

## Suite of flow charts for Leicestershire County Council LGPS Employers

The flow charts that you will find below were all first published in 2012.

They are all subject to regular updates.

### **Important exceptions employers need to be aware of and consider carefully:**

There is one significant area there that employers must consider when enrolling or re-enrolling. Three areas of exception have been identified and employers must consider these when deciding whether to enrol or re-enrol an eligible job-holder:

Employers are not required to automatically enrol or re-enrol eligible job-holders

- (a) who had opted out of the LGPS less than 12 months prior to what would have been the *eligible jobholder's* enrolment or re-enrolment date in relation to the contract, or
- (b) where notice to terminate employment has been given before the end of the period of 6 weeks beginning with what would have been the *eligible jobholder's* enrolment or re-enrolment date in relation to the contract, or
- (c) where the employer has reasonable grounds to believe the *eligible jobholder*, on what would have been the *eligible jobholder's* enrolment or re-enrolment date in relation to the contract, holds Primary Protection, Enhanced Protection, Fixed Protection 2012, Fixed Protection 2014, or Individual Protection 2014 under the Finance Acts 2004, 2011, 2013 or 2014 and from 6 March 2017, Fixed Protection 2016 and Individual Protection 2016 under the Finance Act 2016

Although in each of these cases the employer can nevertheless choose to automatically enrol or re-enrol the *eligible jobholder* into the LGPS.

The protections mentioned in (c) above are protections in respect of the lifetime allowance tax charge. The lifetime allowance is the maximum amount of pension savings that an individual can build up in registered pension schemes which benefit from favourable tax treatment.

**NOTE One: All references in the flow charts to '6 weeks' were prior to 1 April 2014 'one month'**

**NOTE TWO: Transitional Delay ceases to be relevant after 1<sup>st</sup> October 2017 as by this date all employers are subject to auto enrolment**

## **JUNE 2017 UPDATE**

Clarification has recently been received from the DWP and the Pensions Regulator that a further exception is to be applied for members at automatic enrolment date (but not at re-enrolment). This also therefore applies when transitional delay has been adopted:

