

# FAQs:

## Automatic enrolment and the Coronavirus Job Retention Scheme



LUCAS FETTES

The regulator has confirmed that there are no changes to automatic enrolment regulations. This includes re-enrolment and declarations of compliance. Although it may seem like it's just one more piece of administration, it's important not to forget to submit your declaration of compliance to the Pensions Regulator as failure to do so can trigger automatic fines.

### **Do I need to auto-enrol furloughed workers?**

As furloughed workers are still on your payroll you need to assess them for automatic enrolment each pay period, and auto enrol them if eligible.

### **How do I assess them?**

Your assessment should be based on the pay received in the pay period, even if this is less than 100% of full pay.

### **Do I need to pay pension contributions for leavers I have rehired and placed on furlough?**

Employers who have taken back employees who resigned or were made redundant after 28 February assume responsibility for them in the same way as any other employee.

- If the employee was re-hired under a new contract they should be treated as a new joiner. Automatic enrolment can be postponed for up to 3 months, but employees need to be given a postponement notice.
- If existing contracts remain in force, e.g. a resignation letter is treated as not having been received, pension contributions will still be payable under that contract unless the contract is amended.

### **Can I give furloughed workers more time to opt out?**

No, there has been no change to the opt out period or communication requirements around automatic enrolment.

### **I have furloughed employees who have chosen to stop contributions, can I re-enrol them at my re-enrolment date later this year?**

As these employees will have stopped contributing within 12 months of your re-enrolment date you don't have to re-enrol them but can choose to if you wish.

### **I have furloughed employees who have chosen to stop contributions, what can I do to re-enrol them other than at my re-enrolment date?**

Employees can request to be re-enrolled at any time, this could be at the point they ask to stop contributing (i.e. they request a contribution holiday) or at a later date (they make an opt-in request). There's nothing to prevent you sending an opt-in communication to these employees once you think their finances might be back to normal.

## What salary do I use to assess workers for re-enrolment?

You should use the wages they're paid in the pay period your re-enrolment date falls within. This includes the pay for furloughed workers, which might be less than usual.

### Contact us

If you would like further information or assistance, please do not hesitate to contact your Lucas Fettes Financial Planning adviser, call us on 01603 706 820 or email [info@lffp.co.uk](mailto:info@lffp.co.uk).

[www.lffinancialplanning.co.uk](http://www.lffinancialplanning.co.uk)

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