

Draft Order laid before Parliament under section 143(4) and (5)(c) of the Pensions Act 2008, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2012 No. []

PENSIONS

The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2012

Made - - - - *******
Coming into force - - *******

The Secretary of State for Work and Pensions has reviewed the amounts in sections 3(1)(c), 5(1)(c) and 13(1)(a) and (b) of the Pensions Act 2008⁽¹⁾ as required by section 14(1) of that Act and considers that each of those amounts should be increased.

A draft of this Order was laid before Parliament in accordance with section 143(4) and (5)(c)⁽²⁾ of the Pensions Act 2008 and approved by a resolution of each House of Parliament.

Accordingly the Secretary of State for Work and Pensions makes the following Order in exercise of the powers conferred by sections 14(2), 15A(1) and 144(4) of the Pensions Act 2008:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2012 and comes into force on the day after it is made.

(2) In this Order “the Act” means the Pensions Act 2008.

Increase of amounts

2.—(1) In sections 3(1)(c) and 5(1)(c) of the Act (automatic enrolment), for “£7,475” substitute “£8,105”.

(2) In section 13(1) of the Act (qualifying earnings and earnings trigger)—

(a) in paragraph (a), for “£5,035” substitute “£5,564”; and

(b) in paragraph (b), for “£33,540” substitute “£42,475”.

(1) **2008 c. 30.** Sections 3(1) and 5(1) were substituted by section 5(1) and (3) of the Pensions Act 2011 (c. 19) (“the 2011 Act”). Section 14 was substituted by section 8(1) and section 15A was inserted by section 9 of the 2011 Act.
(2) Section 143(5)(c) was amended by section 8(3) of the 2011 Act.

Rounding of figures

3. For the purposes of sections 3(6B), 5(7B)(3) and 13(2) of the Act, in the case of a pay reference period of a length described in the first row of the table, the rounded figure in respect of the provision of the Act mentioned in the first column of the table is that which appears below the pay reference period which corresponds to that provision.

Table

	<i>1 week</i>	<i>2 weeks</i>	<i>4 weeks</i>	<i>1 month</i>	<i>3 months</i>	<i>4 months</i>	<i>6 months</i>
Sections 3(6B) and 5(7B)	£156	£312	£624	£676	£2,027	£2,702	£4,053
Section 13(2) (referring to section 13(1) (a))	£107	£214	£428	£464	£1,391	£1,855	£2,782
Section 13(2) (referring to section 13(1) (b))	£817	£1,634	£3,268	£3,540	£10,619	£14,159	£21,238

Signed by authority of the Secretary of State for Work and Pensions.

Date

Name
Minister of State,
Department for Work and Pensions

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision under sections 14 and 15A of the Pensions Act 2008 (c. 30) (“the Act”).

Article 2 increases the amounts in sections 3(1)(c), 5(1)(c) and 13(1)(a) and (b) of the Act. The amount specified in section 3(1)(c) is the amount of earnings that a jobholder must receive before an employer is subject to the duty imposed by section 3 in relation to that jobholder. The amount in section 5(1)(c) is the amount of earnings a jobholder must receive before an employer is subject to the duty imposed by section 5 in relation to that jobholder. “Qualifying earnings” are earnings of more than the amount specified in section 13(1)(a) and not more than the amount specified in section 13(1)(b).

Article 3 specifies rounded figures for the purposes of sections 3(6B), 5(7B) and 13(2) of the Act. The amounts specified in article 2 are in relation to a pay reference period of 12 months. Sections 3(6B), 5(7B) and 13(2) provide respectively that where the pay reference period is less or more than 12 months, the amounts specified in sections 3(1)(c), 5(1)(c) and 13(1) apply as if they were proportionately less or more. This article provides rounded figures in respect of the specified pay reference periods.

An analysis of the impact of this legislation has been made. The analysis is published with the Government’s response to the public consultation on the automatic enrolment earnings trigger and qualifying earnings for 2012/13. Copies may also be obtained from the Department for Work and Pensions, Caxton House, Tothill Street, London SW1H 9NA, or from the DWP website: <http://www.dwp.gov.uk/consultations/2011/auto-enrolment-revaluation.shtml>.