



Punter Southall



Specialist interactive tools – auto-enrolment



Employer duties: Understanding the cost

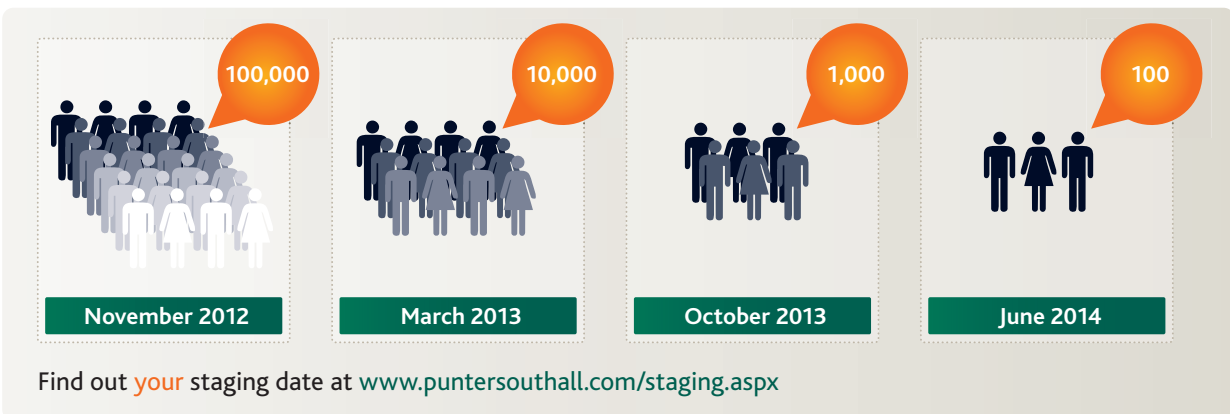
Auto-enrolment stands to disrupt the balance between pension reward strategy and budgetary constraints. PS Prepare, our employer duties cost calculator, can help you quantify the true cost of your company's obligations, from contributions through administration to reporting and compliance.

Simple but sophisticated projections will enable you to design a **sustainable contribution structure** that meets statutory requirements for all whilst focusing additional spending where it will bring **the most benefit to your business**.

October 2012 will see the initial wave of companies coming under the new regime and crucially, at this point they will be obliged to contribute to a pension scheme for a large number of their employees. There is no shortage of decisions for an employer to make before they reach their own staging date, but a good starting point is to look at how your pension budget will be affected or distributed among your workforce.

Whether you intend to bear the additional costs of employer duties or change your contribution structure, PS Prepare can help you to get your company moving towards this significant change.

How long do you have?





Get in touch

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Using PS Prepare

Outputs

By taking a snapshot of your staff profile and applying the assumptions you wish to make, PS Prepare will project contribution and administration costs for your company from your staging date until 2018.

The results can be viewed as total costs to your business and also broken down by grade or the segmentation categories you want to use. The ease with which different scenarios can be modelled enables you to consider all your options and pick the contribution design that best meets your budget and reward strategy, whilst ensuring compliance with the new employer duties.

Requirements

The data requirements for PS Prepare are minimal and can normally be extracted easily from payroll software. The information used includes dates of birth and commencement of service, basic salary and total earnings, plus grade, business unit or any other measure by which you may want to segment your workforce.

Flexible modelling

The calculator allows you to model contribution structures for the simplest to most complex designs linked to grade, service and member contributions. You can experiment with different definitions of pensionable salary and combine minimum contribution tiers with more rewarding rates for different groups of employees.

The 'uptake assumption' module allows you to consider the cost implication of different levels of uptake according to grade, salary or age. Headcount change assumptions can be made, to consider the effects of an expanding or contracting workforce.

Requirements

Employer Duties Cost Calculator | PS Prepare | Punter Southall

Company: _____

Core settings

Auto-enrolment settings	£ 6,715
Band earnings threshold	£ 38,185
Band earnings limit	£ 7,475
Auto-enrolment threshold	1,000
Employees at 1 April 2012	
Staging date override	
Three month deferral	

Administration

Element	Staging	Ongoing
Administration hourly cost		
Minutes per auto-enrollee		
Minutes per other employee		
Minutes per opt-out		
PP&P per auto-enrollee (£)		
PP&P per other employee (£)		
Recording and reporting (hours)		

Data production date: 16 March 11
Staging date: 1 October 13

Model groups(s)

Auto-enrollees	<input type="checkbox"/>
Opt-ins	<input type="checkbox"/>

Outputs

Key statistics for your company | Punter Southall

Statutory contributions

Table KS1: Headcount projections

Group	12 June 2011	1 July 2013
Auto-enrollees	2,845	2,806
Employees with band earnings	3,810	3,829
All employees	5,134	6,448

Table KS2: Employer duties baseline projections - unweighted

Group	2012	2013	2014	2015	2016	2017	2018
Auto-enrollees	£0	£240,800	£275,200	£368,200	£512,600	£565,400	£1,265,200
Opt-ins	£0	£17,100	£25,900	£28,200	£36,400	£57,400	£29,800
Total	£0	£257,900	£406,100	£426,400	£549,000	£622,800	£1,295,000

Table KS3: Employer duties baseline projections - weighted

Group	2012	2013	2014	2015	2016	2017	2018
Auto-enrollees	£0	£165,600	£260,900	£273,900	£352,700	£383,600	£898,000
Opt-ins	£0	£7,900	£12,400	£13,000	£16,700	£31,000	£42,800
Total	£0	£173,500	£273,300	£286,900	£369,400	£414,600	£940,800

For further information, visit our website at www.puntersouthall.com

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Financial News
PRIVATE EQUITY NEWS AWARDS FOR EXCELLENCE IN ADVISORY SERVICES EUROPE, 2008



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