

WEST BRETTON PARISH COUNCIL PENSIONS POLICY

Introduction

The Pensions Act 2008 requires all local councils to enrol “eligible jobholders” automatically into a qualifying pension scheme, to offer “non-eligible jobholders” (workers who are not eligible for automatic enrolment) the choice as to whether to opt into a qualifying scheme and “entitled workers” (workers who are entitled to join a non-contributory pension scheme) to request that the employer facilitates a non-contributory scheme.

West Bretton Parish Council are committed to meeting their obligations under the Pensions Act.

Qualifying Rules

The qualification rules depend on the level of an employee’s income from the employer and in 2020/2021 the levels and rules were as follows:

Auto-Enrolment

- An employee is entitled to auto-enrolment into a qualifying scheme if their annual earnings are above £10,000 per annum.

Right to Opt-in

- An employee has the right to opt-in to a pension scheme if their annual earnings are £6,240 to £10,000.

Right to Join

- They have the right to join a pension scheme if their annual earnings are below £6,240

The latter Right to Join applies to West Bretton Parish Council who have one part-time employee, the Parish Clerk/Responsible Financial Officer.

The Council precept, from which the Parish Clerk is paid, is approximately £5,400 per annum so it is not expected to meet the pension right to opt-in threshold of £6,240 in the short term. However, the government may change the thresholds in the future.

If an employee exercises their right to join a pension scheme, West Bretton Parish Council must provide a pension scheme for the employee. However, West Bretton Parish Council is not obliged to make contributions.

More Information

More information about pensions can be found on the Pension Regulator Website:

<https://www.thepensionsregulator.gov.uk/en/business-advisers/automatic-enrolment-guide-for-business-advisers/9-knowing-your-clients-ongoing-duties/automatic-enrolment-earning-threshold>