

3a

Detailed guidance for employers

Postponement: An explanation of how to
apply postponement

Publications in the series

- 1** **Employer duties and defining the workforce**
An introduction to the new employer duties
- 2** **Getting ready**
First steps to prepare for the new employer duties
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How to identify the different categories of worker
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Accompanying resources



Information to workers

Summary of information requirements in a quick-reference table format



The different types of worker

Diagram of the different categories of worker and the criteria for each category



Employer duties and safeguards

At-a-glance summary of the duties and safeguards

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Please note: This guidance is linked to the following appendices

Appendix A: Determining how postponement operates
Available at: www.tpr.gov.uk/docs/dg-3a-appendix-a.pdf

About this guidance

This guidance is aimed at professional advisers and employers with in-house pensions professionals. Trustees, managers and pension scheme providers should also familiarise themselves with how postponement operates.

Use our automatic enrolment planner to understand what you need to do and when for automatic enrolment. It also summarises the main steps towards achieving compliance. Employers may find this helpful when navigating this guidance: www.tpr.gov.uk/ae-planner.


This guidance is the second in a subset of guidance on the assessment of a worker. The process of making the assessment is described in **Detailed guidance no. 3 – Assessing the workforce**. To understand the content in this guidance, employers should have already read the following guidance in this series:

- **Detailed guidance no. 1 – Employer duties and defining the workforce**
- **Detailed guidance no. 2 – Getting ready**
- **Detailed guidance no. 3 – Assessing the workforce.**

If an employer has an existing defined benefit or hybrid pension scheme and the worker meets certain conditions, the employer can choose to defer assessment of that worker until the end of a transitional period. An employer considering using this transitional period should read the next guidance in this subset **Detailed guidance no. 3b – Transitional period for schemes with defined benefits**.

Regardless of when the assessment is carried out, an employer will know, as a result of the assessment, whether the worker is an eligible jobholder, non-eligible jobholder or entitled worker. **Detailed guidance no. 3c – Having completed the assessment** describes the next steps for an employer once they have completed the assessment process. Employers should read 3c in conjunction with this guidance.

We recognise that many employers will already have pension provision for their workers, and that this will often match or exceed the minimum requirements contained in the duties. In these cases, such employers may just need to check that the minimum requirements are covered in their existing processes.




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'One month' means 'one calendar month' throughout this guidance.

It will be helpful to employers to be familiar with the different categories of workers. These are explained in detail in **Detailed guidance no. 1 – Employer duties and defining the workforce** and a quick reminder is available in the Key terms.

This guidance forms part of the latest version of the detailed guidance for employers (published April 2014). The Department for Work and Pensions (DWP) recently introduced some technical changes to the legislation which came into effect on 1 April 2014. These changes were previously identified by relevant footnotes. In this version of the guidance (including the accompanying flowchart at Appendix A) footnote references to forthcoming legislative changes have been removed including all references to the one month deadline with a footnote highlighting the change to take effect from 1 April 2014. The content has been updated with the six week deadline. In addition this version has been updated with the qualifying earnings thresholds and earnings trigger for automatic enrolment figures for the 2014-2015 tax year. These are the only changes since the last version.



There are a number of decisions an employer should make

Introduction

1. An employer must assess each member of their workforce to identify into which category of worker they fall. This will determine what duties the employer will have in relation to each of those workers. The different categories of workers and the employer duties are set out in **Detailed guidance no. 1 – Employer duties and defining the workforce**.
2. Postponement is optional for an employer. Postponement is described as ‘postponement of automatic enrolment’, and sometimes referred to as a ‘waiting period’. Essentially, postponement is the postponement of the assessment of the worker at certain dates and therefore a postponement of whichever employer duty may apply, depending on the category of worker. The assessment is postponed until a date of the employer’s choosing known as the ‘deferral date’.
3. Postponement does not affect the steps an employer must take in carrying out the assessment. The process of assessing the workforce is explained in detail in **Detailed guidance no. 3 – Assessing the workforce**. Employers should read this in conjunction with this guidance.
4. The way an employer exercises the choice to use postponement in relation to a worker is to issue that worker with a notice. An employer can choose varying degrees of detailed information to include in the notice.
5. An employer can only choose to use postponement on certain dates. These are:
 - a. their staging date, in respect of any workers employed on their staging date
 - b. the first day of employment, in respect of any worker starting employment after the employer’s staging date
 - c. the date a worker employed by them meets the criteria to be an eligible jobholder after the employer’s staging date.
6. In addition, an employer can use postponement where they have applied the transitional period for schemes with defined benefits to a worker. For more information on the transitional period, see **Detailed guidance no. 3b – Transitional period for DB and hybrid pension schemes**.
7. Postponement is not available at automatic re-enrolment.

