

Revised implementation proposals for workplace pension reform

March 2012

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Consultation arrangements

This consultation is aimed at employers, employee representatives and pension industry professionals, including scheme administrators, payroll administrators, accountants, payroll bureaux, Independent Financial Advisors and employee benefit consultants. Comments from workers and the general public are also welcome.

The document sets out our proposals for the staging arrangements for employers from 1 April 2014 and the phasing of contributions.

We invite contributions on these proposals.

This consultation applies to England, Wales and Scotland. It is anticipated that Northern Ireland will make a corresponding Order.

An accompanying impact assessment has also been published and is available in the libraries of both Houses of Parliament. Copies may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA, or from the DWP website:

<http://dwp.gov.uk/consultations/2012/wpr-rev-implementation.shtml>

Duration of the consultation

The consultation period begins on 23 March 2012 and runs until 4 May 2012.

This document is available on the Department's website at:

www.dwp.gov.uk/consultations/2012

Please send your response, preferably by e-mail to:

workplacepensionreform.consultation@dwp.gsi.gov.uk

Or by post to:

Paul Strickland

Department for Work and Pensions

Enabling Retirement Savings Programme

7th Floor

Caxton House

London SW1H 9NA

Please ensure your response reaches us by **4 May 2012**

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When responding, please state whether you are doing so as an individual or representing the views of an organisation. If you are responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Any queries about the subject matter of this consultation should be addressed to Paul Strickland at paul.strickland@dwp.gsi.gov.uk.

We have sent this consultation document to those people and organisations who have already expressed interest in this work. Please do share this document with, or tell us about, anyone you think will want to be involved in this consultation.

Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purpose of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information which is provided, or remove it completely. If you want the information in your response to the consultation to be kept confidential, you should explain why as part of your response, although we cannot guarantee to do this. We cannot guarantee confidentiality of electronic responses even if your IT system claims it automatically. If you want to find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact:

Central Freedom of Information Team

Department for Work and Pensions,

The Adelphi

1-11 John Adam Street,

London,

WC2N 6HT

Email: freedom-of-information-request@dwp.gsi.gov.uk

More information about the Freedom of Information Act can be found on the website of the Ministry of Justice, Freedom of Information pages.

Feedback on this consultation

We value your feedback on how well we consult. If you have any comments on the process of this consultation (as opposed to the issues raised) please contact our Consultation Coordinator:

Elias Koufou

Department for Work and Pensions' Consultation Coordinator:

Ground Floor, Caxton House

Tothill Street,

London,

SW1H 9NA

Phone: 020 7449 7439

Fax: 020 7449 5089

Email: Elias.Koufou@dwp.gsi.gov.uk

Please also make any suggestions as to how the process of consultation could be improved further.

If you have any requirements that we need to meet to enable you to comment, please let us know.

The responses to the consultation will be published in a report on the DWP website that will summarise the responses and the action that we will take as a result of them.

Introduction & Background

The Government announced on 28 November 2011 that employers with fewer than 50 workers will not be brought into automatic enrolment until the next Parliament. This means that the implementation profile for employers has been re-designed. The effects of this re-design are not restricted only to employers with fewer than 50 workers, as new staging dates have also been given to medium sized employers (50 to 249 workers in their PAYE scheme). The re-design also includes changes to the arrangements for phasing of minimum contributions. This proposal affects all employers.

Many employers are preparing for automatic enrolment and require certainty over the implementation schedule. The announcement, therefore, also included a statement that no employer with a staging date of 1 July 2013 or earlier would experience a change in their staging date.

The Government made a further announcement on 25 January about the high level timetable for automatic enrolment for those employers staged in from 1 August 2013 onwards. This consultation sets out our proposals in detail.

In July 2011, the Government consulted on changes to the Implementation regulations to ensure that automatic enrolment was compliant with the moratorium on regulation on micro businesses (those with fewer than 10 workers). These changes were superseded by the November announcement and, therefore, the Government did not proceed with those proposals.

The changes are set out in the draft Employers' Duties (Implementation) (Amendment) Regulations 2012.

Commentary on the draft Employers' Duties (Implementation) (Amendment) Regulations 2012

These Regulations amend the Employers' Duties (Implementation) Regulations 2010.

