

A detailed guide to...

Workplace pensions reform

for software developers

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A table summarising the changes made since the previous version of this document is at Annex C on page 57.

The Pensions
Regulator

A note to readers

The Pensions Regulator ('the regulator') has published a series of guides that cover all aspects of the new pension duties for employers.

These range from short introductory information and online tools for smaller employers, to a step-by-step technical breakdown for large employers and their advisers about the new employer duties and how these should be implemented.

This guide is aimed specifically at software developers. It describes the employer duties using a technical notation and may not be suitable for a more general readership.

We would encourage anyone who is looking for information about automatic enrolment or pensions reform to visit our website:

www.tpr.gov.uk/pensions-reform.aspx



**This guide
is aimed
specifically
at software
developers**

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Introduction

This guide is designed to help software developers update their products to support their employer customers in complying with their new pension duties in the Pensions Act 2008.

It is aimed at developers with any type of software product that employers may rely on to help them comply with their new pensions duties (eg payroll, HR or pensions administration software).

This guide pays particular attention to payroll software because employers will need to accurately assess their workers' earnings and make pensions contributions to comply with their duties.

Payroll software is expected to play a key role to enable employers to do this.

Discussions with software providers have indicated that payroll software is likely to support employers to comply with the core automatic enrolment duties to a large extent. However, some systems may not be able to support the full range of employer duties.


In its communications to employers, The Pensions Regulator ('the regulator') will encourage employers to seek further information from their software provider about the extent their existing software will support them to comply with the duties.

With the staggered introduction of the new duties (see page 5), it is crucial for software developers with products used (even on a small-scale for a subgroup of workers) by the largest employers (ie those with around 5,000 workers or more) to take immediate action based on the information in this guide. This is because these largest employers will become subject to the new legal duties across their whole workforce within the 2012-2013 financial year.

Please note

This guide is not intended to be a definitive way of complying with the duties of the Pensions Act 2008. The Pensions Regulator cannot provide a definitive interpretation of the law; it can only express a view.

The guide is designed to assist business software providers in developing software to enable their customers (employers) to comply with their duties. Any alternative approach to that appearing in this guide will nevertheless need to meet the underlying legal requirements.



**Payroll
software is
expected to
play a key role**

Overview of employer duties

The workplace pension reforms are designed to give more people the chance to save more for their retirement.

Under the reforms, employers will take on a number of new pension duties:

- Provide a qualifying pension scheme
- Automatically enrol any eligible jobholders¹ who are not already members of a qualifying pension scheme
- Inform eligible jobholders that they have been automatically enrolled and they have the right to opt out
- Respond to opt-out requests appropriately
- Deduct member contributions and make employer contributions, according to the requirements of their qualifying pension scheme
- Periodically re-enrol any eligible jobholders who are not members of a qualifying pension scheme
- Keep a number of records in relation to each qualifying pension scheme and each jobholder
- Respond to requests from non-eligible jobholders to opt in to a pension scheme
- Periodically register with the regulator giving details of the qualifying scheme and the number of people automatically enrolled.

The new employer duties will be introduced in stages, starting in 2012.² Each employer will be allocated a date from when the duties will first apply to them, known as their 'staging date'.

This date is based on the number of people in an employer's PAYE scheme so employers with the largest numbers of workers in their PAYE scheme will have the earliest staging date. Employers with fewer people in their PAYE scheme will have later staging dates.

Each employer will be contacted directly in advance of their staging date by the regulator. Employers can notify the regulator to bring forward their staging date as early as July 2012 in some cases.

A series of detailed guides aimed at employers, large employers and their advisers about the duties can be found on the regulator's website.

¹ The term 'eligible jobholders' is a key concept under the new duties. Eligible jobholders are workers who meet a number of conditions. See C10 on page 26 for more information.

² The Government has announced changes to the way that the employer duties are being introduced. Employers with 250 or more persons in their PAYE scheme on 1 April 2012, ie those with likely staging dates between 1 October 2012 and 1 February 2014, will be unaffected and their staging date will be unchanged. Information on the revised staging schedule for employers with 249 and less persons in their PAYE scheme is expected to be available on the regulator's website early in 2012. The minor references to staging in this guide will be updated in April 2012.

Future changes to this guide

This version (v3.0) of the [Software Guide](#) reflects a number of recent changes to legislation relating to [workplace pensions reform](#).

It takes into account amendments to the Pensions Act 2008 introduced by the Pensions Act 2011, amendments to regulations already made under the Pensions Act 2008 and new regulations which have been made under the Pensions Act 2008 as a result of the amendments introduced by the Pensions Act 2011. The amended and new regulations have been published on the DWP website: www.dwp.gov.uk/consultations/2011/workplace-pension-reform-2011.shtml

In addition, the guide reflects the re-valued thresholds for qualifying earnings and the automatic enrolment trigger point as proposed in DWP's recent consultation document on the forthcoming revaluation Order (<http://dwp.gov.uk/docs/auto-enrolment-thresholds-consultation.pdf>). The revaluation Order will require Parliamentary approval and, until this is granted, may be subject to change.

Throughout this guide, the symbol ♦ is used to indicate data items and calculations that are not yet confirmed in legislation.

This guide will be updated and re-published if the Government's proposals change and when the final legislation is in place. Changes will be highlighted in the future versions of this guide. Developers can sign up to the news-by-email service on the regulator's website to find out when the guide has been updated and published: www.tpr.gov.uk/news

In the long term, this guide will be updated on a regular basis to reflect changes to the values of the qualifying earnings thresholds and the automatic enrolment trigger point.



**This guide
will be
updated on a
regular basis**

What this guide covers

The guide is split into three sections:

1. **Specification of 'core' payroll-driven calculation routines** to support compliance with the duties.
2. Specification of data/routines for payroll systems and/or other **business applications, such as HR or pensions-administration software, to support the end-to-end duties.**
3. Explanation of how the data/routines in section 1 may also be used to **determine the contributions required by qualifying pension schemes.**

The guide does not currently provide for:

- Duties to maintain pension scheme membership following automatic enrolment, opt in or automatic re-enrolment or
- Safeguarding duties, including prohibited recruitment conduct and inducement, as these aspects are less suitable for expressing in software/business rules terms.

At this stage, this guide does not cover the rules and calculations for automatic re-enrolment and re-registration with the regulator because these duties will not arise for employers before 2015 and it is anticipated that the related regulations will be amended during 2012 to achieve minor but important technical improvements, the detail of which remains to be clarified in legislation. It is anticipated that a later version of this guide, to be published after the 2011-2012 financial year, will cover automatic re-enrolment and re-registration.

Assumptions about pension schemes and worker-status

This guide assumes that a number of necessary conditions for compliance, which are not supported by software are continuously met under the duties. These assumptions are:

- Prior to becoming subject to the duties, employers have in place a pension scheme/pension schemes that meet the relevant 'qualifying scheme' criteria or 'automatic enrolment scheme' criteria in order to be used under the duties.
- The employer is satisfied that its chosen scheme(s) continues to meet the relevant criteria on an ongoing basis. If this is not the case then the employer will have to automatically re-enrol affected members within specified timeframes.

[continued over...](#)

Assumptions about pension schemes and worker-status continued...

- On joining, the worker remains an active member of the pension scheme unless an act on the worker's part causes them to cease active membership (ie they decide to terminate membership, leave work, retire or die). If anything is done by the employer, pension scheme or any other third party to interrupt active membership then the employer will be obliged to automatically re-enrol the affected jobholder within specified timeframes.
- The employer has made an assessment to identify which workers meet the definition of 'working or ordinarily working in the UK under the worker's contract' under the Pensions Act 2008 and satisfied themselves that everyone on their software system meets the definition. Anyone employing a worker who works, or ordinarily works, in Great Britain under a worker's contract will have duties under the Pensions Act 2008.

The legislation explicitly excludes several categories of workers from the definition (more information about this can be found on the regulator's website in paragraphs 28-37 in the workplace pension reforms **Detailed guidance no. 1 – Employer duties and defining the workforce**). Where data relating to a worker is not managed by a (payroll) software system, the employer remains responsible for ensuring that worker is identified and for fully discharging any duties arising in respect of that worker.

The calculation routines described in each section make use of:

- Data from the regulator (section 1 only)
- Employer data (section 2 only)
- Worker data
- Data derived by the payroll (or other) system.

A note on worker data

Where an employer has multiple contracts of employment with an individual worker, the employer must consider and, where appropriate, seek advice on whether the employment relationship is of a single employment with services being performed across each of the contracts. In such circumstances, the employer should aggregate the qualifying earnings for the totality of those employment contracts and all the duties apply only once to the worker (eg automatic enrolment, opt out etc).

If an employer is of the view that each of the employment contracts with an individual are wholly separate, they must apply the duties separately in relation to each contract.

For the purposes of assessing the earnings of workers with multiple employments for the same employer, the payroll system will need to be instructed by the employer whether to aggregate the earnings or to treat them separately. This requirement is not affected by the requirement to aggregate for the purposes of National Insurance contributions. It does not necessarily follow that where an employer must aggregate earnings for the purposes of National Insurance they will also be obliged to do so under their pensions duties.

Section 1: Specification of 'core' payroll- driven calculation routines

1. Overview

Using the data in this section, the system will be able to calculate:

- Whether a worker has qualifying earnings in any relevant period
- Who must be automatically enrolled (workers who are 'eligible' jobholders)
- The date automatic enrolment must be effective from and contributions deducted
- The date opt in must be effective from and contributions deducted
- Payroll-driven record-keeping requirements.
- ‡ The use of binary flags suggests one way of achieving the necessary function within the system. However, there may be other ways to achieve the same function. It is for developers to decide what is appropriate within their system(s).
- ◆ Data item linked to a proposed policy/legislation change.

A note on dates

'Date' means the data is assumed to be in the format dd/mm/yyyy and is a valid date in the Gregorian calendar, although it is for individual systems to decide how dates are held internally.

Some of the calculations listed below involve adding or subtracting a number of months to a particular date. Instructions for performing these calculations are provided below:

When adding months – Add the stated number of months, subtract one day and adjust the year value as necessary eg adding three months to 01/11/2011 and subtracting a day results in 31/01/2012.

When subtracting months – Subtract the required number of months, add one day and adjust the year value as necessary eg subtracting three months from 31/01/2012 and adding one day results in 01/11/2011.

2. Data sources

The Pensions Regulator data				
	Description of data	Abbreviation used	Value	Recommended field size
A1	<p>Employer's duty start date</p> <p>Also known as the staging date. This is the date defined in regulations on which an employer becomes subject to the enrolment duties for the first time.</p> <p>Employers can also elect to move their staging date forward to an earlier date. In order to do this, they must have an automatic enrolment scheme available from the earlier staging date and have notified the regulator in writing (at least one calendar month in advance of the earlier staging date).</p> <p>The Government has announced changes to the way that the employer duties are being introduced. Employers with 250 or more persons in their PAYE scheme on 1 April 2012, ie those with likely staging dates between 1 October 2012 and 1 February 2014, will be unaffected and their staging date will be unchanged.³</p>	Duty_start	[Various]	Date

³ Employers with fewer than 50 persons in their largest PAYE scheme on 1 April 2012 will not be staged into the employer duties until after the end of this Parliament. Information on the revised staging schedule is expected to be available on the regulator's website early in 2012. The minor references to staging in this guide will be updated in April 2012.

