

3c

Detailed guidance for employers

Having completed the assessment: Next steps

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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: Assessing a worker

Available at: www.tpr.gov.uk/docs/dg-3c-appendix-a.pdf

Appendix B: Assessing groups of workers on an employer's staging date

Available at: www.tpr.gov.uk/docs/dg-3c-appendix-b.pdf

Appendix C: Assessing groups of workers on the deferral date after using postponement at the employer's staging date

Available at: www.tpr.gov.uk/docs/dg-3c-appendix-c.pdf

Appendix D: Assessing a worker on the deferral date after using postponement at the worker's first day of employment

Available at: www.tpr.gov.uk/docs/dg-3c-appendix-d.pdf

Appendix E: Assessing a worker on the deferral date after using postponement on the date that the criteria to be an eligible jobholder are met

Available at: www.tpr.gov.uk/docs/dg-3c-appendix-e.pdf

About this guidance

This guidance is aimed at employers and professional advisers who will support employers to comply with their new duties.

This guidance is the third in a subset of guidance on the assessment of a worker. It describes the next steps for an employer once they have completed the assessment process.

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 chooses to use postponement, they postpone the assessment of their worker for a period of up to three months. An employer considering using postponement should read **Detailed guidance no. 3a – Postponement**.

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 **Detailed guidance no. 3b – Transitional period for schemes with defined benefits**.


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.

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.

Many employers will already have pension provision

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 flowcharts at Appendix A - E) all references to the one month deadline with a footnote highlighting the change to take effect from 1 April 2014 have been updated to 'six weeks' and the footnote removed. In addition the flowcharts at Appendix A – E have 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.



**An employer
must assess
each member
of their
workforce**

Introduction

1. An employer must assess each member of their workforce to identify into which category of worker they fall, in order to determine the duties they will have in relation to each worker.
2. By identifying the worker category, the assessment therefore also identifies whether the employer must do one, some or all of the following:
 - Automatically enrol the worker
 - Give the worker information about the pension scheme, applicable to workers who are active members of an employer's existing pension scheme
 - Give the worker information about the right to opt in to an automatic enrolment scheme
 - Give the worker information about their right to join a pension scheme.
3. An employer must assess their worker at particular points in time, or when particular events occur – the 'assessment date'. The process of making the assessment is explained in **Detailed guidance no. 3 – Assessing the workforce**, which employers should read ahead of this guidance.
4. An employer who is considering using postponement should have read **Detailed guidance no. 3a – Postponement** and **Detailed guidance no. 3 – Assessing the workforce** ahead of this guidance.
5. The first time an employer makes an assessment to determine which of the requirements listed in paragraph 2 they will have for their workers is on one of the following dates:
 - Their staging date
 - The worker's first day of employment
 - If they have chosen to use postponement:
 - on the deferral date, or
 - on the date an opt-in notice is received from a worker during the postponement period. (The first assessment of a worker on receipt of an opt-in notice is explained in **Detailed guidance no. 6 – Opting in, joining and contractual enrolment**)

6. The first assessment on an employer's staging date is either in respect of all their workers, if they have chosen not to use postponement, or in respect of workers who are active members of a qualifying scheme that they provide, if they are using postponement.
7. Regardless of whether the first assessment is carried out on the staging date, the worker's first day of employment, or the deferral date, an employer will know, as a result of the assessment, whether the worker is an eligible jobholder, non-eligible jobholder, a jobholder who is an active member of a qualifying scheme or an entitled worker.
8. This guidance is the last in a subset of guidance on the assessment of a worker and details the next steps for an employer once they know the result of the first assessment.

