

The Autumn Statement

Good News for Auto Enrolment?

In an effort to help businesses adjust to the changes in pension contribution rate rises, the Chancellor, George Osborne, announced that rises would be moved to the end of each tax year in order to help facilitate the changes.

The minimum employer contribution rate was set to rise to 2% in October 2017, bringing the total minimum contributions level to 5%, and then to 3% in October 2018 increasing the minimum contribution level to 8%. However, Mr Osborne has changed these dates to April 2018 and April 2019 respectively, moving back the rises by six months (see table below).

The Treasury anticipates a saving, over the 2017/18 and 2018/19 tax years, of approximately £840 million due to the delay in the contribution rises.

Mr Osborne said "Over five million people have already been auto-enrolled into a pension.... To help businesses with the administration of this important boost to the nations' savings, we'll align the next two phases of contribution rate increases with the tax year."

Therefore, the minimum contributions based on qualifying earnings (£5,824 to £42,385 for 2015/16) will be:

Period	Employer	Employee	Tax relief	Total
Up to 31/03/18	1%	0.8%	0.2%	2%
01/04/18 to 31/03/19	2%	2.4%	0.6%	5%
01/04/19 onwards	3%	4%	1%	8%

If you'd like to understand more about how this announcement may affect you and your business, or if you have any questions regarding Auto Enrolment, Qualifying Workplace Pension Schemes or your Staging Date, please do not hesitate to contact us.



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