

NHS PENSION SCHEMES 2016/09

WHO SHOULD READ: All HR and Payroll Managers
Pension administration staff
Staff who submit data to SPPA

ACTION: To read and circulate as appropriate

SUBJECT: Automatic Re-Enrolment

The purpose of this circular is to advise employers about changes to data submission following the implementation of Automatic Re-Enrolment

In 2013, Automatic Enrolment (AE) was introduced and is the core employer duty of work based pensions reform.

Just as with AE, it is the employer's responsibility to re-enrol all eligible jobholders into a pension scheme on the third anniversary of the employers' Compliance Date. This process is known as automatic re-enrolment (ARE). The qualifying scheme for employees in the NHS remains the same - NHS Pension Scheme (Scotland) (NHSPS(S)).

Most employers will reach their re-enrolment date in 2016, which means that all eligible employees will be automatically re-enrolled at that point. The Pensions Regulator will have issued you with written confirmation of your declaration of compliance. Please advise SPPA of your re-enrolment and compliance date, to enable us to prepare for the increase in workloads by emailing sppaservice@gov.scot. Please note that postponement is not permitted with ARE.

Re-enrolment procedure

Although re-enrolment requires automatic inclusion into a pension scheme for all eligible jobholders, employers can **choose** whether to automatically re-enrol any eligible jobholder who:

- opted out or ceased active membership of a qualifying scheme at their own request within the 12 months before the ARE date
- has given in their notice to end their employment (resignation or retirement) or been given notice of dismissal by the employer
- has Primary, Enhanced or Fixed Protection from tax charges on their pension savings.

If you choose not to re-enrol an eligible jobholder as per above, you have no further duties until the next cyclical ARE, unless you receive an opt-in notice from the employee.

Data requirements for ARE

All data must be submitted via the new Employer Data Management (EDM) portal

NB: NHS Health Boards should continue to submit data in the existing format via ATOS Origin

- a starter (NSR01) will be required for all employees being automatically re-enrolled. You must ensure that a starter (NSR01) is submitted prior to forwarding opt out forms, otherwise we will not have the correct information to process the opt out forms.
- a leaver (NSR02) will be required for all employees who opt out or cease active membership in one or more contracts.
- If the employee opts out within the opt out period we do not require an opt out form unless the following applies:

If any of your employees join the scheme between 1 January and 31 March, and opts out on or after 1 April but within the 3 month period, the employer must submit an annual return (NSR03) for that year to 31 March. Then they should send an NSR02 leaver with the figures from 1 April to the date of leaving. SPPA will refund the contributions paid during the 3 month opt out period to the member. This simplifies the data requirements and administration process. For these cases we also require the opt out form showing the refund/bank account information.

Please note: As per the Pensions Regulator guidance you must keep a record of each opt out form you receive.

Opting out of the scheme

Following ARE, if an employee wishes to opt out of the scheme, they can do so by completing an opt out form which is available on our website at www.sppa.gov.uk.

There are two types of opting out of the scheme -

- opting out (within the 3 month opt out period) If the member opts out within the opt out period they are treated as having never been a member of the scheme, and the employer is required to refund the contributions back to the employee, except where the opt out period transcends the financial year end i.e. 31 March, then the SPPA will refund the member.
- ceasing active membership (members opting out after the opt out period, leaving the scheme or leaving service)_ - the service accrued will be deferred until the member wishes to either re-join the scheme in the future, transfer out to another pension arrangement, take their retirement benefits, or apply for a refund of contributions if they have less than 2 years qualifying service.

The opt out form can be used for either situation and should be completed and signed by the employee. This should be forwarded to their HR/Payroll department who will take the necessary action to record the opt out and to stop the deduction of superannuation contributions.

For employees who have more than one employer, they should complete an opt out form for each employment they wish to opt out of. However, if an employee has multiple



contracts with **the same employer** and chooses to opt out of one (or more) of these, a NSR02 leaver form will be required for each contract opted out. All data must be submitted via the EDM portal.

Useful Reference Numbers for employers

Pension Scheme Registry Number – 10034489

Pension Scheme Tax Reference (PSTR) – 00328859RC

Employer Pension Scheme reference (EPSR) – This is the unique employer code that you use when submitting data to us.

Detailed information regarding employer’s responsibilities under ARE can be found on the Pension Regulator or DWP websites.

Pam Brown
Director of Operations
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Contact information

Please contact sppaservice@gov.scot if you have any enquiries about this circular.

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