

Do you employ one of the 433,000? Action required if so!



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An important deadline is coming up for employers who have used the transitional period for schemes with defined benefits to delay their automatic enrolment duties. Whilst the transitional period has not been widely used – the Pensions Regulator’s most recent [monthly compliance report](#) sets out that, as at July 2017, approximately 433,000 workers have had it applied to them since July 2012 (compared to 8,314,000+ workers who have been auto-enrolled) – employers who have used it will need to take a number of actions both before the transitional period ends on **30 September 2017** and afterwards.

By way of background, employers who sponsor a defined benefit pension plan (DB Plan), including hybrid arrangements offering defined benefits, were able to delay the requirement to automatically enrol one or more of their staff, subject to certain conditions, by using this transitional period. Broadly, the transitional period was only available in respect of any member of staff in continuous employment, who was eligible for automatic enrolment and entitled to become a member of the DB Plan (providing it satisfied a statutory quality requirement) on the employer’s ‘first enrolment date’ (their staging date in most cases). The transitional period covers individual workers, rather than the employer as a whole.

Importantly, employers who used the transitional period must now assess any workers covered by it for automatic enrolment and, if eligible, place them into their qualifying DB Plan after the transitional period ends on 30 September 2017. Note

that these requirements will not apply where the transitional period has ended prior to 30 September 2017 because certain conditions referred to above are no longer met (separate requirements apply in those circumstances). The Pensions Regulator has produced a hefty 43 pages of detailed [guidance](#) on this subject. Helpfully, a much shorter summary of the main actions that relevant employers will need to take by 30 September 2017 and afterwards is available on the Pensions Regulator's [website](#).

Remember, an employer's failure to comply with its automatic enrolment obligations can lead to penalties, including potentially significant fines and, for certain breaches, criminal convictions and imprisonment. Employers who have used this transitional period should ensure they complete the actions described above to avoid any intervention by the Pensions Regulator.

This post was written by Afshan Mallik.

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