8. As a result of the assessment, the employer will know whether the worker is an eligible jobholder, a non-eligible jobholder or an entitled worker, and what they need to do for that worker. **Detailed guidance no. 3c – Having completed the assessment** describes the next steps for an employer as a result of the assessment.



It is
important
employers
understand
the process

Before using postponement

9. There are a number of decisions for an employer to make before using postponement.
10. The first of these is to decide from which of the dates set out in paragraph 5 they wish to use postponement.
11. They should make this decision in advance. This is because the deadline for issuing the postponement notice is six weeks following the day after the date from which they wish to use postponement. If the notice is not issued, postponement cannot be applied.
12. When making this decision, an employer should consider the outcome they wish to achieve through using postponement. Postponement gives an employer the flexibility to align the administration of the employer duties to their existing business and payroll processes.
13. This flexibility means an employer could use postponement to:
 - smooth the process of staging, eg automatically enrol groups of workers at different points in the three-month period
 - align automatic enrolment with their existing payroll processes, eg to avoid calculation of contributions on part-period earnings, or to maximise the amount of the opt-out period that falls before payroll is run
 - smooth the process of the automatic enrolment duty in respect of workers with rare spikes in earnings
 - smooth the process of the automatic enrolment duty in respect of short-term workers who leave soon after starting work, or workers who trigger automatic enrolment just before ceasing employment
 - facilitate contractual joining into a salary sacrifice arrangement
 - smooth the process of fulfilling the information requirements, eg use the postponement notice to fulfil a number of the different information duties for a worker in one go.
14. In addition, an employer can choose to use postponement in respect of one worker, some workers or all of their workforce.

15. Having decided that they are going to use postponement, the employer now needs to decide on:
 - the 'deferral date' and
 - the information to include in the postponement notice they intend to issue (see paragraph 22).

The deferral date

16. The deferral date is the last day of the postponement period. It is key for the employer as it is the date on which they must assess the worker and it must be included in the postponement notice.
17. The deferral date is a date of the employer's choosing up to three months after:
 - the day after the employer's staging date, if they are choosing to use postponement on their staging date in respect of any workers employed on their staging date
 - the day after the first day of employment, if they are choosing to use postponement on the first day of employment in respect of any worker starting employment after the employer's staging date
 - the day after the date the criteria to be an eligible jobholder are met, if they are choosing to use postponement on the day a worker employed by them meets the criteria to be an eligible jobholder after the employer's staging date
 - the day after the date with effect from which arrangements for active membership fall to be made under the transitional period for DB and hybrid pension schemes with defined benefits. This is only applicable if the employer has applied the transitional period for DB and hybrid schemes with defined benefits to the worker.
18. Employers should note that 'months' means calendar months. For example, if the employer's staging date is 1 October, the latest possible deferral date they can choose is 1 January.

Choosing a deferral date

19. An employer can choose their deferral date to suit their existing processes and their reason for choosing postponement.
20. If, for example, an employer is using postponement to avoid part-period calculation of contributions, they should ensure the deferral date is the first day of a pay reference period.

21. If, however, they are choosing to use postponement for short-term workers who leave soon after starting work, they may wish to choose the latest possible deferral date.

The notice

22. The postponement notice tells a worker:
 - that automatic enrolment has been postponed
 - the deferral date, and
 - that on the deferral date, if they meet the criteria to be an eligible jobholder, they will be automatically enrolled.
23. Importantly however, the postponement notice can also be used to include some of the other information requirements an employer is required to fulfil in respect of a worker, such as:
 - the requirement to tell a jobholder about their right to opt in to an automatic enrolment scheme
 - the requirement to tell an entitled worker about their right to join a pension scheme
 - the requirement to tell a jobholder who is an active member of a qualifying scheme about the scheme.

More information about these information requirements can be found in **Detailed guidance no. 10 – Information to workers**.

24. The first step for an employer in deciding what information to include in the postponement notice is to understand the different options.

The different types of notices

25. There are four levels of information that an employer can choose to include in their postponement notice. The level of detail ranges from:
 - the postponement information (in paragraph 22) plus the information that is relevant to the specific category of worker in respect of which postponement is being used, for example the information to an entitled worker about their right to join to
 - the postponement information (in paragraph 22) plus all of the information requirements in paragraph 23, irrespective of the category of worker in respect of which postponement is being used.

