

Pension and Payroll Providers

In January 2019 the parish council, having agreed to instruct Accountability Plus (its payroll provider) to set up an Employer Pension Scheme through its obligations under Auto Enrollment, agreed to subscribe to the Smart Pension.

At the time of this decision, there was no set up or ongoing company fees, with just an Annual Management Charge (AMC) of 0.75%.

In November '21 Smart Pension notified that it would be applying an admin charge to businesses with 10 or fewer employees (which includes Wickhambrook Parish Council) of £18 per month, which would be drawn on the existing direct debit. This is a significant cost increase and is almost equal to the usual contributions made to the scheme.

The clerk, with the assistance of Accountability Plus, has researched alternative pension providers, and the costs and benefits are summarized at **Appendix A**.

In the course of preparing the budget for 2022/23, Accountability Plus advised that they would be happy to continue to provide payroll and pension submissions for the parish council, but that due to changes within its organization, it would be necessary to add Wickhambrook PC to the standard client list and accordingly charge for both payroll and pension services (currently the parish council pays £45 plus VAT for the pension administration).

A comparison of costs quoted for 2022/23 is shown below:

Provider	Cost	Notes
Accountability Plus	£135.00 plus VAT per Quarter	£45 plus VAT per month (£540.00 per year)
Suffolk Association of Local Councils (SALC)	£24.00 plus VAT per Quarter	£8 plus VAT per month (£96.00 per year) Will notify pension provider (NEST) of amounts if set up as delegate

Recommendation:

Wickhambrook Parish Council move pension providers to NEST, at the earliest opportunity, and appoint SALC to undertake payroll at a cost of £96.00 plus VAT per annum, with effect from 1st April 2022.

Auto Enrollment Pension Scheme Comparison

Provider Name	Company Fees		Employee Fees		Tax Relief Method	Defaqto Rating	Notes
	Set Up Fee	Ongoing Fee	Annual Management Charge	Contribution Charge			
National Employment Savings Trust (NEST)	Free	Free	0.3%	1.8%	Tax Relief at Source	5 Star	Free for employers to use. Set up specifically to meet the needs of auto enrollment. One of the pension providers most used by SALC
Now: Pensions	Free	Up to £432 plus VAT per annum	0.3%	£1.50 per month dependent on earnings	Net Pay Arrangements**	2 Star	Now: Pensions offers a relatively straight-forward and easy to set up system, but its fees need slightly more understanding. Employer service charges are offered on a monthly basis, and fees will depend on if you work with Now: Pensions directly, or through a payroll bureau microsite.
Smart Pension	Free	£18.00 per month	0.75%	Free	Net Pay Arrangements**	5 Star	Current Provider
The Peoples Pension	£500.00 plus VAT	None	0.5%	Free	Choice of Net Pay or RAS	5 Star	Five star rating by Defaqto.

**for staff earning below their personal allowance for income tax, the deductions from their pay will be 20% higher than if the scheme runs relief at source.