



Workplace Pensions

SCHEME AND SERVICE INFORMATION

0808 1001613
www.fsbworkplacepensions.co.uk

WORKPLACE PENSIONS ARE COMING

Workplace Pensions is the government initiative to increase private retirement savings. Auto enrolment affects every employer in the UK, even if you only employ one person, and requires all employers to put eligible employees into a qualifying workplace pension scheme – by law.

From January 2016 thousands of small firms will need to comply with the Auto enrolment rules, or face a potentially heavy fine. The law is complex, and the rules must be followed exactly, but by planning ahead, you can give yourself valuable time to consider what actions you need to take and anticipate any financial impact that this legislation may cause.

At the FSB, we are committed to supporting our members at all times and understand how auto enrolment is going to impact your business. That's why we've developed the FSB Workplace Pension, a straightforward, cost effective and compliant solution with help and support throughout the auto enrolment journey. We want to help you meet your obligations and reduce any strain on your organisation, leaving you to focus on the more important aspects of running your business.

FSB Workplace Pension utilises the award winning Legal & General WorkSave Pension Plan.

This guide should provide you with all the information you need to decide if the FSB Workplace Pension is right for you and your business. Please read through the information carefully, and feel free to call us on 0808 100 1613 if you have any queries.

FSB Workplace Pensions are proud to be assisting FSB members.



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COMPLYING WITH WORKPLACE PENSIONS

This guide is designed to give you all the information and facts you need to consider in complying with this legislation. It will take you through the process, step by step.

Please read it carefully.

Remember – failure to comply can result in heavy fines.

If you have any queries – call the FSB Workplace Pensions Auto Enrolment team of experts on 0808 100 1613.



HOW WE CAN HELP YOU COMPLY

Who can help? Can I get help I can trust? How much will it cost? How do I choose a scheme? Is it a decent scheme? These are the questions that SME's need answering.

Most SME owners do not understand (or want to understand) pensions. Add to this the complexity of the Workplace Pension rules that HAVE to be complied with, plus the burden of administration and it can appear very daunting.

But don't worry, we have developed a service that really supports you.

FSB Workplace Pensions are experts in auto enrolment. We are here to help, and at a cost that won't break the bank. It's a service ONLY available to FSB members and is a real and tangible benefit of being a member of the FSB.

We will:

- Provide you with all the information you need to understand the Auto Enrolment rules and decide whether the approved FSB solution is right for you – via this guide and our comprehensive website www.fsbworkplacepensions.co.uk
- Provide a telephone helpline, with experts ready to answer any queries you may have 0808 100 1613
- Provide access to the Legal and General award winning workplace pension scheme

- Set up the FSB Workplace Pension Scheme for you if you are happy with the information provided.'
- Provide a personal 1-2-1 telephone appointment with one of our experienced team members who will set up your scheme EXACTLY how you want, making sure you fully understand what you need to, when and how to do it
- Discuss with you all the decisions you need to make about the scheme such as contribution basis, start dates etc and will then assist you with making sure your payroll can deal with the pension calculation and payments
- 'Hold your hand' all the way to your staging date
- Assistance with your Declaration of Compliance at the appropriate time

How much does all this cost?

Because we have removed the 'advice' from the process, we can keep our fees to an absolute minimum. Our fees start from only £399+vat (up to 10 employees).

That's it, no more fees or costs to you.



WHAT DO I HAVE TO DO?

Employers CANNOT offer advice, discourage membership to new or existing employees, encourage opting out or IGNORE this legislation.

Auto enrolment is the responsibility of the employer, not the Government nor the pensions industry. The Pensions Regulator will oversee employer compliance, and has the power to fine employers for non-compliance.

IMPORTANT – All employers must comply with their duties and have given their employees correct, compliant and timely information by their staging date. This information must be given in a prescribed format, and records must be kept of what was issued, and when.



Auto enrolment affects all UK employers

Every employer with at least one member of staff will be affected by the new automatic enrolment legislation.

Employers will be required to set up a qualifying workplace pension scheme, enrol all staff who are eligible and contribute towards it. Depending on the size of your company, you will be required to do this by a certain date, known as your 'staging date'.