26. We have grouped these four levels of information into four types of postponement notice:
- **General notice A** – contains the information that must be provided to all the different categories of worker. General notice A is issued to any worker irrespective of worker category and whether or not they are a member of a qualifying scheme with that employer
 - **General notice B** – the same as general notice A but excluding the information for jobholders who are active members of a qualifying scheme with that employer. General notice B is only issued to a worker or workers who are not active members of a qualifying scheme with that employer
 - **Tailored notice for a jobholder** – contains information specific to a jobholder who is not an active member of a qualifying scheme with that employer
 - **Tailored notice for an entitled worker** – contains information specific to an entitled worker who is not an active member of a qualifying scheme with that employer.
27. Table 1 provides more information about each postponement notice.
28. An employer can choose which of these types of postponement notices to issue, except when using postponement at the date the criteria to be an eligible jobholder are met. In this instance, there is no choice available and the employer must issue the tailored notice for a jobholder.

Table 1
The four types of postponement notice

Postponement notice	Information	When can it be used
General notice A	<ul style="list-style-type: none"> • Postponement information (see paragraph 22) • The requirement to tell a non-eligible jobholder about their right to opt in to an automatic enrolment scheme • The requirement to tell an entitled worker about their right to join a pension scheme • The requirement to tell a jobholder who is an active member of a qualifying scheme about the scheme. 	<p>Can be used at:</p> <ul style="list-style-type: none"> • the employer’s staging date • the worker’s first day of employment • the date with effect from which arrangements for active membership fall to be made under the transitional period for schemes with defined benefits. (Only applicable if the employer has applied the transitional period for schemes with defined benefits to the worker).
General notice B	<ul style="list-style-type: none"> • Postponement information (see paragraph 22) • The requirement to tell a non-eligible jobholder about their right to opt in to an automatic enrolment scheme • The requirement to tell an entitled worker about their right to join a pension scheme. 	
Tailored notice for a jobholder	<ul style="list-style-type: none"> • Postponement information • The requirement to tell a non-eligible jobholder about their right to opt in to an automatic enrolment scheme. 	<p>Must be used at the date the eligible jobholder criteria are met. Can be used at:</p> <ul style="list-style-type: none"> • the employer’s staging date • the worker’s first day of employment.
Tailored notice for an entitled worker	<ul style="list-style-type: none"> • Postponement information • The requirement to tell an entitled worker about their right to join a pension scheme. 	<p>Can be used at:</p> <ul style="list-style-type: none"> • the employer’s staging date • the worker’s first day of employment.

Choosing the notice

General notice A

29. If an employer wishes to include a number of the different information requirements in the postponement notice, they can use general notice A. This postponement notice contains the most information for the worker but it does mean that the employer can fulfil a number of information requirements in one go.
30. Because this notice contains the information that must be provided to a jobholder who is an active member of a qualifying scheme with that employer, in practice, it may not be a relevant option for an employer without such jobholders.
31. Choosing general notice A means the employer need only assess the worker on the deferral date.

General notice B

32. If the employer wishes to exclude workers who are already active members of a qualifying scheme that they provide and deal with them separately, they can use general notice B.
33. Because this notice includes two of the additional information requirements, it means that the employer will have fulfilled these information requirements for those workers who are not active members.
34. Choosing general notice B means that the employer issues general notice B for those workers who are not active members of a qualifying scheme with them and need only assess these workers on the deferral date.
35. However, it also means that the employer will need to assess those workers who are active members of a qualifying scheme with that employer on the staging date or first day of employment. For those that are jobholders and active members of a qualifying scheme with that employer, the employer will have to provide them with information separately about the scheme.

Tailored notice for a jobholder or an entitled worker

36. Finally, if the employer wishes to provide only the relevant information to a specific category of worker, they can use the tailored postponement notice. There is one tailored postponement notice for a worker who is a jobholder, and one for a worker who is not a jobholder.

37. Under this option, the quantity of information provided is reduced. However, as a result, the employer does not fulfil a number of other information requirements, and so may have to fulfil the other information duties in respect of the worker in the future.
38. Because the employer is providing information that is relevant to the category of worker, the employer must assess what category of worker they have at the start of the postponement period as well as on the deferral date.
39. In addition, if they have any workers who are already active members of a qualifying scheme that they provide, they will need to assess those workers on the staging date or first day of employment and for those that are jobholders, provide them with information about the scheme.
40. This option may be most applicable when using postponement on the first day of employment for individual workers.

