



Coronavirus Job Retention Scheme - Pension Contributions

Guidance from The Pensions Regulator (TPR) has highlighted that pension duties continue even during a crisis.

Whether staff are still working or are being furloughed as part of the Coronavirus Job Retention Scheme (CJRS), automatic enrolment (AE) duties continue to apply as normal, including re-enrolment and re-declaration duties.

Re-Enrolment

If your re-enrolment date is approaching and you are finding it difficult to complete your re-enrolment duties on the third anniversary of your staging date or duties start date due to the coronavirus pandemic, you can choose a later date up to three months after your third anniversary to assess your staff.

Pension contributions

Under CJRS the Government have advised that they will include the employer's statutory minimum AE contribution. If you make a claim for a grant (to cover the lower of 80% of furloughed worker's salary or wage or £2,500 per month), you can also claim the statutory minimum employer pension contribution on those wages.

If making a claim under CJRS, the normal payroll process must still run as normal. All deductions for example tax, national insurance contributions as well as pension contributions should continue to be made from your furloughed member of staff's wages and paid as usual. You and your furloughed staff's pension obligations remain unchanged and your pension contributions must still be uploaded to your pension provider.

Paying more than minimum AE contributions

Under CJRS grant you might be able to pay more than the statutory minimum AE contribution if:

- you choose to pay your furloughed worker more than 80% of their salary or more than £2,500 a month
- the furloughed worker is an active member of a defined benefit (DB) pension scheme or a DB member of a hybrid pension scheme
- you choose to use certification for your defined contribution (DC) pension scheme (sometimes known as a 'money purchase scheme') and the scheme rules or governing documentation may require contributions from the first penny of earnings
- under the scheme rules, your contribution rate is higher than 3%
- under the scheme rules, you pay the total contribution and your member of staff does not pay any: this will be the case if you use salary sacrifice on pension contributions

If you are paying more than the AE statutory minimum contribution, the excess will not be funded by the CJRS. You should continue to make the correct contributions due under the scheme and in this case will have to pay a proportion of the pension contribution cost yourself.

Employees may choose to opt-out of the scheme, but the employer must not coerce or encourage their employees in any way.

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

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