



THP | Chartered Accountants

Can You Avoid Auto Enrolment?

7 excuses that just don't work (when it comes to auto enrolment)

“I know auto enrolment applies to my business. But I've got at least a year or two to get it sorted - right?”

Auto enrolment is the newest payroll-related regulation. You've probably heard about it, but you're too busy running the business, and your deadline is months – if not years – away.

It's also confusing and complicated to understand.

THP's payroll experts have identified the top 7 excuses that business owners are saying to themselves about auto enrolment, and the truth that will help you start addressing it without too much loss of time.

The bad news:

Auto enrolment penalties can be severe

The good news:

There's an extremely simple solution to all of it, which will take very little of your time.

www.thp.co.uk/autoenrolment

1 "I don't have to worry about it until my staging date arrives."

As you've probably learned in the past, avoidance is definitely not the best policy – and this absolutely applies when it comes to auto enrolment. You've been given a staging date so that you have time to adjust to the new regulations. It's actually quite a good thing – if you address it now. But when that date arrives, you've run out of time. If you're just barely starting to understand the requirements then, putting off auto enrolment will start to feel like a very bad decision.

2 "I already have a pension scheme, so I'm fine."

Hopefully you don't have to spend too much time evaluating your pension scheme. But it is really important to understand whether your existing scheme qualifies or not. If it doesn't, you'll need to find one that does, and that takes time. Looks like you might want to get going.

3 "I can postpone autoenrolment."

Technically this is true. But postponing could just create more paperwork or notification requirements. It may mean that instead of writing to all your employees and doing all the assessment work once, you have to do it twice! And that's definitely a waste of your valuable time.

4 "My payroll software will take care of it for me"

Hopefully this is true! THP's Ultimate Payroll solution does take care of your auto enrolment requirements as part of your payroll, so you don't have to worry. (Another reason for sorting it out now – just a small upgrade to your payroll solution and you're set.) But if you're using another payroll software, even if it proclaims to be auto enrolment compliant, it still might cost you or your staff hours and hours of time every pay period. That could be an extra half a day of work every single week. It's extremely important to evaluate your payroll software and ensure that it truly is compliant – and that it's not causing you more headaches.

5 "My Payroll Manager will learn about auto enrolment"

They can do this, of course. There is a great deal of helpful information provided by the [The Pensions Regulator](#). However, at THP we've already spent hours (and days and months) to understand auto enrolment so that you can be compliant at the lowest possible cost and effort to you. It is very likely that the additional hours required by your Payroll team to understand and then implement all the requirements take them far beyond what you've been paying them up to now.

6 "Many of my employees may just opt out of a workplace pension."

Possibly – but so far the research shows that this number is far lower than even was expected. You still have to assess your workforce, determine who are “eligible workers”, communicate with everyone, and keep records. Everyone has to be automatically enrolled (hence the name of the regulations) and even if they do opt out, there’s still more paperwork to do. They can opt out, but many of them won’t. And some “ineligible workers” may decide to opt in, which means you’ll need to take care of them as well. This is a huge task and not one to be put off – especially if you have more than a few employees.

7 "If I don't comply in time, I'll fix it later."

This is not just a small fine and then a quick fix a few days after your staging date. The penalties are HUGE. We wouldn't suggest being blasé about this. You could get penalty notices up to £10,000 per day depending on the number of staff you have! These penalties are not to be trifled with, and we recommend you address auto enrolment now, and not later.

So...what do I do?

The THP Ultimate Payroll solution combines all your payroll and auto-enrolment tasks every pay period, in the cloud, with very little effort required from you.

From £67.50 per month