2. Data sources continued...

The Pensions Regulator data <small>continued...</small>																				
	Description of data	Abbreviation used	Value	Recommended field size																
A2	<p>Qualifying earnings lower threshold⁴</p> <p>The employer duties vary depending on whether a worker has qualifying earnings. Qualifying earnings are earnings above a lower threshold made up of a range of pay components specified in the legislation. The value of qualifying earnings is capped at an upper threshold.</p> <p>These values will be updated annually through an Order and be valid for a whole tax year. The system will need to use the currently valid value of QE_LT in performing the earnings assessment. Systems will need to be capable of storing input values for each pay frequency as, under the Order, rounding may prevent them being consistently derived from the annual value.</p>	QE_LT	<table border="1"> <tr> <td>Annual</td> <td>£5,564.00 ♦</td> </tr> <tr> <td>Weekly</td> <td>£107.00 ♦</td> </tr> <tr> <td>Calendar monthly</td> <td>£464.00 ♦</td> </tr> <tr> <td>Fortnightly (2 weeks)</td> <td>£214.00 ♦</td> </tr> <tr> <td>Lunar monthly (4 weeks)</td> <td>£428.00 ♦</td> </tr> <tr> <td>Quarterly (3 calendar months)</td> <td>£1,391.00 ♦</td> </tr> <tr> <td>Four calendar monthly</td> <td>£1,855.00 ♦</td> </tr> <tr> <td>Biannual (6 calendar months)</td> <td>£2,782.000 ♦</td> </tr> </table>	Annual	£5,564.00 ♦	Weekly	£107.00 ♦	Calendar monthly	£464.00 ♦	Fortnightly (2 weeks)	£214.00 ♦	Lunar monthly (4 weeks)	£428.00 ♦	Quarterly (3 calendar months)	£1,391.00 ♦	Four calendar monthly	£1,855.00 ♦	Biannual (6 calendar months)	£2,782.000 ♦	£xxx,xxx.xx
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A3	<p>Qualifying earnings upper threshold⁴</p> <p>Workers who earn above the upper threshold have capped qualifying earnings and still attract the duties in the same way as other workers with qualifying earnings (ie the employer must automatically enrol them if all other conditions are met).</p>	QE_UT	<table border="1"> <tr> <td>Annual</td> <td>£39,853.00 ♦</td> </tr> <tr> <td>Weekly</td> <td>£767.00 ♦</td> </tr> <tr> <td>Calendar monthly</td> <td>£3,322.00 ♦</td> </tr> <tr> <td>Fortnightly (2 weeks)</td> <td>£1,533.00 ♦</td> </tr> <tr> <td>Lunar monthly (4 weeks)</td> <td>£3,066.00 ♦</td> </tr> <tr> <td>Quarterly (3 calendar months)</td> <td>£9,964.00 ♦</td> </tr> <tr> <td>Four calendar monthly</td> <td>£13,285.00 ♦</td> </tr> <tr> <td>Biannual (6 calendar months)</td> <td>£19,927.00 ♦</td> </tr> </table>	Annual	£39,853.00 ♦	Weekly	£767.00 ♦	Calendar monthly	£3,322.00 ♦	Fortnightly (2 weeks)	£1,533.00 ♦	Lunar monthly (4 weeks)	£3,066.00 ♦	Quarterly (3 calendar months)	£9,964.00 ♦	Four calendar monthly	£13,285.00 ♦	Biannual (6 calendar months)	£19,927.00 ♦	£xxx,xxx.xx
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⁴ The annual values provided at A2-A4 reflect those on which the Government has recently consulted. In the light of the consultation responses the DWP aims to publish an analysis of the responses and taking the responses into account, recommendations for the 2012-2013 rates in February for debate in and agreement by Parliament. At this stage therefore, the annual values and the other values provided in A2-A4 (ie weekly, monthly values etc) are purely illustrative.

2. Data sources continued...

The Pensions Regulator data <small>continued...</small>					
	Description of data	Abbreviation used	Value	Recommended field size	
A4	<p>Earnings trigger for automatic enrolment⁴</p> <p>The employer must automatically enrol workers with qualifying earnings above a trigger point.</p>	AE_trig		£xxx,xxx.xx	
			Annual		£8,105.00 ♦
			Weekly		£156.00 ♦
			Calendar monthly		£676.00 ♦
			Fortnightly (2 weeks)		£312.00 ♦
			Lunar monthly (4 weeks)		£624.00 ♦
			Quarterly (3 calendar months)		£2,027.00 ♦
			Four calendar monthly		£2,702.00 ♦
Biannual (6 calendar months)	£4,053.00 ♦				
<p>⁴ The annual values provided at A2-A4 reflect those on which the Government has recently consulted. In the light of the consultation responses the DWP aims to publish an analysis of the responses and taking the responses into account, recommendations for the 2012-2013 rates in February for debate in and agreement by Parliament. At this stage therefore, the annual values and the other values provided in A2-A4 (ie weekly, monthly values etc) are purely illustrative.</p>					
A5	<p>End of DB/hybrid transitional period</p> <p>Where the employer is using an occupational DB scheme or occupational hybrid scheme for automatic enrolment, the employer is permitted to delay automatic enrolment for an initial transitional period under specified conditions.</p> <p>The initial transitional period is permitted to last up to and including DB_phasing_end but the employer is able to choose to use a shorter period if they wish.</p>	DB_phasing_end	TBC ⁵	Date	

⁵ It is anticipated that the DB transitional period will be extended as a result of the extension to staging. More information is expected to be available on the regulator's website early in 2012. This guide will be updated with the proposed date in April 2012.

2. Data sources continued...

Worker data			
	Description of data	Abbreviation used	Recommended field size
B1	Start date of employment	Employment_start	Date
	<p>NB: Where the employer entity changes for a worker as a result of a TUPE transfer, the new employer will have to undertake anew any of the pensions reform duties that arise (eg automatic enrolment, providing information) for that worker regardless of whether the previous employer had already fully discharged their pensions duties for the worker. In practical terms when applying the rules in this specification, for the purposes of pension reform, a TUPE transfer has an effect similar to the starting of a new employment for that worker and so the rules should be re-applied on that basis.</p>		
B2	Date of birth (DoB)	DoB	Date
B3	<p>Active member of qualifying pension scheme status</p> <p>It will be important for the system to record whether the worker is an active member of a qualifying pension scheme with that employer at any point in time. This is because if a worker is an active member of the scheme then the duties for automatic enrolment and opt-in do not apply.</p> <p>While the deduction of contributions may be a strong indicator of active pensions membership, it should be noted that:</p> <p>A. Following automatic enrolment the deduction of contributions is likely to precede the formal creation of pensions membership administratively and</p> <p>B. Not all pensions schemes in use may be qualifying.</p> <p>If software developers choose to determine whether a worker is an active member of a qualifying pension scheme intrinsically by identifying workers who the pensions contributions are being calculated for, rather than seek external verification, they should be aware there may be instances when this indicator is inaccurate.</p>	Memb_QPS_flag⁶	Y/N

⁶ See text box on page 8.

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B4	<p>Worker subject to postponement period flag</p> <p>Following the enactment of the Pensions Act 2011, the employer is permitted to select a period of up to three calendar months following staging or the start of a worker's employment, before considering whether automatic enrolment is due.</p> <p>As the worker postponement period may only be applied at staging or, if after the staging date, the worker's first day of employment, it may only be used once per worker per employment.</p> <p>If they wish to use the worker postponement period, the employer is required to provide the worker with a notice explaining this to them within a specified deadline.</p> <p>Further information on the content of the notice, the deadline for providing it and how the notice may affect wider information duties is provided in section 2 of this guide and in the workplace pensions reform Detailed guidance no. 3a – Postponement.</p> <p>In this version of the software guide the calculations at C10 on page 26 and C14 on page 30 have been amended to reflect the fact that, although the worker postponement period is designed to enable the employer to wait up to three months before making an assessment as to the eligibility of the worker, if they wish to choose from the full range of options for the postponement period notice (which in turn affects future information giving duties) in practice the system will need to make an assessment of eligibility at staging or when a worker starts employment.</p> <p>This flag would be set by the user to identify workers who the employer will use the postponement period for. This is because they can be excluded from automatic enrolment for the duration of the period, even if all other necessary conditions are met. Where the employer intends to use the postponement period for all workers, it may be that the employer would require this flag to default to Y.</p> <p>The status of the Wor_postpone_flag should be reverted to N with effect from the day following Wor_postpone_end (see B5 on page 15).</p>	<p>Wor_postpone_flag ‡</p>	<p>Y/N</p>

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B5	<p>End-date for Wor_postpone_flag</p> <p>Where the Wor_postpone_flag has been set to Y, it will be important for the system to know when a worker's postponement period ends. If all other necessary conditions are met, the worker would fall to be automatically enrolled with effect from the following day.</p> <p>In order to ensure the employer does not apply a postponement period longer than the permitted period of three calendar months, the system should validate Wor_postpone_end as follows:</p> <p>Wor_postpone_end must be ≤ the later of [Duty_start + three calendar months] OR [Employment_start + three calendar months]</p> <p>If the system sets the Wor_postpone_flag to Y by default then Wor_postpone_end may need to be calculated by a user-determined rule rather than an input date (eg the employer could stipulate that the postponement period should end on the final day of the second future pay reference period).</p> <p>DWP have recently clarified their intention not to permit employers to apply an eligible jobholder postponement period (see B6 on pages 16 and 17) immediately after the worker postponement period has expired. This means that if, on expiry of the worker postponement period, the worker meets all the criteria to be an eligible jobholder, the employer must automatically enrol them with immediate effect.</p>	Wor_postpone_end	Date
<p>NB1: The postponement period can be used by the employer to ensure all instances of automatic enrolment take place with effect from the start of a pay reference period, avoiding the need to calculate part-period contributions on a pro-rata basis. If they wish to do this, the employer may need to set up a rule to instruct the system to define the end-date for the postponement period to be the last day of a subsequent pay reference period so that automatic enrolment would take effect from the start-date of the next whole period.</p> <p>NB2: The postponement period can also be used by employers to avoid the automatic enrolment date falling close to the end of the tax year, which could result in opt outs and refunds of contributions made in the following tax year. To achieve this, the employer-user would need to select an end-date for the postponement period to prevent the opt-out period spanning across the tax year boundary.</p>			

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B6	<p>Eligible jobholder to be subject to postponement period flag</p> <p>The employer may choose to use an eligible jobholder postponement period at the point when the worker meets the age and earnings criteria to be eligible for automatic enrolment (ie when they become an 'eligible' jobholder, see C11 on page 27). On expiry of the postponement period, the employer must automatically enrol, providing the worker still meets the age and earnings criteria.</p> <p>The employer may not use the eligible jobholder postponement period while the worker is already subject to the worker postponement period (ie where Wor_postpone_flag is Y). Equally the employer may not use an eligible jobholder postponement period immediately following the worker postponement period.</p> <p>If the worker is not an eligible jobholder on the expiry of a postponement period, they will not need to be automatically enrolled. The employer must continue to monitor their status on an ongoing basis. At the point when the worker next becomes an eligible jobholder, the employer can choose to use a further eligible jobholder postponement period (see C11A on page 27).</p> <p>This pattern can be repeated. In other words, providing the worker is not an eligible jobholder on the expiry of each postponement period, another eligible jobholder postponement period can be applied at the point when they next become an eligible jobholder (see C11A on page 27). The potential repetition of the postponement period suggests that the eligible jobholder postponement period flag will need to be date-stamped.</p> <p>If they wish to use the postponement period, the employer must provide the worker with a notice explaining this to them within a specified deadline. The calculation to determine this deadline is found at E8 on page 50.</p>	EJ_postpone_flag ‡	Y/N

