**NARBOROUGH PARISH COUNCIL**

**PROVISION OF PENSIONS FOR EMPLOYEES**

**POLICY STATEMENT**

Adopted 1st March 2021

Reviewed 10th May 2023

**1. Introduction**

1.1 Narborough Parish Council is required to provide a pension provision for all employees.

1.2 The level of this provision is determined by the Government’s guidance on workplace pensions.

1.3 Historically, Narborough Parish Council has only employed a parish clerk.

**2. Eligibility**

2.1 Any employee with earnings over £10,000 per annum will be auto-enrolled in a qualifying pension scheme in line with the Government’s guidance on workplace pensions.

2.2 Any employee with earnings below £10,000 may exercise their right to join a qualifying pension scheme.

2.3 If such an employee exercises their right to join, the employer must provide a pension scheme for that employee, but is not obliged to make employer contributions to any scheme where the employee’s earnings are below £520 per month.

2.4 Overtime and certain other allowances, as outlined in the Government’s guidance on workplace pensions, are considered as qualifying earnings for pension calculations.

2.5 The Government may alter the above thresholds in the future.

**3. Qualifying Pension**

3.1 Parish councils are no longer obliged to offer the Local Government Pension Scheme (LGPS) and can use other providers of qualifying pension schemes.

3.2 Narborough Parish Councils have chosen to adopt the state-run National Employment Savings Trust (NEST) as their qualifying pension scheme.

3.3 NEST is a defined contribution Pension scheme. This means that pension contribution rates are fixed throughout the term of the pension scheme, and are used to build up a pension pot. The value of that pension pot will be used to purchase an annuity at the cessation of the pension scheme.

3.4 Employee contributions for NEST are a minimum of 4% (or £10) of gross earnings per month.

3.5 Where the employee’s earnings are £520 per month or above the Council will additionally contribute a minimum of 3% of gross earnings to the scheme.

3.6 Where the employee is an income tax payer, the Government will additionally contribute 1% by way of tax relief.

3.7 The above contribution rates are subject to change and will be determined by the pension scheme terms and conditions applicable at the commencement of the scheme, and also by any applicable government legislation.

**4. Action required by employer**

4.1 At the commencement of a contract of permanent employment. The Council shall determine what pension provision is applicable as per the Governments guidance on workplace pensions.

4.2 Where the employee earnings exceed £10,000 per annum the Council shall auto-enrol the employee to the NEST pension scheme in line with the Governments guidance on workplace pensions

4.3 Where the employee earnings are less £10,000 per annum, the Chairperson of the Council (or a delegated Councillor) shall within 6 weeks of the start of the employment, write to the employee stating that the Council are offering a work place pension and that the employee has the right to join should they so wish.

4.4 A template letter to assist with this action is attached at Appendix A.

4.5 Should the employee decline their right to join a pension scheme the Chairperson of the council (or the delegated councillor) shall inform the Pensions Regulator of such.

4.6 Where the employee exercises their right to join a pension scheme the Chairperson of the council (or the delegated councillor) shall initiate proceedings with NEST.

**5. Administration of workplace pensions**

5.1 It will be the duty of the Parish Clerk to correctly administer all workplace pensions for employees of the Council.

5.2 Where this involves the Parish Clerk administering their own pension scheme, periodic reviews of the administration shall be carried out by a Councillor nominated by the Chairperson of the Council, in line with the Councils policy on internal checks.

**6. Review of pension provision**

6.1 Where an employee with earnings of less than £520 per month has exercised the right to join a pension scheme, the parish clerk / RFO will assess their earnings each month to ensure the £520 threshold is not exceeded. Where it is exceeded, the Parish Clerk / RFO shall inform the Council’s Chairperson who will instigate the appropriate action, as determined by the Government’s guidance on workplace pensions.

6.2 Annually, each April the Parish Clerk / RFO will review the Government’s thresholds for workplace pension calculations to ensure the Council remails compliant with regulations.

**7. Primacy**

7.1 Where any conflict exists between this policy and the Government’s guidance on workplace pensions or the NEST terms and conditions, the latter shall have primacy.

**8. Additional Information**

8.1 The Government’s guidance on workplace pensions:

<https://www.gov.uk/workplace-pensions>

8.2 The National Employment Saving Trust (NEST) website: <https://www.nestpensions.org.uk>

(Appendix A)

**NARBOROUGH PARISH COUNCIL**

**PENSIONS OPTION**

[Enter date]

Dear [worker’s name]

As an employee you have the right to join a workplace pension scheme.

Narborough Parish Council is offering the State-Run National Employment Savings Trust (NEST) as our workplace pension scheme.

Nest is a straightforward defined contribution pension scheme. Full details of the scheme can be found at [**https://www.nestpensions.org.uk**](https://www.nestpensions.org.uk)

You can also get general information on pensions and saving for later life from [**https://gov.uk/workplace-pensions**](https://gov.uk/workplace-pensions)

You can view the Council’s pension policy from the policy documents section of our website at[**https://narboroughcouncil.norfolkparishes.gov.uk/**](https://narboroughcouncil.norfolkparishes.gov.uk/)

If you’d like to become a member, you’ll need to let us know by writing to the Chairperson of the Council.

If you do not wish to join the pension scheme, we would ask you to confirm this in writing to the Chairperson of the Council. You may change your mind and ask to join the pension scheme at any point during your employment.

If you have any questions about contributions or your enrolment, please contact the Chairperson of the Council.

Yours sincerely

[Enter signature]

[Enter name of employer or person acting on behalf of employer]