

NHS Pensions

Auto enrolment guide



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It represents the relevant NHS Pension Scheme Regulations and should not be treated as a complete and authoritative statement of the law.

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Whilst every attempt is made to ensure the accuracy of the guide, it would be helpful if employers could bring to our attention any perceived errors or omissions using the Stakeholder Engagement email address at: nhsbsa.stakeholderengagement@nhs.net.

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What is auto-enrolment?

Under the Pensions Act 2008, every employer in the UK must put certain staff into a appropriate workplace pension scheme and contribute towards it. This is called 'automatic enrolment'.

A key requirement is that employers must assess their employees at certain intervals and they must automatically enrol or re-enrol eligible jobholders in an appropriate 'qualifying' pension scheme.

Every employer is allocated a date from which their auto-enrolment duties must be performed. This is known as the 'staging date'. Thereafter, employers must perform their auto-enrolment duties every three years, on the anniversary of their staging date (known as the 're-enrolment' date).

There are other duties employers must perform in connection with automatic enrolment, including the provision of related information to their workforce.

Sources of information

Detailed information and guidance about automatic enrolment and your obligations as an NHS employer can be found on The Pension Regulator's website and NHS Employers website:

The Pensions Regulator : www.thepensionsregulator.gov.uk/

NHS Employers : www.nhsemployers.org

What is a qualifying pension scheme?

A qualifying pension scheme is a scheme that meets standards set by The Pensions Regulator and the Department of Work and Pensions and which can be used by employers for automatic enrolment. Typically, it is a scheme that is registered with HM Revenue and Customs for UK tax purposes.

The NHS Pension Scheme is a qualifying scheme and is the default auto-enrolment scheme for eligible NHS employees.

Staging date

An employer's staging date is set in law and is the date from which automatic enrolment duties must be performed.

Staging dates for existing employers started in October 2012 and have been rolled out to groups of NHS employers in a certain order over a number of years, from the largest to the smallest PAYE schemes.

The staging date for new employers is based upon date the employer first pays PAYE income in respect of any worker.

Any employer who first pays PAYE income to a worker from 1 April 2012 up to and including 30 September 2017 will have a staging date between 1 May 2017 and 1 February 2018. The staging date is not based on the number of persons in the employer's largest PAYE scheme but by the date the employer first pays PAYE income to any worker (please refer to the table below):

PAYE income is first payable in respect of any worker	Staging date
From 1 April 2012 up to and including 31 March 2013	1 May 2017
From 1 April 2013 up to and including 31 March 2014	1 July 2017
From 1 April 2014 up to and including 31 March 2015	1 August 2017
From 1 April 2015 up to and including 31 December 2015	1 October 2017
From 1 January 2016 up to and including 30 September 2016	1 November 2017
From 1 October 2016 up to and including 30 June 2017	1 January 2018
From 1 July 2017 up to and including 30 September 2017	1 February 2018

Employers may choose to delay their auto-enrolment date from their staging date. More information about this can be found on The Pension Regulator's website.

Assessing your workforce

As part of your auto-enrolment duties, you are responsible for checking each employee to establish if they are paying contributions into the NHS Pension Scheme and if not, you must establish if they can join or rejoin the Scheme.

If employees are not able to rejoin the NHS Pension Scheme you must establish if they are eligible to join an alternative qualifying scheme. NHS Pensions will not be able to advise you which employees are eligible for auto-enrolment.

The assessment should be done prior to your staging or re-enrolment date and all eligible employees who are not in a qualifying scheme must be enrolled in the appropriate scheme on your staging or re-enrolment date.

Auto-enrolment duties for new employees must be completed upon commencement of their employment.

Enrolling eligible workers in the NHS Pension Scheme

The NHS Pension Scheme is the default auto-enrolment scheme for employees who are eligible to join it. The following principles apply:

If an employee opted out of the Scheme more than 12 months prior to your staging date or re-enrolment date, they must be -enroled or re-enroled on the staging date.

If an employee opted out of the Scheme less than 12 months prior to the staging date or re-enrolment date, you may choose whether to auto-enrol them. Where decisions need to be made in these circumstances, it is important that you apply a fair and consistent criterion that does not discriminate between individual members or different types of member.

Where an employee holds two job positions with the same employer, it is the employer's responsibility as to how they assess multiple employments for auto-enrolment. Examples of how this may work can be found on the NHS Employers website.

Where an employee has two different jobs with different employers, each having separate PAYE references, both employers must enrol the worker under automatic enrolment legislation.

In instances where an employee has pension arrangements elsewhere but not in a qualifying scheme, they must still be auto-enroled in the NHS Pension Scheme as this is the default pension scheme for eligible NHS employees.

Where an employee is absent from work at the staging or re-enrolment date and is not eligible to rejoin the NHS Pension Scheme, they must still be assessed for auto-enrolment. It is possible depending on the level of sickness/maternity or similar absence, that they may be eligible to be enrolled in an alternative qualifying scheme at the staging date.

When the employee returns to work, they must be enrolled into the NHS Pension Scheme if they meet the normal access criteria.

Where an employee is on secondment with another organisation, they retain the terms and conditions of their originating employer and so the originating employer is responsible for auto-enrolling the employee.