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B6	<p>Eligible jobholder to be subject to postponement period flag continued...</p> <p>This flag would be set by the user to identify eligible jobholders for whom the employer wishes to use the eligible jobholder postponement period, so they can be excluded from automatic enrolment. As the worker would otherwise fall to be automatically enrolled and have contributions deducted in the same period that the system first identifies they are an eligible jobholder, this flag will either need to be:</p> <p>A. Set up to turn to Y automatically if/when the worker becomes an eligible jobholder for the first time if the employer intends to use the postponement period or</p> <p>B. Set by a user at the point when payroll is run before net pay and deductions for that worker can be calculated.</p> <p>The status of the EJ_postpone_flag should be reverted to N with effect from EJ_postpone_end (see B7 below).</p>	EJ_postpone_flag ‡	Y/N
<p>NB: It is not possible for a worker to be subject to the worker postponement period and the eligible jobholder postponement period at the same time. This means that wherever Wor_postpone_flag = Y, EJ_postpone_flag must NOT be Y.</p>			
B7	<p>End-date for EJ_postpone_flag</p> <p>Where the EJ_postpone_flag has been set to Y, it will be important for the system to know when the eligible jobholder postponement period ends as, if all other necessary conditions are met, the worker would fall to be automatically enrolled with effect from the following day. This date may be used to determine the automatic enrolment date where the postponement period has been used.</p> <p>If the EJ_postpone_flag has been turned to Y automatically (see (A) in B6 above) then, unless there is additional user-input at that point, EJ_postpone_end will need to be set by a user-determined rule rather than an input date (eg the employer could stipulate that the eligible jobholder postponement period should end on the final day of the second future pay reference period).</p> <p>The status of the EJ_postpone_flag should be reverted to N with effect from the day following EJ_postpone_end.</p>	EJ_postpone_end	Date

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B7	<p>End-date for EJ_postpone_flag continued...</p> <p>To ensure the employer does not apply an eligible jobholder postponement period longer than the permitted period of three calendar months, the system should validate EJ_postpone_end as follows:</p> <p>EJ_postpone_end must be ≤ EITHER [EJ_date + three calendar months] OR [latest instance of EJ_repeat_date + three calendar months]</p>	EJ_postpone_end	Date
	<p>NB1: The postponement period can be used by the employer to ensure all instances of automatic enrolment take place with effect from the start of a pay reference period, avoiding the need to calculate part-period contributions on a pro-rata basis. If they wish to do this, the employer would need to set up a rule to instruct the system to define the end-date for the postponement period to be the last day of a subsequent pay reference period. This is so automatic enrolment would take effect from the start-date of the next whole period.</p> <p>NB2: The postponement period can also be used by employers to avoid the automatic enrolment date falling close to the end of the tax year, which could result in opt-outs and refunds of contributions made in the following tax year. To achieve this, the employer user would need to select an end-date for the postponement period to prevent the opt-out period spanning across the tax year boundary.</p>		
B8	<p>DB/hybrid transitional period applies to worker</p> <p>When they first become subject to the duties, an employer using a qualifying DB scheme or qualifying hybrid scheme for automatic enrolment may exclude a group of workers that meet specified conditions from automatic enrolment for an initial transitional period, even if they would otherwise fall to be automatically enrolled. The conditions that the worker must meet are that:</p> <p>A. They are an eligible jobholder on the employer's first automatic enrolment date.</p> <p>B. Prior to and on the employer's first automatic enrolment date for any worker and for the remainder of the transitional period (see A5 on page 12) the worker is able to join a qualifying DB/hybrid pension scheme if they choose to do so.</p> <p>C. On expiry of the transitional period, the worker, providing they meet the necessary criteria for automatic enrolment, will be automatically enrolled into a qualifying DB/hybrid pension scheme.</p>	DB_flag ‡	Y/N

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B8	<p>DB/hybrid transitional period applies to worker continued...</p> <p>If they wish to use the DB/hybrid transitional period, the employer must provide the worker with a notice explaining this to them within one month of the employer's first automatic enrolment date.</p> <p>As the status of this flag relies on the worker's ability to join a DB/hybrid pension scheme and the employer's commitment to eventually automatically enrol them into such a scheme, it is expected this would be a user-determined flag and is likely to be set manually.</p> <p>Where this flag is set to Y, the system should be configured to exclude the worker from being an eligible jobholder. At the end of the last day of the DB/hybrid transitional period (DB_phasing_end, see A5 on page 12), this flag must be removed or set to N for all workers. This is so they fall to be treated as eligible jobholders where all the other necessary conditions are met and are then automatically enrolled or become subject to an eligible jobholder postponement period.</p>	DB_flag ‡	Y/N
<p>NB1: The employer's first automatic enrolment date is the first day on which any of the employer's workers are automatically enrolled, or would be but for being subject to the DB transitional period. This is likely to be their staging date.</p> <p>NB2: If the worker ceases to be able to join a qualifying DB/hybrid pension scheme during the transitional period and DB_flag changes from Y to N before DB_phasing_end, the employer must take corrective action and the automatic enrolment dates of any workers affected brought forward. The detailed arrangements that an employer must follow are not detailed here as these are considered to be exceptional circumstances (for more information please see the workplace pension reforms Detailed guidance no. 3b – Transitional period for DB and hybrid schemes). It may be appropriate for the system to produce a warning message when DB_flag changes from Y to N before DB_phasing_end.</p>			

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B9	<p>Date jobholder opt-in notice received</p> <p>Both eligible and non-eligible jobholders (see C10 on page 26 and C12 on page 28), who are not members of a qualifying pension scheme or not undergoing automatic enrolment, are permitted to give notice to the employer that they wish to opt in to pension saving. Following the receipt of an opt-in notice, the employer must check that the worker is an eligible or non-eligible jobholder and that they are not already a member of a qualifying pension scheme. If so, they should put them into an automatic enrolment pension scheme using the automatic enrolment process with effect from the opt-in enrolment date. The opt-in enrolment date is defined at C15 on pages 30-31.</p>	OptIn_date	Date
B10	<p>Date valid opt-out notice given to employer</p> <p>Following automatic enrolment or opt in, a jobholder is able to opt out within a specified period. The legislation sets out criteria for an opt-out notice to be valid and it is for the employer to assess the validity of the notice. Following opt out, all contributions must cease and the employer is obliged to refund to the jobholder the full value of any pensions contributions deducted since the latest instance of automatic enrolment or opt in (adjusted for PAYE if necessary).</p> <p>It is important for the system to understand when the opt-out notice was given to the employer. This is because the date is used to determine the deadline by which the refund must be made (defined at C17 on page 34) and also whether a worker should be automatically re-enrolled⁷.</p>	OptOut_date	Date
<p>NB1: In this guide the term 'opt out' specifically refers to the case where a worker decides not to participate in a pension scheme following automatic enrolment or opt in during the opt-out period. When someone opts out, they are treated as never being a member of the pension scheme and all contributions must be refunded by law. Once the opt-out period has expired, a worker is still able to choose to stop contributing to their pension scheme. Currently, this may or may not result in the refunding of contributions depending on the pension scheme rules and the duration of pension scheme membership.</p>			

⁷ The rules and calculations relating to automatic re-enrolment are not covered in this version of the guide (for an explanation, see page 7). However this data item is covered here because it will be important for a system to be capable of recording this data at least one year in advance of an employer's automatic re-enrolment duty.

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B10	<p>Date valid opt-out notice given to employer continued...</p> <p>NB2: A jobholder is only able to opt out and receive a contributions refund during the opt-out period. The start and end dates of the opt-out period are defined at E3 on page 46 and E4 on page 47. As the exact start and end dates for the opt-out period are determined by reference to the later of provision of information to the worker and the pension scheme, user input is likely to be needed if the payroll system is to fully validate that OptOut_date falls within the opt-out period. If developers wish to undertake partial validation without external input, the latest possible end date for the opt-out period by law is [one calendar month plus six weeks] from [the latest instance of Cont_date]. However, if the employer completes the administrative steps of automatic enrolment very quickly, the earliest possible end date of the opt-out period is one calendar month from [the latest instance of Cont_date] so developers should be aware that this is only an approximate validation.</p> <p>NB3: Following opt out or the termination of active membership (see B11 below), the employer is not obliged to continue to make employer pension contributions for the worker concerned.</p>		
B11	<p>Date qualifying pension scheme active membership voluntarily terminated by worker</p> <p>It will be important for the payroll system to record when a worker chooses to stop contributing to their pension scheme after the opt-out period has expired. This is because the employer is not required to automatically re-enrol jobholders who have chosen to stop contributing to a qualifying pension scheme within 12 months prior to the re-enrolment date⁸</p> <p>When a worker voluntarily stops contributing there are no new requirements for when the contributions must cease. The payroll system should respond to an instruction to stop deductions in the same way as it currently does.</p>	End_pension_date	Date [Not a mandatory field may be present or not]
B12	<p>Date active membership of a pension scheme to be started following worker joining notice</p> <p>A worker who is not an eligible or non-eligible jobholder has the right to ask to join a pension scheme. After receiving this request, the employer is obliged to put the worker into a scheme that attracts tax relief and makes deductions from pay. There are no further scheme requirements about minimum member or employer contributions.</p> <p>The employer must keep records of the notice itself, the date active membership of a scheme was achieved, and earnings and pensions contributions from that date.</p> <p>It is important for the payroll system to record this date in order to commence the deduction of contributions, according to the rules of the employer's chosen pension scheme.</p>	Worker_join_date	Date

⁸ See previous footnote 7.

2. Data sources continued...

Worker data continued...			
	Description of data	Abbreviation used	Recommended field size
B13 – 14	Intentionally blank		
B15	<p>Pension scheme rules to be applied to worker</p> <p>In order for the payroll system to be able to deduct the correct pensions contributions with immediate effect from the automatic enrolment date, the employer will need to have allocated a qualifying pension scheme to each worker in advance and informed the payroll system of the associated contribution rules to apply to the worker in the event that they are automatically enrolled.</p>	N/A	N/A
B16	<p>End date of employment</p> <p>This is the date on which a worker ceases to be employed under a worker's contract with the employer. Once this date has passed the employer no longer has any (pensions reform) duties in respect of the worker.</p> <p>In practical terms this means that automatic enrolment should only take place if a worker is assessed as eligible prior to or on the last day of their employment. It will not be necessary to assess eligibility in pay reference periods which start after the last day of employment.</p>	Employment_ end	Date

2. Data sources continued...

System derived data			
	Description of data	Abbreviation used	Recommended field size
C1	22nd birthday This is the date the worker becomes 22 years of age.	22_date	Date
C2	State Pension Age date This is the date the worker reaches their state pension age. Payroll systems are likely to already use a worker's state pension age to determine whether the worker is still liable for Class 1 National Insurance contributions. Further information on state pension age and the Government changes can be found on the Directgov website: www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm	SPA_date	Date
C3	16th birthday This is the date the worker becomes 16 years of age.	16_date	Date
C4	75th birthday This is the date the worker becomes 75 years of age.	75_date	Date
C5	Start date of the Pay Reference Period The period an employer must use to assess their worker's earnings is the pay reference period. The pay reference period is the period when earnings become payable to a worker, irrespective of the period over which the earnings were accrued, or on which day the payment is actually made. It will be determined by the pay cycle/ arrangements used by the employer. Monthly example: if earnings are paid in respect of the calendar month and paid on the 15th of the month, the first day of the pay reference period will be the 1st of the month (and not the 15th). The last day of the pay reference period will be the last calendar day of the month. Weekly example: if earnings for work done in week X (between 1st and 7th January) are paid in week X+2 (payday is 18th January but pay reference period week spans 15th to 21st January), the first day of the pay reference period will be the 1st day of week X+2 (ie 15th January and the last day of the pay reference period will be the final day of week X+2 – ie 21st January).	PRP_start	Date

continued over...

