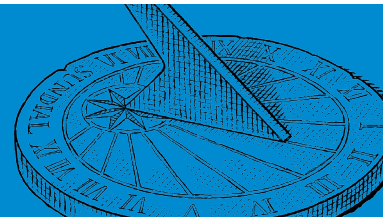


Auto Enrolment update

January 2019



We are fast approaching the next prescribed increase in the minimum contribution amounts for automatic enrolment workplace pension schemes.

Dependent on the definition of earnings and certification basis you have adopted, the new contribution levels are shown below; These contribution levels are minimums. Both employers and employees will be able to contribute more should they wish to do so.

The earnings thresholds for 2019-20 are also changing from April and the proposed figures are as follows:-

	Qualifying Earnings		Set 1 - Basic Salary		Set 2 - Basic Salary subject to 85% of total earnings		Set 3 - total earnings	
	Total contribution	Minimum Employer contribution	Total contribution	Minimum Employer contribution	Total contribution	Minimum Employer contribution	Total contribution	Minimum Employer contribution
From 6th April 2019	8%	3%	9%	4%	8%	3%	7%	3%

2019 - 2020	Proposed annual threshold
Lower level of qualifying earnings	£6,136
Earnings trigger for automatic enrolment	£10,000
Upper level of qualifying earnings	£50,000

Next Steps

The increases to employee and employer minimum contributions will be the second set in the last 12 months so employers may experience more questions and potentially increased requests to opt out from your employees so it is important to inform employees about these changes, explaining the value of saving for retirement and the fact that the employer will also be paying more in to their plan.

We can of course help employers with the communication of this latest change so if you require more information, please contact your usual consultant or Richard Haynes, Head of Employee Benefits (Richard.haynes@sanlam.co.uk) and we will explain how Sanlam can help.

Based on our understanding of tax and employment law as at January 2019. Information provided does not constitute financial advice.