

# NCVO – Employee Benefits Seminar

## PENSIONS REFORM

as at 3rd December 2009

**Andy Savage, APFS**  
JLT Benefit Solutions Ltd

Distinctive. Choice.



**First things first...**

**You can't escape the  
COST**

**You can keep  
CONTROL**



# Main Principles

**Every 'JOBHOLDER'  
must be enrolled into a  
pension scheme**

**1**

**Contributions of  
at least 8% of 'Banded  
Earnings'**

**Minimum 3%  
from employer**

**2**

**BUT EMPLOYEES CAN OPT-OUT!!!!**

# Employer Responsibilities

**JOBHOLDERS**  
includes temporary  
and contract staff

**22 or over**  
and above  
**£5,035 pa**

**DAY 1**  
Auto-enrolment  
(90 days if  
6%+5%)

**EVERY 3 YEARS**  
Auto-enrol  
opt-out employees

**NO**  
**INDUCEMENTS**

**PENALTY**  
Up to £50,000 or  
2 years in prison

**AFFECTS EVERY EMPLOYER**



# Contributions

**Total contribution  
at least 8% of  
qualifying earnings**

**Employer has to  
pay minimum 3% of  
qualifying earnings**

**Based on  
£5,035 - £33,540 pa  
of total earnings**

**Includes overtime,  
bonus, commission  
Excludes P11d**



# Own Scheme - Exemption Criteria

## Known

- **Auto-enrol employees initially and every 3 years**
- **Default investment fund**
- **Minimum Contribution Test**
- **Waiting period**



## Unknown

- **Charges**
- **Self-certification**



# In Summary

## Review

- **Current scheme take-up**
- **Contribution levels**
- **Pensionable Salary Definition**
- **Probationary periods**
- **Definition of Jobholder**



## Plan

- **Start adjusting existing scheme basis for cashflow**
- **Manage impact of auto-enrolment**



# Questions



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VAT No. 244 2321 96

