

Lydiard Millicent Parish Council

Staff Pension Scheme

Proposal for Resolution of the Council at the meeting of 17th May 2018

Resolution: That this Council sets up a staff Pension Scheme as required by legislation and that the scheme to be used is the NEST scheme as recommended by the Finance Working Group

The Government set up an Auto-enrolment requirement for employees starting in 2012. The staging date started with large employers in 2012 progressively including smaller employers. Our Staging Date was 30th March 2017. The forms are currently being filled in online but cannot be completed until a scheme is set up.

This means that we must set up a pension scheme for our employed staff, who are eligible to join. Non-eligible employees can ask to join but are not automatically enrolled.

We do not have any staff who are eligible for autoenrolment and only one member of staff who is not eligible to be auto-enrolled but can ask to be enrolled in a scheme.

As of April 2018, the minimum payment to be made is 2% from the employer and 3% from the employee. In April 2019 this will increase to 3% from the employer and 5% from the employee.

We can choose the scheme we are going to use. There are several different schemes available with different levels of contribution. A selection of the available schemes is:

NEST, www.nestpensions.org.uk

this scheme has been set up by the Government especially for auto-enrolment. It is free for employers to use, can be used online, and is simple to use with one charging structure for everyone. Employee charges are in two parts, a contribution charge of 1.8% on each new contribution and an annual management charge of 0.3% on the total value of a members fund each year. There are no charges for transferring pots in or out.

Aviva, www.aviva.co.uk/workplacepensions

A private scheme, rates above minimum can be changed. Is free to set up but will charge employer £30-£50 a month to run the scheme. Pots can be transferred in, but capital may be at risk and a fee may be charged.

SmartPension, www.autoenrolment.co.uk

A private company, free to set up and no ongoing costs to employers. Pots can be transferred in or out.

Local Government Pension Scheme, www.wiltshirepensionfund.org.uk

Wiltshire Pension Fund is part of the Local Government Pension Scheme and is administered by Wiltshire Council. Employers contribution is 20.4% and Employee rate is 5.5%

Finance Working Group have compared different schemes and recommend that we use NEST because of ease of use, flexibility of contributions, cost effectiveness, and still enables us to fulfil our legal obligations.