

Auto enrolment Pensions

Staging Date for Glington Parish Council is 1st November 2016. We have until 31st March 2017 to tell the pension regulator that we have met our legal duties. Based on the fact that the parish council is an employer but that there are no employees between the ages of 22 and pension age parish council do not have to provide a pension but still has legal duties

I have supplied all the information required to date and can make the declarations required by law before 31st March 2017, based on the current position.

Parish council need to consider how that might change in the event of employing another person that will require a pension to be set up. Pension schemes range from the fall back scheme (NEST) to the Local Government Superannuation Scheme which provides a better pension but is more expensive for the employer and employee

National Association of Local Clerks (NALC), of which CAPALC is a member have issued guidance, importantly.

1. Even if all of your council's staff is not eligible for auto enrolment, your council will still need to confirm with the Pensions Regulator that it has complied with its duties to its employees by a certain date. (As stated above I can do this before 31st March).
2. Work out which employees it affects, if any. Different rules apply for different employees. Employees have a choice to opt out if they so wish, but a Council cannot induce an employee to opt out or not appoint someone because they will not opt out.
3. Identifying a "qualifying" scheme. Employers cannot simply enrol their employees in any sort of pension scheme. They need to comply with certain conditions and have good quality standards. There are two basic types of pension scheme, defined benefit schemes (DB) and defined contribution schemes (DC).
4. How NALC and your CALC and SLCC can help:
 - a. • Member councils can access NALC's Legal Topic Note: <http://www.nalc.gov.uk/library/members-library/legal-topic-notes/all-legal-topicnotes/717-79-staff-pensions-1/file>
 - b. • Member councils have access to NALC's legal advice service. • SLCC members have access to the SLCC Advisory Service and Advice Library.
 - c. • SLCC and your County Association may be able to advise Clerks and Councils on practical steps and general guidance.
 - d. • NALC, CALCs and SLCC **cannot offer financial advice** or comment on what pension is best for your council. Please see below for how to find independent financial advice.
5. In seeking independent financial advice then you should always check that the adviser is authorised to provide financial advice. You can check this on the Financial Conduct Authorities' Register at <http://www.fca.org.uk/register/>.
 - a. • If you deal with an unauthorised firm you will not be covered by the Financial Ombudsman Service or Financial Services Compensation Scheme if things go wrong.
 - b. • There is likely to be a charge for independent financial advice.

CEO of CAPALC has stated that Clerks cannot advise their Parish councils on this subject as:

1. They will have a personal financial interest
2. They will not be qualified to give independent financial advice (see point 5 above)

Parish council need to determine how it will take this issue forward as in the longer term it is almost inevitable that they will employ a qualifying employee. As members of CAPALC it may be worth consulting with Ian Dewar in the first instance.

John Haste, CPFA. Clerk & RFO

15th September