2. Data sources continued...

System derived data <small>continued...</small>			
	Description of data	Abbreviation used	Recommended field size
C5	<p>Start date of the Pay Reference Period <small>continued...</small></p> <p>NB1: It is recognised that some payroll systems may not currently record the start and end dates of the pay reference period and may not be easily amended to do so. This in itself would not prevent the system from assessing earnings on the periodic basis required by the legislation. Neither would it prevent the system from identifying the automatic enrolment date (see C14 on page 30) and deducting the right contributions where the automatic enrolment date fell on, or before, the point in the pay reference period that payroll is run. However, the automatic enrolment date can fall within the pay reference period but after payroll has been run (eg when a worker becomes 22 years old). In such circumstances, in order to comply, the employer must make sure contributions are deducted (on a pro-rata basis) with effect from the automatic enrolment date (ie the deduction must be calculated when payroll is run even where the payroll run date precedes the automatic enrolment date). If a system does not recognise the start and end dates of each pay reference period, it will be important for the employer to understand this, so they can make sure alternative arrangements are in place to remain compliant (eg by making appropriate use of the postponement period (see B4-B7 on pages 14-18).</p> <p>NB2: Where an employer pays their workers in arrears and the payroll calculation happens to be performed before the start of the pay reference period in which the calculated earnings become payable, care should be taken to ensure that the system identifies the correct values for PRP_start and PRP_end (see C6 below) for the purpose of the calculations at C7–C9 on pages 25-26, C11 on page 27, C17 on page 34, E5 and E6 on pages 48-49.</p>		
C6	<p>End date of the Pay Reference Period</p> <p>(see above for explanation)</p>	PRP_end	Date

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C7	<p>Total earnings payable in Pay Reference Period</p> <p>To be calculated by summing the earnings components payable between PRP_start and PRP_end inclusive.</p> <p>Earnings components to be included in this sum: Salary; wages; commission; bonus; overtime; statutory sick pay; statutory maternity pay; statutory paternity pay (ordinary or additional); and statutory adoption pay.</p>	SUM_PRP	£xx,xxx,xxx.xx
<p>NB1: This is an exhaustive list; there are no further additions or omissions. These terms rely on common usage definitions.</p> <p>NB2: The system must consider what is due to be paid (ie payable) in the pay reference period, irrespective of the period that the payment relates to (eg if a bonus is due to be paid in March in relation to performance in January, then this is included in the earnings to be assessed in March, not January). The requirement to consider what is payable or due to be paid in a pay reference period may have wider implications for handling advances of pay and backdated pay.</p> <p>Where an advance of pay takes place purely for practical or administrative purposes rather than as a requirement under the worker's contract, then the advanced earnings should continue to be assessed in the future pay reference periods in which they are payable rather than in the period in which, for administrative purposes only, they are paid. For example where a weekly paid worker is paid an additional week's worth of advanced pay to cover a forthcoming holiday period but this is not a contractual agreement, then the advanced earnings should be assessed as payable during the week that the worker is on holiday. In this way an administrative arrangement for a 'double payment' for a low earner will not increase the likelihood of that worker earning above the threshold values and potentially falling to be automatically enrolled.</p> <p>When handling backdated pay, care will need to be taken to understand when, under the worker's contract, the backdated amount is actually payable. If the contract states that variable payments such as overtime, bonuses or pay awards are payable at a particular point in time, then irrespective of when the payments are actually processed and paid, they should be considered at the point when they were payable. If, however, under the contract variable payments are simply due at the point they are processed/paid/agreed, then they will only need to be considered at this point. For example where under their contract a monthly-paid worker is entitled to receive overtime worked in January in their February pay, even if there is a delay in processing the overtime meaning the overtime is not paid until March, the amount should still be considered as part of the total earnings in the February pay reference period. It is recognised that where there is a significant lag between a payment becoming due under the contract and it being paid, this would require the employer to re-calculate the earnings payable across a number of pay reference periods and may, in marginal cases, identify workers who have not been automatically enrolled on time. In such cases, employers will need to take reasonable corrective action to address these breaches.</p>			

2. Data sources continued...

System derived data <small>continued...</small>			
	Description of data	Abbreviation used	Recommended field size
C8	<p>Qualifying Earnings payable in Pay Reference Period</p> <p>In order to assess whether a worker has qualifying earnings in any Pay Reference Period, the appropriate value of QE_LT and QE_UT should be selected for the period in use (see A2 and A3 on page 11).</p> <p>The calculation is then as follows:</p> <p>QE_PRP = the lower of: [SUM_PRP – QE_LT] OR [QE_UT – QE_LT]</p> <p>If QE_PRP > £00.00 then the worker has qualifying earnings for the purposes of the employer duties.</p>	QE_PRP	£xx,xxx,xxx.xx
C9	<p>Earnings above the automatic enrolment trigger in PRP</p> <p>In order to assess whether a worker has earnings above the automatic enrolment trigger in any Pay Reference Period, the appropriate value of AE_trig should be selected for the period in use (see A4 on page 12).</p> <p>The calculation is then as follows:</p> <p>AE_PRP = SUM_PRP – AE_trig</p> <p>If AE_PRP > £00.00 then the worker's earnings are sufficient to trigger automatic enrolment, providing the other necessary conditions are met (see C10 below).</p>	AE_PRP	£xx,xxx,xxx.xx
C10	<p>Eligible jobholder status</p> <p>The employer is obliged to automatically enrol workers who are, or become, eligible jobholders.</p> <p>A worker is an eligible jobholder if:</p> <p>22_date ≤ PRP_end AND SPA_date > [latest of PRP_start OR Duty_start OR Employment start OR OptIn_date OR [latest instance of Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day]] AND AE_PRP > 0 AND DB_flag = N</p>	EJ_flag ‡ ♦	Y/N

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C11	<p>Date on which a worker first becomes an eligible jobholder</p> <p>The date on which a worker becomes an eligible jobholder for the first time is important. This is because it will determine the date when automatic enrolment, or the start of an eligible jobholder postponement period, must take place.</p> <p>EJ_date will depend on which was the last of the eligible jobholder criteria to be met. For example if a worker met all other necessary conditions but was not yet 22 years old, EJ_date will be the worker's 22nd birthday.</p> <p>EJ_date is the latest instance of Duty_start OR Employment_start OR 22_date OR PRP_start OR [DB_phasing_end + one day] IF EJ_flag = Y</p>	EJ_date	Date
C11 A	<p>Date on which worker first regains eligible jobholder status after being ineligible at the end of the previous postponement period</p> <p>If a worker is not an eligible jobholder on expiry of a postponement period, they will not need to be automatically enrolled. Thereafter the employer must continue to monitor their status on an ongoing basis. At the point when the worker next becomes an eligible jobholder (because their earnings exceed the automatic enrolment trigger value), the employer can choose either to automatically enrol the worker with immediate effect or use a further eligible jobholder postponement period.</p> <p>This data item denotes the point at which a worker first regains eligible jobholder status after being ineligible at the end of the previous postponement period.</p> <p>EJ_repeat_date is the latest instance of PRP_start IF EJ_flag turns from N to Y IF EJ_flag was N on [latest instance of [Wor_postpone_end + one day] OR [EJ_postpone_end + one day]] AND EJ_date is present</p>	EJ_repeat_date	Date

2. Data sources continued...

System derived data <small>continued...</small>			
	Description of data	Abbreviation used	Recommended field size
C12	<p>Non-eligible jobholder status</p> <p>There is a further category of workers 'non-eligible jobholders' who are not automatically enrolled but who can opt in to an automatic enrolment pension scheme if they wish.</p> <p>There are two types of non-eligible jobholder:</p> <p>A. Workers aged between 16 and 22 or between state pension age and 75 who have earnings above the automatic enrolment trigger; and</p> <p>B. Workers aged 16 to 75 who have qualifying earnings that do not exceed the automatic enrolment trigger.</p> <p>A worker is a jobholder if:</p> <p>[[16_date ≤ PRP_end AND 22_date > [latest of PRP_start OR Duty_start OR Employment_start OR [latest instance of Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day] OR OptIn_date] OR [SPA_date ≤ PRP_end AND 75_date > [latest of PRP_start OR Duty_start OR Employment_start OR [latest instance of Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day] OR OptIn_date]] AND AE_PRP > 0]</p> <p>OR</p> <p>[[16_date ≤ PRP_end AND 75_date > [latest of PRP_start OR Duty_start OR Employment_start OR [latest instance of Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day] OR OptIn_date]] AND QE_PRP > 0 AND AE_PRP ≤ 0]</p>	JH_flag‡	Y/N

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C12 A	<p>Date on which a worker first becomes a non-eligible jobholder</p> <p>Depending on whether the employer is using a postponement period and on which type of postponement period notice they provide (see section 2), the employer may be obliged to provide non-eligible jobholders (both those who are and who are not active members of qualifying pension schemes) with information about their rights under the legislation. The deadlines for providing the relevant information are determined by when the worker first attained non-eligible jobholder status.</p> <p>JH_date will depend on which was the last of the non-eligible jobholder criteria to be met. For example if a worker met all other necessary conditions but was not yet 16 years old, JH_date will be the worker's 16th birthday.</p> <p>JH_date is the latest instance of Duty_start OR Employment_start OR 16_date OR SPA_date OR PRP_start OR [Wor_postpone_end + one day]</p> <p>IF JH_flag = Y</p>	JH_date	Date
C13	<p>Entitled worker status</p> <p>The final category of workers are the 'entitled workers.' The employer is obliged to make an entitled worker who submits a joining notice, an active member of a pension scheme. There are fewer qualifying criteria for the pension scheme that the employer is obliged to use in such circumstances (please see B12 on page 21).</p> <p>A worker is an entitled worker if:</p> <p>[16_date ≤ PRP_end AND 75_date > [latest of PRP_start OR Duty_start OR Employment_start OR [latest instance of Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day] OR OptIn_date]]</p> <p>EJ_flag = N</p> <p>AND JH_flag = N</p>	Wor_flag‡	Y/N