The result of the first assessment

9. The worker is an eligible jobholder if, at the end of the assessment, the employer has identified that:
 - the worker is aged between 22 and state pension age
 - they are working or ordinarily work in the UK under their contract¹
 - qualifying earnings are payable in the relevant pay reference period, that are above the earnings trigger for automatic enrolment.
10. The worker is a non-eligible jobholder if, at the end of the assessment, the employer has identified that:
 - the worker is working or ordinarily works in the UK under their contract¹
 - they are either:
 - aged between 16 and 74 with qualifying earnings payable in the relevant pay reference period that are below the earnings trigger for automatic enrolment, or
 - aged between 16 and 21 or state pension age and 74, with qualifying earnings payable in the relevant pay reference period that are above the earnings trigger for automatic enrolment.

¹ Except workers in offshore employment for whom the employer does not have to consider whether they are working or ordinarily work in the UK. A worker in offshore employment is a person who works under a worker's contract in the territorial waters of the UK, or in connection with the exploration of the sea-bed or subsoil, or the exploitation of their natural resources, in the UK sector of the continental shelf (including the UK sector of a cross-boundary petroleum field).

11. The worker is an entitled worker if, at the end of the assessment, the employer has identified that:
 - the worker is aged between 16 and 74
 - they are working or ordinarily work in the UK under their contract²
 - they do not have qualifying earnings payable by the employer in the relevant pay reference period.
12. The worker is a jobholder if, at the end of the assessment, the employer has identified that:
 - the worker is aged between 16 and 74
 - they are working or ordinarily work in the UK under their contract²
 - they have qualifying earnings payable by the employer in the relevant pay reference period.
13. The next steps for an employer are to automatically enrol, apply a postponement period or provide information to the worker, depending on the category of worker.
14. The action required for each category of worker is described next. In addition, there are a number of flowcharts in the appendices that detail the entire assessment process.
15. These flowcharts illustrate different scenarios depending on whether the employer is assessing one worker or a group of workers, or is using postponement.

Eligible jobholders

16. If this first assessment of the worker identifies that the worker is an eligible jobholder, then unless the eligible jobholder is already an active member of a qualifying scheme with that employer, the employer:
 - can choose to either automatically enrol the eligible jobholder or apply a postponement period of up to three months, if the assessment date is not the deferral date
 - must automatically enrol the eligible jobholder if the assessment date is the deferral date. The considerations and action for an employer choosing to use postponement are described in **Detailed guidance no. 3a – Postponement**.
17. If the eligible jobholder is an active member of qualifying scheme with that employer on the assessment date, the employer must tell them about their active membership of the scheme. We explain this further in paragraphs 53-58.

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Except workers in offshore employment for whom the employer does not have to consider whether they are working or ordinarily work in the UK. A worker in offshore employment is a person who works under a worker's contract in the territorial waters of the UK, or in connection with the exploration of the sea-bed or subsoil, or the exploitation of their natural resources, in the UK sector of the continental shelf (including the UK sector of a cross-boundary petroleum field).

Automatic enrolment

18. If the employer is automatically enrolling the eligible jobholder, they must make arrangements so that the eligible jobholder becomes an active member of an automatic enrolment scheme with effect from their automatic enrolment date.
19. The employer must therefore identify the eligible jobholder's automatic enrolment date.
20. The automatic enrolment date is:
 - the first day that the criteria to be an eligible jobholder are met, or
 - if an employer has chosen to use postponement, the deferral date, where the assessment of the worker identified that they were an eligible jobholder on that date.
21. In practice, the automatic enrolment date will be the same date as the assessment date, if the assessment of the worker on that date identifies that the worker is an eligible jobholder.

Some examples of automatic enrolment dates

Nicola's employer has chosen to use the definition of a pay reference period aligned with the period by reference to which the worker is paid their regular wage or salary. They have identified that Nicola's pay reference period is monthly, from the 1st to the end of the month. She turned 22 on 10 August (her 'assessment date').

Her employer assessed whether qualifying earnings were payable above the earnings trigger in the period 1-31 August, and identified that they were. Automatic enrolment was triggered from 10 August. Nicola's automatic enrolment date is 10 August.

