

SIMPLE PENSIONS

Workplace Pensions - Why You Should Start Today

Getting started at anything is critical, yet we all tend to plan, ponder, strategize and contemplate rather than take actual action.

To be a good golfer you need to get out on the driving range or play on a course. Spending time in the local golf superstore getting kitted out with the latest clubs, a trolley, the all-important glove, windproof umbrella, matching waterproofs and a pair of Bugsy Malone style shoes doesn't make you a great golfer! Yes you have all the gear, but the person who borrowed some clubs and is whacking balls down at the driving range is taking action towards becoming a better golfer.

Taking action will move you towards your goal just like the person who picks up a guitar and starts plucking instead of the person who spends hours in the guitar shop oohing and aahing at the wide range of guitars on offer (as much as that can be!).

In the UK there is a ticking time bomb that requires all business owners to take action. There is a legal requirement on all employers to provide a workplace pension for their employees. The Pension Regulator has already decided when you need to do this by – this will vary from business to business and you may already know your Staging Date (this is when you need to have it sorted by), if not you will do very soon.

Remarkably there has been very little in the media about this yet the 1,400,000 businesses in the country need to, by law, provide a scheme to their employee. Failure to do so will incur an immediate £400 fine and then rack up big daily fines going forward. This is serious stuff and could wipe out your entire daily profit!

Lots of business owners assume their accountant has it covered or if not their payroll company – the reality is that most businesses are not being looked after at all and their deadline is fast approaching. There is no buck to pass here the responsibility lies with the employer and that is who gets fined.

With workplace pensions already underway for a number of larger businesses in the UK, it's important that you act now and start preparing – there's a lot that can be put in place earlier. As part of your duty as an employer, taking some initial steps now will certainly help you along the way. For example;

- Make sure you know your 'Staging Date' – this is the date on which auto-enrolment goes live for your business.
- Determine which employees in your practice are eligible to join the scheme.
- Benefit from cost savings by putting plans in place early.
- Start to tell your staff as much as you can about auto-enrolment beforehand.
- Make sure your systems/processes are in place, ready for when auto-enrolment takes place.
- Get the right advice.

Those who take action swiftly are going to benefit too. Soon there is going to be a serious shortage of advisers to help and with over 130,000 businesses due to stage on just one day in 2017 this tsunami of businesses will mean implementation costs soar.

Taking action today doesn't mean you have to start paying your employees pensions right away but it does mean you are ready in good time.

Taking action today means less stress, reduced fees, no fines and more time to practise your golf swing or that guitar riff.

Andy Acton

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