

Appendix

WORKPLACE PENSIONS ADMINISTRATION SERVICES

A. Nature of services

- A.1 You have instructed us to provide you with payroll services and associated workplace pension administration. Any advice or assistance we provide to you on pension scheme selection will be provided to you in your capacity as an employer rather than to you personally as an individual and, as such, will not constitute regulated investment business advice.
- A.2 We are only able to assist you with providing an auto-enrolment service in relation to individuals handled by us in our capacity as your payroll agent. Your auto-enrolment obligations to workers who are engaged to provide services to you in a personal capacity are outside the scope of this agreement.

B. Initial set-up for workplace pension arrangements and payrolling of employer-provided benefits-in-kind

- B.1 Workplace pensions: This services schedule assumes that you do not already have a staff workplace pension scheme and that you are not using contractual enrolment for your staff.

C. Staging date

- C.1 You agree to advise us in writing of your staging date for auto-enrolment within one month of us entering into this schedule of services or 12 months before your staging date if that is later.
- C.2 If you are considering bringing forward your staging date, you will inform us of your intention in advance so that we can discuss with you any implications for the services that we provide to you and agree how any proposed change in your staging date can be accommodated.

D. Preliminary assessment of staff

- D.1 We will carry out a preliminary assessment of your employees (meaning the individuals for whom we operate payroll under this agreement) to determine what duties you will have, and to help you plan how to comply with your duties, which will be carried out nine months before your staging date, or within one month of us entering into this schedule of services if that is later. We will categorise your employees as entitled workers, non-eligible jobholders or eligible jobholders. Our assessment will be based on the information we hold as your payroll agent plus any additional information provided by you including whether any employees carry out some of their duties outside the UK. You will review our assessment of your employees and accept responsibility for the completeness and accuracy of the assessment. If the preliminary assessment of your staff indicates that you will have no employees to auto-enrol on your staging date, the assessment will be repeated one month(s) before your staging date and we will discuss with you the need for any pension scheme set-up in case the position changes.

E. Exemption from auto-enrolment

E.1 You are responsible for determining whether you are exempt from employer auto-enrolment duties and, if necessary, for registering as exempt with the Pensions Regulator (TPR). You agree that, if your circumstances change so that automatic enrolment duties apply to you (for example, if you take on a member of staff other than a director), you will inform us as your payroll agent as soon as is practicable and at least before the beginning of the first payroll period in which they will be paid so that we can agree with you what auto-enrolment services you would like us to perform. You agree that you will also be responsible for informing TPR of your change of status.

F. Pension scheme selection and set-up

F.1 Unless you are exempt from auto-enrolment duties (see clause [E.1 above), within one month of us entering into this schedule of services or six months before your staging date if that is later, we will inform you of the workplace pension scheme provider(s) that are compatible with our payroll software and] discuss with you the workplace pension scheme provider(s) you are considering using so that we can discuss any practical implications with you.

F.2 You will inform us in writing of:

- (a) your selected workplace pension scheme provider(s);
- (b) how contribution payments will be made to the pension scheme provider(s), and whether the pension provider will permit your employees to reduce their contributions to below the statutory minimum level;
- (c) whether initial contributions during the opt-out period will be retained by you or will be paid over to the pension scheme(s); and
- (d) the method of tax relief that you will use (ie, relief at source or net pay arrangement).

We will agree with you in writing:

- (e) whether you will set up salary sacrifice arrangements for some categories of your employees;
- (f) whether any categories of your employees who are paid weekly will change to being paid monthly;
- (g) whether to use calendar-based or tax-period-based pay reference periods for your employees;
- (h) any postponement periods at staging for your employees;
- (i) any ongoing general default rules regarding postponement periods that you wish to set up;
- (j) whether you wish to exclude any particular elements of salary and wages from qualifying earnings;
- (k) the definition of pensionable pay on which contributions will be calculated for your employees;
- (l) if this is not the same as qualifying earnings, whether you wish us to advise you on whether to certify and/or assist you in certifying that your employer contributions meet at least the statutory minimum for those employees; if you do, we will discuss the further work required of us;

- (m) your employer and employee contributions rates including, before 6 April 2018 and 2019, whether these are to be phased in,
- (n) what additional services we shall provide (eg, providing statutory communications for your staff, either to you or directly to them) and what information we will require from you in order to do so (eg, staff contact information);
- (o) whether we as your agent shall set up the scheme for you, including any direct debits, and have ongoing delegated access so that we can send and receive relevant information directly to and from the scheme;
- (p) if you set up the scheme, whether you will nominate us as your agent with delegated access so that we can send and receive relevant information directly to and from the scheme, such as joining information regarding new or newly-eligible employees, and opt-out and refund information;
- (q) whether we need you to provide us with any additional data not already held within our systems for us to generate reports in a format accepted by the scheme provider(s);
- (r) if you are to obtain any additional services from the scheme provider(s) that would require input or data from us as your payroll agent, the format and timescale in which we shall provide such data and whether this is to be provided to you or directly to the scheme provider(s); and
- (s) the extent to which we shall be responsible for maintaining and preserving any of the records required to demonstrate your compliance with your auto-enrolment duties, and the extent to which you or your pension scheme provider(s) will be responsible for maintaining and preserving any such records.

