

Autoenrolment - Glossary of terms

This glossary has been divided in to four sections :

1. Pension schemes
2. Workforce definitions
3. Pay and Date definitions
4. Compliance

Section 1 Pension Schemes	Comment
<p>Qualifying scheme A qualifying scheme is a pension scheme that meets certain minimum standards set by legislation. There are different standards depending on the type of scheme.</p>	<p>Existing schemes (OSPS, USS, NHS, MRC, SAUL) fall into this definition as does NEST (see below)</p>
<p>Automatic Enrolment scheme An Automatic Enrolment scheme is a qualifying scheme that meets additional criteria to be an Automatic Enrolment scheme. Eligible jobholders who are not already a member of a qualifying scheme on the employer's staging date must be automatically enrolled into an Automatic Enrolment scheme. The employer will choose the scheme for Automatic Enrolment.</p>	<p>Existing schemes (OSPS, USS, NHS, SAUL) fall into this definition as does NEST (see below)</p>
<p>NEST Short for National Employment Savings Trust, NEST is a non-profit organisation that was set up by the government as part of the Pensions Act 2008. The NEST pension scheme is a defined contribution, workplace pension scheme that employers can use for their UK-based workers. It meets the criteria of a qualifying scheme for automatic enrolment. For further information visit http://www.nestpensions.org.uk.</p>	<p>The University will use NEST for University workers – see section 2</p>

Section 2 Workforce	Comment
<p>Employee Anyone with a contract of employment</p>	<p>At Oxford this includes all who have a Chancellor Masters and Scholars (CMS) contract, including those on variable hours.</p> <p>It would also include those whose terms and conditions amount to employment contracts, even if not explicitly acknowledged.</p>
<p>Worker A worker is non-employee who has a contract to provide work or services personally and is not undertaking the work as part of their own business.</p>	<p>For the University this includes those on the casual payroll ie short-term casual staff, casual or irregular teachers, personal services consultants, invigilators and examiners.</p>
<p>Employees and workers can be divided into 3 categories:</p>	
<p>1. Eligible jobholder An eligible jobholder is any member of the workforce who meets the following criteria for automatic enrolment:</p> <ul style="list-style-type: none"> • They must be aged at least 22 but has not yet reached state pension age; and • They must earn above the earnings trigger for automatic enrolment. 	<p>The earnings trigger is £9,440 for 2013/14 (£786.67 per month).</p>
<p>2. Non-eligible jobholder A non-eligible jobholder is so-called because they are not eligible for automatic enrolment (though they can choose to 'opt-in' to an automatic enrolment pension scheme and receive employer contributions). This is a employee or worker who:</p> <ul style="list-style-type: none"> • is aged at least 16 and under 75; and • earns above the lower earnings level of qualifying earnings but below the earnings trigger for automatic enrolment; or <ul style="list-style-type: none"> ○ or • is aged at least 16 and under 22, or between state pension age and under75; and • earns above the earnings trigger for automatic enrolment. 	<p>The lower earnings level is £5,668 for 2013/14 (£472.33 per month).</p>

3. Entitled worker

An entitled worker is a worker who:

- is aged at least 16 and under 75
- works, or ordinarily works in the UK, and
- earns below the lower earnings level for qualifying earnings.

An entitled worker may request to join a scheme, but is not entitled to employer contributions.

Section 3 Pay and Dates	Comment
<p>Qualifying earnings Qualifying earnings includes all of the following pay elements (gross):</p> <ul style="list-style-type: none"> • salary • wages • commission • bonuses • overtime • statutory sick pay • statutory maternity pay • ordinary or additional statutory paternity pay • statutory adoption pay. • Any item that is seen as part of the employee's wages/salary. <p>These earnings are used to identify whether an individual is an eligible jobholder or a non-eligible jobholder, and also to determine the level of contributions a scheme requires for automatic enrolment.</p>	<p>The University considers all taxable pay as earnings for auto-enrolment processing.</p>
<p>Pensionable pay This is the value of all of an employee's payment and benefit contributions that are deemed as pensionable according to the schemes' rules. Your pension contribution is deducted from your gross pensionable pay (except NEST).</p>	
<p>Phasing For defined contribution schemes, such as NEST, the gradual phasing-in of contribution levels until they reach the minimum level required by law.</p>	<p>The University is using Tier 1 definition, based on pensionable pay. The University is defining pensionable pay as basic pay for NEST purposes.</p>

	Tier 1 phasing Transitional period	Duration	Employer contribution of pensionable pay	Total minimum contribution of pensionable pay
	1	Employer's staging date to 30 September 2017	2%	3%
	2	1 October 2017 to 30 September 2018	3%	6%
		1 October 2018 onwards	4%	9%
Staging Staging is the staggered introduction of the new employer duties, from 2012, starting with the largest employers. New PAYE schemes will be staged last.	For the University and other entities with more than 50 employees with PAYE reference 075/Z1035, staging date is 1 March 2013			
Worker postponement Postponement of automatic enrolment for new starters, some of the workforce or the entire workforce, if postponing on the staging date.	At staging date all employees and workers not in a pension scheme will have 3 month postponement to 1 June 2013. For new employees joining there is no postponement (see Section 4 below on contractual enrolment). For new workers joining there is 3 month postponement			
Eligible jobholder postponement Postponement of the automatic enrolment of an eligible jobholder after assessment. Eligible jobholders can only be postponed once before being automatically enrolled.	For employees, postponement will be 1 month (except on joining). For workers, postponement will be 3 months.			

Section 4 Compliance	Comment
<p>Registration Registration is a duty on employers to tell The Pensions Regulator information about the pension scheme they are using and how many people they have enrolled into it.</p>	<p>Registration must be done online with the Pensions Regulator, within 4 months of staging date</p>
<p>Certification The process of determining whether a pension scheme satisfies the relevant quality requirement is commonly referred to as “certification”.</p>	<p>To be completed before staging date.</p>
<p>Contractual enrolment (v automatic enrolment) Employees are entered into a pension scheme under the terms of the employment contract.</p>	<p>Contractual enrolment is used for all new employees into OSPS, USS, SAUL or NHSPS. On joining employees will need to be assessed as eligible jobholder as if they choose to leave the pension scheme, the University will have enrolment duties in respect of them. If an employee who opts out was not an eligible jobholder, the University must enrol them if they subsequently meet the eligibility criteria. If an employee who opts out was an eligible jobholder, the University’s duty is to re-enrol them every 3 years.</p>