



## PENSION POLICY

### **Introduction**

The Pensions Act 2008 requires all local councils to enrol “eligible jobholders” automatically into a qualifying pension scheme, to offer “non-eligible jobholders” (workers who are not eligible for automatic enrolment) the choice as to whether to opt into a qualifying scheme and “entitled workers” (workers who are entitled to join a non-contributory pension scheme) to request that the employer facilitates a non-contributory scheme.

Acaster Malbis Parish Council are committed to meeting their obligations under the Pensions Act.

### **Qualifying Rules**

The qualification rules depend on the level of an employee’s income from the employer and in 2019/2020 the levels and rules were as follows:

#### ***Auto-Enrolment***

- An employee is entitled to auto-enrolment into a qualifying scheme if their annual earnings are above £10,000 per annum.

#### ***Right to Opt-in***

- An employee has the right to opt-in to a pension scheme if their annual earnings are £6,240 to £10,000.

#### ***Right to Join***

- They have the right to join a pension scheme if their annual earnings are below £6,240.

The latter Right to Join applies to Acaster Malbis Parish Council who currently have one part-time employee, the Parish Clerk.

The Council precept, from which the Parish Clerk is paid, is around £4,500 per annum so we do not expect to meet the pension right to opt-in threshold of £6,240 in the short term.

However, the government may change the thresholds in the future.

If an employee exercises their right to join a pension scheme, Acaster Malbis Parish Council must provide a pension scheme for the employee. However, Acaster Malbis Parish Council isn’t obliged to make contributions.

### ***More Information***

More information about pensions can be found on the Pension Regulator Website.

<https://www.thepensionsregulator.gov.uk/en/business-advisers/automatic-enrolment-guidefor-business-advisers/9-knowing-your-clients-ongoing-duties/automatic-enrolment-earningsthreshold>