Considerations for an employer

41. The action that an employer must take therefore differs depending on the type of notice the employer chooses to use. For example, some will involve the employer assessing their workers who are already active members of a qualifying scheme that they provide and issuing information.
42. This may be a consideration for an employer when choosing which type of postponement notice to use.
43. Critically, they should also consider their overall approach to providing information. An employer can choose to use the postponement notice to fulfil a number of the information requirements in relation to the employer duties in one go (those listed in paragraph 23), or they can choose to use the postponement notice to only include information specific to that worker.
44. Including a number of the information requirements, increases the amount of information for the worker to digest, but may reduce the number of future information communications to the worker. Issuing more specific information will reduce the quantity of information for the worker to read and understand.
45. An employer who is considering combining multiple information requirements into one communication (whether as part of choosing their postponement notice or not) or considering whether to issue separate communications as and when any of the information requirements are triggered should, in our view, consider the appropriateness of their preferred approach for their workforce.

46. This includes a judgement about the ability of the workforce to absorb the level of detail in one go, and a judgement about the relevance of the information to the worker. For example if a non-eligible jobholder is salaried without fluctuating earnings it may not be relevant to tell them about the right of an entitled worker to join a pension scheme.
47. Nothing prevents an employer including the enrolment information that must be issued to an eligible jobholder who is being automatically enrolled, in a combined notice, so that all the information requirements are discharged in one go, (unless opt-in or re-enrolment occurs).
48. It will be necessary to tailor the information to workers individually, as the specified information included in the enrolment information includes personal or individual data, but it is still possible to provide a communication which combines the different information requirements that may apply to that worker.
49. Again an employer should consider the appropriateness of adding this information to the combined notice for their workers. In making the judgement about the relevance of the information, an employer should consider:
 - how sure they are that the worker is or will be in the future an eligible jobholder, and
 - the length of time between the planned giving of the information and the likely automatic enrolment date – the date information will become relevant, see the example below.

Example of postponing assessment

Deliver to You Ltd has recruited a new operations manager, Amir, who is 42 years old. Amir will be starting work on 21 September. His basic salary will be £24,000. John runs the HR department at Deliver to You Ltd and knows that the first day of employment is one of the assessment dates and that he must assess to see if Amir is an eligible jobholder.

Deliver to You Ltd has chosen to use the definition of a pay reference period aligned to the period by reference to which a worker is paid their regular wage or salary for the purposes of the assessment of the worker. Deliver to You Ltd pays its staff monthly in respect of the work done in the calendar month. The relevant pay reference period for Amir is the pay reference period from 1 September to 30 September.

In this period, because Amir only starts work on 21 September, the qualifying earnings payable to him are £600. This is below the monthly earnings trigger for automatic enrolment. In his first full pay reference period (1 October to 31 October) his qualifying earnings will be his usual monthly salary of £2,000, which is above the monthly earnings trigger for automatic enrolment.

John knows that if he were to assess him on 21 September, Amir would be a non-eligible jobholder and he would be required to provide him with information about the right to opt in to an automatic enrolment scheme and assess him again on 1 October. On this date, Amir would be an eligible jobholder and automatic enrolment would be triggered shortly after providing Amir with information about his right to opt in.

John decides to use a short postponement period. He decides on the deferral date of 1 October. On 21 September, he issues Amir with general notice B (which includes the information for a jobholder about their right to opt in) together with the enrolment information for automatic enrolment. On 1 October, Amir is an eligible jobholder and John has six weeks in which to complete the steps for automatic enrolment (see **Detailed guidance no. 5 – Automatic enrolment**).

50. In fulfilling the information duties, an employer must consider what is suitable for their workers and their circumstances, and therefore where the postponement notice fits in their overall approach.

51. Table 2 contains the information that must be included in each of the notice options and will help an employer form a view about the level of detail in each notice type.

