



**According to the English proverb: “time and tide wait for no man”. It seems however that auto-enrolment may be the exception. In November 2011 the Department for Work and Pensions announced that the timetable for the implementation of automatic enrolment would be adjusted to allow small businesses extra time to prepare for the new regime.**

The DWP has now published a statement setting out a revised timetable. The changes will mainly affect when medium-sized and smaller businesses become subject to auto-enrolment duties, as the staging dates of larger employers currently falling on or before 1 February 2014 will remain unchanged.

It is proposed that businesses employing between 50 and 249 people will now be allocated staging dates between 1 April 2014 and 1 April 2015, resulting in an extension of up to nine months for some employers. Smaller employers’ auto-enrolment staging dates will now fall between 1 June 2015 and 1 April 2017, with later staging dates to be applied to new employers.

### “Phasing-in” of DC contributions

Legislation currently provides for a transitional period over which minimum contributions to DC pension arrangements are to be gradually phased-in, to help employers and employees adjust to the increased costs associated with auto-enrolment. The proposed timetable changes mean that the increase in minimum employer pension contributions from 1% to 2% of banded earnings will be delayed by a year to 1 October 2017. Minimum employer contributions will increase further to 3% from 1 October 2018. It is expected that these changes will apply to all employers, regardless of their staging date, which may come as good news for some employers. Employee contribution rates are also likely to be affected by the delay to the phasing-in of minimum contributions.

### Developments

“Rome wasn’t built in a day” and, it seems, neither was the legislative regime around auto-enrolment. Although employers facing an early staging date are keen to have a settled picture, the legislation is still developing. The DWP has recently published amendments to the regulations that set out the detailed framework. A consultation is ongoing regarding the earnings thresholds for 2012/2013, and a further consultation is now promised regarding the proposed changes to staging dates. Is it a case of “a stitch in time saves nine” or “better late than never”? Either way, employers should be proactive in planning for the impact of auto-enrolment on their businesses.

### Further information

For a summary of auto-enrolment requirements please see our [updated factsheet](#). For details of Squire Sanders’ Fixed Price auto-enrolment audit service please [click here](#).

Please contact any of the partners listed or your usual contact in the pensions team for more information.

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