The Government announced on 28 November 2011 the decision to postpone the commencement of the employer duties for employers with fewer than 50 workers. As well as changing the staging dates for these employers, the revised timetable will impact on existing arrangements for staging in of the following other employers (who may have more than 50 workers):

- All employers with a current staging date of 1 April 2014 or later;
- The test tranche of small and micro employers, currently at March 2014;
- Employers with fewer than 50 workers who are part of a multiple employer PAYE scheme;
- Those employers whose PAYE schemes are artificially swollen by non-workers;
- New PAYE schemes created from 1 April 2012 to 31 March 2016;
- Employers of any other description (including those having no PAYE scheme);
- The first and second transitional periods (phasing of minimum contributions) for employers using money purchase and personal pension schemes; and
- The transitional period for employers using defined benefit and hybrid schemes.

Employers with a current staging date of 1 April 2014 or later

No employer with a staging date of 1 February 2014 or earlier will be affected by the new staging timetable for the implementation of automatic enrolment. This means that all employers with 250 or more workers in their PAYE scheme at 1 April 2012 will retain their planned implementation dates, and that no large employer will have to make changes to their implementation plans – which for many are well advanced.

In designing the remainder of the staging profile, we have had to balance the following requirements:

- Providing all employers with fewer than 50 workers in their PAYE scheme with a staging date from June 2015;

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- Getting individuals into pension saving as quickly as possible;
- Ensuring that the reforms are introduced smoothly, providing a predictable and gradual ramp up of employer and employee numbers to ensure that the volume of new employers beginning to automatically enrol their workers is manageable; and
- Ensuring that the Pension Regulator's test tranche for small and micro employers is timed to provide a period of six months in which to undertake full evaluation of the findings.

These requirements do not allow us to stage in all employers within the existing current time-frame, i.e. by 1 September 2016. We propose to address this by extending the staging period to February 2018, and narrowing the focus of the test tranche to employers with less than 30 workers in their PAYE scheme, rather than 50. Employers with 40 to 49 workers and 30 to 39 workers in their PAYE scheme will be re-distributed to August 2015 and October 2015 respectively in order to aid smoothing of volumes and operational capacity.

Under the proposed approach, the profile from March 2014 to May 2015 will contain only medium sized employers (50 to 249 workers in their PAYE scheme) and, therefore, be much lighter on employer volumes than with previous proposals. This also means that some medium sized employers will have a staging date around nine months later than originally proposed.

Overall, this new profile brings in 55 per cent of workers eligible for automatic enrolment in this Parliament, compared with 65 per cent under the previous arrangements.

This approach will also allow the Pensions Regulator (tPR) to concentrate on maximising compliance of large employers during the early stages of implementation. Medium sized employers will be staged in smaller numbers allowing pension providers and tPR to switch resources in the run up to June 2015 to focus on educating and supporting smaller employers. This approach supports successful implementation of the reforms for large, medium and small employers.

Test tranche for small employers

The test tranche, originally planned for March 2014 is now proposed for June 2015 and will test and evaluate the compliance levels of employers with fewer than 30 workers. The majority of employers with less than 30 workers will begin to be staged in from January 2016. This will provide the Regulator with a period of six months to adequately conduct their testing and evaluation activities following the test tranche.

Employers with fewer than 50 workers who are part of a multiple employer PAYE scheme

The Pensions Regulator cannot separately identify employers who are part of a multiple employer PAYE scheme. It is, therefore, unable to identify in advance any employer with fewer than 50 workers using such a scheme and contact them with their own individual staging date. This means that when an employer with 50 or more workers is staged in (from October 2012) on the basis of the size of their PAYE scheme, any employer with fewer than 50 workers using the same PAYE scheme will be staged in at the same time.

We have, therefore, inserted a definition for “small employer” which allows an employer with fewer than 50 workers, and who shares a staging date with a larger employer up to and including 1 April 2015, to calculate the size of their actual workforce using a full time equivalent formula. Where an employer determines that, on 1 April 2012, they are a ‘small employer’ because their workforce is fewer than 50 full time equivalent workers, they will not be required to contact the Pensions Regulator for a new staging date. Instead, they will be prescribed a new staging date between 1 August 2015 and 1 April 2017 as follows:

- Employers with current staging dates of 1 October 2012 and 1 November 2012 – move to 1 August 2015;
- Employers with current staging dates of 1 January 2013 and 1 February 2013 – move to 1 October 2015;
- Employers with current staging dates of 1 March 2013 and 1 April 2013 – move to 1 January 2016;
- Employers with current staging dates of 1 May 2013 and 1 June 2013 – move to 1 February 2016;
- Employers with current staging dates of 1 July 2013 and 1 August 2013 – move to 1 March 2016;
- Employers with current staging dates of 1 September 2013 and 1 October 2013 – move to 1 April 2016;
- Employers with current staging dates of 1 November 2013 and 1 January 2014 – move to 1 May 2016;
- Employers with current staging dates of 1 February 2014 and 1 April 2014 – move to 1 July 2016;
- Employers with current staging dates of 1 May 2014 and 1 July 2014 – move to 1 September 2016;

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- Employers with current staging dates of 1 August 2014 and 1 October 2014 – move to 1 November 2016;
- Employers with current staging dates of 1 November 2014 and 1 January 2015 – move to 1 February 2017;
- Employers with current staging dates of 1 March 2015 and 1 April 2015 – move to 1 April 2017.

Employers with fewer than 50 workers wishing to move their staging date forward will be able to make use of the early automatic enrolment provisions in the normal way.

Those employers whose PAYE schemes are artificially swollen by non-workers

Some PAYE schemes contain non-workers (for example, ex-employees who are paid a company pension through the payroll) who will be counted in the determination of the size of an employer's PAYE scheme. This is because the size of an employer's PAYE scheme is defined by the number of 'persons' within that scheme, rather than employees.

The amendments described above in respect of 'small employers' using multiple employer PAYE schemes will also benefit those employers with artificially swollen PAYE schemes who actually have fewer than 50 full time equivalent workers.

New PAYE schemes created from 1 April 2012 to 31 March 2016

Under current proposals, new PAYE schemes created from 1 April 2012 to 31 March 2016 have staging dates of 1 March 2016 to 1 September 2016. New PAYE schemes born from 1 April 2016 onwards have an immediate staging date where the employer is paying PAYE income in respect of any worker.

Under the new arrangements, new PAYE schemes created from 1 April 2012 up to and including 30 September 2017 will be assigned staging dates from 1 May 2017 to 1 February 2018. New PAYE schemes born from 1 October 2017 onwards will have an immediate staging date where the employer is paying PAYE income in respect of any worker.

Employers of any other description

The staging date of these employers, for example, those without a PAYE scheme, has been moved from 1 February 2016 to 1 April 2017. New employers without a PAYE scheme born after 1 April 2017 will have an immediate employer duty where they pay qualifying earnings to a worker.

The first and second transitional periods for employers using money purchase and personal pension schemes (phasing of minimum contributions)

The first transitional period, during which the minimum employer contribution is 1 per cent, for money purchase and personal pension schemes currently ends on 30 September 2016. In the amending regulations, we propose to extend this to 30 September 2017. We are proposing that the second transitional period, during which the minimum employer contribution is 2 per cent, should then, commence on 1 October 2017 and will finish on 30 September 2018, from when the minimum employer contribution will be 3 per cent.

This means that new employers with staging dates of 1 October 2017 to 1 February 2018 will be required to start paying employer contributions at 2 per cent out of the required total of 5 per cent from the outset. However, the employers affected will have at least one additional year in which they pay no contributions at all.

The transitional period for employers using defined benefit and hybrid schemes

We are proposing that the transitional period for defined benefit and hybrid schemes should be extended so that it finishes on 30 September 2017. This will provide parity with the first transitional period for money purchase and personal pension schemes.

Consultation questions

Consultation question one

Do you have any comments on the proposed changes to the staging profile contained in the table at regulation 4?

Consultation question two

Does the full time equivalent provision at regulation 1 create difficulties for employers with particular types of worker, for example, those on zero hour contracts?

Consultation question three

Do you have any comments on the proposals to extend, to September 2017, the first transitional period for defined contribution schemes and the transitional period for defined benefit schemes?

Draft Regulations

STATUTORY INSTRUMENTS

2012 No.

PENSIONS

**The Employers’ Duties (Implementation) (Amendment) Regulations
2012**

Made - - - - - ***
Laid before Parliament ***
Coming into force - - - [] 2012

The Secretary of State for Works and Pensions makes the following Regulations in exercise of the powers conferred by sections 12, 29(2), 30(8), 99 and 144 (2) and (4) of the Pensions Act 2008(1).

Citation and commencement

1. These Regulations may be cited as the Employers’ Duties (Implementation) (Amendment) Regulations 2012 and come into force on [] 2012.

