

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. The next FAQs are for the hospitality 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.

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

You need to auto-enrol all your 'Designated Employees'. 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 (£9,100 in 2024)
- Not in full-time education

If your seasonal employees are employed with you for longer than three months and they are likely to earn above the Lower Earnings Limit, they will need to be auto-enrolled after three months of employment.

My employees get paid tips, how does this factor into the pension scheme?

The minimum contributions which you pay into the pension scheme are based on the remuneration you pay Social Security contributions on. If tips are inside scope for Social Security contributions, they will also be inside scope for pension contributions.



In this industry we have a high turnover of staff, is there a lot of admin work to auto-enrol new employees into the pension scheme?

Our Blue Riband plans are designed to reduce the administration burden on the employer as much as possible. Auto-enrolment can be done automatically without members completing forms and when individuals leave, they just contact our customer service team directly, they don't need to go through you, so that you can focus on running your business.

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).

