



Pension

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Workplace Pensions: A Guide For Employers (2024/25)

This guide outlines the essentials of workplace pensions and the duties of employers for the 2024/25 tax year. It is designed to assist employers in understanding their obligations and how to manage compliance effectively.

- Employers in the UK have to meet workplace pension requirements under the Pensions Act 2008. This includes automatically enrolling certain staff into a workplace pension and contributing towards their retirement.

The Pensions Regulator (TPR) is responsible for making sure that employers meet their duties.

What Are My Responsibilities?

Your duties start on the day your first employee begins working for you. So it is key to understand your key duties to ensure you are compliant with the pension regulator (TPR). Below is a summary of the key aspects involved in running a pension scheme.

Set-up a workplace pension scheme - You have to choose a scheme that meets the auto enrolment criteria. TPR can [help you with this](#). Many providers can offer bespoke contribution systems, so it may be worth discussing these options to find the best for your business.

Assess your workers - As a minimum, you have to assess all your workers and automatically enrol those who are eligible into your workplace pension. To find out if a worker's eligible, you have to check their age and earnings. You then need to set up your pension and enrol certain workers within six weeks of your duties starting. You will also need to inform them once you have enrolled them with your chosen provider.

Decide contribution levels - The legal minimum contribution for eligible workers is 8% of their qualifying earnings..

Deduct contributions and pay – every pension provider will have their own process to report the monthly deductions. The contribution schedule is often monthly.

Manage ongoing duties - Auto enrolment isn't a one-off process. You need to monitor every worker's age and salary to check if they're eligible to leave your workplace pension.

Automatic Enrolment

Automatic enrolment requires employers to provide eligible staff with a workplace pension.

Businesses must enrol and make an employer's contribution for all staff that meet the following criteria:

- Employees aged 22 to State Pension age
- Those earning more than £10,000 annually must be automatically enrolled.
- Those who normally work in the UK (this includes people who are based in the UK but travel abroad for work)

If staff become eligible because of a change in their age or earnings, you must put them into your pension scheme and write to them within 6 weeks of the day they meet the criteria.

Re-Enrolment And Re-Declaration

Every 3 years after your first member of staff starts working for you, you must re-enrol staff into your pension scheme if they either:

- Left your pension scheme more than 12 months before your re-enrolment date
- Are still in your pension scheme but pay below the minimum contributions level

If staff left your pension scheme 12 months or less before your next re-enrolment date, you can choose to re-enrol them on that date or wait until the next re-enrolment date in three years, if they're still eligible.

You must write to eligible staff within 6 weeks after your re-enrolment date to tell them you have put them back into your pension scheme

Earning Threshold

Contributions are calculated on qualifying earnings for 2024/25 tax year. The minimum contribution rates are as follows:

Qualifying Earnings	Employer Minimum Contribution	Employee Minimum Contribution
£6,240 - £50,270	3%	5%