To be suitable for auto enrolment, a pension scheme must:

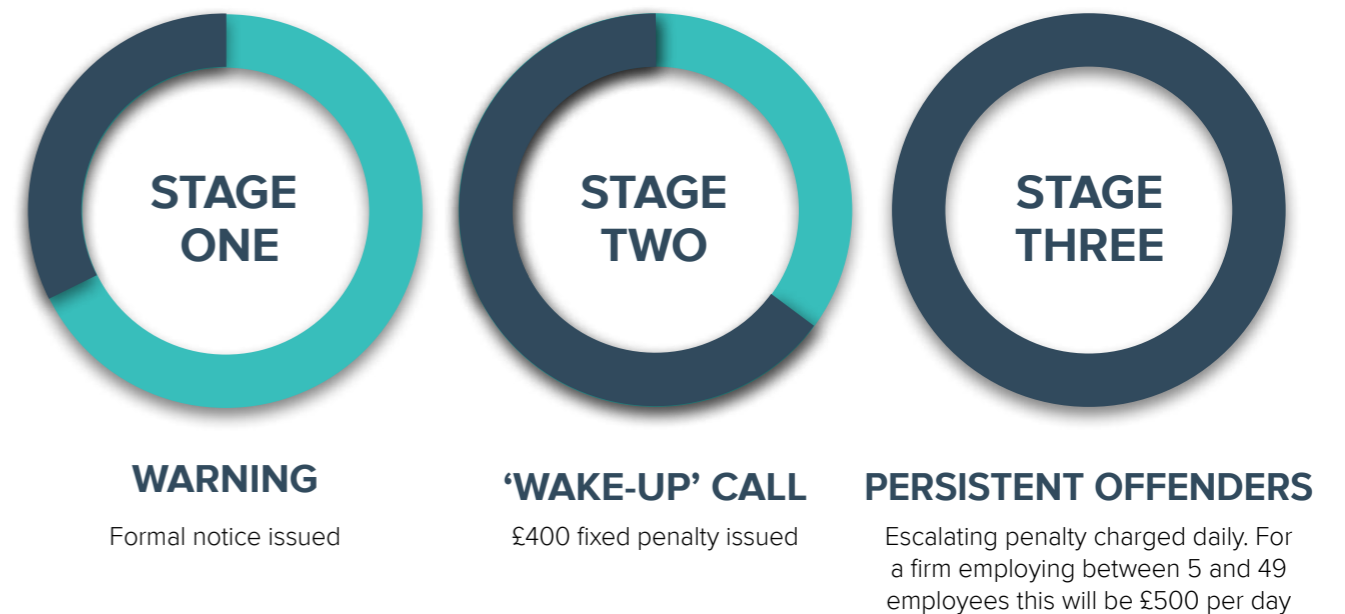
- Be registered with The Pensions Regulator for auto enrolment
- Meet certain criteria – including a maximum annual charge of no more than 0.75%
- Have a default investment fund

In addition, you will be required to:

- Complete the Declaration of Compliance for The Pensions Regulator
- Assess your employees (at your staging dates and every pay period thereafter)
- Give statutory communications to your employees when required
- Make contributions to the pension scheme if required
- Keep accurate records

What are the Penalties?

As details of compliant schemes will be linked to PAYE records the authorities will be able to identify those employers who fail to comply easily. The penalties for non-compliance are severe and will be implemented as below:



WHEN DO I HAVE TO DO IT BY?



Every employer will have a date that they will need to comply with the legislation by, known as a 'staging date'.

At your staging date, and at every pay date after that, you **MUST** assess your workforce, categorise them, give them compliant documentation and keep records (see Who does it affect section later in the guide).

In our experience, the more time you allocate to plan for auto enrolment, the easier the implementation of your qualifying workplace pension scheme will be.

Don't know your staging date?

You should already be aware of your individual staging date, but if not you can find out your exact staging date by entering your unique PAYE reference number into the staging date calculator on our website - www.fsbworkplacepensions.co.uk

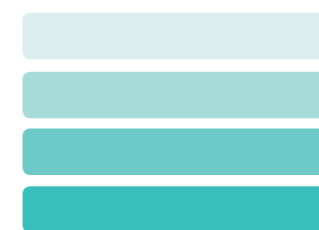
Moving your Staging Date

You can bring your staging date forward if you wish to align it with a more appropriate point in your financial year, start your contributions early and potentially improve pension outcomes for your employees.

For more information about moving your staging date, please visit The Pensions Regulator website at: www.thepensionsregulator.gov.uk



Why do it now?



CAPACITY

From January 2016, over 1.8 million firms will need to comply, reaching a peak of 120,000 businesses staging per month in 2017, when the pensions industry will be at full capacity and getting help could be difficult. Planning ahead and setting up your scheme now could be a wise choice.



