

Draft Order laid before Parliament under section 143(4) and (5)(c) of the Pensions Act 2008, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2018 No. XXXX

PENSIONS

**The Automatic Enrolment (Earnings Trigger
and Qualifying Earnings Band) Order 2018**

Made - - - - *****
Coming into force - - *6th April 2018*

The Secretary of State for Work and Pensions has considered whether any of the amounts in sections 3(1)(c), 5(1)(c) and 13(1)(a) and (b) of the Pensions Act 2008⁽¹⁾ should be increased or decreased, as required by section 14(1) of that Act.

A draft of this Order was laid before Parliament in accordance with section 143(4) and (5)(c) of that Act⁽²⁾ and approved by a resolution of each House of Parliament.

The Secretary of State for Work and Pensions makes the following Order in exercise of the powers conferred by sections 14(2), 15A(1) and 144(4) of that Act⁽³⁾.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2018 and comes into force on 6th April 2018.

(2) In this Order, “the Act” means the Pensions Act 2008.

Increase of amounts

2. In section 13(1) of the Act (qualifying earnings)—

(a) in paragraph (a) for “£5,876” substitute “£6,032”; and

(b) in paragraph (b) for “£45,000” substitute “£46,350”.

(1) 2008 c. 30. Sections 3(1) and 5(1) were substituted by section 5 of the Pensions Act 2011 (c. 19) (“the 2011 Act”) and amended by S.I.s 2012/1506, 2013/667 and 2014/623. Section 13(1) was amended by S.I.s 2012/1506, 2013/667, 2014/623, 2015/468, 2016/435 and 2017/394. Section 14 was substituted by section 8(1) of the 2011 Act.

(2) Section 143(5)(c) was amended by section 8(3) of the 2011 Act.

(3) Section 15A was inserted by section 9 of the 2011 Act.

Rounding of figures

3. For the purposes of sections 3(6B), 5(7B) and 13(2) of the Act⁽⁴⁾, in the case of a pay reference period of a length described in the first row of the table, the rounded figure in respect of the provision of the Act mentioned in the first column of the table is that which appears below the pay reference period which corresponds to that provision.

Table

	<i>1 week</i>	<i>2 weeks</i>	<i>4 weeks</i>	<i>1 month</i>	<i>3 months</i>	<i>6 months</i>
Sections 3(6B) and 5(7B)	£192	£384	£768	£833	£2,499	£4,998
Section 13(2) (referring to section 13(1)(a))	£116	£232	£464	£503	£1,508	£3,016
Section 13(2) (referring to section 13(1)(b))	£892	£1,783	£3,566	£3,863	£11,588	£23,175

Revocation

4. The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2017⁽⁵⁾ is revoked.

Signed by authority of the Secretary of State for Work and Pensions

Date

Name
Parliamentary Under Secretary of State
Department for Work and Pensions

⁽⁴⁾ Sections 3(6B) and 5(7B) were inserted by section 5 of the 2011 Act.

⁽⁵⁾ [S.I. 2017/394](#).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision under sections 14 and 15A of the Pensions Act 2008 (c. 30) (“the Act”).

Article 2 increases the amounts in section 13(1)(a) and (b) of the Act (qualifying earnings). Section 13 of the Act provides that a person’s qualifying earnings are earnings of more than the amount specified in subsection (1)(a) of that section and not more than the amount specified in subsection (1)(b) of that section.

Article 3 specifies rounded figures for the purposes of sections 3(6B), 5(7B) and 13(2) of the Act. The amounts specified in sections 3(1)(c), 5(1)(c) and 13(1) of the Act are in relation to a pay reference period of 12 months. Sections 3(6B), 5(7B) and 13(2) provide that, where a pay reference period is less or more than 12 months, the amounts specified in sections 3(1)(c), 5(1)(c) and 13(1) apply as if they were proportionately less or more. This article prescribes rounded figures in respect of pay reference periods of less than 12 months.

Article 4 revokes the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2017 (S.I. 2017/394).

A full impact assessment has not been produced for this instrument as no, or no significant impact on the private, voluntary or public sectors is foreseen.

The Secretary of State has considered the impact of the various options for each of the thresholds and an analysis of volumes and costs was published on 18th December 2017 and is available: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576423/review-of-ae-earnings-trigger-2017-2018.pdf