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C14	<p>Automatic enrolment date</p> <p>The automatic enrolment date is the date from which membership of a qualifying pension scheme must be effective when an eligible jobholder is automatically enrolled.</p> <p>Unless the employer has chosen to use the eligible jobholder postponement period, a worker's automatic enrolment date is the date on which they become an eligible jobholder for the first time. Where the employer has chosen to use a postponement period, the automatic enrolment date is the day after the end of the postponement period, assuming all other necessary conditions are met on that date.</p> <p>AE_date is the later of EJ_date OR [Wor_postpone_end + one day] OR [latest instance of EJ_postpone_end + one day] OR [latest instance of EJ_repeat_date] ♦</p> <p>IF EJ_flag = Y AND Wor_postpone_flag = N AND EJ_postpone_flag = N AND Employment_end has not passed</p> <p>The employer is obliged to start deducting contributions, as per the rules of the qualifying scheme in use, with immediate effect from the automatic enrolment date. It is important for payroll software to identify the automatic enrolment date, as a deduction of contributions will need to be made by the system at the same point as the automatic enrolment date is calculated.</p>	AE_date ♦	Date
	<p>NB: A worker can only be automatically enrolled once per employment. In order to ensure the system does not identify multiple automatic enrolment dates, once the automatic enrolment date has been identified, the system should be configured to prevent identifying any further instances of the automatic enrolment date.</p>		
C15	<p>Opt-in enrolment date</p> <p>Both eligible and non-eligible jobholders who are not members of a qualifying pension scheme or not undergoing automatic enrolment are permitted to give notice to the employer that they wish to opt into pension saving (see B9 on page 20).</p>	OE_date	Date

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C15	<p>Opt-in enrolment date continued...</p> <p>The opt in enrolment date is the date when pension scheme contributions must commence following opt in. The date depends on when the opt-in notice is received by the employer. If the opt-in notice is received before the employer's usual cut-off date for payroll changes, then contributions must be calculated for earnings payable from the start of the next pay reference period. However, if the opt-in notice is received after the employer's usual payroll cut-off date, then the contributions must be calculated with effect from the start of the second following pay reference period.</p> <p>1. OE_date = [the next instance of PRP_start] after OptIn_date IF OptIn_date < next Payroll cut-off date, AND Memb_QPS_flag = N AND JH_flag = Y on OptIn_date OR EJ_flag = Y on OptIn_date AND Employment_end has not passed</p> <p>2. OE_date = [the 2nd instance of PRP_start] after OptIn_date IF OptIn_date ≥ next Payroll cut-off date, AND Memb_QPS_flag = N AND JH_flag = Y on OptIn_date OR EJ_flag = Y on OptIn_date AND Employment_end has not passed</p> <p>Where the employer has chosen to use a worker or eligible jobholder postponement period, the jobholder remains entitled to opt in during the postponement period.</p> <p>The employer is not obliged to respond to more than one opt-in notice in a rolling 12-month period from any single jobholder but may do so, if they wish. Where the employer wishes to limit opt in, in this way, the system would need to be configured accordingly.</p> <p>The administrative duties following opt in are the same for automatic enrolment.</p>	OE_date	Date

2. Data sources continued...

System derived data <small>continued...</small>			
	Description of data	Abbreviation used	Recommended field size
C16	<p>Commencement of contributions date</p> <p>The contributions date is the date from which the calculation and deduction of contributions must be made when:</p> <p>A. A jobholder is automatically enrolled or has opted in or</p> <p>B. When an entitled worker has given a worker joining notice</p> <p>The contributions date is the same date as the automatic enrolment date or opt-in enrolment date or worker join date. However, there is no contributions date for workers who are already members of a qualifying pension scheme.</p> <p>[Cont_date = AE_date IF Memb_QPS_flag = N] OR [Cont_date = OE_date] OR [Cont_date = Worker_join_date]</p>	Cont_date	Date
<p>NB1: With immediate effect from the contributions date, the payroll system should calculate and deduct the correct pensions contributions, according to the rules set up for the employer's chosen pension scheme. If the payroll system is to assess eligibility and deduct contributions on time intrinsically without user intervention, the employer must have informed the payroll systems of the contributions rules to be applied to each worker in advance (see B15 on page 22).</p> <p>Where the contributions date happens to fall after the date on which earnings are paid in a pay reference period, then by law, the employer may only deduct contributions from subsequent pay reference periods. The deductions that should be made in following pay reference periods must nevertheless reflect the contributions required from the contributions date in the current pay reference period. In order to ensure a legal deduction can be made in the current pay reference period under all circumstances, the employer can use a postponement period to ensure that the contributions date coincides with the start of the pay reference period and thereby never falls after the payment date.</p> <p>NB2: It is possible that a worker's automatic enrolment date, and their contributions date, do not coincide with the start of a pay reference period. If this occurs, unless the rules of the pension scheme in use state otherwise, then the pensions contributions deducted should not be based on earnings over the whole of the pay reference period but should be calculated on a pro-rata basis with effect from the contributions date. The need to calculate pro-rata contributions can be wholly avoided if the employer uses the worker or eligible jobholder postponement period (see B4 -B7 on pages 14-18) to ensure automatic enrolment only takes place with effect from the start of a period. If the contributions date falls after the start of a pay reference period, the earnings and the pensions contributions must be calculated on a pro-rata basis and should be determined as follows:</p>			

2. Data sources continued...

System derived data continued...			
	Description of data	Abbreviation used	Recommended field size
C16	<p>Commencement of contributions date continued...</p> <p>Pro-rata pensionable earnings = [Total pensionable earnings (as defined by pension scheme rules) for the period] ÷ [Number of calendar days (including working days, non-working days and bank holidays) from [latest of PRP_start OR Duty_start OR Employment_start] to [earlier of Employment_end OR PRP_end] inclusive] x [Number of calendar days from Cont_date to [earlier of Employment_end OR PRP_end] inclusive].</p> <p>The results should be rounded to the nearest penny with exactly half a penny rounded up.</p> <p>Boundary examples of the calculation of pro-rata pensionable earnings now follow:</p> <p>Example 1 Long-term worker paid £12,000 per annum in 12 equal monthly amounts of £1,000. Worker reaches 22nd birthday on 24 January 2011 (all of which is pensionable under the rules of the employer's chosen qualifying pension scheme). Pay reference period is 1-31 January 2011 Automatic enrolment date and contributions date is 24 January 2011 Pro-rata pensionable earnings = [£1,000 ÷ 31 x 8] = £258.06</p> <p>Example 2 Long-term worker paid £12,000 per annum in 12 equal monthly amounts of £1,000. January's overtime of £322 is paid with February's basic pay (all of which is pensionable under the rules of the employer's chosen qualifying pension scheme). Worker reaches 22nd birthday on 24 February 2011 Pay reference period is 1-28 February 2011 Contributions date is 24 February 2011 Pro-rata pensionable earnings = [£1,322 ÷ 28 x 5] = £236.07</p> <p>Example 3 Long-term worker paid £500 per week on Wednesdays for the previous Sunday to following Saturday (all of which is pensionable under the rules of the employer's chosen qualifying pension scheme). Worker reaches 22nd birthday on 24 February 2011 Pay reference period is 20-26 February 2011 Contributions date is 24 February 2011 Pro-rata pensionable earnings = [£500 ÷ 7 x 3] = £214.29</p> <p>Example 4 Long-term worker paid £500 per week fully in arrears on Fridays for the 7 days ending on the previous Saturday. Some overtime was worked making the total pay accrued in week ending 19 February 2011 but payable in week ending 26 February £589.03 (all of which are pensionable under the rules of the employer's chosen qualifying pension scheme). Worker reaches 22nd birthday on 24 February 2011 Relevant pay reference period is 20-26 February 2011 Contributions date is 24 February 2011 Pro-rata pensionable earnings = [£589.03 ÷ 7 x 3] = £252.44</p>		

2. Data sources continued...

System derived data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
C17	<p>Opt-out refund due</p> <p>If a jobholder opts out following automatic enrolment or opt in, the employer is obliged to refund the full value of any pensions contributions deducted up to that point to the jobholder (adjusted for PAYE if necessary) before a specified date. The date depends on the date a valid opt-out notice is given to the employer (see B10 on page 20). If the opt-out notice is given to the employer before their usual cut-off date for payroll changes, then the refund must be completed within 1 calendar month of OptOut_date. If the opt-out notice is given to the employer after their usual payroll cut-off date, then the refund must be completed by the end of the second following pay reference period.</p> <p>The due date for the opt-out refund is determined in two ways:</p> <ol style="list-style-type: none"> 1. OptOut_ref_due = OptOut_date + one month IF OptOut_date < next Payroll cut-off date 2. OptOut_ref_due = [the 2nd future instance of PRP_end] after OptOut_date IF OptOut_date ≥ next Payroll cut-off date 	OptOut_ref_due	Date
	<p>NB1: As is already the case today, pension scheme rules will determine whether a refund is due if active membership terminated after the end of the opt-out period. In such cases, existing arrangements for achieving this through payroll would still apply.</p> <p>NB2: Where automatic enrolment took place close to the end of a tax year, the opt-out period will extend into the following tax year. This could result in the need to make a refund in respect of deductions from the previous tax year. The need to process refunds relating to the previous tax year can be wholly avoided if the employer uses the postponement period (see B4-B7 on pages 14-18) to ensure automatic enrolment does not take place within, at most, one calendar month plus six weeks from the end of the tax year.</p>		
C18 – C29	Intentionally blank		

3. Record-keeping requirements

The employer is obliged to keep a number of records in relation to their compliance for six years and may authorise a third party to keep, preserve or provide the records on their behalf. Data generated by payroll systems using the calculations in this section that will support the employer in meeting the record-keeping requirements are the following:

- Name of every worker with a **Cont_date**
- NI number (where in existence) of every worker a **Cont_date**
- **DoB** for every worker a **Cont_date**
- **AE_date** for every worker who has one
- **Worker_join_date** for every worker who has one.

Following each instance of Cont_date:

- **SUM_PRP** in each pay reference period
- Evidence of the rule/formula used to calculate contributions required by the pension scheme for each jobholder
- The amount of contributions (both employer and member) payable in respect of each member in each pay reference period
- The amount of contributions (both employer and member) actually made/deducted in respect of each jobholder/member in each pay reference period.

It is worth noting that the employer is also obliged to keep records relating to their use of the postponement period. However these records relate specifically to the date on which the postponement period notice was provided. This is covered in the record-keeping requirements in section 2 of this guide.

The employer's chosen pension scheme is also obliged to keep a number of records in relation to members. Data generated by the payroll system using the calculations in this section that will support the employer in providing accurate records to the pension scheme are the following:

Cont_date

Where Memb_QPS = Y,

- Name
- NI number (where in existence)
- DoB.

4. Report capabilities

Employers may require their payroll system to produce reports listing certain categories of workers. These output/reports from the payroll system will be needed as inputs/prompts for the employer to take further action in order to comply with remaining aspects of the duties (eg around the administration of automatic enrolment, opt out, opt in and the provision of information). Table 3 in Annex B on page 56 provides reports that an employer may require.

5. Registration information

The employer is obliged to register relevant information with the regulator following staging (see E7 on page 50). Data generated by the payroll system using the calculations in this section that will support the employer in meeting the registration requirements are the following:

- A. For each pension scheme: the total number of workers in the PAYE scheme for whom the employer has completed automatic enrolment, ie workers that meet the following conditions:

Employment_start \leq Duty_start

AND

Cont_date \leq [Duty_start + three calendar months]

NB: This figure is a proxy indicator of the number of workers for whom the employer has completed automatic enrolment. The full indicator would be those workers for whom the opt-out period has commenced or where, in addition to the conditions above, OptOut_start \leq 'Today's date' (see E3 on page 46 for calculation of OptOut_start). If the employer chooses to use this data as the basis for their registration submission they should be aware that this is only a reliable indicator if they have undertaken the necessary action following Cont_date to achieve active membership of the qualifying pension scheme and provide information to the jobholder.

