



Postponement

An explanation of how to apply postponement

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The Pensions
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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 the automatic enrolment process.
- 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 defined benefit and hybrid schemes**
- 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.
- We have identified **7 steps to prepare for automatic enrolment**, which summarises the main steps towards achieving compliance. Employers may find this helpful when navigating this guidance: www.tpr.gov.uk/7-steps
- ‘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 **Key terms** on page 24.
- We will be updating this guidance when the revised figure for the lower level of qualifying earnings is published.



Many employers will already have pension provision

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Key points

- Postponement is an additional flexibility for an employer that allows them to choose to postpone automatic enrolment for a period of their choice of up to three months.
- To exercise that choice, the employer must issue the worker or workers with a postponement notice. There are three options with varying levels of information.
- Postponement can only be used for a worker on certain dates:
 - the employer's staging date, in respect of any workers employed on their staging date
 - the first day of employment, in respect of any worker starting employment after the employer's staging date
 - the date a worker employed by them meets the criteria to be an eligible jobholder after the employer's staging date.
- There a number of decisions an employer should make before using postponement, including what information to include in the postponement notice.
- These will determine what steps an employer will need to take to carry out postponement.

**There a
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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 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. 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

Section 1: Before using postponement

7. There are a number of decisions for an employer to make before using postponement.
8. The first of these is to decide from which of the dates set out in paragraph 5 they wish to use postponement.
9. They should make this decision in advance. This is because the deadline for issuing the postponement notice is one month following the day after the date from which they wish to use postponement. If the notice is not issued, postponement can not be applied.
10. 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.
11. 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.
12. In addition, an employer can choose to use postponement in respect of one worker, some workers or all of their workforce.
13. 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 20).

The deferral date

14. 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.
15. 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 first day a worker employed by them meets the criteria to be an eligible jobholder after the employer's staging date.
16. 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

17. An employer can choose their deferral date to suit their existing processes and their reason for choosing postponement.
18. 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.
19. 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

20. 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.
21. 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 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.
22. The first step for an employer in deciding what information to include in the postponement notice is to understand the different options.

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The different types of notices

23. 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 20) 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 20) plus all of the information requirements in paragraph 21, irrespective of the category of worker in respect of which postponement is being used.
24. 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.
25. Table 1 provides more information about each postponement notice.
26. 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 20) • 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.
General notice B	<ul style="list-style-type: none"> • Postponement information (see paragraph 20) • 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.</p> <p>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

27. 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.
28. 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.
29. Choosing general notice A means the employer need only assess the worker on the deferral date.

General notice B

30. 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.
31. 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.
32. 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.
33. 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

34. 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.
35. 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.
36. 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.
37. 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.
38. This option may be most applicable when using postponement on the first day of employment for individual workers.

Considerations for an employer

39. 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.
40. This may be a consideration for an employer when choosing which type of postponement notice to use.
41. 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 21), or they can choose to use the postponement notice to only include information specific to that worker.
42. The information requirements in paragraph 21 are not the only information requirements an employer will have in respect of an individual worker. Table 2 lists all the information requirements an employer will have for an individual worker and which of these may be included in the different types of postponement notice. Other information requirements can also, of course, be met separately from the postponement notice.

Table 2

Information requirements that can be included in the different types of postponement notice

Information an employer must provide to a worker	When	Can be included on postponement notice			
		General notice A	General notice B	Tailored notice (jobholder)	Tailored notice (entitled worker)
Enrolment information to an eligible jobholder who is being automatically enrolled (part of the automatic enrolment process – see Detailed guidance no 5 – Automatic enrolment)	No later than one month after the automatic enrolment date or deferral date	✓	x	x	x
Information to a non-eligible jobholder about their right to opt in to an automatic enrolment scheme	No later than one month after the date the criteria to be a non-eligible jobholder are first met	✓	✓	✓	x
Information to an entitled worker about their right to join a pension scheme	No later than one month after the date the criteria to be an entitled worker are first met	✓	✓	x	✓
Information to a jobholder who is an active member of a qualifying scheme	No later than two months after the date the criteria to be a jobholder are first met whilst an active member of a qualifying scheme	✓	x	x	x
Information to an eligible jobholder for whom the employer has chosen to use the transitional period for defined benefit and hybrid schemes (See Detailed guidance no. 3b – Transitional period for defined benefit and hybrid schemes)	No later than one month after the first enrolment date	x	x	x	x

43. 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.
44. An employer can choose to include the enrolment information with the postponement notice to reduce the number of future information communications. This may be particularly relevant where an employer is using postponement on the date the criteria to be an eligible jobholder are met or for a worker whose first day of employment is late in the pay reference period (see the example).
45. 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.
46. Table 3 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.
47. Guidance (including templates) will also be available on www.businesslink.gov.uk/workplacepension in 2012 to help employers communicate with their workers in advance of automatic enrolment being introduced.

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 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 one month in which to complete the steps for automatic enrolment (see **Detailed guidance no. 5 – Automatic enrolment**).

