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

2016 No.

PENSIONS

The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2016

Made - - - -	*2016*
Coming into force - -	*6th April 2016*

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(**a**) 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(**b**) and approved by a resolution of each House of Parliament.

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

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2016 and comes into force on 6th April 2016.

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

Increase of amount [Power: section 14(2) - Affirmative]

2. In section 13(1)(b) of the Act (qualifying earnings), for "£42,385" substitute "£43,000".

Rounding of figures [Power: 15A(1) and 144(4)]

3. For the purposes of sections 3(6B), 5(7B) and 13(2) of the Act(**d**), 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.

(**a**) 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. 2014/623. Section 13(1) was amended by S.I. 2015/468. Section 14 was substituted by section 8(1) of the 2011 Act.

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

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

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

Table

	1 week	*2 weeks*	*4 weeks*	*1 month*	*3 months*	*6 months*
Sections 3(6B) and 5(7B)	*£192*	*£384*	*£768*	*£833*	*£2,499*	*£4,998*
Section 13(2) (referring to section 13(1)(a))	*£112*	*£224*	*£448*	*£486*	*£1,456*	*£2,912*
Section 13(2) (referring to section 13(1)(b))	*£827*	*£1,654*	*£3,308*	*£3,583*	*£10,750*	*£21,500*

Revocation

4. Article 3 of the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2015(**a**) is revoked.

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

Name
Minister of State,
Date Department for Work and Pensions

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 amount in section 13(1)(b) of the Act (qualifying earnings) from £42,385 to £43,000. 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 article 3 of the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2015 (S.I. 2015/468).

An analysis of the impact of this legislation has been made. The analysis is published at https://www.gov.uk/government/statistics/automatic-enrolment-review-of-the-earnings-trigger-and-qualifying-earnings-band-for-201617.

(**a**) S.I. 2015/468.

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