



FAQ'S FOR EMPLOYERS REGARDING YOUR PENSION SCHEME

COVID - 19

Frequently Asked Questions

1 **Can employers put their scheme on a contribution holiday?**

Although The Pension Regulator (TPR) have not given a definitive view as to whether employers can apply a contribution holiday to their scheme, we would encourage if they can, to continue making contributions in the normal way.

2 **Should employers continue making pension contributions if members are off sick?**

Yes. Employers will need to continue deducting contributions from the members' salaries. Statutory sick pay is part of the qualifying earning rules for automatic enrolment.

3 **What should employers do if any members want to stop paying into their pension? What if they are furloughed?**

Members can stop/restart their contributions at any time. If they do, whilst bringing total contributions below Automatic enrolment minimums, the scheme ceases to be qualifying. The employer then has the choice of continuing their contributions or not.

4 **What should employers do if any members stop paying into their pension, but they want to continue contributions?**

If the member contribution stops, employers will need to stop deducting contributions from their salary. And similar to above, employers will need to check to see if there are any conditions that apply to minimum / matching contributions amounts. And then ensure they update their schedules to reflect the new contribution.

5 **Do employers still need to make pension contributions if employees' take unpaid leave for any reason?**

Neither party would need to make any contribution.

6 **If employers need to reduce salaries, do they still need to make the pension contributions?**

If the salary has been reduced, any pension contributions the employer makes, should be based upon the revised salary. It's important employers check that any reduced pension contributions are still in line with any specific arrangements they have with employees.

7 **Can employers change the certifications basis of their scheme?**

If the scheme's contributions basis meets the statutory minimums then yes they can change the scheme's basis. If they decide to make the change, they'll need to let us know as well as keep a record of this in case TPR ask for evidence and they'll also need to let their employees know.

8 **If the employers are taking on any new employees, should they still enrol them into the scheme?**

Yes. Until TPR provide any other advice around new joiners, employers should continue to enrol any new employees into the scheme in the normal way.

9 **If the current situation means employers can't make their pension contributions on time what are their options?**

We appreciate that current circumstances will be challenging for employers, however until TPR tell us otherwise, employers should try to make their pension contributions as soon as they can. If employers are concerned about whether they can meet their ongoing duties, we suggest they speak to TPR.