



## Earnings trigger and qualifying earnings band for 2021-22

The Department for Work and Pension (DWP) has released their Automatic Enrolment report, confirming the Automatic Enrolment earnings trigger and qualifying earnings band for 2021-22.

The report has confirmed that the existing earnings trigger threshold of £10,000 will remain in place for tax year 2021-22. This is upon consideration of affordability for both employers and individuals, particularly considering the impacts of coronavirus, and the need for consistency in these uncertain times.

The lower limit of the qualifying earnings band will also remain unchanged for 2021-22 and will continue to be set at £6,240. The upper limit will be increased, in line with the National Insurance Contribution Upper Earnings Limit (UEL) for tax year 2021-22, at a value of £50,270.

### Current (2020/21)

Trigger	Lower limit qualifying earnings band	Upper limit qualifying earnings band
£10,000	£6,240	£50,000

### Proposed (2021/22)

Trigger	Lower limit qualifying earnings band	Upper limit qualifying earnings band
£10,000	£6,240	£50,270

## The Pension Schemes Bill

The Pension Schemes Bill which was first introduced in the Queen's Speech on 14 October 2019, has passed through the final stage of Parliament, and will shortly receive Royal Assent.

The Bill includes rules surrounding the pension dashboard, expands the powers of The Pensions Regulator (TPR) and collective defined contribution schemes.

On the 16 November 2020 at the final reading of the Bill, the House of Commons voted against an amendment, which would have meant that the Government had to contact members five years prior to them being able to access their pension pot, to offer them an appointment with Pension Wise. There was also deliberation over whether pension dashboards should let users engage in financial transactions, including the merging of pension pots and transfers between providers.

The Department for Work and Pensions parliamentary under-secretary of state baroness Deborah Stedman-Scott, said: *"The bill will affect the lives of millions of people throughout the country. It will make pensions better by creating a new style of pension scheme that has the potential to increase future returns for millions of working people, and by delivering pensions dashboards that will help individuals to make informed decisions about their financial futures.*

*"It will make them safer by helping to prevent scams and by clamping down on those who recklessly try to plunder the pension pots of hard-working employees. It will make them greener by requiring pension schemes to take the government's net-zero climate targets into account in managing their own climate risk."*

*If you have any queries please contact your usual 44 Consultant or email [admin@44benefits.co.uk](mailto:admin@44benefits.co.uk)*

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