

## WRITTEN MINISTERIAL STATEMENT

Wednesday 25<sup>th</sup> January 2012

### DEPARTMENT FOR WORK AND PENSIONS

#### Changes to the automatic enrolment timetable

**The Minister of State, Department for Work and Pensions (Steve Webb):** On 28<sup>th</sup> November 2011, the Government announced that the timetable for the implementation of automatic enrolment will be adjusted so that small businesses are not affected by the reforms during this Parliament. This will provide them with some additional breathing space to prepare for the reforms whilst operating in tough economic times.

We also re-affirmed our commitment that automatic enrolment will start on time, from October 2012, and will apply to all employers.

I can now confirm that under the revised timeline, all employers with an existing staging date of on or before 1<sup>st</sup> February 2014 are unaffected. This means that no large employer will have to make any changes to their plans – which are in many cases already advanced.

Medium sized employers will be re-allocated automatic enrolment dates between 1<sup>st</sup> April 2014 and 1<sup>st</sup> April 2015. This means that the implementation dates of some of these employers will be up to nine months later. However, this still means that around 70% of eligible workers will be automatically enrolled before the end of this Parliament compared with around 75% under previous arrangements.

Small employers will be allocated automatic enrolment dates between 1<sup>st</sup> June 2015 and 1<sup>st</sup> April 2017.

New employers setting up business from 1<sup>st</sup> April 2012 and up to and including 30<sup>th</sup> September 2017 will have automatic enrolment dates between, and including, 1<sup>st</sup> May 2017 and 1<sup>st</sup> February 2018. Any new employer setting up from 1<sup>st</sup> October 2017 onwards will be required to comply immediately if paying earnings which attract PAYE deductions in respect of any worker.

We propose to delay from 1<sup>st</sup> October 2016 to 1<sup>st</sup> October 2017 the increase in the minimum rate of employer pension contributions from 1% to 2% of banded earnings. Contributions will increase to 3% from 1<sup>st</sup> October 2018.

We plan to publish a consultation document on the detail of these changes shortly. Draft regulations and an impact assessment will be published alongside the consultation document.

The table below sets out the revised automatic enrolment dates for all employer sizes.

<b>Employer size (by PAYE scheme size) or other description</b>	<b>Automatic Enrolment duty date</b>	
	<b>From (inc.)</b>	<b>To (inc.)</b>
250 or more members	1 <sup>st</sup> October 2012	1 <sup>st</sup> February 2014
50 to 249 members	1 <sup>st</sup> April 2014	1 <sup>st</sup> April 2015
Test tranche for less than 30 members	1 <sup>st</sup> June 2015	30 <sup>th</sup> June 2015
30 to 49 members	1 <sup>st</sup> August 2015	1 <sup>st</sup> October 2015
Less than 30 members	1 <sup>st</sup> January 2016	1 <sup>st</sup> April 2017
Employers without PAYE schemes	1 <sup>st</sup> April 2017	- - -
New employers Apr 2012 to Mar 2013	1 <sup>st</sup> May 2017	- - -
New employers Apr 2013 to Mar 2014	1 <sup>st</sup> July 2017	- - -
New employers Apr 2014 to Mar 2015	1 <sup>st</sup> August 2017	- - -
New employers Apr 2015 to Dec 2015	1 <sup>st</sup> October 2017	- - -
New employers Jan 2016 to Sep 2016	1 <sup>st</sup> November 2017	- - -
New employers Oct 2016 to Jun 2017	1 <sup>st</sup> January 2018	- - -
New employers Jul 2017 to Sep 2017	1 <sup>st</sup> February 2018	- - -
New employers Oct 2017	Immediate duty	- - -