring	Postponement End Date	[Empty]
Negative Net Pay NHS	Recurring	Pension Classification	[Empty]
Overtime Multipliers NHS	Recurring	Eligible Job Holder Date	[Empty]
PAYE Details	Recurring	Auto Enrollment Date	[Empty]
SSP SMP Calculator NHS	Recurring	Opt Out Period End Date	[Empty]
Standard Costing NHS	Recurring	Opt in Date	[Empty]
Pensions Information	Recurring	Opt Out Date	[Empty]
Pension NHS	Recurring	Total Earning PRP	[Empty]
UNITE	Recurring	Membership End Date	[Empty]
Reason for Exclusion	[Empty]	Further Entry Information	[Empty]
Entry Values	Balance Grossup	Date Earned	[Empty]
		Original Date Earned	[Empty]
		Payee Details	[Empty]
		Processing Priority	7500

Qualifying Scheme Name

This field should not be amended and will be populated with the appropriate scheme, if applicable, once the NHS Pensions Auto Enrolment (PAE) process has been run.

The exception to this is when there is an Opt Out/Opt In after auto enrolment, guidance on this can be found in the next section.

Aggregate Earnings

This is not a user enterable field. Each assignment will be considered as a separate contract and as such users should not amend this field. Any aggregation required will be a manual exercise.

Main Entry for Aggregation

This field will default to 'No' - this is not a user enterable field.

Qualifying scheme exists

This field will default to 'No' and should not be manually amended. Again the exception to this is if there is an Opt-Out/Opt In, which can be found in the guidance in the next section.

Postponement Type*

This field will be automatically populated by the PAE process where postponement is set against the PAYE reference. Users wishing to postpone an individual employee should manually populate this field with the appropriate postponement type from the LoV (list of values).

Postponement End Date

This field will be automatically populated by the PAE process where postponement is set against the PAYE reference. Users wishing to postpone an individual employee should manually populate this field in addition to the 'Postponement Type' field.

Pension Classification

This field should not be amended manually. The field will be automatically populated by the PAE process with the appropriate classification from the assessment.

Eligible Job Holder Date

This field should not be amended manually. The field will be automatically populated by the PAE process with the 'Eligible Job Holder' date from the assessment.

Auto Enrolment Date This field should not be amended manually. The field will be automatically populated by the PAE and re-enrolment process with the PAE or re-enrolment date from the assessment.

Opt-Out Period End Date

This field should not be amended manually. The field will be automatically populated by the PAE process with the opt-out period end date from the assessment. This will be derived by adding a month to the auto enrolment date. This is the deadline by which an employee can choose to opt out of the pension scheme following automatic enrolment, and receive a full refund of any contributions already deducted.

Opt-In Date

Non eligible job holders can request to be enrolled into a pension scheme. This is a manual process. Once the employee has been added to the appropriate scheme this field

should be populated with the Opt-In date once the PAE process has been run in 'Commit' mode. This is the only time that field should be manually populated.

Opt-Out Date

Where an eligible jobholder chooses to opt-out of the pension scheme after they have been assessed for auto enrolment, a date must be entered here to prevent the process from automatically enrolling the employee in subsequent periods.

Total Earning PRP

This field should not be amended.

Membership End Date

Records the date on which employees, who had been in a qualifying scheme, ended their pension scheme membership. This date will be used by the system to determine if there is a gap of 12 months or more since the assignment was a member of a pension scheme.

Reason for Exclusion

The system automatically records the reason why the employee was excluded from automatic enrolment/re-enrolment.

**Please note that the postponement defined at assignment level will override that set against the NHS Pensions Update PAYE Reference process.*

Pension Auto Enrolment - Opt-Outs

The following fields are populated by the auto enrolment process:

- Qualifying Scheme Name
- Qualifying scheme exists
- Pension Classification
- Eligible Job Holder Date
- Auto Enrolment Date

Where the employee chooses to opt out of the pension scheme after they have been assessed for auto enrolment, then a date must be entered in the 'Opt-Out Date' field.

The 'Qualifying scheme exists' must be changed to 'No' and the entry in the 'Qualifying Scheme Name' field must be removed to prevent the process from automatically enrolling the employee in subsequent periods.

The Pension NHS element or alternative scheme element will also need to be updated, as per standard practice.

Where the employer has carried out manual assessment prior to running the Pensions Automatic Enrolment process in commit mode, the following fields should also be updated:

- **Pension Classification** – this should be manually assessed and populated with 'Worker', 'Non Eligible Job Holder' or 'Eligible Job Holder'.
- **Eligible Job Holder Date** – populate with either the 'Staging Date' or the date the employee first becomes eligible.

- **Auto Enrolment Date** – populate with either the ‘Staging Date’ or the date the employee first becomes eligible.
- **Qualifying Scheme** – will be populated with ‘No’ by default.

Where an employee has not been auto enrolled or chosen to opt in (and the Opt In date entered) but has chosen to cease their membership in the qualifying scheme, then the ‘Membership End Date’ should be populated instead of the ‘Opt Out Date’ field.

The ‘Qualifying Scheme Exists’ must be changed to ‘No’ and the entry in the ‘Qualifying Scheme Name’ field must also be removed.

No changes to the Pensions Information element are required as the employee has not yet been assessed for auto-enrolment. At the point the employee is assessed, if found to be an ‘Eligible Job Holder’, then subject to any postponement rules that may be in place the employee will be auto-enrolled back into the appropriate scheme.

Further guidance can be found in the ESR User Manual:

Pension Auto Enrolment

<https://my.esr.nhs.uk/esrusermanual/HTML/NAVU1805.htm>

Re-Enrolment

<https://my.esr.nhs.uk/esrusermanual/HTML/NAVU1806.htm>