Amendment of the Employers’ Duties (Implementation) Regulations 2010

- 2.—(1) The Employers’ Duties (Implementation) Regulations 2010(2) are amended as follows.
(2) In paragraph (2) of regulation 1 (citation, commencement and interpretation)—
(a) after the definition of “scheme administrator”, insert—
 ““small employer” means an employer who, on 1st April 2012—
(a) has fewer than 50 full time equivalent workers; and

(1) 2008 c. 30. Section 99 is cited for the meaning it gives to the words “prescribed” and “regulations”.
(2) S.I. 2010/4. This instrument was amended by S.I. 2012/215.

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- (b) is part of a PAYE scheme with 50 or more persons within that scheme;”;
- (b) for the definition of “staging date” substitute—
 - ““staging date” means the date prescribed in regulation 2(1) when the employers’ duties apply to employers.”.
- (3) After paragraph (2) insert—
 - “(3) For the purposes of the definition of “small employer”, the number of full time equivalent workers is calculated as follows—
 - TH/37.5
 where TH is the total number of hours per week for which all the workers are contracted to work.”.
- (4) In regulation 2 (application of the employers’ duties to employers)—
 - (a) for paragraph (1) substitute—
 - “(1) Except where an employer satisfies the condition for early automatic enrolment in regulation 3, the employers’ duties do not apply to employers described in the first column of the table in regulation 4 until—
 - (a) in the case of employers other than a small employer, the corresponding staging date prescribed in the final column of that table; or
 - (b) in the case of a small employer, the corresponding staging date prescribed in the final column of that table as modified by regulation 4A.”;
 - (b) in paragraph (6)(b), for the words “1st April 2016”, substitute “1st October 2017”;
 - (c) in paragraph (8)(a), for the words “1st April 2016” substitute “1st October 2017”; and
 - (d) after paragraph (8) insert—
 - “(9) This paragraph applies after 1st April 2017 in the case of an employer who does not have a PAYE scheme in respect of any worker.
 - (10) Where paragraph (9) applies and the employers’ duties do not already apply to that employer, the employers’ duties apply to that employer from the date on which qualifying earnings are payable to any worker.”.
- (5) In regulation 4 (staging of the employers’ duties)—
 - (a) in paragraph (2),
 - (i) omit the words “second column of the”; and
 - (ii) after the words “following table” insert “ or in regulation 4A”; and
 - (b) in the table, for the part of the table beginning with the entry that corresponds to the words “Less than 50 with the last 2 characters in their PAYE reference numbers 92, A1-A9, AA-AZ, B1-B9, BA-BY, M1-M9, MA-MZ, Z1-Z9, ZA-ZZ” and ending with the final entry in the table, substitute—

“160-249	1st March 2014	1st April 2014
90-159	1st April 2014	1st May 2014
62-89	1st June 2014	1st July 2014
61-61	1st July 2014	1st August 2014
60-60	1st September 2014	1st October 2014
59- 59	1st October 2014	1st November 2014
58-58	1st December 2014	1st January 2015
54-57	1st February 2015	1st March 2015
50-53	1st March 2015	1st April 2105
Less than 30 with the last 2 characters in their PAYE reference numbers 92, A1-A9, B1-B9, AA-AZ, BA-BW, M1-M9, MA-MZ, Z1-Z9, ZA-ZZ, 0A-0Z, 1A-1Z or 2A-2Z	1st May 2015	1st June 2015

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Less than 30 with the last 2 characters in their PAYE reference numbers BX	1st June 2015	1st July 2015
40 - 49	1st July 2015	1st August 2015
Less than 30 with the last 2 characters in their PAYE reference numbers BY	1st August 2015	1st September 2015
30-39	1st September 2015	1st October 2015
Less than 30 with the last 2 characters in their PAYE reference numbers BZ	1st October 2015	1st November 2015
Less than 30 with the last 2 characters in their PAYE reference numbers 02-04, C1-C9, D1-D9, CA-CZ, or DA-DZ	1st December 2015	1st January 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 00, 05-07, E1-E9 or EA-EZ	1st January 2016	1st February 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 01, 08-11, F1-F9, G1-G9, FA-FZ or GA-GZ	1st February 2016	1st March 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 12-16, 3A-3Z, H1-H9 or HA-HZ	1st March 2016	1st April 2016
Less than 30 with the last 2 characters in their PAYE reference numbers I1-I9 or IA-IZ	1st April 2016	1st May 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 17-22, 4A-4Z, J1-J9 or JA-JZ	1st May 2016	1st June 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 23-29, 5A-5Z, K1-K9 or KA-KZ	1st June 2016	1st July 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 30-37, 6A-6Z, L1-L9 or LA-LZ	1st July 2016	1st August 2016
Less than 30 with the last 2 characters in their PAYE reference numbers N1-N9 or NA-NZ	1st August 2016	1st September 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 38-46, 7A-7Z, O1-O9 or OA-OZ	1st September 2016	1st October 2016
Less than 30 with the last 2 characters in their PAYE reference numbers 47-57, 8A-	1st October 2016	1st November 2016