Table 2
Information to be included in each postponement notice

Mandatory information to be included (This information is prescribed in regulations. The text in bold below provides a further explanation from the regulator.)	General notice A	General notice B	Tailored notice (jobholder)	Tailored notice (entitled worker)
A statement that the employer has deferred automatic enrolment until the deferral date	✓	✓	✓	✓
The deferral date	✓	✓	✓	✓
A statement that the employer will automatically enrol the worker into an automatic enrolment scheme if, on the deferral date, the worker is aged 22 or more but less than state pension age and earnings of more than the earnings trigger for automatic enrolment are payable to the worker	✓	✓	✓	✓
The amount of the earnings trigger for automatic enrolment. The earnings trigger for automatic enrolment for 2014-2015 tax year is £10,000. The appropriate thresholds for the worker's pay reference periods (ie £10,000 broken down into the weekly, monthly or other pay reference period) can be found in Detailed guidance no. 3 – Assessing the workforce	✓	✓	✓	✓
A statement that, by giving a written notice to the employer, the worker, may: <ul style="list-style-type: none"> a. where they earn more than the lower level of qualifying earnings and are a jobholder and not an active member of a qualifying scheme, opt in to an automatic enrolment scheme and that the jobholder will be entitled to employer's contributions 	✓	✓	x	x

continued...

Mandatory information to be included (This information is prescribed in regulations. The text in bold below provides a further explanation from the regulator.)	General notice A	General notice B	Tailored notice (jobholder)	Tailored notice (entitled worker)
b. where they are not a jobholder, (for the sole reason that they earn no more than the lower level of qualifying earnings), and are not a member of a pension scheme, require the employer to make arrangements for the worker to become an active member of such a pension scheme	✓	✓	✗	✗
The lower level of qualifying earnings. The lower level of qualifying earnings for 2014-2015 tax year is £5,772. The appropriate thresholds for the worker's pay reference periods (ie £5,772 broken down into the weekly, monthly or other pay reference period) can be found in Detailed guidance no. 3 – Assessing the workforce	✓	✓	✗	✗
A statement that a written notice from the worker must be signed by the worker or, if it is given by means of an electronic communication, must include a statement that the worker personally submitted the notice	✓	✓	✓	✓
A statement that where the worker is a jobholder and an active member of a qualifying scheme and, on a date, ceases to be such a member (without the jobholder ceasing to be employed by the employer) by reason of something other than an action or omission by the jobholder, the employer must make arrangements by which the jobholder becomes an active member of an automatic enrolment scheme with effect from the day following that date	✓	✗	✗	✗
Where to obtain further information about pensions and saving for retirement. Workers can go to www.gov.uk/workplace-pensions for more information on pensions and saving for retirement	✓	✓	✓	✓

continued...

Mandatory information to be included (This information is prescribed in regulations. The text in bold below provides a further explanation from the regulator.)	General notice A	General notice B	Tailored notice (jobholder)	Tailored notice (entitled worker)
A statement that the jobholder may, by giving written notice to the employer, require the employer to make arrangements for the jobholder to become an active member of an automatic enrolment scheme and that the jobholder will be entitled to employer's contributions	x	x	✓	x
A statement that the worker may, by giving written notice to the employer, require the employer to make arrangements for the worker to become an active member of a pension scheme	x	x	x	✓

52. Templates for each of the postponement notices are available on our website:

- General notice A – www.tpr.gov.uk/postponement-all
- General notice B - www.tpr.gov.uk/postponement-all-except
- Tailored notice for a jobholder - www.tpr.gov.uk/non-eligible-postponement. Please note this template refers to non-eligible jobholders and so will need adapting for eligible jobholders or where the employer has only identified jobholder status.
- Tailored notice for an entitled worker - www.tpr.gov.uk/entitled-postponement.

These templates are one way that an employer may choose to communicate the information. An employer may add their own wording or use their own templates as long as the underlying requirements in the table above are met.

53. Once an employer has decided on the type of postponement notice they wish to use, they will understand how postponement will need to be operated and what action they must take in carrying out postponement. The section entitled Carrying out postponement provides more information about the next steps for an employer in carrying out postponement.

54. There is however, one final decision for an employer to make where they intend to use postponement at their staging date or the worker's first day of employment, which is whether they wish to postpone one, some or all of their workers.

The workers to postpone

55. Generally, postponement is in respect of a single worker. However, if an employer chooses to use postponement at their staging date, they can choose to use it in respect of one worker, or groups of workers, or all their workers in employment at the staging date.
56. This can be done to stagger the introduction of the employer duties over a three-month period in order to help with the administration of a large number of new joiners to a pension scheme. To do this, an employer may postpone different groups of workers for different periods of time, up to three months after the staging date.
57. Where an employer is postponing groups of workers in this way, they will need to decide on the different deferral dates for each group.
58. On some occasions, an employer may have groups of workers starting employment on the same date and on these occasions, they can use postponement for a group of workers. Again, this could be used to help with the administration of the new duties for these workers.
59. Where an employer is using postponement in respect of a group of workers, each individual worker must be provided with a postponement notice. It is not possible for one notice to cover several workers.
60. If the employer plans to use postponement for all their workers on their staging date, they still need to ensure that they are taking the necessary steps explained in **Detailed guidance no. 2 – Getting ready**, to ensure they are ready for the new duties at the end of the postponement period.