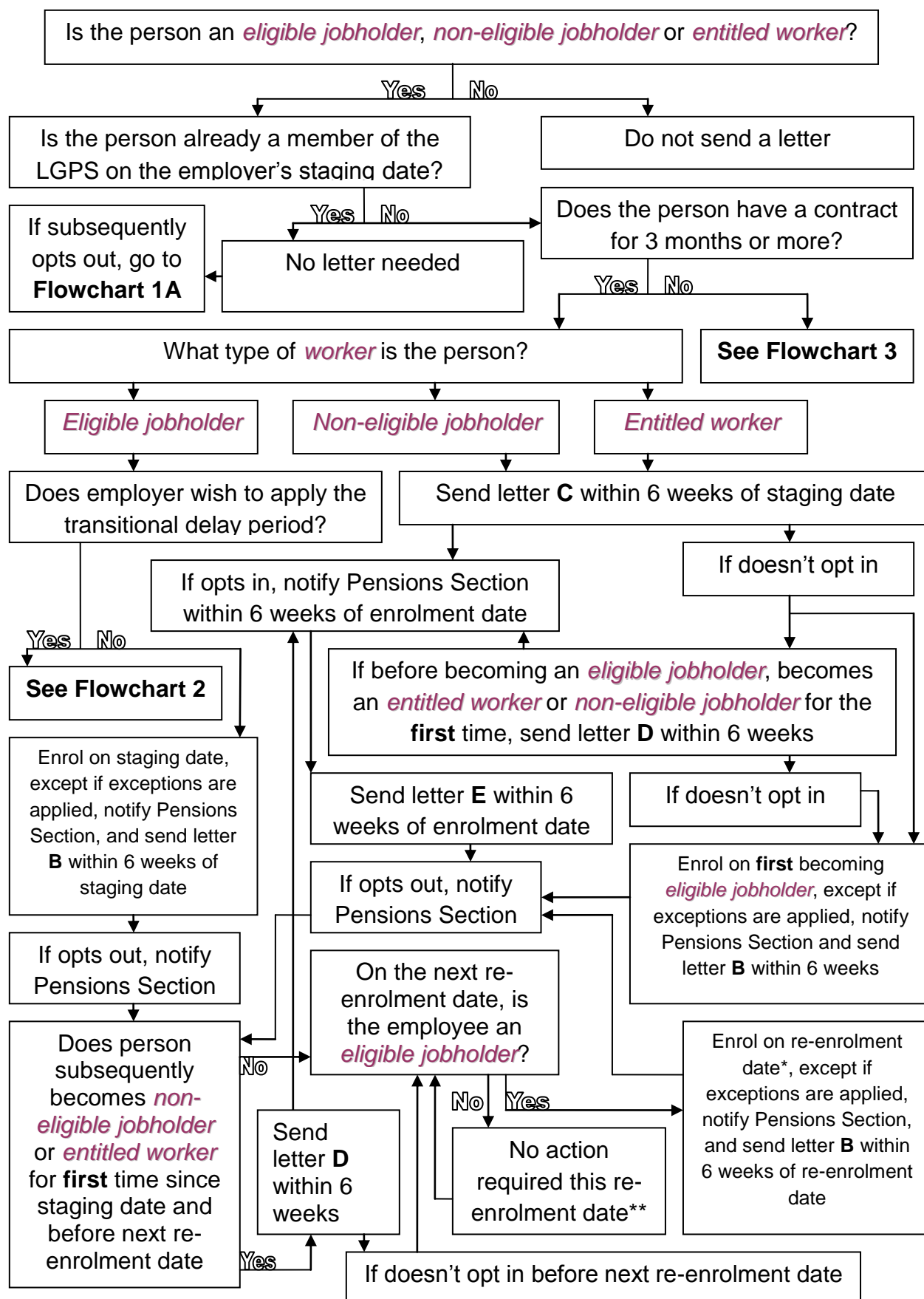
**“that where an eligible jobholder opts out more than 12 months before their automatic enrolment date, the employer *cannot* automatically enrol the individual at the automatic enrolment date”**

An employer bulletin was issued in July 2017 addressing this new issue.