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8Z, Q1-Q9, R1-R9, S1-S9, T1-T9, QA-QZ, RA-RZ, SA-SZ or TA-TZ		
Less than 30 with the last 2 characters in their PAYE reference numbers 58-69, 9A-9Z, U1-U9, V1-V9, W1-W9, UA-UZ, VA-VZ or WA-WZ	1st December 2016	1st January 2017
Less than 30 with the last 2 characters in their PAYE reference numbers 70-83, X1-X9, Y1-Y9, XA-XZ, or YA-YZ	1st January 2017	1st February 2017
Less than 30 with the last 2 characters in their PAYE reference numbers P1-P9 or PA-PZ	1st February 2017	1st March 2017
Less than 30 with the last 2 characters in their PAYE reference numbers 84-91, 93-99	1st March 2017	1st April 2017
Less than 30 persons in the PAYE scheme unless otherwise described	1st March 2017	1st April 2017
Employer who does not have a PAYE scheme	1st March 2017	1st April 2017
New employer (PAYE income first payable between 1st April 2012 and 31st March 2013)	1st April 2017	1st May 2017
New employer (PAYE income first payable between 1st April 2013 and 31st March 2014)	1st June 2017	1st July 2017
New employer (PAYE income first payable between 1st April 2014 and 31st March 2015)	1st July 2017	1st August 2017
New employer (PAYE income first payable between 1st April 2015 and 31st December 2015)	1st September 2017	1st October 2017
New employer (PAYE income first payable between 1st January 2016 and 30th September 2016)	1st October 2017	1st November 2017
New employer (PAYE income first payable between 1st October 2016 and 30th June 2017)	1st December 2017	1st January 2018
New employer (PAYE income first payable between 1st July 2017 and 30th September 2017)	1st January 2018	1st February 2018”.

(6) After regulation 4 (staging of the employers’ duties) insert—

“**4A.**—(1) Where the employer is a small employer, the date in the final column of the table in regulation 4 is modified in accordance with paragraph (2).

(2) Where the staging date in the final column of the table to regulation 4 is in the period—

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- (a) beginning with 1st October 2012 and ending on 1st November 2012, the modified date is 1st August 2015;
- (b) beginning with 1st January 2013 and ending on 1st February 2013, the modified date is 1st October 2015;
- (c) beginning with 1st March 2013 and ending on 1st April 2013, the modified date is 1st January 2016;
- (d) beginning with 1st May 2013 and ending on 1st June 2013, the modified date is 1st February 2016;
- (e) beginning with 1st July 2013 and ending on 1st August 2013, the modified date is 1st March 2016;
- (f) beginning with 1st September 2013 and ending on 1st October 2013, the modified date is 1st April 2016;
- (g) beginning with 1st November 2013 and ending on 1st January 2014, the modified date is 1st May 2016;
- (h) beginning with 1st February 2014 and ending on 1st April 2014, the modified date is 1st July 2016;
- (i) beginning with 1st May 2014 and ending on 1st July 2014, the modified date is 1st September 2016;
- (j) beginning with 1st August 2014 and ending on 1st October 2014, the modified date is 1st November 2016;
- (k) beginning with 1st November 2014 and ending on 1st January 2015, the modified date is 1st February 2017; or
- (l) beginning with 1st March 2015 and ending on 1st April 2015, the modified date is 1st April 2017.”.

(7) In regulation 5(3) (transitional periods for money purchase and personal pension schemes) for the words “four years and four months” substitute “five years and three months”.

(8) In regulation 6(4) (transitional period for defined benefits and hybrid schemes) for the words “four years and four months” substitute “five years and three months”.