Carrying out postponement

61. The steps for an employer in carrying out postponement are determined by the date in respect of which the employer has decided to use postponement and what information they have decided to include in the postponement notice.
62. The appendix contains a flowchart that illustrates this.
63. We have explained postponement at an employer's staging date and postponement at the worker's first day of employment together, since the action required by the employer is the same. This is explained in paragraphs 65-93.
64. The steps for an employer when carrying out postponement at the date the criteria to be an eligible jobholder are met, are explained in paragraphs 94-101.

Postponement at an employer's staging date, the worker's first day of employment or the day after the end of the transitional period

65. The required action depends on the type of postponement notice the employer has chosen to use.

General notice A

66. Where the employer has chosen to use general notice A, there are two steps the employer must take in carrying out postponement. They must give the notice to the worker or workers and then carry out the assessment on the deferral date.

Giving the notice

67. The notice must be given in writing. 'Giving' information, in the regulator's view includes:
 - sending hard copy information by post or internal mail
 - handing over hard copy information by hand
 - sending information in the body of an email
 - sending information in pdf attachments or other attachments by email.

68. 'Giving' information does not include merely signposting to an internet or intranet site, attaching a URL or displaying a poster in the workplace. In these circumstances the employer is merely providing the worker access to the information about the duties but is not giving the actual information.
69. Someone acting on the employer's behalf, such as an independent financial adviser, benefit consultant, accountant or bookkeeper can send the information, but it remains the employer's responsibility to make sure it is provided, on time, and is correct and complete.
70. Where an employer is giving information to a worker by post, they should allow sufficient time for the delivery of the letter in the ordinary course of post, in order that the information can be given before the end of the specified time limit for giving information.
71. The notice must be given by no later than six weeks after the day after:
 - the employer's staging date, if they are choosing to use postponement on their staging date in respect of any workers employed on their staging date
 - the first day of employment, if they are choosing to use postponement on the first day of employment in respect of any worker starting employment after the employer's staging date
 - the date with effect from which arrangements fall to be made under the transitional period for schemes with defined benefits.
72. It can be given ahead of the staging date or worker's first day of employment.

Making the assessment on the deferral date

73. On the deferral date, the employer must assess each member of their workforce to identify into which category of worker they fall. This will determine what duties the employer will have in relation to each of those workers.
74. As part of this assessment, the key criteria the employer must identify are:
 - the worker's age
 - whether the worker is working or ordinarily works in the UK under their contract, and
 - whether qualifying earnings are payable in the relevant pay reference period.

75. The process of making the assessment is explained in **Detailed guidance no. 3 – Assessing the workforce**.
76. An employer should note however, that if they also intend to use the transitional period for defined benefit and hybrid schemes in respect of any workers at their staging date, they may also need to assess their workers on their staging date. **Detailed guidance no. 3b – Transitional period for schemes with defined benefits** has more information.
77. As a result of the assessment, the employer will know whether the worker is an eligible jobholder, non-eligible jobholder or entitled worker. **Detailed guidance no. 3c – Having completed the assessment** describes the next steps for an employer at the end of the assessment process. There are also a number of flowcharts that show the assessment process and postponement.
78. It is important to note that if on the deferral date the worker meets the criteria to be an eligible jobholder, the employer must automatically enrol the worker. It is not possible to apply a further postponement period to that eligible jobholder.

Example of postponement at staging date using general notice A

Rivets Steel Ltd employs 3,200 workers. They already have pension provision for their workers and take up of membership is about 40%.

The staging date for Rivets Steel Ltd is 1 November. This is a busy time of year for them as their financial year ends on 31 December. They have chosen to use postponement in respect of all their workers until 1 February when there will be more time and resource available to focus on the new duties they will have in respect of their workers.

They have chosen to use general notice A for their postponement notice as they have some workers who are active members of a qualifying scheme with them. On 1 November, they issue general notice A to all their workers.

On 1 February, Rivets Steel Ltd assesses all of its workers. As a result of that assessment, they know which of their workers are eligible jobholders, which are non-eligible jobholders and which are entitled workers. Rivets Steel Ltd must automatically enrol their eligible jobholders with effect from 1 February.

continued...