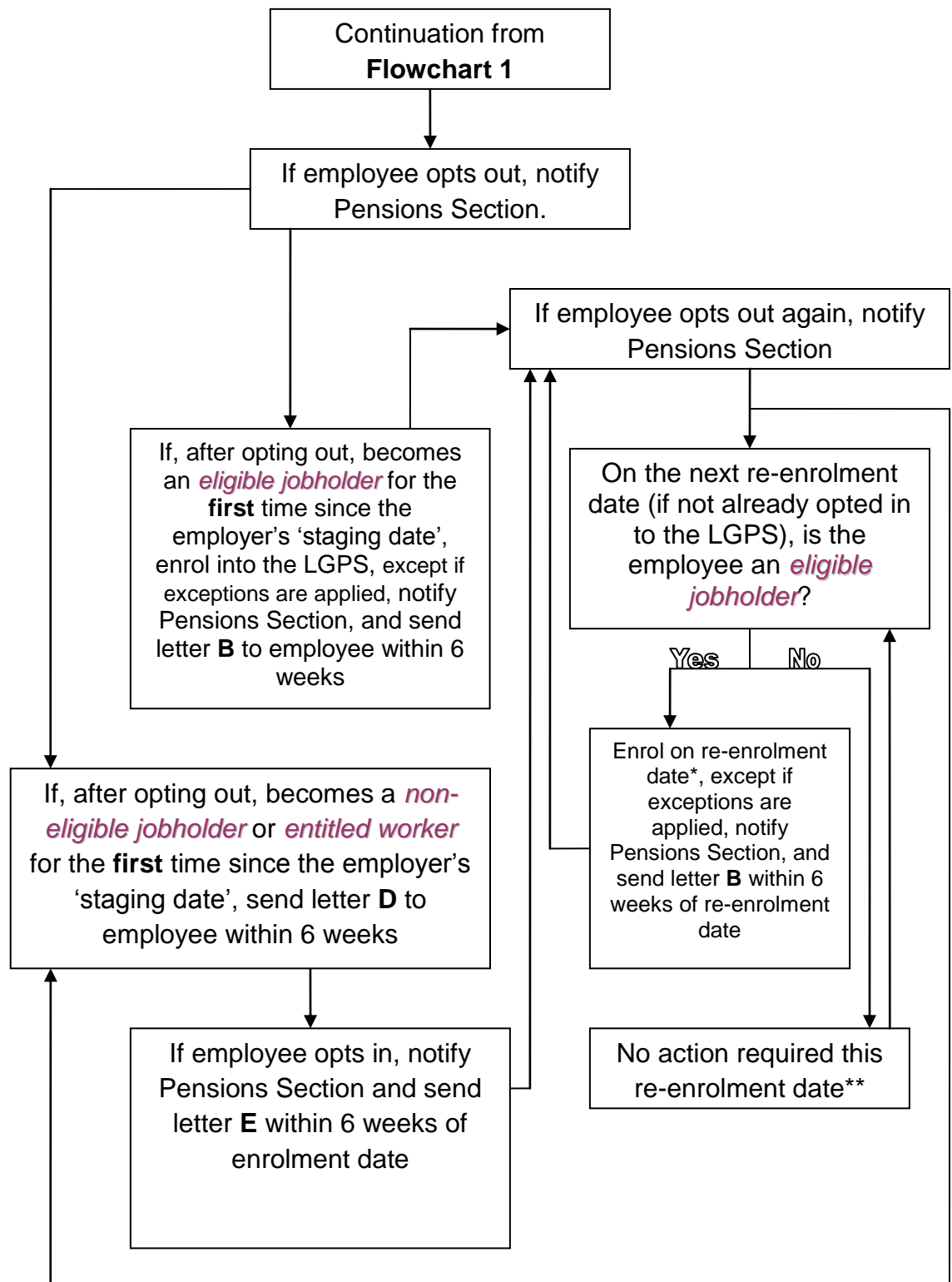
The LGPC Secretariat has queried this with the Pensions Regulator and DWP as it appears to go against the spirit of automatic enrolment and produces a number of counterintuitive impacts. For example, a person who opted out of a scheme more than 12 months ago (potentially many years ago) could not be automatically enrolled on their automatic enrolment date, whereas a person who opted out less than 12 months before their automatic enrolment could be automatically enrolled, but at the employer's discretion.

Nevertheless, DWP have confirmed that this is the policy position and TPR's guidance on this matter should be followed. Such individuals must still be brought into the LGPS at their automatic re-enrolment date if they are an eligible jobholder at that time.