Philip's first day of employment with his employer is 4 October (his 'assessment date') and his employer has decided not to use postponement. He will be paid weekly. Phillip's employer has chosen to use the definition of a pay reference period aligned to tax weeks and months. They have identified that the length of the pay reference period is one week and that it starts on the first day of the tax week.

continued...

His employer assessed whether qualifying earnings were payable above the earnings trigger in the period 28 September to 4 October, and identified that they were. Automatic enrolment was triggered from 4 October. Phillip's automatic enrolment date is 4 October.

Barrett Farm's staging date is 1 May (the 'assessment date'). They have chosen to use the definition of a pay reference period aligned to the period by reference to which the worker is paid their regular wage or salary. Barrett Farm has five people working for them on that date. They are paid monthly and their monthly pay reference period is from the 1st to the end of the month.

Barrett Farm has decided to use postponement for their five workers and has decided on a deferral date of 1 August. They issued a general postponement notice (general notice A) to their workers on 2 May.

On 1 August, Barrett Farm assessed whether qualifying earnings were payable above the earnings trigger to their five workers in the period 1-31 August, and identified that they were for one of their workers, Hugh. Automatic enrolment for Hugh was triggered from 1 August. Hugh's automatic enrolment date is 1 August.

22. The automatic enrolment date is a key piece of information for the employer. It is:
 - the date from which active membership of a pension scheme must start
 - the start date of the joining window (the six week period during which automatic enrolment must be completed)
 - the start date for the calculation of contributions due to the pension scheme.
23. Having identified the automatic enrolment date, the employer must complete the process of automatic enrolment. The process for automatic enrolment is described in **Detailed guidance no. 5 – Automatic enrolment**.

24. Employers should note that because the automatic enrolment date is the first date that the eligible jobholder criteria are met, then a worker who was already an active member of a qualifying scheme at the time of the first assessment will still have an automatic enrolment date if they meet the eligible jobholder criteria whilst an active member. Equally, a worker who is an active member of a qualifying scheme and becomes an eligible jobholder after the first assessment, will have an automatic enrolment date.

Non-eligible jobholders

25. If this first assessment of the worker identifies that the worker is a non-eligible jobholder, then unless the non-eligible jobholder is already an active member of a qualifying scheme with that employer, the employer must provide the non-eligible jobholder with prescribed information about their right to opt in to an automatic enrolment scheme.
26. If the non-eligible jobholder is an active member of qualifying scheme with that employer on the assessment date, the employer must tell them about their active membership of the scheme. We explain this further in paragraphs 53-58.
27. The employer is only required to give this information once, on the first occasion that the worker meets the criteria to be a non-eligible jobholder.
28. Therefore, this requirement does not apply if the employer has previously given this information to the non-eligible jobholder because the assessment date is the deferral date and the employer had used general notice A, general notice B or the tailored notice for a jobholder as the postponement notice.
29. The information the employer must give is listed below.
30. The employer must give the non-eligible jobholder the information no later than six weeks after the date their right to opt in first applies.

Mandatory information the employer must give to the non-eligible jobholder

- A statement that the jobholder may, by giving written notice to the employer, require the employer to make arrangements for them to become an active member of an automatic enrolment scheme and that the jobholder will be entitled to employer's contributions

continued...

- 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
- Where to obtain further information about pensions and saving for retirement.

31. The information 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.
32. '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, not giving the actual information.
33. Someone acting on the employer's behalf, such as an independent financial adviser, benefit consultant, accountant or bookkeeper can give the information, but it remains the employer's responsibility to make sure it is provided, on time, and is correct and complete.
34. 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. More information on 'giving' information and the point at which it can be considered 'given' can be found in **Detailed guidance no. 10 – Information to workers**.
35. A letter template for giving this information where the employer is not using postponement is available at: www.tpr.gov.uk/non-eligible-no-postponement. This template is 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.

