

SECONDARY PENSIONS: RETAIL INDUSTRY FAQs

NEXT UP
IN THE SERIES IS
FAQS FOR THE
HOSPITALITY INDUSTRY.

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. And 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. The next FAQs are for the retail 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, flexible, and designed to meet your specific objectives.

Our employees work very flexible hours and some work part-time, do we need to set up a pension for them?

If they meet the Designated Employee specification, they will need to be auto-enrolled. These 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

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 in.

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

Some of our employees are under the age of 18, do we need to set up a pension for them?

Yes, if they are a Designated Employee, meaning they are over the age 16 and not in full-time education.

Some of my employees have more than one job that also offer pensions, how would setting up a pension work in this case? Can they have more than one?

If they are a Designated Employee employed by you under your contractual terms, then you will need to auto-enrol them, even if they work elsewhere. If they are also a Designated Employee through their employment with another company, then they would need two pension schemes.

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).