TIME TO PREPARE

Although it's possible to set up your scheme quicker, The Pensions Regulator advises that you should begin your auto enrolment journey 12 months before your staging date, so you have time to plan properly and ensure that you're fully compliant in time.



AVOID FINES

The Pensions Regulator is getting tougher on firms who do not adhere to the auto enrolment law. An escalating penalty can be charged daily. For a business employing between 5 and 49 employees, this will be £500 per day, so ensure you're fully compliant by your staging date.



WHO DOES IT AFFECT?

Categories of Workers



Eligible employees must be automatically enrolled. As their employer, you must also contribute to their pension pot on their behalf. The employee can 'opt out' but you cannot opt out for them.

Non Eligible employees must be offered access and can request to join the scheme. If they choose to join, you must contribute to their pension pot on their behalf.

Entitled Workers must also be offered access to, and may ask to join a company pension scheme but you do not need to contribute on their behalf.

You will have automatic enrolment duties if you employ anyone classed as a 'worker'.

This is any individual who:

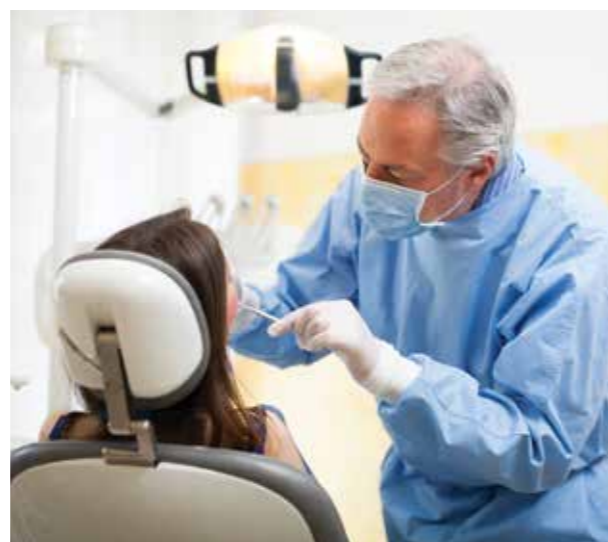
- Works under a contract of employment (ie: an employee)
- Has a contract to perform work or services personally and is not undertaking the work as part of their own business.

Opting Out

Employees can only 'opt out' once they have been automatically enrolled. The employer CANNOT opt them out, but must provide the employee with the information they need to opt out. Employers have no right to opt out of their duties.

All employees will need to be assessed and categorised, dependent upon their age and salary as per the table opposite.

NOTE - If you are a sole trader, or proprietor without any employees, you do not need to set up a Workplace Pension scheme.



Age	< £5,824* (<£485 per month)	£5,824 - £10,000* (£485 - £833 per month)	> £10,000* (>£833 per month)
16 - 21	Entitled Worker	Non-eligible Jobholder	Non-eligible Jobholder
22 - SPA**	Entitled Worker	Non-eligible Jobholder	Eligible Jobholder
SPA** - 75	Entitled Worker	Non-eligible Jobholder	Non-eligible Jobholder

* 2015/16 tax year figures ** SPA – State Pension Age

HOW MUCH DO I CONTRIBUTE?

Once enrolled into the pension scheme, both you and your employees can contribute towards their pension. The new employer duties mean that you will need to make a minimum level of contribution defined in the legislation.

Qualifying Earnings

Most employers will use qualifying earnings as the basis for contributions. This means that contributions only apply to earnings above £5,824 and below £42,385*. This means that the first £5,824 of a person's wage is not subject to a pension calculation.

Qualifying Earnings includes an employee's basic salary, bonus, overtime and commission, as well as statutory sick, maternity, paternity and adoption pay. However, any benefits in kind/P11D benefits do not need to be included (eg. Car/fuel allowance, gratuities etc.)

* 2015/16 tax year figures



To help employers and employees deal with the costs of auto enrolment, minimum contribution rates are being increased gradually over a number of years as shown in the following table:

Dates	Employer Contribution	Employee Contribution	Tax Relief	Total Contribution
Up to March 2018	1%	0.8%	0.2%	2%
April 2018 to March 2019	2%	2.4%	0.6%	5%
From April 2019	3%	4%	1%	8%

NOTE - Employers and employees may contribute more if they wish, but employers must always pay their minimum contributions

However, employers may choose to base contributions on their own defined earnings band, such as total earnings or basic pay only, although they must meet the minimum criteria set out by the auto enrolment regulations and will need to complete a certification of the chosen contribution basis, to be renewed every 18 months.