After giving the information

36. The employer must be able to identify the receipt of an opt-in notice from the non-eligible jobholder. Because this may be received some time after the information has been issued, the employer should ensure that they are ready to manage the receipt and action of such notices.
37. The employer must continue to assess the non-eligible jobholder on the first day of each pay reference period, to track if they meet the criteria to be an eligible jobholder. If they do, the employer can choose to either automatically enrol the eligible jobholder or apply a postponement period of up to three months.
38. The employer may also need to assess the earnings of the non-eligible jobholder to identify if the worker changes category to an entitled worker. This is necessary to identify when the requirement to give information about their right to join applies. They will only need to do this if they have not previously issued the information about the right to join, for example as part of a postponement notice.

Entitled workers

39. If this first assessment of the worker identifies that the worker is an entitled worker, the action the employer must take depends on whether they are a member of a pension scheme with that employer on the assessment date.
40. Employers should note that in this instance, the scheme is not required to be a qualifying scheme. The pension scheme must be a UK tax-registered scheme and, where it is a personal pension scheme, direct payment arrangements must be in place. (Broadly, this means that the employer must deduct the entitled worker's contributions to the scheme from their remuneration and pay it across to the pension scheme on the worker's behalf.)

Entitled worker is not an active member of a pension scheme

41. If the entitled worker is not an active member of a pension scheme with that employer, the employer must give them prescribed information about their right to join a pension scheme.
42. The employer is only required to give this information once, on the first occasion that the worker meets the criteria to be an entitled worker. Therefore, this requirement does not apply if the employer has previously given this information to the entitled worker because the assessment date is the deferral date and the employer had used general notice A, general notice B or the tailored notice for an entitled worker as the postponement notice.

43. The information the employer must give is as follows:

Mandatory information the employer must give to the entitled worker

- A statement that the worker may, where they are working or ordinarily work in the UK and are aged at least 16 and under 75, 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
- A statement that a written notice from the entitled worker must be signed by the entitled worker or, if it is given by means of an electronic communication, must include a statement that they personally submitted the notice
- Where to obtain further information about pensions and saving for retirement.

44. The employer must give the entitled worker the information no later than six weeks after their right to join first applies. It must be given in the same manner as described in paragraphs 31-35. A letter template for giving this information where the employer is not using postponement is available at: www.tpr.gov.uk/entitled-no-postponement. This template is 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.

After giving the information

45. The employer must be able to identify the receipt of a joining notice from the entitled worker. Because this may be received some time after the information has been issued, the employer should ensure that they are ready to manage the receipt and action of such notices.
46. The employer must continue to assess the entitled worker on the first day of each pay reference period, to track if they meet the criteria to be an eligible jobholder. If they do, the employer can choose to either automatically enrol the eligible jobholder or apply a postponement period of up to three months.
47. The employer may also need to assess the earnings of the entitled worker to identify if the worker changes category to a non-eligible jobholder. This is necessary to identify when the requirement to give information about their right to opt in to an automatic enrolment scheme applies. They will only need to do this if they have not previously issued the information about the right to opt in, for example as part of a postponement notice.

Entitled worker is an active member of a pension scheme

48. There is no requirement for the employer to provide information to an entitled worker who is an active member of a pension scheme that they provide which meets the requirements in paragraph 40.
49. If the pension scheme of which the entitled worker is a member is not a qualifying scheme, the employer must continue to assess the entitled worker on the first day of each pay reference period, to track if they meet the criteria to be an eligible jobholder.
50. They may also need to assess the earnings of the entitled worker to identify if the worker changes category to a non-eligible jobholder, in order to identify when the requirement to give information about their right to opt in to an automatic enrolment scheme applies. They will only need to do this if they have not previously given the information about the right to opt in, for example as part of a postponement notice.
51. If the pension scheme of which the entitled worker is a member is a qualifying scheme, the employer does not need to take any further action in respect of entitled workers who are active members of a qualifying scheme, unless any of them should cease membership of that scheme.
52. In the event that active membership ceases, the employer will need to assess the worker at the point that membership ceases, and on the first day of each subsequent pay reference period, to identify if there is an automatic enrolment, re-enrolment or information duty in relation to the worker.

