

Squire Sanders offers clients a fixed price audit service to guide them through the auto-enrolment labyrinth.



Why do employers need to be concerned?

The 2012 pension reforms are another step towards compulsory occupational pension provision and will significantly increase the burden on employers. Failure to comply can result in a fine of up to £10,000 for each day in breach and, in extreme cases, criminal penalties.

There has been much written about the reforms, highlighting the requirements in terms of auto-enrolment and employer contributions*. However, we are now reaching the point where advisers need to supplement information with recommendations and UK employers need to start developing an action plan.

Although the new duties are being phased in (through a series of staging dates) from October 2012, the various elements of compliance demand a lengthy lead-in time.

What will employers need to do?

The new duties will require action by all employers to a greater or lesser degree. Even employers who currently operate auto-enrolment will need to ensure that their current arrangements meet the new legal requirements and implement a system of re-enrolment.

The process for most will be along the following lines:

- Analyse the workforce to determine what duty is owed to each employee.
- Review existing pension provision and current contractual commitments by reference to the new requirements.
- Assess the potential cost of compliance and how it is going to be financed.
- Make a strategic decision about re-shaping employee remuneration packages.
- Implement new pension arrangements, consulting and communicating with all stakeholders as necessary.
- Ensure that HR, payroll and administrative systems are able to handle the revised procedures.

How can we help?

The combined expertise of our pensions, employment, taxation and benefits teams (utilising our in-house HR consultancy and working with selected external partners) enables us to guide you through all aspects of compliance with the new requirements and project manage the process for you. We offer an initial fixed price audit service to assess your current position* and, based upon your stated objectives, to recommend the most appropriate way forward. Once strategic decisions have been made, we can guide you through the implementation process to ensure the statutory deadlines are met and your workforce understand and value the new benefit provision.

If you are interested in our fixed price audit service or would like to discuss this issue generally, please contact one of our auto-enrolment specialists listed below or your usual Squire Sanders contact.

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* See our separate factsheet on employer pensions duties and our information request list.

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations nor should they be considered a substitute for taking legal advice.

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