Signed by authority of the Secretary of State for Work and Pensions

Name
Date

Minister of State,
Department for Work and Pensions

(3) Regulation 5 was amended by S.I. 2012/215.
(4) Regulation 6 was amended by S.I. 2012/215.

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Employers' Duties (Implementation) Regulations 2010 (S.I. 2010/4), which were amended by the Automatic Enrolment (Miscellaneous Amendments) Regulations 2012 (S.I. 2012/215).

Regulation 2 contains the amendments. Paragraph 2 of this regulation amends regulation 1 to add a definition of small employer. Paragraph 3 substitutes a new definition of "staging date". Paragraph 4 makes amendments with regard to the staging date in regulation 2. Paragraph 5 amends regulation 4 to apply the meaning of non working day to new regulation 4A. It also amends the table of staging dates in regulation 4 to extend the period over which the employers' duties apply to employers with fewer than 250 persons in their PAYE scheme. Paragraph 6 introduces a new staging date for certain small employers who will now be staged in between 1st August 2015 and 1st April 2017. Paragraph 7 further amends the length of the transitional periods in regulation 5. During the transitional period, the employer is able to phase in the rate at which contributions are payable by paying contributions at a lower rate until the end of the transition period. Paragraph 8 amends regulation 6 to extend the length of the transitional period for defined benefit and hybrid scheme. Where this regulation applies, the employer is not required to make arrangements for jobholders to become active members of an automatic enrolment scheme until the end of this period.

An assessment of the impact of this legislation on the private sector and civil society organisations has been made. A copy of this impact assessment is available in the libraries of both Houses of Parliament, and is annexed to the Explanatory Memorandum which is available alongside the instrument on www.legislation.gov.uk. Copies may also be obtained from the Better Regulation Unit of the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA, or from the DWP website: <http://www.dwp.gov.uk/resourcecentre/ria.asp>.

Commentary on regulation changes

Regulation 1 sets out the citation and commencement and of the Employers' Duties (Implementation) (Amendment) Regulations 2012.

Regulation 2(1) introduces the amendments to be made to the Employers' Duties (Implementation) Regulations 2010.

Regulation 2(2)(a) inserts a definition of the term "small employer";

Regulation 2(2)(b) substitutes a new definition of "staging date";

Regulation 2(3) inserts a formula for the calculation of full time equivalent employees, applicable in the case of small employers.

Regulation 2(4)(a) amends regulation 2(1) by substituting a new paragraph (1) which provides the new definition of 'staging date'.

New sub-paragraph (1)(a) of the amended regulation 2 provides for the existing staging date arrangements for employers other than small employers who are, therefore, not affected by these changes.

New sub-paragraph (1)(b) of the amended regulation 2 provides the staging dates for small employers.

Regulation 2(4)(b) amends regulation 2(6)(b) by substituting "1 October 2017" for "1 April 2016".

Regulation 2(4)(c) amends regulation 2(8)(a) by substituting "1 October 2017" for "1 April 2016".

Regulation 2(4)(d) inserts new paragraphs (9) and (10) into regulation 2 which prescribe that the employer duties apply to a new employer without a PAYE scheme from the date on which qualifying earnings are payable to any worker of that employer.

Regulation 2(5)(a)(i) amends regulation 4(2) to ensure that the provision for treating a date in the table which is not a working day as the next working day applies to all dates in the table.

Regulation 2(5)(a)(ii) ensures that the amendment at Regulation 2(4)(a)(i) above also applies to the dates in regulation 4A.

Regulation 2(5)(b) amends the table in regulation 4 (Staging of the employers' duties) to provide all small employers with a staging date in the next Parliament (from 1 June 2015 at the earliest). It also moves the test tranche and the staging dates of medium sized employers in order to accommodate this change.

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Regulation 2(6) inserts new regulation 4A which prescribes the staging dates for small employers.

Regulation 2(7) amends regulation 5 to adjust the length of the first transitional period for money purchase and personal pension schemes so that it ends 30 September 2017.

Regulation 2(8) amends regulation 6 to adjust the length of the first transitional period for defined benefits and hybrid schemes so that it ends 30 September 2017.

