

Employees and workplace pensions

There are three types of employee for enrolment purposes:

- **Eligible:** aged between 22 and state retirement age and earning at least £10,000 per annum. Eligible employees must be enrolled
- **Non-eligible:** aged between 16 and 22 or state retirement age to 75, earning over £10,000 per annum, or aged 16 to state retirement age and earning between £6,032 and £10,000 per annum. Non-eligible employees can ask to be enrolled
- **Entitled:** aged 16-75 and earning £6,032 or less. Entitled employees can ask to join a pension scheme but their employer does not need to contribute

Earnings levels are for the 2018-19 financial year and are subject to change in subsequent years.

Employees can opt out of the pension scheme after they have been automatically enrolled but the employer cannot make them do so. If they opt out, they must be re-enrolled every three years.

Companies that only employ a director/directors with no contract of employment are exempt from auto-enrolment requirements but must inform the Pensions Regulator of their position.

Contribution levels

Contribution levels are based on earnings above £6,032 per annum (2018-19 level) and are set out below.

	Employees	Employer
Until 5 April 2019	3.0%	2.0%
From 6 April 2019	5.0%	3.0%



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