



Auto Enrolment Pensions

Workers guide to workplace pensions

www.sitecgroup.com

AUTO-ENROLMENT WORKPLACE PENSIONS

From October 2012, the Government introduced new pension regulations which affect all UK employees and PAYE Workers. All employers have a legal requirement to automatically enrol eligible jobholders into a qualifying scheme.

Background

Sitec has a legal requirement to automatically enrol its eligible jobholders into a qualifying workplace pension scheme from 1 February 2014 and has chosen Scottish Widows to provide a Group Personal Pension scheme to fulfil its obligations under automatic enrolment.

Sitec has elected to postpone automatic enrolment for three months. This means you will be assessed for automatic enrolment into the pension scheme approximately 3 months after your start date. This is known as your postponement date, or deferral date. On the postponement date, Sitec will automatically enrol any worker in our Scottish Widows Group Personal Pension if you:

- are PAYE
- are aged 22 or over and under State Pension Age
- work (or usually work) in the UK
- are earning the equivalent of £10,000* or more a year gross pay (including overtime, shift premiums, commission or bonuses in the week you are assessed)
- are not already in a qualifying pension scheme

** Figures subject to change as determined by Government Legislation – these are 2018/19 rates*

Following your postponement date, if you meet all the criteria above, you will be automatically enrolled and Scottish Widows will send you a Welcome Pack to confirm this.

You will have contributions deducted from your pay any time that you earn more than £116 a week (£116 is the current weekly lower earnings limit which must be earned each week before pension contributions will be made). Sitec will also make a contribution. This will commence when the first payroll is undertaken after your postponement date.

Once you have been automatically enrolled you will have 1 month to opt out of automatic enrolment should you wish to do so, and contributions will be refunded. After this period, you can still leave the scheme at any given time, but will not receive a refund. The contributions will remain as part of your pension's funds.

Employees and PAYE Workers who are not automatically enrolled will have the ability to opt in to or join our Scottish Widows Group Personal Pension.

Do you need to do anything?

You do not need to do anything in respect of automatic enrolment. You will be contacted when you are first paid confirming your joining has been postponed, and your postponement date. You will also be contacted again at the end of your postponement period, confirming the outcome of your first assessment. If you do not receive any of these letters, then please get in touch with us at pensions@sitecgroup.com

You are entitled to opt in or join the pension scheme from the date you join the company. If you wish to join or opt-in to the scheme then you must do so in writing and pass this request to Payroll Department pensions@sitecgroup.com. This must be signed by you. If you wish to send it electronically then it must contain the phrase "I confirm I personally submitted this notice to join a workplace pension scheme".

In the event that you wish to opt out of automatic enrolment you will have to wait until you have been automatically enrolled and have received a Welcome Pack from **Scottish Widows**. This will not be until a few days after the end of your postponement period. The Welcome Pack will include details of how to opt out.

What goes into your pension plan

Currently, to meet the minimum standards set by the Government, each week you will contribute 3% of your band earnings, and Sitec will contribute 2% of your band earnings. Band earnings are currently all pensionable earnings between £116 and £892 per week. The legislation also states that both you and your employer will have to make increased contributions from April 2019.

You will also benefit from Tax Relief. Your pension contributions will be deducted from your earnings before you pay any tax. This means that on a tax rate of 20%, every £10 of employee contributions paid to your plan only costs you £8 from your pay.

Please note you can choose to pay in more than the stated minimum employee contribution should you wish (contact us at pensions@sitecgroup.com). This does not affect how much Sitec will contribute.

What happens at the end of Postponement?

During the first payroll following the end of your postponement, all PAYE workers will be categorised into one of the categories below. Each category means something different, but only Eligible Jobholders who are not already members of a qualifying pension scheme will be automatically enrolled into our Scottish Widows Group Personal Pension. The three categories are:

Eligible Jobholders

Any worker who:

- Is aged 22 or more but less than State Pension Age, AND
- Earning the equivalent of £10,000 or more a year
- Eligible jobholders will be automatically enrolled into our Scottish Widows Group Personal Pension. Both you and Sitec will make a weekly contribution as stated above.

Non-Eligible Jobholders

Any worker who:

- Is aged between 16 and 75 and earns less than £192 but more than £116 a week OR
- Is aged between 16 and 21, or State Pension Age and 75, and earns the equivalent of £10,000 or more a year

Non-eligible jobholders will not be automatically enrolled into the pension scheme, but they can elect to **opt in** to our Scottish Widows Group Personal Pension at any time. Both you and Sitec will make a weekly contribution into the Scottish Widows scheme.

Entitled Workers

Any worker who:

- Is aged between 16 and 75 AND
- Earns less than £116 a week

Entitled workers will not be automatically enrolled into a pension scheme, but they can elect to **join** our Scottish Widows Group Personal Pension at any time. Only you will make a weekly contribution into our Scottish Widows Group Personal Pension – Sitec is not obliged to contribute for this category of worker.

Other important information

Detailed on your payslip, you will see the contribution you have made in the current pay period and also the Year to Date amount. You will not see Sitec's contribution on your payslip.

Should you wish to make any changes to your pension contributions, you will be able to do this by letting the payroll department know pensions@sitecgroup.com. Further information will be provided by Scottish Widows after you have been enrolled. To ensure your changes are processed by Sitec, you **MUST** ensure these changes are submitted to us by midday on a Tuesday. Any changes submitted after this will be picked up a week later. We are unable to apply back dated changes.

You can find out more about auto-enrolment by visiting: www.direct.gov.uk/workplacepension