

## Auto Enrolment Basics

“In order to determine what an employer will need to do, will depend on whether they employ people the legislation classifies as “workers”. The term ‘worker’ is specific – it does not simply apply to the working population as a whole. There are different categories of worker, determined by a person’s age and how much they earn”<sup>1</sup>

There are 2 main categories of workers – Jobholders and Entitled Workers. Jobholders are then further divided into Eligible and Non Eligible Jobholders. Each category attracts different levels of employer duties as laid out below.

**Entitled Worker** – someone who is aged between 16 – 74, ordinarily working in the UK, do not have qualifying earnings payable in the relevant pay reference period (PRP) currently £5,564.

**Employer duty** is inform worker of right to join a pension scheme, tell them how to do this and if they join sent certain details to the pension scheme and keep certain records.

**Non Eligible Jobholder** – someone who is aged between 16 – 74, ordinarily working in the UK, have qualifying earnings payable in the relevant pay reference period above £5,564 but below £8,105 or aged between 16 – 21 and have qualifying earnings payable in the relevant pay reference period above £8,105.

**Employer duty** is to inform worker of right opt into a qualifying pension scheme, and if they opt in make arrangements for scheme membership, calculate, deduct and pay over contributions from the worker and the BBC. Keep certain records.

**Eligible Jobholder** - someone who is aged between 22 – 74, ordinarily working in the UK, have qualifying earnings payable in the relevant pay reference period above £8,105 up to £42,475.

**Employer duty** is to automatically enrol worker in to a qualifying pension scheme, inform worker of enrolment and about their right to opt out, and make arrangements for scheme membership, calculate, deduct and pay over contributions from the worker and the BBC. Keep certain records.

To be a jobholder (Eligible or Non Eligible) a worker must have qualifying earnings paid in a relevant Pay Reference Period (PRP). This is a period of time when a regular wage or salary is paid. In legislation the shortest a PRP can be is one week.

Therefore a worker who:

1. **does not** have a pay reference period i.e. who is someone who is NOT paid a regular wage or salary by reference to a specific period,
- or**
2. **does** have a pay reference period *but it is less than a week* e.g. a person who is genuinely paid daily for the work they did in that day

**cannot** be a jobholder (Eligible or Non Eligible) and **cannot** be eligible for automatic enrolment. However, they will still be an Entitled worker and will get a workers' right to join a scheme.

However, for the BBC engagements, the majority of the actors do not have a specific period by reference to which they are paid. They are paid once they have completed an episode and therefore paid by reference to the delivery of a piece of work and not by reference to a period of time. Therefore they can only be Entitled workers.

<sup>1</sup> Pension Regulator Guidance – Employer Duties and Defining the Workforce

## Postponement or Deferral

Under the legislation, employers have the right to defer automatic enrolment for a period of up to 3 months. At our staging date of 1<sup>st</sup> February 2013 or going forwards on the first day of engagement, the BBC will apply a 3 month postponement period to all workers. In this instance any worker who is engaged for a period of 3 month or less will **not** be included or assessed for automatic enrolment and the BBC therefore will have no employer duties apply.

However, if the worker is already a member of the Equity Pension Scheme, and is engaged for a period of 3 months or less, contributions will continue as usual.

The following tables have been prepared as guidance only to help demonstrate the BBC approach to auto enrolment for artists and contributors. Clearly, should any of the parameters mentioned above change this could alter the way the worker is assessed.

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