Annex A – List of organisations consulted

Adecco

Aegon

Age Concern

Allen & Overy LLP

Aon Consulting UK

Arc Benefits Limited

Association of British Insurers

Association of Chartered Certified Accountants

Association of Consulting Actuaries

Association of Corporate Trustees

Association of Independent Financial Advisors

Association of Members-Directed Pension Schemes

Association of Pension Lawyers

Aviva

Barclays Bank

Bluefin

British Broadcasting Company

British Chambers of Commerce

Building and Civil Engineering Benefits Scheme

Buck Consultants Ltd

Business and Sports Leisure

Capital Hartshead

Chamber of Shipping

Chartered Institute of Personnel Development

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Clarks International

Confederation of British Industry

Department of Business Innovation and Skills

Department for Energy and Climate Change

Department for Social Development Northern Ireland

Department for Transport

Engineering Employers Federation

Evershed LLP

Federation of Small Businesses

Fidelity

First Actuarial

Financial Services Authority

Foreign and Commonwealth Office

Friends Provident

Gissings Consultancy Services

GMB

Hamish Wilson

Help the Aged

Hewitt Associates Limited

HM Revenue & Customs

HM Treasury

Hyman Robertson

Institute of Chartered Accountants in England and Wales

Institute of Chartered Accountants of Scotland

Institute of Directors

Investment and Life Assurance Group

Revised implementation proposals for workplace pension reform

Investment Managers Association

Law Debenture

Law Society of England and Wales

Law Society of Scotland

Legal & General

Lloyds Group

Local Government Employers

Logica

Lovells LLP

Marks and Spencers plc

Mayer Brown International

Mercer Limited

Ministry of Justice

Navy, Army and Air Force Institutes

National Association of Pension Funds

National Farmers Union

National Union of Rail, Maritime and Transport Workers

Nautilus

National Employment Savings Trust

Northern Rock plc

Office of Fair Trading

Office to the Solicitor to the Advocate General

Offshore Contractors Association

Pension Protection Fund

Pensions Management Institute

Pensions Ombudsman

Revised implementation proposals for workplace pension reform

Pensions Policy Institute

PriceWaterhouseCoopers LLP

Professional Contractors Group

Prudential

Punter Southall

Recruitment and Employment Confederation

Resolution

Royal Opera House

Sainsbury

Saul Trustee Company

Scottish Police Services Authority

Scottish Public Pension Agency

Scottish Office

Society of Pension Consultants

Standard Life

Tax Incentivised Savings Association

Tesco

The Actuarial Profession

The Co-operative Group

The Institute of Payroll Professionals

The Pensions Advisory Service

The Pensions Regulator

The Scottish Government

The Society of Pension Consultants

The Welsh Assembly Government

Towers Watson

Revised implementation proposals for workplace pension reform

Trades Union Congress

Wales Office

Whitbread Group

Which?

Zurich

Annex B – Glossary of terms

Automatic enrolment Employers will be required to make arrangements by which eligible jobholders become active members of an automatic enrolment scheme with effect from the automatic enrolment date.

Defined benefit scheme An occupational pension scheme under which all of the benefits that may be provided accrue at a defined rate and total benefits can be calculated in advance of drawdown.

Defined contribution scheme Occupational or personal pension schemes where contributions made into the scheme are invested into one or more investment funds.

Employers Employer in relation to a worker, means the person by whom the worker is employed (see full definition in section 88 of Pensions Act 2008).

Hybrid schemes An occupational pension scheme that is not purely defined benefit or purely defined contribution.

Implementation Implementation refers to staging and the transitional arrangements following the launch of automatic enrolment, to help employers and the delivery authorities to adjust gradually to the new reforms.

Pay As You Earn (PAYE) is a tax collection system operated by employers who calculate and report deductions from earnings above a PAYE personal allowance threshold using tax codes and rules provided by HMRC.

The Pensions Regulator (TPR) UK regulator of work-based pension schemes.

Phasing The gradual introduction of employer contribution costs. Phasing contributions is not appropriate for defined benefit schemes, which must comply with minimum funding requirements at all times.

Staging The employer duty will be implemented in stages over a period rather than from a single launch date.

Staging date The date on which a particular group of employers will be brought under the new duties during the implementation period.

Test tranche The staging date used by the Pensions Regulator to assess the likely compliance of employers with fewer than 30 workers in advance of their true staging dates.

Transitional period: Defined Benefit schemes The period in which defined benefit schemes (and hybrid schemes) are exempt from automatically enrolling existing workers for a period prescribed in regulations

Transitional period: Defined Contribution schemes See phasing.

Worker An individual who has entered into work under a contract of employment or any other contract by which the individual undertakes to do work or perform services personally for another party to the contract.