

What is NEST?

NEST is a compulsory pension scheme, which will commence in 2012. All firms will have to enrol all eligible members of staff into the scheme and both the employee and employer will have to make payments to the scheme.

When will NEST affect your firm?

The table below shows the dates which NEST must be implemented by depending on the number of staff your firm employs. The phasing date only depends on employee numbers; it does not depend on how many members you know will opt in or out.

STAFF NUMBERS	PHASING DATE
350-499	1 Jan 2014
250-349	1 Feb 2014
240-249	1 April 2014
150-239	1 May 2014
90-149	1 June 2014
50-89	1 July 2014
Less than 50 with BZ in PAYE REF	1 August 2014
Less than 50 with 00-01 in PAYE ref	1 Sept 2014
Less than 50 with 02-04 in PAYE ref	1 Oct 2014

Who needs to be enrolled into the scheme?

- 1) All staff members between 22 and 65 who earn above £7475 per annum, must be enrolled into NEST regardless of their wish to join the scheme or not. A first contribution must be collected from the employee's salary by the employer. If an employee does not wish to join NEST a refund can be paid to the employee after the one month opt out period is over, however the contribution must still be collected by the firm and NEST must be notified of the employees wish to opt out via the scheme administrator.
- 2) The employer must not influence staff members whether to enrol or not and can be fined heavily by the DWP in the event this happens. Fixed penalties can be up to £50,000 and on-going penalties can be up to £10,000 per day without a cap. Employers must not encourage employees to opt-out of the scheme and the pension's regulator will be providing a whistle-blowing line for employees. The anonymity of employees who whistle-blow will be protected under the Public Interest Disclosure Act 1998.
- 3) Members must be given access to the pension scheme within 1 months of joining a firm.

What will need to be contributed to the scheme?

- 1) The following rates will be payable by the employee and employer. Employee payments will be collected from their salary by the employer each month and collected by NEST via direct debit, which is payable by the employer. The contributions below are expressed as a percentage of employee earnings.

	Employee	Employer
2) Oct 2012 to Oct2016	1%	1%
3) 2016 to Oct 2017	3%	2%
4) 2017 onwards	4%	3%