- B. For each pension scheme (or where applicable each Segregated Section of an Occupational Scheme): the total number of workers in the PAYE scheme that meet the following conditions:

Employment_start \leq Duty_start

AND

Memb_QPS_flag = Y **on** Duty_start

- C. The total number of workers in the PAYE scheme that meet the following conditions:

Employment_start \leq Duty_start

AND

DB_flag = Y

- D. The total number of workers in the PAYE scheme that meet the following conditions:

Employment_start \leq Duty_start

AND

are not counted under A, B or C above.

NB: This list only covers those registration data requirements that can be supported by payroll systems. It is not an exhaustive list of all the registration data requirements. More information about the employer's registration duties will be provided on the regulator's website later this year.

Section 2: Specification of data/routines for wider business support software

1. Overview

Using the data, the system will be able to calculate:

- Deadlines for the legally prescribed automatic enrolment, opt-out and refund processes
- The provision of information to a number of categories of workers
- The deadline for the employer to register relevant information with the regulator
- Wider record-keeping requirements.

This section relies on data and calculations described in section 1.

- ‡ The use of binary flags suggests one way of achieving the necessary function within the system. However, there may be other ways to achieve the same function. It is for developers to decide what is appropriate within their system(s).

A note on dates

'Date' means the data is assumed to be in the format dd/mm/yyyy, although it is for individual systems to decide how dates are held internally.

Some of the calculations listed below involve adding or subtracting a number of months to a particular date.

When adding months: Add the stated number of months, subtract one day and adjust the year value as necessary, eg adding three months to 01/11/2011 and subtracting a day results in 31/01/2012.

When subtracting months: Subtract the required number of months and add one day and adjust the year value as necessary, eg subtracting three months from 31/01/2012 and adding one day results in 01/11/2011.

2. Data sources

Worker data			
	Description of data	Abbreviation used	Recommended field size
D1	<p>Destined automatic enrolment scheme is a contract-based pension flag</p> <p>Where the employer is using a contract-based workplace pension scheme for automatic enrolment, there are modified requirements in respect of information and the automatic enrolment process.</p>	WPP_flag	Y/N
D2	<p>Invalid opt-out notice given to employer</p> <p>There are a number of requirements for opt-out notices to be valid. If the jobholder submits an invalid opt-out notice, the employer must inform the jobholder of the reasons why it is invalid and the opt-out period is extended.</p> <p>The system could prompt the employer to consider whether an opt-out is valid to enable the employer to record their action and inform a jobholder about an invalid opt-out notice.</p>	Invalid_optout_rec	Y/N
D3	<p>Automatic enrolment information given</p> <p>As part of automatic enrolment and opt in, the employer must provide the jobholder with specified information called automatic enrolment information.</p> <p>This is the date the automatic enrolment information is given to the jobholder. It is important for the system to record this date as it may be used to define the start of the opt-out period in some cases (see E3 on page 46).</p> <p>The calculation for determining the deadline (AE_due) by when the automatic enrolment information must be given is at E1 on page 45.</p> <p>AE_info_del must be \leq AE_due</p>	AE_info_del	Date

2. Data sources continued...

Worker data continued..			
	Description of data	Abbreviation used	Recommended field size
D4	<p>Date contract-based pensions terms and conditions delivered to jobholder</p> <p>Where an employer is using a contract-based pensions scheme for automatic enrolment, the employer must ensure the contract-based pensions provider also provides the jobholder with specified information known as 'Terms and Conditions' within one calendar month of automatic enrolment.</p> <p>It is important for the system to record this date as it may be used to define the start of the opt-out period in some cases (see E3 on page 46).</p> <p>WPP_info_date must be \leq AE_due</p>	WPP_info_date	Date
D5	<p>Date active membership of a qualifying pension scheme achieved</p> <p>This is the date on which the jobholder becomes an active member of the qualifying pension scheme following automatic enrolment and opt-in.</p> <p>The employer will rely on their chosen pension scheme to inform them of this date. Memb_QPS_flag (see B3 on page 13) should move from N to Y with effect from this date, if it has not already been moved following the deduction of contributions.</p> <p>It is important for the system to record this date as it may be used to define the start of the opt-out period in some cases (see E3 on page 46).</p> <p>The calculation for determining the deadline (AE_due) by when the active membership of a qualifying pension scheme must be achieved is at E1 on page 45.</p> <p>Active_memb_complete must be \leq AE_due</p>	Active_memb_complete	Date

2. Data sources continued...

Worker data continued..			
	Description of data	Abbreviation used	Recommended field size
D6	<p>Type of Postponement Period Notice to be employed</p> <p>In order to use the worker or eligible jobholder postponement period, the employer must issue a notice, containing specified information to the affected worker(s). There are up to four different options for the postponement notice which vary in the amount of information they must contain – these are described below at D7-D10 on pages 41-44.</p> <p>To varying degrees each of the options contains some of the same information as the separate information requirements for each category of worker (as described in E2 on page 46, E5 and E6 on pages 48-49). This means depending on the employer’s chosen option then those separate requirements may no longer apply to that worker.</p> <p>That is why it may be important for a software system to understand which postponement period notice option the employer has chosen. This will enable the system to correctly identify which additional information provision duties will apply in future for that worker.</p> <p>It is worth noting that none of the options for the postponement period notice incorporate the information that must be provided as part of automatic enrolment (as described in E1 on page 45), however it is possible for the employer to provide appropriately worded automatic enrolment information at the same time as they provide the postponement period notice, if they wish to do so.</p> <p>It may be that the system should determine the type of postponement period notice to apply by reference to a user-determined rule rather than require user input for each worker record (eg the employer could stipulate that they will always issue a general notice A for the worker postponement period).</p> <p>For more information on the postponement period notice please go to the workplace pensions reform Detailed guidance no. 3a – Postponement.</p>	Postpone_ notice_type	Indicator of which of up to 5 options is employed

2. Data sources continued...

Worker data continued..			
	Description of data	Abbreviation used	Recommended field size
D7	<p>Worker Postponement Period General Notice A delivered</p> <p>The first option for the postponement period notice is General Notice A. This notice may only be provided to workers affected by the worker postponement period and must not be used for the eligible jobholder postponement period. The notice covers all categories of workers and it brings together a number of the separate information requirements for the different categories of workers:</p> <ul style="list-style-type: none"> • The information for non-eligible jobholders about their right to opt in to an automatic enrolment scheme (described at E5 on page 48) • The information for entitled workers about their right to join a pension scheme (described at E6 on page 49) • The information for jobholders (eligible or non-eligible) who are already active members of a qualifying scheme (described at E2 on page 46). <p>As the notice contains the same information as the separate information requirements for each category of worker, if this notice is used then those separate requirements no longer apply to that worker. This means an employer choosing this option does not need to act on expiry of the postponement period or thereafter to provide information as per the requirements at E2 on page 46, E5 and E6 on pages 48-49.</p> <p>This is the date the Postponement Period General Notice A is given to the worker. It is important for the system to record this date as it is one of the records that the employer is obliged to keep.</p> <p>The calculation for determining the deadline (Postpone_info_due) by when a postponement period notice (of any kind) must be given is at E8 on page 50.</p> <p>Postpone_A_info_del must be ≤ Postpone_info_due</p> <p>The payroll-driven content of the information is found at row 6 at Annex A on page 55.</p>	Postpone_A_info_del	Date

2. Data sources continued...

Worker data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
D8	<p>Worker Postponement Period General Notice B delivered</p> <p>The second option for the postponement period notice is Postponement Period General Notice B. Like General Notice A, this notice may only be provided to workers affected by the worker postponement period and must not be used for the eligible jobholder postponement period. This notice is applicable to all workers excluding any (eligible or non-eligible) jobholders who are active members of a qualifying pension scheme with the employer. It is therefore most useful for employers who do not have a qualifying scheme in place before their staging point. The notice covers the information requirement for the following categories of workers:</p> <ul style="list-style-type: none"> • The information for non-eligible jobholders about their right to opt in to an automatic enrolment scheme (described at E5 on page 48) • The information for entitled workers about their right to join a pension scheme (described at E6 on page 49). <p>As the notice contains the same information as the separate information requirements for two categories of worker, if this notice is used then those separate requirements no longer apply to that worker. This means an employer choosing this option does not need to act on expiry of the postponement period or thereafter to provide information as per the requirements at E5 and E6 on pages 48-49.</p> <p>This is the date the Postponement Period General Notice B is given to the worker. It is important for the system to record this date as it is one of the records that the employer is obliged to keep.</p> <p>The calculation for determining the deadline (Postpone_info_due) by when a postponement period notice (of any kind) must be given is at E8 on page 50.</p> <p>Postpone_B_info_del must be ≤ Postpone_info_due</p> <p>The payroll-driven content of the information is found at row 7 at Annex A on page 55.</p>	Postpone_B_info_del	Date

2. Data sources continued...

Worker data continued..			
	Description of data	Abbreviation used	Recommended field size
D9	<p>Postponement Period Tailored Notice delivered</p> <p>The third and fourth (see D10 on page 44) options for the postponement period are what are known as tailored postponement period notices.</p> <p>Tailored notices may be provided to workers affected by the worker postponement period if the employer wishes to provide their workers only with the information that is relevant to the category they would fall into were they not subject to the worker postponement period.</p> <p>The tailored nature of the notice means that the employer must have made an assessment of which category the worker would fall into before issuing the notice. The content of the notice is then determined by that category, there are separate mandatory information requirements depending on whether the worker would be a jobholder or entitled worker.</p> <p>As the tailored information is only relevant to the category of worker the worker falls into at the start of the postponement period, on expiry of the period the employer need not issue further information if the worker's category has not changed but will need continue to monitor age and earnings to identify the first time a change in category triggers any other information requirements.</p> <p>The third postponement period notice option is the tailored notice for jobholders (includes eligible and non-eligible jobholders). Because the eligible jobholder postponement period can only be triggered when a worker attains or regains eligible jobholder status, the employer must always use this type of postponement period notice whenever they apply the eligible jobholder postponement period.</p> <p>This is the date the postponement period tailored notice for Jobholders is given to the worker. It is important for the system to record this date as it is one of the records that the employer is obliged to keep.</p> <p>The calculation for determining the deadline (Postpone_info_due) by when a postponement period notice (of any kind) must be given is at E8 on page 50.</p> <p>Postpone_tailor_JH_info_del must be ≤ Postpone_info_due</p> <p>The payroll-driven content of the information is found at row 8 at Annex A on page 55.</p>	Postpone_ tailor_JH_info_ del	Date

2. Data sources continued...

System derived data			
	Description of data	Abbreviation used	Recommended field size
D10	<p>Postponement Period Tailored Notice for Entitled Workers delivered</p> <p>The fourth option for the postponement period notice is tailored for an entitled worker. If they use this type of postponement period notice, then the separate requirements to provide information about the right to join a (non-qualifying) pension scheme when a worker first becomes an entitled worker (as described at E6 on page 49) will no longer apply to that worker.</p> <p>The calculation for determining the deadline (Postpone_info_due) by when a postponement period notice (of any kind) must be given is at E8 on page 50.</p> <p>Postpone_A_wor_info_del must be \leq Postpone_info_due</p> <p>The payroll-driven content of the information is found at row 9 at Annex A on page 55.</p>	Postpone_ tailor_wor_info_ del	Date