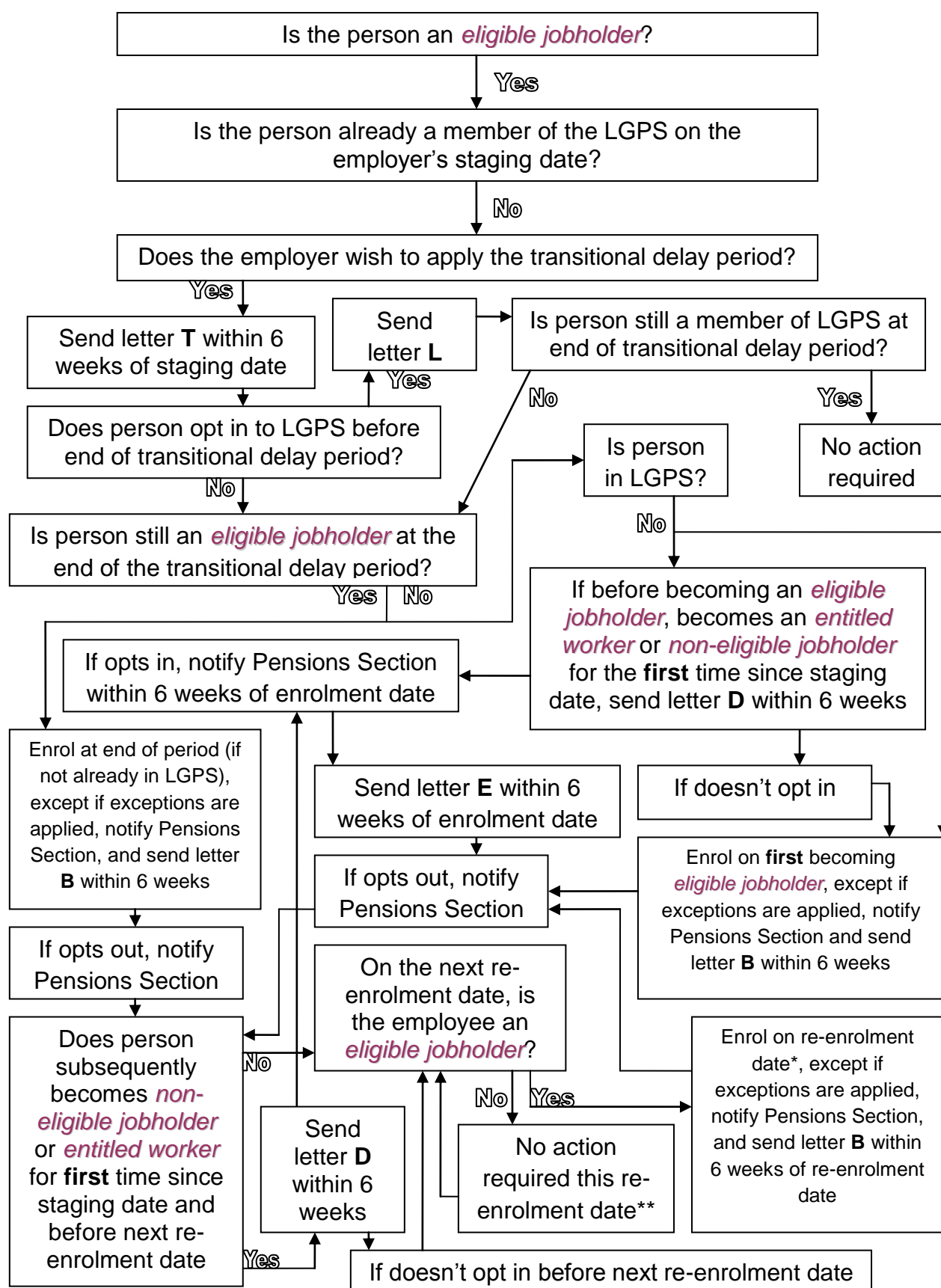
**Flowchart 1 – Existing *Workers* on the Employer’s Staging Date with a contract for 3 months or more (including casuals with open ended contracts).**



