

**Appendix A****Example process for employer when given an opt-in or joining notice- Transcript**

This is a transcript of the flowchart intended as supporting material for **Detailed guidance no. 6 – Opting in, joining and contractual enrolment.**

Here is a step-by-step guide showing the process an employer must follow when they are given a request from a worker to join a pension scheme. Employers should incorporate the necessary steps into their processes in whichever way most suits their organisation.

<sup>1</sup> Under HMRC provisions the trustees of defined contribution (DC) occupational pension schemes in wind up are allowed to commute sums of under £18,000 provided certain conditions are met. The payment of this commuted sum is known as a 'winding-up lump sum payment').

**1. Is the worker an active member of a qualifying pension scheme that the employer provides?**

No – Go to 2

Yes – The employer is not required to take further action with the notice

**2. Has the worker been paid a winding-up lump sum payment<sup>1</sup> whilst in employment with the employer in the 12 months before the date the notice was given, subsequently left employment and been re-employed by the same employer?**

Yes – The employer is not required to take further action with the notice

No – Go to 3

**3. Has the worker given in their notice to end their employment (resignation or retirement) or been give notice of dismissal?**

Yes – The employer is not required to take further action with the notice

No – Go to 4

**4. Are they a jobholder or an entitled worker?**

The employer should assess which category of worker they are, as described in Detailed guidance no. 3 – Assessing the workforce. The assessment date for these purposes is the date the employer received the notice.

Worker is a jobholder – Go to 8

Worker is an entitled worker - Go to 5

**5. Are they an active member of a pension scheme which does not meet all the qualifying criteria but is tax-registered in the UK?**

Yes – The employer is not required to take further action with the notice

No – Go to 6

**6. Check the joining notice is valid**

- Is it in writing?
- Is it signed by the entitled worker or, if it was sent by email, does it include a statement from the entitled worker confirming that they personally submitted the notice?

In addition, the employer may wish to check if they have been given a joining notice from the same entitled worker within the past 12 months.

Now go to 7

**7. Arrange active membership of a pension scheme**

- The scheme the employer uses must be a UK tax-registered scheme
- If the scheme is a personal pension scheme, there must be direct payment arrangements in place
- Contact the scheme trustees or the scheme provider to establish what is required under the scheme rules to create active membership
- Give the mandatory information about the entitled worker to the scheme and complete whatever else the scheme requires to create active membership.

**Joining process is complete**

**8. Has automatic enrolment been triggered and the employer is currently making arrangements for active membership of an automatic enrolment scheme?**

No – Go to 10

Yes – Go to 9

**9. The employer is not required to take further action with the notice but continue with completing the automatic enrolment process.**

**10. Has automatic re-enrolment been triggered and the employer is currently making arrangements for active membership of an automatic enrolment scheme?**

No – Go to 12

Yes – Go to 11

**11. The employer is not required to take further action with the notice but continue with completing the automatic re-enrolment process.**

**12. Check the opt-in notice is valid**

- Is it in writing?
- Is it signed by the jobholder or, if it was sent by email, does it include a statement from the jobholder confirming that they personally submitted the notice?

In addition, the employer may wish to check if they have received a notice from the same worker within the past 12 months.

Now go to 13

**13. Identify the enrolment date**

If on the first day of the next pay reference period after the employer receives the opt-in notice, the worker is a jobholder, this is the enrolment date. Or if payroll has already closed for the next pay reference period, if on the first day of the second pay reference period after receipt, the worker is a jobholder, this is the enrolment date.

Where they are not a jobholder, the first day of the pay reference period in which the employer identifies that the jobholder criteria are met, is the enrolment date.

Now go to 14

**14. Check previous membership**

The employer must follow the automatic enrolment process unless the worker is a deferred member of a personal pension scheme that the employer wishes to use and the modified process can be used.

Is the eligible jobholder a deferred member of a personal pension scheme?

No – Go to 18  
Yes – Go to 15

**15. Does the employer wish to use this personal pension for this eligible jobholder?**

No – Go to 18  
Yes – Go to 16

**16. Check whether previous agreements can be reactivated**

Whether the employer can choose the scheme will depend upon whether the pension provider can reactivate the previous qualifying agreements. If the statutory minimum contribution have increased since the previous agreements, the reactivated agreements will need to be in respect of the new minimum. The employer should be mindful that they may be required to consult with members if they are making a change to the scheme that increases member contributions. See Detailed guidance no. 11 – Automatic re-enrolment.

### **Can the pension provider reactivate the previous qualifying agreements without requiring the consent of the eligible jobholder**

No – Go to 18

Yes – Go to 17

### **17. Arrange active membership in an automatic enrolment scheme**

The employer has six weeks from the enrolment date to complete the enrolment by making arrangements with the provider of a personal pension scheme, so that:

- the scheme is an automatic enrolment scheme, and
- the jobholder is an active member of that scheme.

Employers should note that, in any pay reference period that occurs after this date, they must deduct the jobholder's contributions (if the jobholder is making any) from pay, unless the scheme rules provide otherwise even if active membership is not yet achieved.

### **18. Arrange active membership in an automatic enrolment scheme**

The jobholder must be enrolled into an automatic enrolment scheme from their enrolment date following the automatic enrolment process. The employer has six weeks from the enrolment date to complete the following steps. These steps are not sequential and can be done in any order. Information and data can be prepared ahead of the enrolment date.

Employers should note that, in any pay reference period that occurs after this date, they must deduct the jobholder's contributions (if the jobholder is making any) from pay, unless the scheme rules provide otherwise even if active membership is not yet achieved.

1. Contact the pension provider the employer is using for enrolment. Give the scheme the required jobholder information.
2. If using a personal pension scheme for automatic enrolment, give the jobholder the terms and conditions of the agreement with the provider) or confirm with the scheme provider the date the provider gave the terms and conditions to the jobholder, if the provider is giving this information to the

jobholder. Or if using an occupational pension scheme for automatic enrolment, confirm with the pension scheme the date active membership was achieved.

3. Give the enrolment information to the jobholder.

Now go to 19

### **19. Opt-in process is complete**

The employer must now manage their ongoing responsibilities as the jobholder retains active scheme membership.

**Next steps: find out about opting out in Detailed guidance no. 7 – Opting out**