Table 3

Information to be included in each postponement notice

Mandatory information to be included (This information is prescribed in regulations. The text in blue 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. <i>The earnings trigger for automatic enrolment is currently £7,475, reviewed on an annual basis. This is the figure for the 2010-2011 tax year. On 15 December 2011, the DWP published a consultation on the amount of the earnings trigger for automatic enrolment for the 2012-2013 tax year. The amounts for the 2012-2013 tax year will include the appropriate figure for the worker's pay reference period, ie £7,475 broken down into the weekly, monthly or other pay reference period.</i>	✓	✓	✓	✓
A statement that, by giving a written notice to the employer, the worker, may: 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 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.	✓	✓	x	x

Table 3 continued...

Information to be included in each postponement notice

Mandatory information to be included (This information is prescribed in regulations. The text in blue provides a further explanation from the regulator.)	General notice A	General notice B	Tailored notice (jobholder)	Tailored notice (entitled worker)
The lower level of qualifying earnings. The lower level of qualifying earnings is currently £5,035, reviewed on an annual basis. This is the figure for the 2006-2007 tax year. On 15 December 2011, the DWP published a consultation on the amount of the lower level of qualifying earnings for the 2012-2013 tax year. The amounts for the 2012-2013 tax year will include the appropriate figures for the worker's pay reference period, ie £5,035 broken down into the weekly, monthly or other pay reference period.	✓	✓	x	x
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.	✓	x	x	x
Where to obtain further information about pensions and saving for retirement. Workers can go to www.direct.gov.uk/workplacepension for more information on pensions and saving for retirement.	✓	✓	✓	✓
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	✓

48. 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. Section 2 provides more information about the next steps for an employer in carrying out postponement.
49. 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

50. 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.
51. 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.
52. Where an employer is postponing groups of workers in this way, they will need to decide on the different deferral dates for each group.
53. 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.
54. 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.
55. 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.

Section 2: Carrying out postponement

56. 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.
57. The appendix contains a flowchart that illustrates this.
58. 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 60-65.
59. The steps for an employer in carrying out postponement at the date the criteria to be an eligible jobholder are met are explained in paragraphs 87-92.

Postponement at an employer's staging date or the worker's first day of employment

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

General notice A

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

Issuing the notice

62. The notice must be provided in writing. This can include information sent by email, but does not include merely signposting to an internet or intranet site or displaying a poster in the workplace.
63. Someone acting on the employer's behalf, such as an independent financial adviser or benefit consultant can send the information, but it remains the employer's responsibility to make sure it is provided, on time, and is correct and complete.
64. The notice must be provided by no later than one month 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.
65. It can be issued ahead of the staging date or worker's first day of employment.

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Making the assessment on the deferral date

66. 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.
67. 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.
68. The process of making the assessment is explained in **Detailed guidance no. 3 – Assessing the workforce**.
69. 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 defined benefit and hybrid schemes** has more information.
70. 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.
71. 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.

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

72. 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.
73. 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**.
74. 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.

Issuing the postponement notice

75. The employer must issue 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.
76. It must be issued in the same manner and within the same timescales as described in paragraphs 62-65.

Making the assessment on the deferral date

77. 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.
78. 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.

continued over...

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 assess 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

79. 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.
80. 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).
81. The employer must issue the tailored notice for a jobholder to a jobholder or jobholders who are not already active members of a qualifying scheme with that employer.
82. The employer must issue 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.
83. These postponement notices must be issued in the same manner and within the same timescales as described in paragraphs 62-65.
84. 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.
85. 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.
86. 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

87. 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.
88. Where they are using postponement on this date, they must issue the tailored notice for a jobholder no later than one month after the date the criteria to be an eligible jobholder was met.
89. It can be issued ahead of this date unless the date the criteria to be an eligible jobholder falls on an occasion on or before the deferral date of a postponement period the employer has applied to the worker at their staging date or the worker's first day of employment.
90. 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 2014 and it decides to use postponement in respect of all of its workers to defer automatic enrolment until 1 July 2014.

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 on this date that would postpone automatic enrolment for three months to 27 August 2014, and so in total from 1 April 2014 to 27 August 2014.

91. They must issue this notice in the same manner as described in paragraphs 62-65.
92. On the deferral date, the employer must assess the worker to whom they issued the tailored notice for a jobholder 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. 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**.

Appendix

Determining how postponement operates

This flowchart is intended as supporting material for Detailed guidance no. 3a – Postponement.

It's best viewed as A3 size. Before you print, you'll need to ensure that the A3 paper tray is selected on your printer. If your printer doesn't have an A3 tray, the document will print on A4 but you may find the text size too small to read comfortably.

Download the flowchart: www.tpr.gov.uk/docs/pensions-reform-postponement-appendix.pdf

Key terms

Summary of the different categories of worker

Category of worker	Description of worker
Worker	<ul style="list-style-type: none">• An employee or <ul style="list-style-type: none">• 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 no. 3a

Postponement

An explanation of how to apply postponement

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