For more information on the different contribution basis, please download the Contribution Levels Guide from our website - www.fsbworkplacepensions.co.uk.

WHY CHOOSE FSB?

FSB WORKPLACE PENSIONS - PROVIDING A SIMPLE SOLUTION TO A COMPLEX PROBLEM



LOW FUND CHARGES

Total annual charge of 0.5%, well below the Government's maximum of 0.75% per annum.



HELP AND SUPPORT

FSB Workplace Pensions will provide you with call centre support right through to your staging date, helping you to comply.



NO CONTRIBUTION CHARGE

(100% Allocation)
There are no deductions from initial contributions so if you pay in £100, £100 is invested into your employees' pension fund.

A fully supported set up service at a sensible cost

The FSB Workplace Pension is exclusive to FSB Members and is specifically designed to help SME employers to put in place a Workplace Pension scheme for themselves and their employees that is fully compliant, competitive and quick to set up.

With the combined support of the FSB and the award winning WorkSave Pension Plan from Legal & General, one of the largest and most respected UK Pension Providers, you can put your trust and confidence in FSB Workplace Pensions to provide an Auto Enrolment solution that will not only help you meet your obligations, but also help and guide you through the process.

We take away the hassle of Auto Enrolment. We'll take you through every step of the process up to the submission of your Declaration of Compliance. By taking the advice out of the process, FSB Workplace Pensions are able to offer a fully supported service to you, guiding and helping you with all the key decisions you have to make, all at a sensible one-off set up cost.

To set up your scheme, all you have to do is book an initial telephone appointment via our dedicated FSB Workplace Pensions website at a time that's convenient to you, and one of our fully trained Auto Enrolment experts will call and take you through the application process. We will tell you what information you will need, and answer any questions you may have about the scheme and set up process.

That's it – there's no paperwork for you to complete, no need to talk to advisers and everything is done for you to set up your scheme with one simple phone call!

Once your scheme is set up, we'll provide you with access to information, guides and templates via our dedicated online employer portal. Finally, we'll assist you with the completion and submission of your Declaration of Compliance to The Pensions Regulator.

Our Charges

To set up the scheme, there is just one single charge for employers. From just £399(+VAT) we'll help you set up your pension scheme and support you with everything you need to do up to your staging date.

Our pricing structure is detailed in the table below:

No. of Employees	Set Up Charge*
1 - 10	£399.00
11 - 20	£499.00
21 - 30	£599.00
31 - 40	£699.00
41 - 50	£799.00
51 - 100	£999.00

* - + VAT

Not a member – Not a problem

Don't worry, you can join the FSB and not only benefit from the pension scheme, but also receive a wide range of additional benefits of being a member of the UK's largest small business organisation. You can join the FSB online by visiting - www.fsb.org.uk.

For more information about the FSB Workplace Pension, visit our website at:

www.fsbworkplacepensions.co.uk

WHAT ARE THE KEY FEATURES OF THE SCHEME?

The FSB Workplace Pension offers a range of features and benefits for both employers and employees, including:

- A simple, one-off set up charge that covers everything you need to do to set up your scheme
- Full support and guidance from FSB Workplace Pensions all the way up to your staging date
- A total annual charge of 0.5% on your employee's pension pot (when invested in the default fund), with no ongoing employer charges
- A cost effective default investment fund, or a wide range of alternative investment options
- The ability to transfer pensions in and out if employees change jobs
- A full range of flexible retirement options
- Free online access to scheme information, administration and education tools for both employers and employees
- Scheme provided by Legal & General, one of the largest UK providers of workplace benefits

Low Fund Charges

There is only one, low charge for the FSB Workplace Pension. This is charged on your employee's pension pot at a total of 0.5% when invested in the default fund (well below the Government's maximum of 0.75% pa). In the table opposite, you can see how this charge is broken down:

Default Investment Fund

When you invest in a pension, your money buys units in one or more funds. These funds pool money together from other investors and a fund manager uses this money to invest in a number of different investments.

Every workplace pension scheme has to have a default investment fund. The FSB Workplace Pension utilises the Legal & General (PMC) Multi-Asset Fund 3 as its chosen default fund. All employees will initially be invested into this fund, but can choose alternative funds once enrolled into the scheme.

Default Retirement Age

The FSB Workplace Pension has set the default retirement age as 65. However, benefits can be taken earlier or later as required, subject to pension legislation.

