

# Employer staging forecast

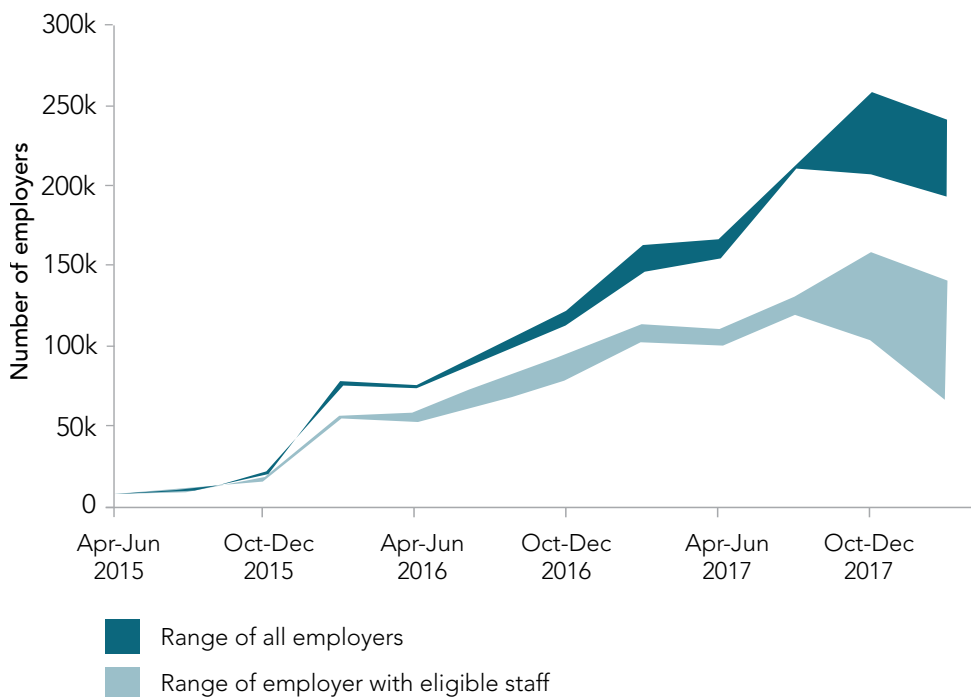
This forecast sets out our expectations of when small (5-49 staff) and micro (1-4 staff) employers are likely to become subject to the automatic enrolment duties (their staging date).

It sets out the number of employers that we expect to stage until the end of 2017-2018 and it is here to assist pension providers, advisers and other intermediaries with capacity planning, but it should only be used as a broad indicator.

The forecast is based on a number of assumptions and, in order to manage industry expectations, is shown as a range based on a lower and an upper estimate.

The numbers of employers actually falling within the duties will vary because of a number of factors. For instance, the forecast does not account for future economic factors, threshold changes or the effect of the national living wage.

It also does not account for changes to employer births and deaths as a result of underlying data changes. Some employers share PAYE schemes, and conversely other employers may use several PAYE schemes. Employers have the ability to bring their staging date forward and this forecast has not factored in these movements.



This quarterly forecast shows the upper and lower estimates for all employers due to stage per quarter and also shows the upper and lower estimates for the sub-set of employers that we believe will have full duties.

The corresponding volumes plus totals are displayed in the data table below.

**Quarterly data table of employer profile for small and micro employers**

Period	All employers		Employers with eligible staff	
	Upper estimate	Lower estimate	Upper estimate	Lower estimate
<b>2015-2016</b>				
Q1	10,600	10,600	8,200	8,200
Q2	11,000	11,000	10,800	10,800
Q3	18,300	18,300	17,700	17,700
Q4	78,000	78,000	56,000	56,000
<b>2016-2017</b>				
Q1	76,000	75,000	54,000	54,000
Q2	97,000	94,000	68,000	66,000
Q3	123,000	115,000	86,000	81,000
Q4	163,000	147,000	113,000	104,000
<b>2017-2018</b>				
Q1	168,000	156,000	110,000	102,000
Q2	212,000	212,000	130,000	120,000
Q3	258,000	208,000	158,000	106,000
Q4	241,000	194,000	141,000	67,000
Total	1,455,900	1,318,900	952,700	792,700

The majority of the change compared with last year is due to identifying that a much larger number of businesses are companies with one director and no other members of staff (referred to as 'single person directors'). Since producing the forecast published in 2015, we have been able to identify more of these companies.

We can now forecast more accurately as a result of our use of HMRC Real Time Information (RTI) data and of feedback directly from employers in response to our 'all employer mailing' activity between January and July 2015.

Where a company has a single director and no other staff, it is not an employer for the purposes of AE and therefore is not subject to duties. These organisations were included in the number of 'employers' in our previous staging forecast.

Where a company has more than one director and no other staff, it will only be an employer for the purposes of automatic enrolment if more than one of the directors has a contract of employment with the company. Unless a company tells us that its directors do not have contracts of employment we have to assume that it is an employer with automatic enrolment duties, when this may not be the case.

We are now moving to identify director-only companies in future years by way of HMRC RTI data, which will ensure that our data is able to more accurately identify employers who will need a pension scheme to put their workers into at their staging date, and is as up to date as possible.

However, it is important to emphasise that this forecast is an estimate based on the data and information we have now, and we will continue to update it as new data or information becomes available.

Employers can find out their own staging date and start their automatic enrolment plan at [www.tpr.gov.uk/planner](http://www.tpr.gov.uk/planner).