2. Data sources continued...

System derived data continued..			
	Description of data	Abbreviation used	Recommended field size
E1	<p>Automatic enrolment deadline</p> <p>Following automatic enrolment and opt in, the employer must take three administrative steps within one calendar month. The employer must:</p> <p>A. Complete whatever administration is necessary to ensure the jobholder becomes an active member of an automatic enrolment pension scheme (see D5 on page 39)</p> <p>B. Provide the jobholder with specified automatic enrolment information.</p> <p>C. Provide the pension scheme with specified information about the jobholder.</p> <p>The automatic enrolment deadline is defined as:</p> <p>1. $AE_due = Cont_date + one\ month$</p> <p>The payroll-driven content of the information described at B and C is found at rows 1 and 2 of Table 2 in Annex A on page 55.</p>	AE_due	Date
<p>NB1: Where an employer is using a worker or eligible jobholder postponement period they are permitted to provide the information at C above at the same time that they provide a postponement period notice.</p> <p>NB2: As employers must complete the administrative steps for automatic enrolment within one calendar month, where the pay reference period in use is longer than one calendar month and pay is not calculated within one month of the start of the pay reference period, the employer may need to estimate which workers will become eligible for automatic enrolment and undertake the necessary administrative steps for automatic enrolment within the first calendar month in advance of performing the payroll calculations that will confirm eligibility. In such circumstances employers may wish to make cautious estimates in order to ensure that they do not fail to meet the legal requirements. At the point that payroll is run and eligibility is confirmed the employer can address any cases where a worker turns out to have been mistakenly estimated to be eligible by ensuring that no deduction of pensions contributions is taken and that the worker and pension scheme are informed of the error.</p>			

2. Data sources continued...

System derived data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
E2	<p>Active member information due to eligible or non-eligible jobholder</p> <p>If on the automatic enrolment date an eligible jobholder is already a member of a qualifying pension scheme, the employer is not obliged to automatically enrol them but is obliged to provide specified information.</p> <p>The employer is also obliged to provide information to non-eligible jobholders who are active members of a qualifying scheme when they first become a non-eligible jobholder.</p> <p>The employer has two calendar months from the automatic enrolment date or the date on which the worker first becomes a non-eligible jobholder to deliver the information to the worker.</p> <p>Memb_QPS_info_due = the earlier of [AE_date + two months OR JH_date + two months] IF Memb_QPS_flag = Y ON AE_date OR Memb_QPS_flag = Y ON JH_date AND Postpone_A_info_del is not present</p> <p>The payroll-driven content of the information is found at row 3 in Annex A on page 55.</p>	Memb_QPS_info_due	Date
E3	<p>Opt-out period start</p> <p>Following automatic enrolment or opt in, a jobholder may opt out of membership of a qualifying pension scheme and receive a full refund of any contributions deducted. In order to opt out, the jobholder must provide a signed, valid opt-out notice to their employer within the specified opt-out period.</p> <p>The rule defining the start of the opt-out period varies depending on whether the jobholder was automatically enrolled into an occupational or a contract-based pension scheme.</p> <p>IF WPP_flag = N, then OptOut_start = the later of [AE_info_del OR Active_memb_complete</p> <p>IF WPP_flag = Y, then OptOut_start = the later of [AE_info_del OR WPP_info_date]</p>	OptOut_start	Date
	<p>NB: Under the legislation, the jobholder must obtain the opt-out notice from the pension scheme into which they have been automatically enrolled. This means that the employer must not provide the jobholder with an opt-out form directly, unless the employer also administers its own pension scheme.</p>		

2. Data sources continued...

System derived data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
E4	<p>Opt-out period end</p> <p>The opt-out period lasts one calendar month.</p> <p>There is one exception. If the jobholder submits an invalid opt-out notice, the opt-out period is extended to be six weeks.</p> <p>The end of the opt-out period is defined as follows:</p> <p>Where Invalid_OptOut_Rec = N, OptOut_End = OptOut_start + one month</p> <p>Where Invalid_OptOut_Rec = Y, OptOut_End = OptOut_start + six weeks</p> <p>(When adding six weeks, count forward 42 days, OptOut_start would be day one. OptOut_end would be the 42nd day)</p>	OptOut_end	Date

2. Data sources continued...

System derived data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
E5	<p>Right to opt-in information due to jobholder</p> <p>The employer is obliged to provide workers, who become non-eligible jobholders, with information that explains their right to opt in to an automatic enrolment pension scheme. This information must be provided within one month of the worker becoming a jobholder for the first time. The employer is only obliged to provide this information once – per worker, per employment.</p> <p>The exception to this requirement is where the employer has applied a worker or eligible postponement period and provided the worker with any one of postponement period notices A, B or the notice tailored for jobholders (see D7, D8 and D9 on pages 41-43). If the worker has been given any of these postponement period notices then the employer is not obliged to provide this opt-in information.</p> <p>The employer is not obliged to provide the non-eligible jobholder with this information if they have previously been an eligible jobholder who was automatically enrolled and opted out, or if they are subject to the DB/Hybrid transitional period, or if they are an active member of a qualifying scheme.</p> <p>It is JH_date + one month</p> <p>IF OptOut_date is not present AND Memb_QPS_flag = N ON JH_date AND DB_flag = N AND Postpone_A_info_del is not present AND Postpone_B_info_del is not present AND Postpone_tailored_JH_info_del is not present AND Employment_end has not passed</p> <p>The payroll-driven content of the information is found at row 2 at Annex A on page 55.</p>	OptIn_info_due	Date

2. Data sources continued...

System derived data continued..			
	Description of data	Abbreviation used	Recommended field size
E6	<p>Right to join information due to worker</p> <p>With one notable exception described below, the employer is obliged to provide entitled workers, who are not already contributing to a workplace pension scheme, with information that explains their right to join a pension scheme (there is no duty on the employer to provide a qualifying pension scheme with employer contributions for such workers). This information must be provided within one month of a person becoming an entitled worker for that employer. The employer is only obliged to provide this information once per worker per employment.</p> <p>The exception to this requirement is where the employer has applied a postponement period and provided the worker with any one of postponement period notices A, B or the notice tailored for entitled workers (see D7 and D8 on pages 41-42 and D10 on page 44) . If the worker has been given any of these postponement period notices then the employer is not obliged to provide this right to join information.</p> <p>It is the most recent of [Duty_start + one month] OR [Employment_start + one month] OR [16_date + one month] OR [SPA_date + one month] OR [PRP_start + one month] IF Wor_flag = Y AND Memb_QPS_flag = N ON most recent of [Duty_start + one month] OR [Employment_start + one month] OR [16_date + one month] OR [SPA_date + 1 month] OR [PRP_start + one month] AND Postpone_A_info_del is not present AND Postpone_B_info_del is not present AND Postpone_tailored_wor_info_del is not present AND Employment_end has not passed The payroll-driven content of the information is found at row 5 in Annex A on page 55.</p>	<p>Notice_join_info_due</p>	<p>Date</p>

2. Data sources continued...

System derived data <small>continued..</small>			
	Description of data	Abbreviation used	Recommended field size
E7	<p>The Pensions Regulator registration due</p> <p>Shortly after they become subject to the duties for the first time, the employer is obliged to submit information to The Pensions Regulator giving details of how they have discharged their duties. This is called registration.</p> <p>The deadline for the employer to register is determined as follows:</p> <p>TPR_reg_due = Duty_start + four calendar months .</p>	TPR_reg_due	Date
E8	<p>Postponement period notice due</p> <p>Where the employer wishes to use either the worker postponement period or the eligible jobholder postponement period, they must provide the worker with a postponement period notice. The regulations set out a number of mandatory pieces of information that must be included in the various options for the notice.</p> <p>The deadline for providing this information is either:</p> <p>The later of [Duty_start OR Employment_start] + one calendar month IF Wor_postpone_flag = Y OR The later of [EJ_date] AND [most recent instance of EJ_repeat_date] + one calendar month IF EJ_postpone_flag = Y</p> <p>The payroll-driven content of the postponement period notice options is found at rows 6-9 in Annex A on page 55.</p>	Postpone_info_due	Date

3. Record-keeping requirements

The employer is obliged to keep a number of records in relation to their compliance for six years and may authorise a third party to keep, preserve or provide the records on their behalf. Data generated by payroll systems using the calculations in this section that may support the employer in meeting the record-keeping requirements follows:

The only required records that are directly generated by the data and calculations in this section are:

Postpone_A_info_del where present

Postpone_B_info_del where present

Postpone_tailor_JH_info_del where present

Postpone_tailor_wor_info_del where present

Wherever any of the above are present the employer is also obliged to keep a record of the name and National Insurance number of the worker to whom the record relates, ie the worker to whom the postponement period notice was given.

In addition, there are a number of records that an employer is obliged to keep that could be archived within an employer's software system:

- A. Each opt-in notice submitted by any jobholder
- B. Each joining notice submitted by any worker
- C. Each opt-out notice submitted by any jobholder

(NB: records of opt-out notices are only obliged to be kept for four years).

Records A to C (shown above) may be submitted to The Pensions Regulator in paper or electronic format.

Section 3: Qualifying scheme contributions

1. Overview

This section sets out how the data from Section 1 could be used to calculate contributions required of qualifying pension schemes. It does not provide comprehensive details on the overall qualifying requirements for pension schemes to be used under the duties, for more information on this please go to the workplace pensions reform **Detailed guidance no.4 – Pension schemes**.

It is important to note that the employer is not obliged to calculate and deduct contributions according to any formula set out in the legislation. Instead, the employer is responsible for satisfying themselves that the pension scheme they intend to use meets a number of qualifying criteria, including, where relevant, a member entitlement equivalent to the minimum contribution level set out in legislation. Once the employer has examined the pension scheme and is satisfied it meets the qualifying criteria, then the contributions to be deducted and paid are determined by the rules of/agreements with the pension scheme itself.

This guide does not provide the rules for payroll systems to calculate pension contributions under the new duties. However, this section does explain the qualifying criteria for contributions for money purchase (defined contribution) pension schemes for two reasons:

1. Some pension scheme rules are likely to exactly reflect the qualifying criteria
2. Where that is not the case, the employer may wish to make a comparison of actual contributions against the formula set out in the qualifying criteria.

The employer may wish to calculate the qualifying level of contributions in advance of the duties in order to satisfy themselves that their chosen scheme satisfies the qualifying criteria, and/or they may wish to monitor the calculation on an ongoing basis.

Software developers should note that, where different, it is the rules provided by the pension scheme that should be used to calculate pension contributions and not the formula provided below.

The qualifying contributions into money purchase pension schemes are gradually increased in three steps. This is known as 'phasing' and is intended to help employers gradually adjust to bearing the cost of contributions. Table 1 on page 53 shows the formula for calculating the minimum contributions into money-purchase schemes over the three phasing steps.

2. Data sources

Table 1

The formula for calculating the minimum contributions into money-purchase schemes over the three phasing steps

Duration of step ⁹	01/10/2012 – TBC	TBC	TBC
Minimum total contribution	2 x QE_PRP/100	5 x QE_PRP/100	8 x QE_PRP/100
Minimum employer contribution	1 x QE_PRP/100	2 x QE_PRP/100	3 x QE_PRP/100
Required member contribution where employer contribution is at Minimum	1 x QE_PRP/100	3 x QE_PRP/100	5 x QE_PRP/100

NB: The legislation defines the minimum employer contribution and the minimum total contributions. However, if the employer wishes to pay above the minimum then the member contribution can be lower than the amounts stipulated here as long as when added together the employer and member contributions result in at least the minimum total contributions.

