



Automatic enrolment: the number of fines is increasing

The Pensions Regulator is finding a growing number of automatic enrolment failures.

The Pensions Regulator (TPR) recently issued its latest “Compliance and enforcement” bulletin, looking at progress to the end of 2015. This showed that as the size of employers drawn into the scope of auto-enrolment has shrunk, so have the TPR’s actions and fines grown:

- In the final quarter of 2015, TPR issued 2,596 compliance notices, which it describes as giving employers “a ‘nudge’ to encourage them to meet their duties”. In the previous three years, the average had been under 200 a quarter.
- TPR served 78 Unpaid Contribution Notices in the last three months of 2015. Once again the average for the previous three years was much lower – about 12 a quarter.
- Further up the non-compliance scale, TPR levied 1,021 £400 Fixed Penalty Notices for non-compliance: in the previous three years it had only issued 573 *in total*.
- TPR also imposed 24 escalating *daily* penalties (which can run up to £10,000) for failure to comply with a statutory notice. In the first three years of automatic enrolment only seven were issued.

The bulletin includes a case study of “an employer in the sports sector” who racked up £10,000 in daily penalties and was forced to pay a further £15,000 of contributions on behalf of their staff because of delays in putting a workplace pension in place.

TPR’s message to employers is simple: “plan early to meet your automatic enrolment deadlines. There is no need to risk a fine.” We could not have put it better ourselves.

The value of your investment can go down as well as up and you may not get back the full amount you invested. Past performance is not a reliable indicator of future performance.