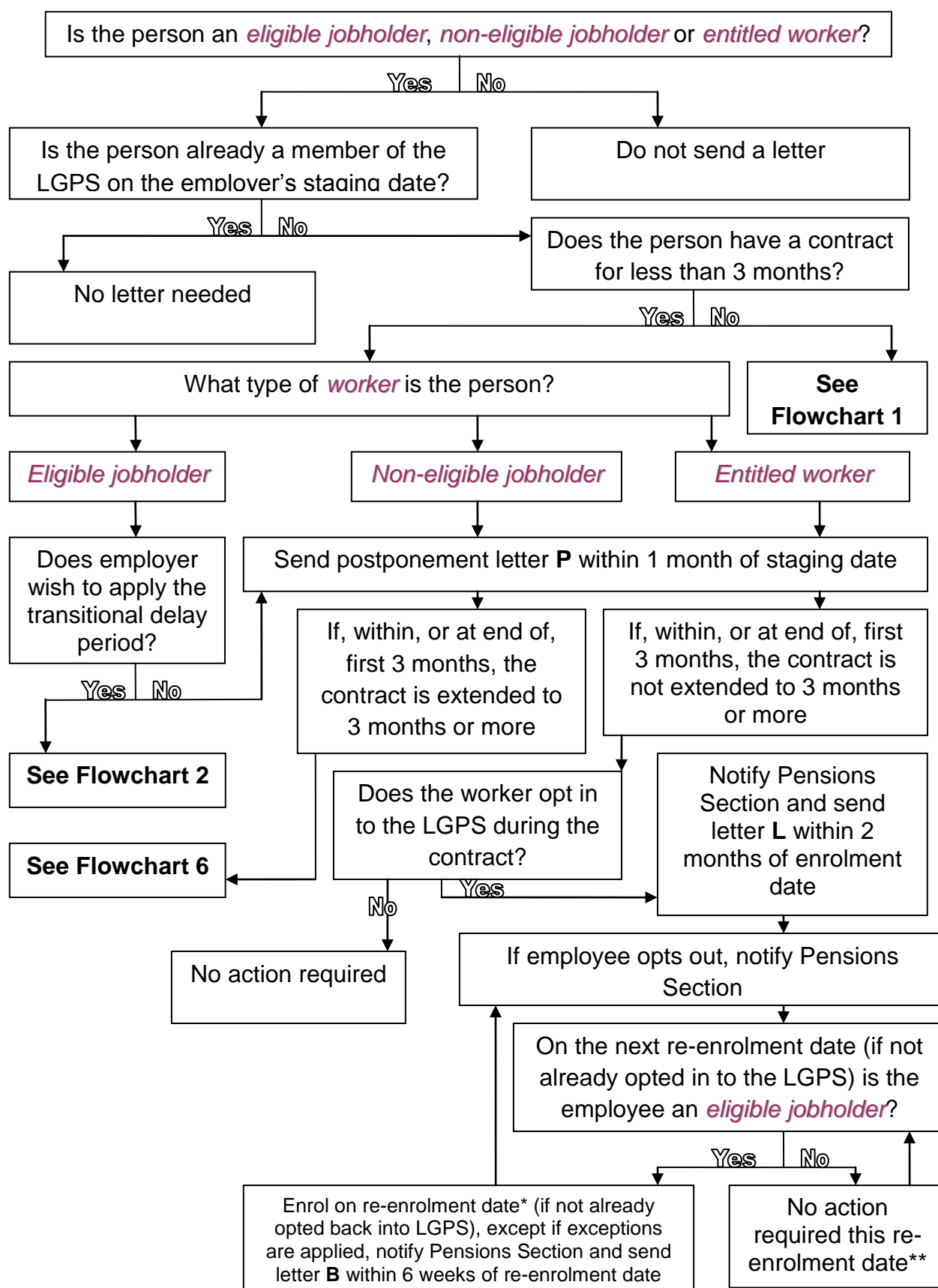
**Flowchart 1A – Existing *Workers* who are members of the LGPS on the Employer’s Staging Date and who subsequently opt out of membership of the LGPS**