NB1: Tax relief should be applied as appropriate according to the method in use.

NB2: Existing DC pension schemes, whether occupational or personal pension schemes, will base contributions on percentage rates of pensionable pay. The definition of pensionable pay in the scheme rules is likely to be different to qualifying earnings. Pensionable pay may just include basic pay and not overtime or bonuses and may require contributions to be deducted from the first pound earned rather than from a band of earnings.

In recognition of this, employers with schemes of this type are able to self certify that their scheme meets the minimum qualifying criteria if the scheme rules (or agreements, in the case of a personal pension scheme) require contributions at one of the following levels:

- A total minimum contribution of at least 9% of pensionable pay (at least 4% of which must be the employer's contribution), or
- A total minimum contribution of at least 8% of pensionable pay (at least 3% of which must be the employer's contribution) provided that pensionable pay constitutes at least 85% of earnings (the ratio of pensionable pay to earnings can be calculated as an average at scheme level), or
- A total minimum contribution of at least 7% of earnings (at least 3% of which must be the employer's contribution), provided that all earnings are pensionable.

In all cases pensionable pay must be at least equivalent to basic pay.

NB3: Following automatic enrolment and opt in, the legal deadline by which deducted member contributions must be passed over to the pension scheme has been extended. Currently member contributions must be passed across to the pension scheme by the 19th day[◆] of the calendar month, following the month in which the deduction was made. Following automatic enrolment or opt in, this deadline is extended to the end of the 2nd calendar month following the month in which the first contributions fell due. This is intended to enable employers and pension schemes, should they wish to do so, to amend their payment schedules to avoid paying over contributions that may subsequently have to be refunded following opt out.

⁹ It is anticipated that the transitional periods for qualifying DC schemes will be extended as a result of the extension to staging. More information is expected to be available on the regulator's website early in 2012. This guide will be updated with the proposed date in April 2012.

[◆] The Government intends to change this date from the 19th to the 22nd of the calendar month where contributions are being paid electronically.

Annex A:

Data driven from software systems for inclusion in information packages

The employer is obliged to provide specified groups of workers with information about how they are affected by the duties. This list only covers the data items for inclusion in the information packages that can be supported by software systems. It does not provide an exhaustive list of the information items.

More information about duties can be found on the regulator's website in the workplace pension reforms **Detailed guidance: Information to workers resource**. DWP is currently developing templates for each information package for employers to use, it is anticipated that these will be available online in Spring 2012.

Table 2

Data driven from software systems for inclusion in information packages

Row No.	Information package	Data driven from software systems
1.	Automatic enrolment information (see E1 on page 45)	<ul style="list-style-type: none"> • Latest instance of Cont_date (see C16 on page 32-33) • OptOut_start (if available) • OptOut_end (if available)
2.	Jobholder information to qualifying pension scheme (see E1 on page 45)	<ul style="list-style-type: none"> • Name • DoB • Postal residential address • Gender • Latest instance of Cont_date (see C16 on page 32-33) • National Insurance Number • SUM_PRP in current period (ie as at last payroll run date) (see C7 on page 25)* • Postal work address* • Individual work email address (where this exists)* • Personal email address (where available)* <p>* These data items do not need to be provided if the pension scheme has told the employer they do not need them.</p>
3.	Active member information (see E2 on page 45)	No systems-driven data is required for this information package.
4.	Opt-in information (see E5 on page 47)	No systems-driven data is required for this information package.
5.	Right to join information (see E6 on page 48)	No systems-driven data is required for this information package.
6.	Postponement period General Notice A Row (see D7 on page 41)	Latest instance of for EITHER [Wor_postpone_end + one day] OR [EJ_postpone_end + one day]
7.	Postponement period General Notice B (see D8 on page 42)	Latest occurring value held for EITHER [Wor_postpone_end + one day] OR [EJ_postpone_end + one day]
8.	Postponement period Tailored for Jobholder Notice (see D9 on page 43)	Latest occurring value held for EITHER [Wor_postpone_end + one day] OR [EJ_postpone_end + one day]
9.	Postponement Period Tailored Notice for Entitled Worker (see D10 on page 44)	Latest occurring value held for EITHER [Wor_postpone_end + one day] OR [EJ_postpone_end + one day]
<p>NB: For information packages at rows 1, 2, 4, 5, 6, 7 and 8, the employer is also obliged to include information about the worker and employer pension contribution rates. The employer is able to provide the percentage rates or the cash values of contributions. Depending on how the employer wishes to discharge this aspect of the information duty, there may be a further role for payroll to produce supporting data.</p>		

Annex B:

Reports from the payroll system that employers may require

Employers may require their payroll system to produce reports listing certain categories of workers. These output/reports from the payroll system will be needed as inputs/prompts for the employer to take further action in order to comply with remaining aspects of the duties in section 2 of this guide (eg around the administration of automatic enrolment, opt out, opt in and the provision of information). Table 3 below lists suggested categories of workers to be listed in reports and explains what the report may be used for.

Table 3
Reports from the payroll system that employers may require

No.	Reports listing workers with:	For these workers the employer must:
1.	An AE_date in the current period AND Cont_date	Complete automatic enrolment (including providing the jobholder with automatic-enrolment information and providing the qualifying pension scheme with specified jobholder information (see E1 on page 45)
2.	A Memb_QPS_info_due date in the current period is present	Provide the jobholder with the information specified for existing members of qualifying schemes (see E2 on page 46)
3.	An OE_date in the current period	Complete opt-in enrolment (including providing the jobholder with automatic enrolment information and providing the qualifying pension scheme with specified jobholder information (see E1 on page 45)
4.	An OptIn_info_due_date in the current period is present	Provide the jobholder with the information specified about the right to opt in to a qualifying pension scheme (see E5 on page 48)
5.	A Notice_join_info_due_date in the current period	Provide the entitled worker with the information specified about the right to join a pension scheme (see E6 on page 49)
6.	Where Wor_postpone_flag = Y for the first time	Provide the worker (irrespective of worker, jobholder or eligible jobholder status) with the postponement period notice (see D6-D8 on pages 40-42 and E8 on page 50).
7.	Where EJ_postpone_flag turns from N to Y	Provide the eligible jobholder with the postponement period notice (see D9 on page 43 and E8 on page 50).

Annex C:

Changes made between v2.0 and v3.0 of this guide

Table 4

Changes made between v2.0 and v3.0 of this guide

Page/Row	Change description
Front page, 4, A1.	Explanation of recent announcements confirming staging of largest employers and extending overall staging timetable.
6	Update on legislative certainty and forthcoming regulations/orders and how these are reflected in the guide.
A2–4	Explanation of revaluation proposals and process with proposed figures for 2012-2013 financial year.
B1	Explanation of application of duties over a TUPE transfer.*
B4–B7, D6–D10, E5–E8, Record-keeping on p51, rows 6-9 in table 2 on p55, rows 6-7 in table 3 on p56	Clarification on the application of postponement periods, the requirement to provide a postponement period notice, and the affect these have on the wider requirements to provide workers with specified information.
B8	Additional condition for workers who may be placed into the DB/hybrid transitional period provided. Update on deadline for providing a notice to affected workers as within one calendar month (previously one week) of the employer's first automatic enrolment date.
B13–B14, C18–29	All references and rules relating to Person A (also known as 'Process 2' in the regulator's workplace pensions reform Detailed guidance no. 3 – Assessing the workforce) from previous versions have been removed from this version of the guide. This is because DWP have now revoked the regulations relating to Person A on the basis that the burden associated with monitoring Person A status exceeds the benefits Person A would deliver.
B16, C14, C15, E5 and E6	Clarification on application of the duties where a worker leaves employment.*
C5	Technical point on calculations where payroll calculated before the start of the pay reference period in which the calculated earnings become payable.
C7	Clarification on how advances of pay and backdated pay should be treated under the pensions reform calculations by reference to when due or payable*

* Changes made as a consequence of queries or feedback from software developer community.

Table 4Changes made between v2.0 and v3.0 of this guide *continued...*

Page/Row	Change description
C10, C12, C13	<p>Correction to assessment of upper age bands for eligibility status. A worker's eligibility status may change only on the following occasions: the employer's staging date, the first day of employment, the 16th birthday, the 22nd birthday, the 75th birthday, the date when SPA is reached, the first day of the pay reference period or the day after the expiry of a (worker or eligible jobholder) postponement period.</p> <p>If on any of these occasions the worker meets both the relevant age and earnings criteria then they will attain or lose status as an eligible jobholder, a non-eligible jobholder or an entitled worker. It is therefore necessary for the system to assess whether or not the worker's age exceeded the relevant upper limit at the point when their status could change rather than simply on the last day of the pay reference period.</p>
C10, C12, C13	<p>For example, if a long-term worker reached SPA on the last day of a pay reference period but had earnings over the automatic enrolment trigger value for the first time in the same pay reference period, then they would become an eligible jobholder for the first time on the first day of the pay reference period and would lose that status on the last day of the period (although in systems terms this may only be recognised when running payroll in the following period). In those circumstances the employer would need to automatically enrol the worker or (if permitted) make them subject to an eligible jobholder postponement period.</p>
C10, C12, E5, E6	<p>Symbols in rules corrected. C10 and C12: equals signs replaced with 'greater than or equals' signs to clarify the age ranges for eligible and non-eligible jobholders. E5 and E6: equals signs replaced with plus signs to clarify one month deadlines.</p>
C10 and C14	<p>Clarification that eligible jobholder status should not be contingent on whether the worker is subject to the worker postponement period. An eligible jobholder who is subject to the worker postponement period should instead be prevented from having an automatic enrolment date. This change ensures that a system can allocate a status to the worker at the start of the worker postponement period so that an employer can choose to send a tailored postponement period notice relevant to the status of the worker if they wish.</p>

* Changes made as a consequence of queries or feedback from software developer community.

Table 4

Changes made between v2.0 and v3.0 of this publication continued...

Page/Row	Change description
C11A and C14	Inclusion of a new data item to record when a worker first regains eligible jobholder status after an eligible jobholder postponement period. This is to make it clear that providing the worker is not eligible on expiry of an eligible jobholder postponement period, the employer may choose whether to automatically enrol the worker at the point when they next become eligible or apply a further postponement period.
C12A	Inclusion of new data item to record when a worker first becomes a non-eligible jobholder for the purposes of ensuring the new jobholder receives relevant information on time.
C13 and throughout	Terminology changed from 'non-jobholder worker' to 'entitled worker' to be consistent with other guidance from the regulator. No change in meaning.
C13	Correction to specification to clarify that an entitled worker must be 16 or older and younger than 75 years old.*
C16	Clarification that where the contribution date falls after the pay date in a pay reference period that no deduction should be taken until the following pay reference period.
C16	Adjustment to the rule suggested for pro-rata contributions to reflect that an employer's staging date or a worker's start or leaving date may fall within a period in which a pro-rata calculation must be made.*
E2	Adjustment of the rule to reflect a confirmed legislative change that non-eligible jobholders who are active members of qualifying schemes should also receive information from the employer.
NB2, p53	Updated information on certification of DC pension schemes based on draft DWP guidance.

* Changes made as a consequence of queries or feedback from software developer community.

How to contact us

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A detailed guide to...

Workplace pensions reform for software developers

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