Free Access to 'Manage Your Scheme' – for Employers

This is a secure site that allows you to take control of your company's pension scheme online.

The site has been designed to help employers through auto-enrolment both before and after their staging date. There are useful and supportive guides to the online services. There is also an employee education section.

'Manage Your Scheme' gives you:

- **Ownership;** You can keep an eye on how your company pension scheme is maintained
- **Convenience;** View your details at a time that's convenient to you
- **Flexibility;** You can monitor your scheme and adapt it to suit your company's needs
- **Education;** Guidance on how to educate your employees on pensions to keep them informed

It also includes WorkSave Select for those employers whose payroll systems does not do the assessment of the workforce. WorkSave Select assesses the employee information and provides you with details of who is eligible for auto enrolment and who isn't.

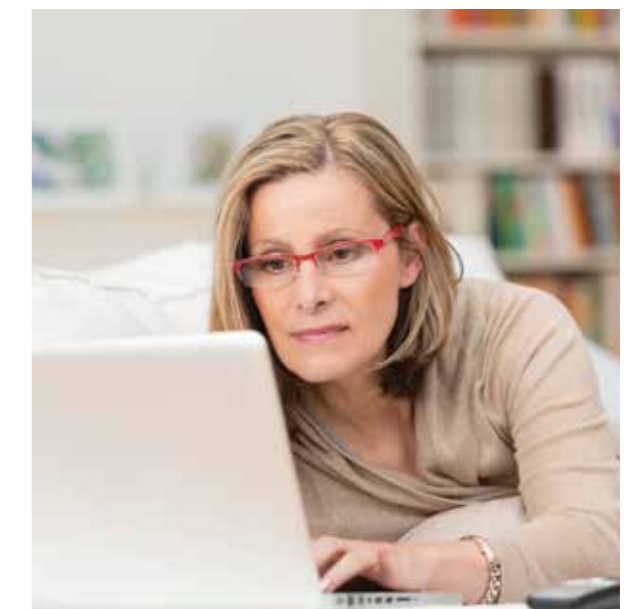
It will also highlight those employees who may need to be assessed again. For example, you may have to re-assess any employees who recently received a one-off bonus payment.

WorkSave Select takes the hassle of eligibility assessment away, allowing you to fulfil your Auto Enrolment obligations whilst remaining focused on the needs of your business.

Free Access to 'Manage Your Account' - for Employees

Each employee will be given access to WorkSave Choice which allows them to:

- Monitor their pension or savings 7 days a week
- Monitor transactions and contributions
- Obtain past and present benefits statements quickly and easily
- Explore alternative investment funds and find out which funds or lifestyle profile suits you best
- Watch funds and keep an eye on their performance
- Update their personal details without having to contact L&G directly
- Transfer other pension funds (in or out)
- Details of the options available at retirement
- It also has helpful tutorials



Standard Employee Charges	%	Regular or one - off charge
Annual Management Charge (AMC)	0.37%	Regular – Calculated daily and taken from your employee's pension pot each month
Fund Management Charge (FMC)	0.13%	Regular – Calculated on each working day and deducted by adjusting the unit price
Total percentage of employee's pot taken as a charge		0.5%

