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## Direct Payments - Advice notes

### Pensions

#### It's the law!

As an employer, you are legally required to provide a pension scheme for your Personal Assistant (PA) and pay towards it. This is called 'auto-enrolment'.

You must enrol and make an employer's contribution for all your staff who:

- are aged between 22 and the State Pension age;
- earn at least £10,000 a year;
- normally work in the UK.

The law applies to everyone who receives a Direct Payment or a Personal Health Budget and those who fund their own care and support.

If you use your direct payment to **pay an agency**, they are the employers so you do not need to do anything.

If your Personal Assistant is **self-employed**, you do not need to do anything.

If your Personal Assistant does not want to stay in the pension scheme they can decide not to be in it or 'opt out' but they must join it in the first place.

You cannot encourage or force your Personal Assistant to opt out of the pension scheme.

## **We can help!**

Kingston Centre for Independent Living (KCIL) works with a company called PayPacket who will do all the things you need to do to comply with the pensions law.

PayPacket will:

- Set up your workplace pension scheme and register the scheme with the Pension Regulator;
- Produce all the letters you need to send to your PAs;
- Assess and enrol your PAs;
- Manage 'opt in' and 'opt out' requests;
- Work out and deduct employer and employee contributions; and;
- Keep records for you.

The cost of this service is covered by Kingston Council and is completely free to you. Kingston Council will need to add the cost of this service to your Direct Payment so you will need to inform your social worker to make sure this happens.

If your PA decides they want to stay in the pensions scheme you will need to let your social worker know so that you have enough money to cover the cost of this.

PayPacket also provide a payroll service which includes paying your PA directly and dealing with any Tax and National Insurance. Again, this service is free.

## **Do it yourself**

If you wish to deal with the legal requirements of setting up a pensions scheme yourself, you can use the Pensions Regulator's tool for employers to find out what you need to do and when you need to do it:

[www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

## **More information and help**

If you need help to understand this advice note, or you're not sure or worried about something, please get in touch with us and we'll be happy to help.

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