

Brandsby-cum-Stearsby Parish Council

Pensions Policy

1. Background

Historically, Brandsby-cum-Stearsby Parish Council has not had to provide a pension for its employees, which, to date, has just been the Parish Clerk. Auto-enrolment into pension schemes was introduced in 2017 and the Council is required to take action.

2. Eligibility

- An employee is entitled to be auto-enrolled in a qualifying pension scheme if their annual earnings are over £10,000 per annum;
- The employee has the right to opt into a scheme if their annual earnings are over £5,824 to £10,000;
- They have the right to join a pension scheme if their annual earnings are below £5,824.

The latter situation is currently likely to apply to employees of Brandsby-cum-Stearsby Parish Council, although the Government may reduce the thresholds in the future. If the employee exercises their right to join a pension scheme, the employer (Brandsby-cum-Stearsby Parish Council) **MUST** provide a pension scheme for that employee, but is not obliged to make employer contributions.

3. Qualifying Pension

Historically, Parish Councils were obliged to offer the Local Government Pension Scheme (LGPs), which requires the employer to make contributions. Currently the employee would pay one third of the scheme cost, with the employer paying two thirds. However, Parish Councils are now able to seek another provider of a qualifying pension, for example, the state-run NEST (National Employment Savings Trust) is free to employers to use – although note that above threshold employers must make contributions to an employee's pension, currently a maximum of 3%. NEST can be administered on-line.

4. Employers Responsibility

Brandsby-cum-Stearsby Parish Council must write to all employees even if they are not eligible for automatic enrolment, advising of their pension rights and options. As an employer Brandsby-cum-Stearsby Parish Council must state that you are offering a workplace pension and that the employee can join if they wish.