

# Automatic enrolment

Sense check

## Automatic enrolment ‘sense check’

October 2022 marked the 10-year anniversary of the introduction of pension automatic enrolment. WTW has developed a comprehensive and engaging service to help employers check that they continue to meet their duties as efficiently as possible.

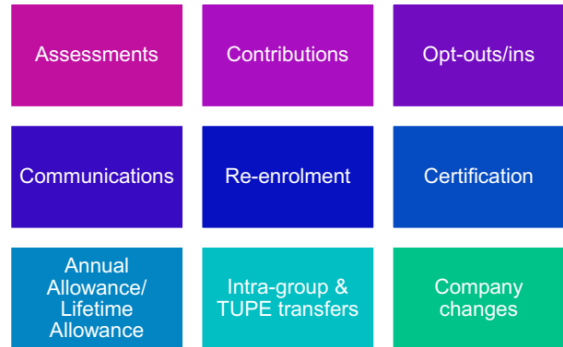
Employers have had to comply with a range of duties impacting HR and payroll systems as well as pension processes and administration. Our ‘sense check’ service will help you to check that they remain fit for purpose.

### Reviewing your automatic enrolment processes

There are compelling reasons to review your automatic enrolment processes:

- **Processes need to adapt over time** - Often many of the policies for dealing with automatic enrolment were formulated some years ago. It makes good business sense to revisit these periodically to make sure that they remain functional and operate in line with current legislation.
- **Simplifications** - Since 2012 there have been changes to the automatic enrolment regulations, including some simplifications which could help you to improve efficiencies and reduce the administrative burden.
- **Business changes** - It is only natural that over time businesses will experience some internal changes which can have an impact on how you handle automatic enrolment.

### Automatic enrolment touches on many areas



Common examples of events that are likely to trigger a sense check include:

- Changes to staff which can lead to knowledge gaps.
- Replacing HR systems, payroll software or providers.
- Pension change projects or changes to supporting administration.
- Flex benefit programs or new ‘middleware’ assessment tools.
- Organisational or structural changes, including business acquisitions, mergers, or disposals.

Refreshing knowledge of what’s required and how to be compliant can be time well spent.

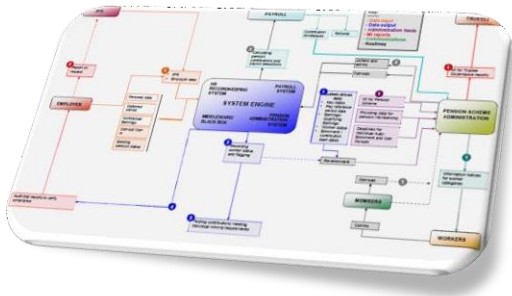


## The significance of automatic enrolment

Automatic enrolment duties involve employers having to effectively manage a host of time sensitive activities such as employee assessments, enrolments and dealing with opt-ins and opt-outs. The regulations impose employee protection laws, data requirements and mandatory notices.

Problems with automatic enrolment are one of, if not the most, frequent causes of incorrect pension contributions, late payments and failure to enrol employees. Time sensitive processes and complex interfaces contribute to the risk of things going wrong and all too frequently, not being identified earlier enough.

### Complex processes and interfaces



## The Pensions Regulator

Automatic enrolment remains a central pillar of the Pensions Regulator’s (TPR’s) corporate objectives for 2022–2024.

TPR encourages employers to review their processes to ensure that they are fit for purpose and that they continue to comply with their automatic enrolment duties.

TPR has rolled out its own program of audit inspections; these started in 2019 with larger organisations but with the intention to expand the scope of the audits.

*“Our rolling programme of compliance validation inspections target all sizes of employer to check ongoing compliance with AE, and we are further developing our ability to target non-compliance based on risk and issues assessment.”*

### TPR’s Corporate Plan 2022-2024

Whilst in our experience, TPR prefers to work with employers to agree solutions to fix problems and breaches, its enforcement activity remains high.

TPR has dealt with over half a million automatic enrolment related cases to-date and has publicly ‘named and shamed’ employers for their failures where it has deemed it to be appropriate to do so.

The Pensions Regulator’s enforcement action (approx.)	
Inspections	2,000
Compliance and unpaid contribution notices	406,000
Penalties, fines and other actions	241,000

Source: The Pensions Regulator June 2022



## How does WTW's sense check service work?

WTW's sense check service uses a balanced approach to help you to review your automatic enrolment solution. We have produced a modular framework that helps employers consider each of the main themes of automatic enrolment and your duties. This can either be refined to select areas of particular concern that you have or use to consider each theme in turn using our interactive workshop format.

A primary objective is to help you refresh your knowledge of the automatic enrolment requirements and understand your options so that you can better assess whether what you are doing now still makes sense currently and in the future.

We will help you to identify areas that you might wish to consider further or check to ensure that they are working as they should to:

- Help manage risks; and
- Ensure operational efficiencies; and
- Demonstrate good management practice to fiduciaries and auditors.

## Who will benefit from participating?

Decision makers, HR, payroll and those people with responsibility for pensions within your organisation can benefit from participating.

### Sense check deliverables

#### ➤ An automatic enrolment sense check workshop

A sample itinerary of the workshop is provided overleaf. We tend to find that these are interactive with durations of 2 to 3 hours, though the workshop can be easily split over two sessions.

#### ➤ Summary report

Following the workshop, we'll provide you with copies of our materials and our report to confirm:

- The key areas discussed.
- Agreed actions and immediate follow-up.
- Our recommendations.

#### ➤ Access to our experts

We have considerable experience of working with many organisations and insight into the different potential solutions, ways of managing automatic enrolment and importantly, how to avoid pitfalls. Bringing together that experience and technical knowledge means that you can rely on great support throughout the review.

## For further information

If you would like further information on how WTW can help, please contact your regular WTW consultant.



## Sense check workshop itinerary

The workshop includes step-by-step examples to help explain automatic enrolment.

<b>Module 1. Introduction and overview</b>	<b>Module 2. Identifying your workers</b>
<ul style="list-style-type: none"><li>➤ The current automatic enrolment landscape and the Pensions Regulator's expectations.</li><li>➤ An overview of the key duties.</li><li>➤ The different approaches for dealing with automatic enrolment (notably the pros and cons of statutory enrolment versus contractual enrolment).</li></ul>	<ul style="list-style-type: none"><li>➤ Establishing which workers fall within the scope of the duties.</li><li>➤ Understanding your duties for each worker category.</li></ul>
<b>Module 3. Enrolment process</b>	<b>Module 4. Dealing with opt-outs</b>
<ul style="list-style-type: none"><li>➤ Learn about the initial assessment and trigger dates.</li><li>➤ Postponing automatic enrolment assessments.</li><li>➤ The automatic-enrolment window.</li><li>➤ Contribution payments and time limits.</li><li>➤ Cyclical re-enrolment</li></ul>	<ul style="list-style-type: none"><li>➤ Statutory opt-outs.</li><li>➤ Ceasing active membership.</li><li>➤ Opt-outs and making refunds.</li></ul>
<b>Module 5. Opt-ins and joiners</b>	<b>Module 6. Compliance</b>
<ul style="list-style-type: none"><li>➤ Statutory opt-in requests.</li><li>➤ Processing an opt-in and the timescales.</li><li>➤ Information requirements.</li></ul>	<ul style="list-style-type: none"><li>➤ Making sure your contributions meet the statutory minimum requirements.</li><li>➤ Keeping records.</li></ul>
<b>Module 7. Wrap-up and next steps</b>	