



Overview of Automatic Enrolment

The Main Aim of this unit:

The aim of this Unit is to provide occupational pension scheme administrators with an understanding of how and why the Government decided that a national form of savings was needed for those with low to medium earnings to encourage them to save for their retirement.

The unit covers how Automatic Enrolment is implemented and who is involved in the running of it. In addition, the Unit covers the Auto Enrolment duties of employers and the processes which need to be in place before an employer has to start deducting contributions from jobholders.

The learner will need to know and understand:

Background and History of Automatic Enrolment

- Know the background to Auto-Enrolment and why it was introduced.
- Vehicles that can be used to achieve Automatic Enrolment.

Overview of Auto enrolment

- Criteria for Automatic Enrolment
- Employer Staging Dates
- The implementation process for Automatic Enrolment for:
 - Defined Contribution Schemes
 - Defined Benefit Schemes including Career Average Revalued Earnings pension schemes
 - Hybrid Schemes
 - Cash Balance Schemes
- The process for Automatic Enrolment for employers and employees.
 - Active membership
 - Members Opting Out of the auto enrolment process
 - Qualifying and non qualifying Jobholders and Opting In to the auto enrolment process
 - Existing members or Qualifying schemes
 - Employers Postponement of automatic enrolment

Overview of a Qualifying Workplace scheme requirements

- The meaning of and the criteria required for an occupational pension scheme to become a Qualifying Workplace Scheme:
 - Defined Contribution schemes
 - Defined Benefit Schemes including Career Average Revalued Earnings pension schemes
 - Hybrid Schemes
 - Cash Balance Schemes
 - The different requirements for a Salary Sacrifice scheme
- The Reference Scheme Test and the Test Scheme Standard
- Contributions and contribution phasing within the transitional periods
- Investments and default investment option availability for members

The organisations and their involvement in Automatic Enrolment

- Department for Work and Pensions
- The Pensions Regulator

The Learning Outcomes for this unit:

On successful completion of this unit learners will:

1. Know the Background to Automatic Enrolment.
2. Know the basic requirements to be a Qualifying Workplace Scheme and the impact of the prescribed Quality Tests for the occupational scheme structures:
 - 2(a) Defined Contributions
 - 2(b) Defined Benefits
 - 2(c) Career Average Revalued Earnings schemes
3. Understand the major criteria regarding Auto Enrolment for employers.
4. Understand the prescribed process for an employer when an eligible jobholder wishes to opt out of Automatic Enrolment.
5. Know the main organisations who are involved in Automatic Enrolment.
6. Describe the role of The Pensions Regulator with regard to monitoring the Automatic Enrolment process and the penalties that can be had for failing to follow the required process.

Assessment Method

Assessment is via examination compiled, carried out and marked in-house (PMI recognised centre). Assessment is to cover all learning outcomes in order to pass the unit.