

## WORKPLACE PENSIONS

Churches will no doubt have heard about Workplace Pensions whereby employers are required, by law, to operate a pension scheme and automatically enrol certain employees into that pension scheme with effect from their staging date. Churches with a PAYE reference number will receive a letter from the Pensions Regulator informing them of their staging date.

It is permitted for employees to opt out of the scheme if they wish to do so and therefore church workers will not be compelled to join the scheme if they do not wish to do so. Additionally, the scheme does not apply to Office Holders, and within the Grace Baptist family of churches, pastors are generally regarded as being Office Holders.

Nevertheless, the problem is that employers must operate a pension scheme and automatically enrol their employees even if those employees then express a desire to opt out. Furthermore, if a church has a PAYE reference number, the law will assume that the church is an employer with employees. The consequence of this is that churches with a PAYE reference number will automatically be given a staging date by which time they must have a pension scheme in place.

The regulations are so detailed and there is so much information available from the website of the Pensions Regulator ([www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)) that the Corporation does not intend to attempt to reproduce it here. Quite simply, the essence of the requirements of Workplace Pensions is that churches that have a PAYE reference number will be required to operate a pension scheme that qualifies under the regulations – even if it is the intention of the pastor and all other church workers to opt out of the scheme!

Churches are therefore encouraged to visit the website of the Pensions Regulator if they have not already done so and ensure that they are in a position to comply with the regulations once their staging date arrives. This will include having a pension scheme in place well before the staging date so that staff can be enrolled on that date. Once employers have set up a pension scheme and enrolled their employees, they must complete a declaration to that effect within five months of their staging date (see online at: [www.autoenrol.tpr.gov.uk](http://www.autoenrol.tpr.gov.uk)). Churches should be aware that significant fines will be imposed on employers that do not comply.

The Corporation is not permitted to give advice on pension schemes but we are prepared to state, as a matter of fact, that the Government have set up a pension scheme called NEST which is suitable for small employers. We are not permitted to advise either in favour of it or against it and churches must take their own advice as to what scheme they should use.

If your church does receive a letter telling you what your staging date is, and you do not have internet access (and are therefore deprived of the information that is available on the internet) the Grace Baptist Trust Corporation will do what we can to help by making the information available to you BUT we are not allowed to give pensions advice.

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