

Oakthorpe, Donisthorpe & Acresford Parish Council



Pension Policy & Record Keeping Requirements

1. Background

Historically, the council has not had to provide a pension for its employees. Auto-enrolment into pension schemes was introduced in 2017 and the Council was required to take action.

The current employees:- the clerk and caretaker have sought pension provision.

2. Eligibility

- An employee is entitled to be auto enrolled in a qualifying pension scheme if their annual earnings are over £10,000 per annum.
- The employee has the right to opt into a scheme if their annual earnings are over £5,824 to £10,000.
- They have the right to join a pension scheme if their annual earnings are below £5,824.
- The latter situation is currently likely to apply to employees of ODA Parish Council, although the Government may reduce the thresholds in the future. If the employee exercises their right to join a pension scheme, the employer (ODA Parish Council) **MUST** provide a pension scheme for that employee but is not obliged to make employer contributions.

3. Qualifying Pension

Historically, Parish Councils were obliged to offer the Local Government Pension Scheme (LGPs), which requires the employer to make contributions. Currently the employee would pay one third of the scheme cost, with the employer paying two thirds. However, Parish Councils are now able to seek another provider of a qualifying pension, for example, the state-run NEST (National Employment Savings Trust) is free to employers to use – although note that above threshold employers must make contributions to an employee's pension, currently 4%.

NEST can be administered on-line.

4. Employers Responsibility

ODA Parish Council must write to all employees even if they are not eligible for automatic enrolment, advising of their pension rights and options. As an employer ODA Parish Council must state that you are offering a workplace pension and that the employee can join if they wish.

4.1 Auto-enrolment—record keeping requirements

Pension records to be:

- kept in relation to workers and qualifying schemes for a set period
- provided to the Pensions Regulator on request

This is to ensure the council has complied with their auto-enrolment obligations but also to help them:

- avoid or resolve potential disputes with employees
- check or reconcile contributions made to a scheme
- ensure the effective and efficient running of the scheme