Because they issued general notice A, they do not have to provide information to their non-eligible jobholders about their right to opt in to an automatic enrolment scheme or their entitled workers about their right to join a pension scheme. They will need to continue to assess these workers to identify if the criteria to be an eligible jobholder are met.

General notice B

79. If the employer has chosen to use general notice B, they have chosen to separate those workers who are active members of a qualifying scheme that they provide from those workers who are not active members of the scheme.
80. They will need to assess the workers who are active members on their staging date to identify which of those are jobholders, because they must provide them with information about the scheme no later than two months after the staging date or the worker's first day of employment. This is explained further in **Detailed guidance no. 3c – Having completed the assessment**.
81. Again, an employer should note that if they also intend to use the transitional period for defined benefit and hybrid schemes in respect of any workers at their staging date, they may also need to assess their workers on their staging date.

Giving the postponement notice

82. The employer must give general notice B to the workers who are not active members of a qualifying scheme that they provide and to whom they are applying postponement.
83. It must be given in the same manner and within the same timescales as described in paragraphs 67-72.

Making the assessment on the deferral date

84. On the deferral date, the employer must assess each worker to whom they issued general notice B to identify into which category of worker they fall. **Detailed guidance no. 3c – Having completed the assessment** describes the next steps for an employer at the end of the assessment process.

85. If the worker meets the criteria to be an eligible jobholder on the deferral date, the employer must automatically enrol the worker. It is not possible to apply a further postponement period to that eligible jobholder.

Example of postponement at staging date using general notice B

Joe's Café and Sandwich Shop Ltd is owned and run by Joe, and employs nine people across two cafés. The staging date for Joe's Café and Sandwich Shop is 1 February. Joe and his wife Janice are directors of the company and Joe decides that he will not use postponement for them. This means that (provided the age and earnings criteria are met) Joe and Janice will have to be automatically enrolled from the staging date.

In respect of his full-time permanent staff of two chefs, he decides that he will use postponement to help spread the cost of automatic enrolment. Joe decides that he will postpone to 1 April. He issues general notice B telling his chefs that he intends to postpone automatic enrolment until 1 April.

His remaining five workers are part-time waiters. Joe knows from experience that these workers tend not to stay very long at Joe's Café and Sandwich Shop so he decides to use the full three months available for them. Joe writes to these workers that he intends to postpone automatic enrolment until 1 May.

On 1 April, Joe assesses the two chefs and identifies that they are both eligible jobholders. He must automatically enrol them from that date.

On 1 May, three of the five part time waiters have left employment. Joe assesses the remaining two and identifies that they are entitled workers. Because he issued general notice B to these workers, he does not need to provide them with information about the right to join a pension scheme. He will need to continue to assess these workers to identify if the criteria to be an eligible jobholder are met.

The tailored notice for a jobholder and the tailored notice for an entitled worker

86. If the employer has chosen to use the tailored notices, they must assess their workers on the staging date or first day of employment, whichever is appropriate, to identify which of those are jobholders.
87. They must then separate from these jobholders any who are already an active member of a qualifying scheme with that employer (where an employer has an existing pension scheme or schemes).
88. The employer must give the tailored notice for a jobholder to a jobholder or jobholders who are not already active members of a qualifying scheme with that employer.
89. The employer must give the tailored notice for an entitled worker to an entitled worker or entitled workers who are not already active members of a qualifying scheme with that employer.
90. These postponement notices must be given in the same manner and within the same timescales as described in paragraphs 67-72.
91. For those who are jobholders and an active member of a qualifying scheme with the employer, they must issue information about the scheme no later than two months after the staging date or the worker's first day of employment, as appropriate.
92. On the deferral date, the employer must assess each worker to whom they issued general notice B, to identify into which category of worker they fall. **Detailed guidance no. 3c – Having completed the assessment** describes the next steps for an employer at the end of the assessment process.
93. If the worker meets the criteria to be an eligible jobholder on the deferral date, the employer must automatically enrol the worker. It is not possible to apply a further postponement period.

Postponement on the date the criteria to be an eligible jobholder are met

94. If the employer is using postponement on the date that the worker meets the criteria to be an eligible jobholder, then they must, by definition, have already carried out an assessment of the worker to identify that eligible jobholder status has been met and on what date.
95. Where they are using postponement on this date, they must give the tailored notice for a jobholder no later than six weeks after the day after the date the criteria to be an eligible jobholder were met.

96. This notice cannot be given if the date the criteria to be an eligible jobholder falls on an occasion on or before the deferral date of a postponement period that the employer has applied to the same worker at their staging date or the worker's first day of employment.
97. In other words, where an employer has used postponement at their staging date or the worker's first day of employment, and the worker meets the criteria to be an eligible jobholder during the postponement period (including the deferral date), they cannot use postponement again to extend the postponement period.