Jobholders who are already active members of a qualifying scheme

53. If this first assessment of the worker identifies that the worker is a jobholder (an eligible or non-eligible jobholder) and they are an active member of a qualifying scheme, the employer must give them prescribed information.
54. The employer is only required to give this information once, on the first occasion that the worker meets both the criteria to be a jobholder and is an active member. This applies unless the reason the criteria has been met for the first time is because it is also the eligible jobholder's automatic enrolment date and the employer is automatically enrolling them.

55. Because they are only required to give the information once, this requirement does not apply if the employer has previously given this information to the jobholder because the assessment date is the deferral date and the employer had used general notice A as the postponement notice to the jobholder.
56. The information that must be given to a jobholder who is an active member of a qualifying scheme is below.
57. The employer must give the information no later than two months after the first occasion the worker meets both the criteria to be a jobholder and is an active member of a qualifying scheme with that employer. It must be given in the same manner as described in paragraphs 31-35.

Mandatory information the employer must give to a jobholder who is an active member of a qualifying scheme

- Confirmation that the jobholder is an active member of a qualifying scheme
- A statement that if the jobholder, on a date, ceases to be an active member of a qualifying scheme (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.

58. A letter template for giving this information where the employer is not using postponement is available at: www.tpr.gov.uk/already-qualifying. This template is one way that an employer may chose 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.

Subsequent assessments

59. After this first assessment, the employer will be monitoring the age and earnings of workers for each subsequent pay reference period. This is so they are able to identify whether automatic enrolment or any of the information requirements are triggered for their workers.
60. They may also choose to monitor those workers who are active members of a qualifying scheme, so that they are able to identify whether the worker has an automatic enrolment date. In the event active membership were to cease of the jobholder's own account, this monitoring will determine whether the employer will have an automatic enrolment or automatic re-enrolment date for any of those workers.
61. In addition, as an employer approaches their cyclical automatic re-enrolment date, they will have to assess their workers as at this date, to identify any eligible jobholders whom they must automatically re-enrol. More information about cyclical automatic re-enrolment and the re-enrolment assessment can be found in **Detailed guidance no. 11 – Automatic re-enrolment**.

What next?

Now that an employer knows what categories of workers they have, the next step is to complete the relevant employer duties for those workers.

Every employer who is likely to have any enrolment duties should read the following guidance:

Detailed guidance no. 4 – Pension schemes

Explains the criteria that pension schemes must meet to be able to be used in relation to the new duties.

Detailed guidance no. 5 – Automatic enrolment

Detailed information on the entire automatic enrolment process.

Detailed guidance no. 6 – Opting in, joining and contractual enrolment

Detailed guidance no. 7 – Opting out

What to do if a jobholder chooses to opt out of the pension scheme after being enrolled.

Employers who are likely to have workers with a right to join a pension scheme outside the automatic enrolment process, should read **Detailed guidance no. 6 – Opting in, joining and contractual enrolment**.

Employers must also be aware of the legal safeguards that have been put in place to protect the rights of individuals under the pensions reform. These safeguards apply to all employers from the date the law became effective in July 2012. For many, this will be some time ahead of their staging date, so it is vital that employers gain familiarity with these safeguards to ensure compliance. **Detailed guidance no. 8 – Safeguarding individuals** has full details.

Approximately every three years, the employer will have to automatically re-enrol eligible jobholders who have opted out or ceased pension scheme membership. More information on this cyclical automatic re-enrolment can be found in **Detailed guidance no. 11 – Automatic re-enrolment**.



**Employers
must be aware
of the legal
safeguards**

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.

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Detailed guidance for employers no. 3c
Having completed the assessment

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