

It will soon be a mandatory requirement for all local businesses – regardless of industry or size of business – to enrol Designated Employees in an Approved Pension Scheme and pay contributions on their behalf. We want to make setting up a pension as easy as possible for you. While you may be worried about the imminent introduction of secondary pensions in Guernsey, we are here to help. Every industry operates slightly differently so we've started a blog series to answer the specific questions you may have. Up first is the construction industry.

What are my pension options?

Employers will be required to automatically enrol Designated Employees into an Approved Pension Scheme (a corporate scheme that meets The States of Guernsey secondary pensions requirements) or join the default Your Island Pension, which is being established by the States.

Most employers will normally go for the Approved Pension Scheme since it is more flexible and more tailored to your requirements. At BWCI Pension Trustees Limited ("BWCI"), we offer a range of Blue Riband products which are cost-effective and flexible, and designed to meet your specific objectives.

We employ contractors, do I need to offer them a pension?

If the contractors are employed by you and they are a Designated Employee, you will need to auto-enrol them. Designated Employees are employees that are:

- Resident in Guernsey, Herm, Jethou or Alderney
- 16 years old or over
- Under States of Guernsey Pensionable Age (which is being increased from 65 to 70 between 2020 and 2049)
- Likely to earn more than the Lower Earnings Limit per annum (£8,476 in 2023)
- Not in full-time education

Note that employees on an apprenticeship are required to be auto-enrolled if they meet the above criteria. However, any contractors employed on a contract for shorter than three months don't need to be auto-enrolled. Also sub-contractors, because they are not employed by you, do not need to be offered a pension by you.

We have a number of zero-hour employees, do I need to offer them a pension?

If they meet the Designated Employee definition, they will need to be auto-enrolled. In this case you will need to check if they are likely to earn above the Lower Earnings Limit. If they will earn below the limit, you don't need to auto-enrol them, but they have the right to opt into the pension scheme.

The contributions which you pay into the pension scheme are based on the remuneration you pay social security contributions on in each pay period.

Due to the nature of the job, our employees often retire before the Guernsey States pension age, will they still be able to access their pension?

Yes, from the age of 50, under the current Revenue Service rules, they can access their pension. Before the age of 50, the pension can only be accessed if in ill-health and if sufficient medical evidence is provided.

We're here to help. If you have any other questions about secondary pensions or would like to talk through the options in your particular circumstances, please contact **John Martin** (john.martin@bwcigroup.com).