Example

SED Publishing's staging date is 1 April and it decides to use postponement in respect of all of its workers to defer automatic enrolment until 1 July.

On 27 May, one of its workers, Darren, who earns £25,000, turns 22. This is the first date that Darren meets the criteria to be an eligible jobholder.

SED Publishing cannot issue another postponement notice on this date that would postpone automatic enrolment for three months to 27 August 2014.

98. Where the employer has applied the transitional period for DB and hybrid pension schemes with defined benefits and is using postponement in conjunction with this, they must have already carried out an assessment of the worker to identify that they were an eligible jobholder on the employer's first enrolment date. This is one of the conditions that must be met to apply the transitional period.
99. Where they are using postponement and have applied the transitional period, the employer must give the postponement notice no later than six weeks after the date with effect from which arrangements for active membership must be made under the transitional period. The employer can choose from all postponement notice options.
100. In either case, the employer must give the notice in the same manner as described in paragraphs 67-72.
101. On the deferral date, the employer must assess the worker to whom they issued the notice to see if they remain an eligible jobholder. If they do, the employer must automatically enrol the eligible jobholder from the deferral date. It is not possible to apply a further postponement period.

Example of postponement at the date the criteria to be an eligible jobholder are met

Erica is a director of Carol Songsheets Ltd, with 15 staff. Carol Songsheets Ltd has chosen to use the definition of a pay reference period aligned to the period by reference to which a worker is paid their regular wage or salary for the purposes of the assessment of the worker. Kieran, one of the printers at Carol Songsheets, turns 22 years old on 14 September. Kieran is paid monthly.

Erica knows that a 22nd birthday is one of the assessment dates. She knows that he is working or ordinarily working in the UK and so knows that the trigger for automatic enrolment in this case is the assessment of qualifying earnings.

Erica assesses Kieran's qualifying earnings and identifies that Kieran is an eligible jobholder on 14 September.

Erica would prefer, from an administrative perspective, to avoid this part-period calculation on earnings from 14 September to 30 September for the calculation of the first contribution.

Erica decides to postpone Kieran's automatic enrolment date until day one of the next pay reference period – 1 October – and gives him notice of the postponement automatic enrolment and the deferral date of 1 October.

On 1 October, Erica must run the assessment of eligible jobholder status again and identifies Kieran is an eligible jobholder on this date. The deferral date – 1 October – is Kieran's automatic enrolment date – the date from which he must be automatically enrolled and from which the calculation of contributions starts.

If Erica had chosen a different deferral date, she would have still had a calculation on part-period earnings. For example, Erica may have chosen to align with her payroll run date. If that was the case, and on the deferral date of 20 October Kieran was an eligible jobholder, contributions would have been due from 20 October.

What next?

Having completed the assessment on the deferral date, the employer will know what category of worker or workers they have. **Detailed guidance no. 3c – Having completed the assessment** contains the next steps for an employer and should be read in conjunction with this guidance.

The process of making the assessment is explained in **Detailed guidance no. 3 – Assessing the workforce**.

Key terms

Summary of the different categories of worker

Category of worker	Description of worker
Worker	An employee or someone who has a contract to perform work or services personally, that is not undertaking the work as part of their own business.
Jobholder	A worker who: <ul style="list-style-type: none">• is aged between 16 and 74• is working or ordinarily works in the UK under their contract• has qualifying earnings.
Eligible jobholder	A jobholder who: <ul style="list-style-type: none">• is aged between 22 and state pension age• has qualifying earnings above the earnings trigger for automatic enrolment.
Non-eligible jobholder	A jobholder who: <ul style="list-style-type: none">• is aged between 16 and 21 or state pension age and 74• has qualifying earnings above the earnings trigger for automatic enrolment or <ul style="list-style-type: none">• is aged between 16 and 74• has qualifying earnings below the earnings trigger for automatic enrolment.
Entitled worker	A worker who: <ul style="list-style-type: none">• is aged between 16 and 74• is working or ordinarily works in the UK under their contract• does not have qualifying earnings.

How to contact us

PO Box 16314
Birmingham
B23 3JP

T 0845 600 1011
F 0845 606 9970
E customersupport@autoenrol.tpr.gov.uk

www.thepensionsregulator.gov.uk
www.trusteetoolkit.com

Detailed guidance for employers no. 3a

Postponement

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