F.3 Within six weeks of our entering into this schedule of services, or five months before your staging date if that is later:

- (a) if you have agreed at clause [F.2(q)] above to do so, you will provide us with any additional data not already held within our systems to enable us to generate reports in a format accepted by the scheme provider(s);
- (b) if we have agreed at clauses [F.2 (o), (p) or (r)] above to do so, we will provide the information required to set up the scheme directly to the scheme provider(s), or to you for onward transmission to the scheme provider(s); and
- (c) in accordance with what we have agreed at clauses [F.2(b) and (o)] above, you or we will set up appropriate payment arrangements and, if the scheme provider(s) has a test facility for data transfer and we have not used the scheme provider(s) before, we will conduct a test one month before your staging date.

G. Employee assessment and monitoring for auto-enrolment

- G.1 We will assess the ages and earnings of your employees to categorise them as entitled workers, non-eligible jobholders or eligible jobholders; and otherwise determine the auto-enrolment duties you owe them, based on the information we hold as your payroll agent, plus any additional information provided by you.
- G.2 For any employees that we assess as being a jobholder following an opt-in or joining notice, we will inform you of their enrolment date.
- G.3 You will provide us with complete and accurate information regarding your employees, including ordinary working location, pension tax protection status and any changes in employee working, including starting a notice period, so that we can determine whether their employment status has changed in relation to auto-enrolment.
- G.4 You will review our assessments of your employees and accept responsibility for the completeness and accuracy of the assessments.

H. Enrolling employees, initiating contributions and providing information to the pension scheme(s)

- H.1 We will inform you when the staff assessments that we carry out under clause [G.1] above indicate that you are required to enrol employees into a pension scheme(s); and we will notify our payroll department when to start processing any required employee and employer pension contributions.
- H.2 In accordance with what we have agreed at clauses [F.2(o),(p) or (r)] above:
 - (a) we will provide the information relating to such employees that is required to be provided to the scheme in order for them to join the scheme, either directly to the scheme provider(s) within six weeks of their enrolment date, or to you within four weeks of their enrolment date, for your onward transmission to the scheme provider(s), and
 - (b) if any new payment arrangements are required (ie, if not covered by the payment arrangements set up initially under clause [F.3(c)] above), you or we will set them up in accordance with what we have agreed at clauses [F.2(b) and F.2(o)] above.

I. Writing to your employees

- I.1 You are required to write to your employees providing them with required statutory information, including providing them with postponement information if you are using a postponement period.
- I.2 We will inform you of the results of the assessments that we carry out under clause [G.1] above within one week of performing the assessment, so that you can make the necessary arrangements to provide your employees with the required statutory communications. We will provide this information in a format agreed by us at clause [F.2(r)] above.]

J. Other arrangements necessary for enrolling your staff and for determining opt-out periods

- J.1 You are required to make arrangements to achieve active membership for your employees, effective from their enrolment date.
- J.2 If your chosen scheme is a personal pension scheme, in order to achieve active membership for your employees, there must be certain types of agreement in place between you, the employee and the personal pension scheme provider.
- J.3 You are responsible for finding out from the pension scheme the date on which active membership is achieved for each employee.

K. Declaration of compliance

- K.1 You are responsible for preparing and submitting your declaration of compliance to TPR and we will provide you with any information that we hold as your payroll agent that you request us to provide for you to complete the declaration.

L. Triennial re-enrolment

- L.1 You are required to select a re-enrolment date, which must be within a six-month period starting three months before the third anniversary of your original staging date.
- L.2 You agree to advise us in writing of your selected triennial re-enrolment date within 30 months of your staging date or of your most recent triennial re-enrolment date.

M. Maintaining records – see also clause F.2(s) above

- M.1 You are required to keep certain records of your automatic enrolment activities and, to the extent we have agreed in writing to maintain records under clause [F.2(s)] above, you hereby authorise us to retain the following records on your behalf:
- (a) the names, NINOs, date of birth, addresses and (where relevant) the automatic enrolment date for each of your staff, if postponement notices were sent to staff, the date of any such postponement notices and to whom they were sent;
 - (b) gross qualifying earnings for each employee for each pay period;
 - (c) details of contributions and when they were paid to the scheme;
 - (d) staff opt-in notices and joining notices and the enrolment date for relevant staff;
 - (e) pension scheme reference or registry numbers;
 - (f) name and address of pension scheme;
 - (g) if we have assisted you in certifying the scheme (see clauses F.2(l) and L.1 above), the certificate and any data and/or evidence relating to it; and
 - (h) opt-out notices.
- M.2 We shall be authorised to retain the records listed in (a)-(f) above for six years; the records in (g) above for a period of six years after the end of the certification period; and in (h) above for four years.