When you auto-enrol an employee, you will be responsible for issuing a Member Guide each time you auto-enrol the employee. Normal Scheme joiner procedures apply for auto-enrolled members and so a pension record should be set up immediately. You should not wait to see if the member will opt out.

For employees with Lifetime Allowance protection from HMRC

If an employee has previously opted out of NHS Pension Scheme to maintain a relevant HMRC protection then they must be assessed under automatic enrolment rules subject to the exceptions to employer duties. More information about this can be found on The Pension Regulator's website.

If there are reasonable grounds to believe that the employee has Lifetime Allowance protection from HMRC the employer the option not to auto-enrol that employee. The Pensions Regulator confirms that sight of the relevant protection certificate would give reasonable grounds to believe that protection applies.

If an employee with Lifetime Allowance protection is enrolled then to comply with HMRC rules, employees with Enhanced or Fixed Protection may wish to avoid accruing further benefits in the NHS Pension Scheme in order retain their protection and may want to opt out again having taken independent financial advice. If they do, they must follow the normal opt-out procedure and complete a further application to leave the NHS Pension Scheme form (SD502).

Enrolling non-eligible employees in an alternative qualifying pension scheme

Employees who are not eligible to join the NHS Pension Scheme should be enrolled into an alternative qualifying pension scheme, such as the National Employment Savings Trust (NEST).

The Pension Regulator website holds more information on how you go about this.

Automatic re-enrolment

Automatic re-enrolment is the process where employers re-enrol certain employees in a prequalifying pension scheme (for example, members who opted out since a previous enrolment or if they not already active members of a qualifying scheme).

It takes place every three years, and also happens on an immediate basis if an employee or the pension scheme meets certain criteria.

Your re-enrolment date is three years from your staging date and this date cannot be postponed. However, you do have a six month window to choose your own re-enrolment date. This six month window starts and finishes three months before or after the third anniversary of your staging date.

The cyclic re-enrolment date is unique to your organisation with membership in the NHS Pension Scheme becoming effective on your automatic re-enrolment date. The NHS Pension Scheme is a qualifying scheme for automatic re-enrolment and is the default scheme for employees who are eligible to join. If you have any employees who are not eligible to join the NHS Pension Scheme, they must be re-enrolled into an alternative qualifying scheme.

Further information can be found on the The Pensions Regulator's website under Automatic re-enrolment.

Informing employees about auto-enrolment

Employers must inform their employees how the auto enrolment process has been applied to them. This must be done within six weeks of the staging date or the re-enrolment date.

The Pensions Regulator provides template letters on their website which cover most circumstances.

Informing The Pensions Regulator

You must inform The Pensions Regulator of how you have met your auto-enrolment duties by completing a Declaration of Compliance. Please refer to their website for full details.

A Pension Scheme Registry (PSR) number is allocated to a pension scheme by The Pensions Regulator and can be obtained from the trustees or managers of the pension scheme. It is an eight digit number starting with 1. You will need the specific NHS Pension Scheme Registry when enrolling staff into the correct scheme or section:

- The 1995/2008 NHS Pension Scheme Registry Number is 10085760
- The 2015 NHS Pension Scheme Registry Number is 12011004

You are also required to quote your unique Employer Pension Scheme Reference (EPSR) number. The EPSR is a four digit EA code given to each employer.

Opting out of the Scheme

If a member decides to opt out of the Scheme, they will need to complete an application to leave the NHS Pension Scheme (SD502) and return it to you. This form is available from the NHS Pensions website. Employers are not permitted to provide the form to their employees. However, if an employee does not have access to a personal computer / printer, you can supply them with access at work to obtain the form if you have facilities available.

Otherwise, members can request a copy of the application to leave the NHS Pension Scheme (SD502) from the NHS Pensions Member Helpline 0300 330 1346.

Once you have been handed the completed and signed form, please retain a copy and send the original to NHS Pensions.

Any other form of request to withdraw from the Scheme (such as by letter, email or verbally) will not be accepted.

Important: Once your staging date has passed you **must not** provide Scheme opt out forms to employees or third party payroll providers. These are auto-enrolment rules and must be adhered to.

Auto-enrolment does not affect the regular collection of NHS pension contributions. They should be collected in the normal way up to the point of an employee opting out of the Scheme.

In the event that an auto-enrolled member leaves NHS employment employers should check to see if they have built up additional benefits that can be preserved or if they are entitled to a refund of contributions .

Refunding contributions

The length of time between enrolment and the date a member opts out determines whether contributions can be refunded locally by the employer or whether the refund is paid by NHS Pensions.

The application to leave the NHS Pension Scheme (SD502) and the accompanying completion notes provides details of the circumstances where a local refund can be paid. Typically, this is only possible where a member opts out within a month of enrolment. This is known as the 'opt out period'.

In the event that a local refund is paid, the employer contributions may be retained by the employer. If the refund needs to be made by NHS Pensions, you should submit the application for a refund of pension contributions form (RF12) to us. In this instance, employer contributions cannot be retained by your organisation.

ESR / Data Maintenance

In instances where you receive ESR joiner forms on your staging or re-enrolment date, NHS Pensions **cannot** delay processing ESR joiner notifications, even if you anticipate a number of employers will opt out .

If the member does opt out of the NHS Pension Scheme within the initial opt out period and you arrange for a local refund to be paid, you should set the contribution to £0.00 so that the ESR leaver notification successfully deletes the joiner details.