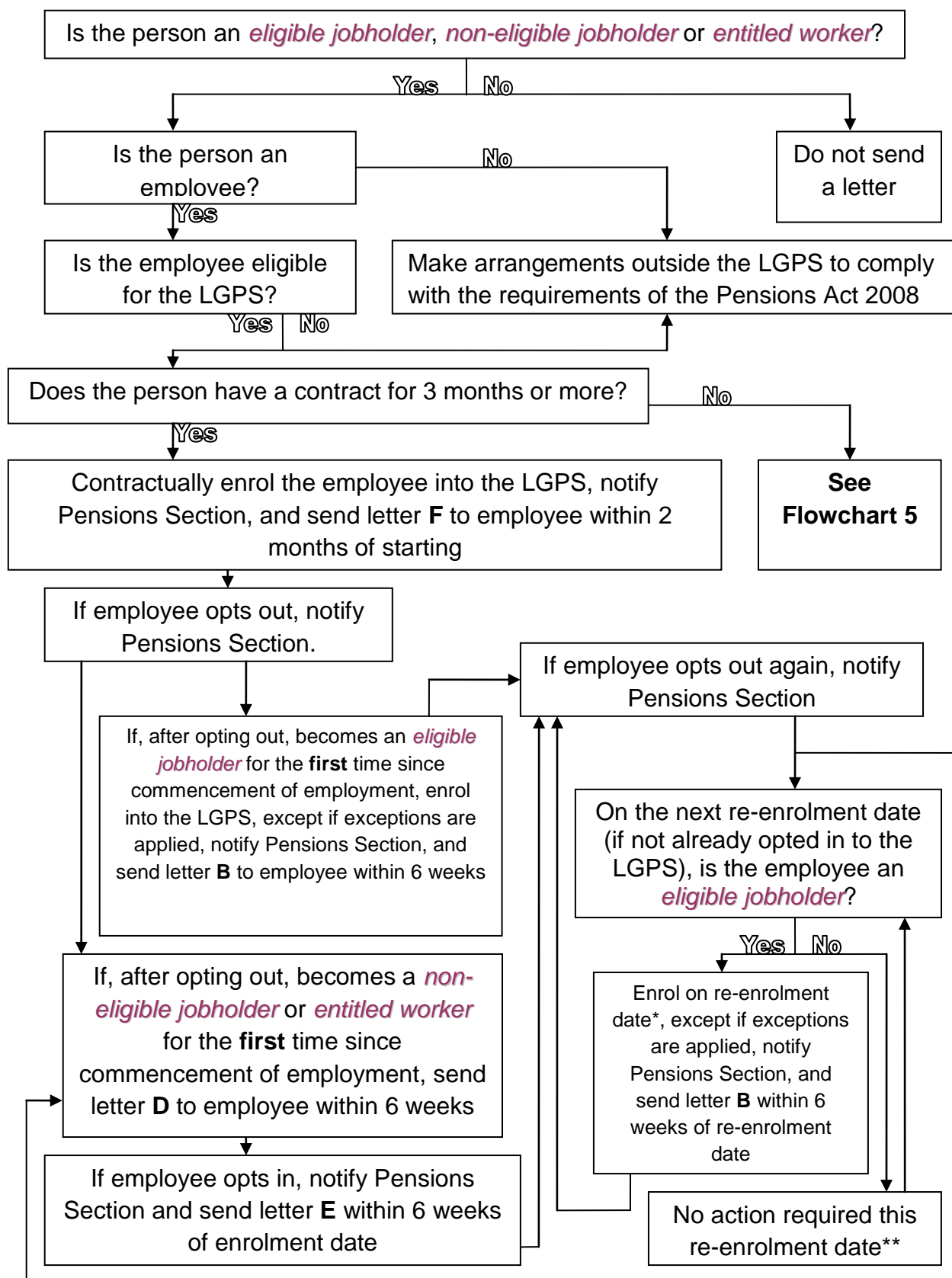
**Flowchart 2 – Existing *Eligible Jobholders* on the Employer's Staging Date who are not active members of the LGPS and the Employer wishes to apply the Transitional Delay period.**  
**AFTER OCTOBER 2017 THIS NO LONGER APPLIES**