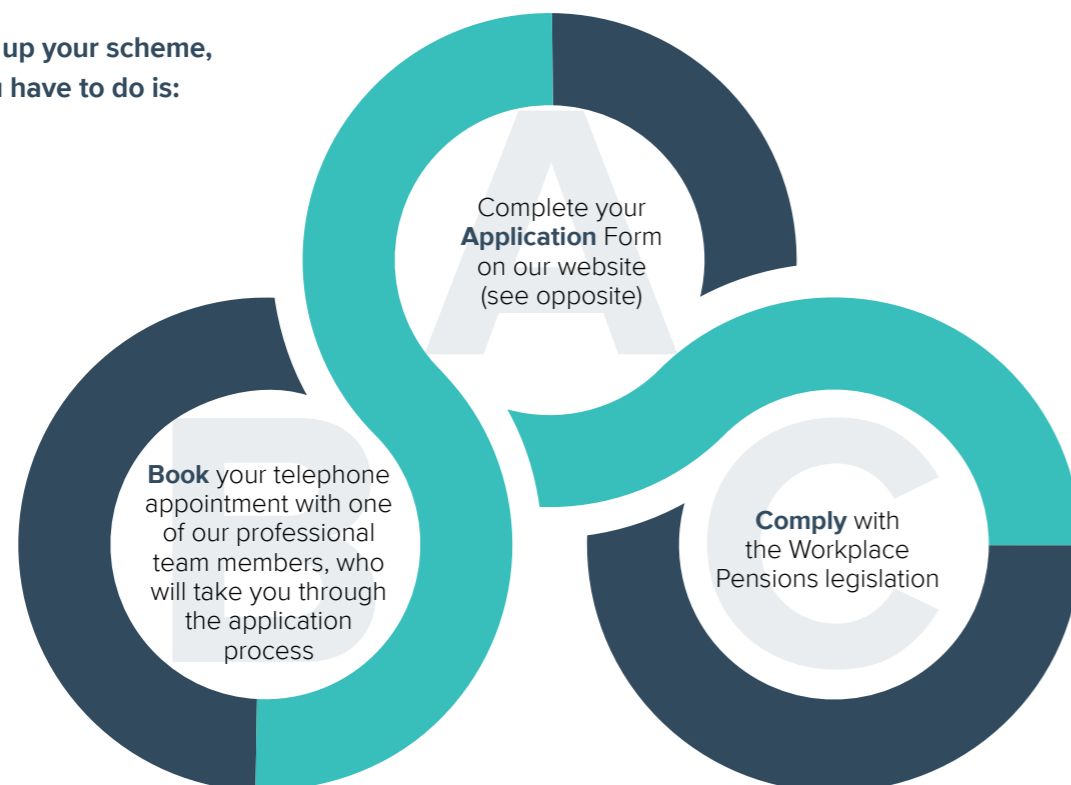
Please note that these charges may change over time.

WHERE DO I GET STARTED?

It's as easy as ABC to set up your FSB Workplace Pension

Setting up your FSB Workplace Pension is quick and easy, and we'll take you through every step of the process up to your staging date to ensure you get everything you need for your business and employees.

To set up your scheme, all you have to do is:



That's it – there's no paperwork for you to complete, no need to talk with advisers and everything is done for you to set up your scheme within one simple phone call.

We provide all the documentation, guides and information needed to implement your scheme, and we will also liaise with Legal & General on your behalf, right up to your staging date.

Once your scheme is set up, we'll provide you with access to information, guides and templates via our dedicated online employer portal. Finally, we'll assist you with the completion and submission of your Declaration of Compliance to The Pensions Regulator.

Should you have any further questions, or need to discuss your application, our dedicated helpline, email service and website are always available to you.

Checklist

Use our checklist to keep track of your progress and what you need to do to complete the process of setting up your FSB Workplace Pension.

✓ Before Staging Date

- Find out your Staging Date:

- Nominate a point of contact, and advise The Pensions Regulator:

- Check your payroll capabilities and processes for automatic enrolment
- Visit our website, complete the simple application form and book your telephone appointment:

✓ At Staging Date

- Assess and enrol your employees
- Write to your employees – if using postponement send appropriate letters otherwise send appropriate jobholder notification
- Within five months after Staging Date complete your Declaration of Compliance on the Pensions Regulator's website

✓ Ongoing Responsibilities

- Pay regular contributions
- Keep records
- Monitor & assess the ages and earnings of employees, notifying and enrolling any that become eligible.
- Process / Manage any opt-outs

Begin your application today and take your Auto Enrolment headache away.

Call: 0808 1001613
Visit: www.fsbworkplacepensions.co.uk



Workplace Pensions

in association with IFS Employee Benefits LLP



About Legal & General

Our auto enrolment pension plan is provided by Legal & General - one of the UK's leading financial services companies, managing around £700 billion including derivatives and advisory assets, on behalf of investors, policyholders and shareholders. In the UK, Legal & General provides pensions, life assurance, investments and general insurance plans for over nine million customers.

Their products offer a blend of simplicity, choice, performance, peace of mind and value for money.

Here's some of their recent awards:

- **Auto Enrolment Provider of the Year** – Pension & Investment Provider Awards 2013 and 2014
- **Best Pension Scheme Governance** – Financial News Excellence Awards 2014
- **Workplace Savings Provider of the Year** – Workplace Savings & Benefits Awards 2013
- **Group Pension Winner** – Gold Standard Awards 2013 and 2014

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FSB Workplace Pensions is a trading style of IFS Employee Benefits LLP, who provide administrative support to enable access to the scheme, will provide sufficient information to enable employers (who are FSB members) to make an informed decision as to the suitability of this contract. If after reading this information, the employer is still unsure as to whether this contract meets their requirements, please call FSB Workplace Pensions on 0808 100 1613.

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