

Are you ready for the **four** potential costs of auto-enrolment?

With your business on the road to auto-enrolment, it's important you understand what it could cost you. And we don't just mean in **money**, but also **time, hassle** and possibly even **a fine**. Here are some of the current facts and figures on auto-enrolment:



1-Time →



2-Money →



3-Hassle →



4-Fines →



Are you ready for the four potential costs of auto-enrolment?



1-Time

103
working days

This is an estimate of how long it could take a typical UK business to get ready for auto-enrolment.

It may be less for smaller firms with fewer employees.¹

3
days each month

The recurring admin burden swallows time every month for some firms.¹

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MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
		X	X	X	4	5
6	X	X	X	X	11	12
X	14	X	X	X	18	19
X	X	X	X	X	25	26
X	28	29	30			

Go Live!



To find out more, talk to your business adviser or visit: aviva.co.uk/auto-enrolment/support



1-Time

2-Money

3-Hassle

4-Fines



Are you ready for the four potential costs of auto-enrolment?

2-Money



Small **businesses in the UK with up to four employees** could face an estimated **set up fee up to £8,900** for auto-enrolment according to the C.E.B.R.¹

The government has set **minimum pension scheme contribution levels for employers at 1%, rising to 3% from October 2018.**²

If you'd like to get an idea of the costs to your business, take a look at the calculator available at **www.pensionsregulator.gov.uk**



Research estimates **the total cost of annual pension contributions** to UK businesses in 2018 will be **£11.6 billion.**⁴



Research indicates **total one-off set-up costs for auto-enrolment** between 2012 and 2017 for businesses with fewer than 500 employees will be⁴ **£15.4 billion**



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3-Hassle

Research found that **15% of directors were not confident they would be able to correctly enrol staff when they hit their staging date.** For directors of firms with fewer than 50 employees, this figure rose to **46%.**³

Up to 33 different administrative tasks

Businesses have to get to grips with the scale of auto-enrolment and everything they must do to comply with legislation by their staging date.¹

Business owners will have to **identify and enrol new employees who may be eligible on their first day** and all other existing employees with qualifying earnings and are over 22 years old.¹



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4-Fines



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Between January and March 2015, 198 companies received a fixed penalty notice of £400 for failing to comply with a statutory notice or an employer specific duty. So far, 367 companies have been hit by fines.⁵

Four companies have received an escalating penalty of between £50 and £10,000 a day for failing to comply with a statutory notice. The amount depends on the size of the company.⁵

The figures in this document are the findings to date. **As an employer, we recommend you speak to your financial adviser, accountant or business adviser to understand the true cost to your business.**

- 1-Time
- 2-Money
- 3-Hassle
- 4-Fines**

Aviva can help you get ready for auto-enrolment!

Aviva have plenty of experience with auto-enrolment, **they can help you plan for and manage the potential costs to your business** of auto-enrolment.

To find out more, talk to your business adviser or visit:

aviva.co.uk/auto-enrolment/support



Sources:

¹CEBR - <http://www.cebr.com/reports/15-4bn-auto-enrolment-setup-cost>;

²The Pensions Regulator: <http://www.thepensionsregulator.gov.uk/employers/contributions-funding.aspx#s9379>;

³Institute of Directors: (Another) new dawn for pensions;

⁴Finding your way out of the auto enrolment maze, CEBR report, September 2013;

⁵Automatic enrolment – Compliance and enforcement, quarterly bulletin 1 January – 31 March 2015, The Pensions Regulator.

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1-Time

2-Money

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