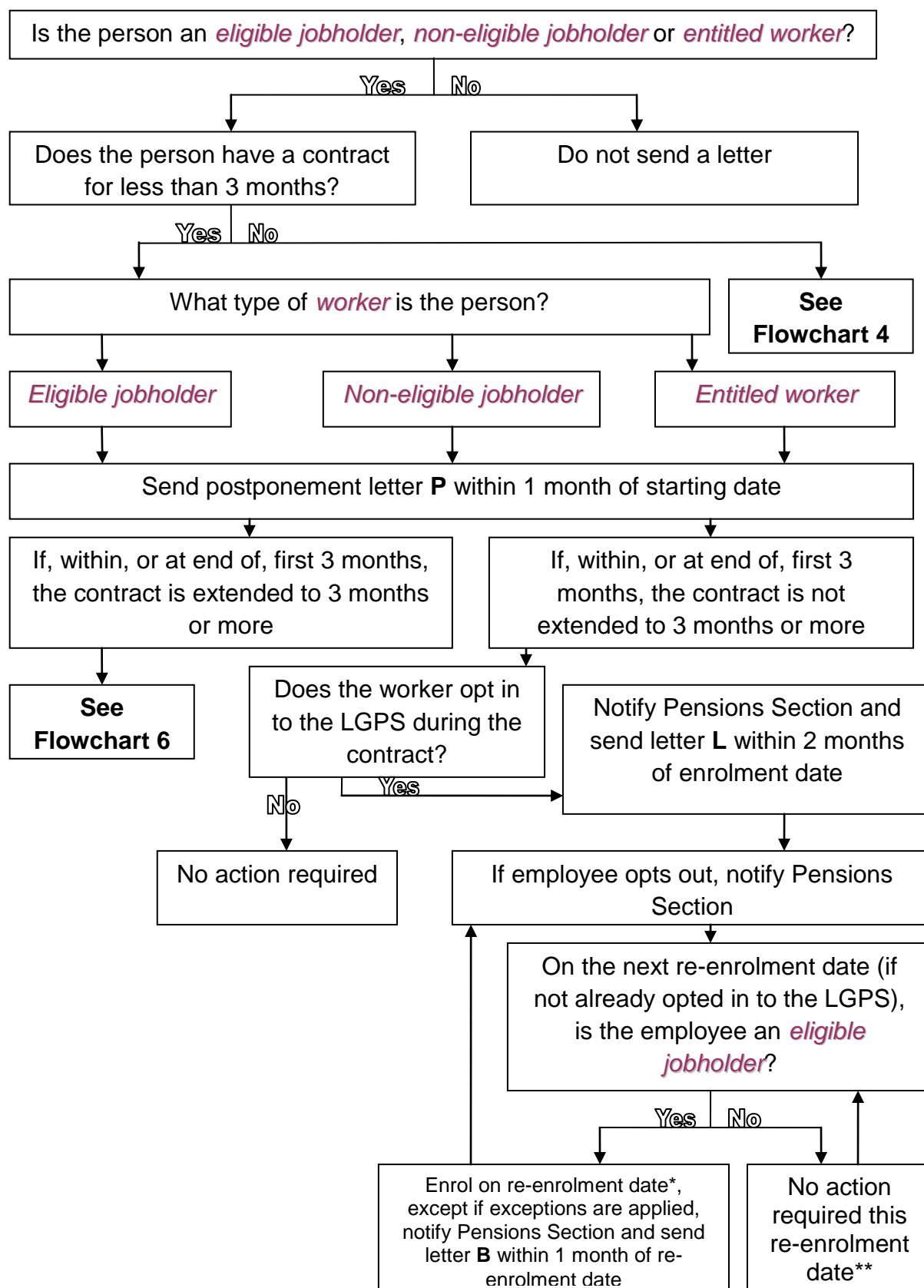
**Flowchart 3 – Existing *Workers* on the Employer’s Staging Date with a contract for less than 3 months (but see [paragraph 47](#) re NOMO casuals)**



**Flowchart 4 – New *Workers* on or after the Employer’s Staging Date with a contract for 3 months or more (incl. casuals with open ended contracts)**



**Flowchart 5 – New *Workers* on or after the Employer’s Staging Date with a contract for less than 3 months (but see [paragraph 47](#) re NOMO casuals)**





## Flowchart 6 – **Worker** whose contract is extended to 3 months or more

