

## GUIDE

# PENSION GUIDE FOR UMBRELLA CONTRACTORS

*For over 20 years, we have been the preferred supplier for some of the UK's largest recruitment agencies.*

**OUR COMPLIANCE, ACCREDITATION,  
AND EXPERIENCE MAKE US AN IDEAL  
CHOICE FOR CONTRACTORS**



## AUTO ENROLMENT/WORKPLACE PENSION

Upon joining an umbrella company, like with any employer, you will be asked to join their workplace pension scheme, introduced by the Government to help save for the future.

SmartWork has joined forces with The People's Pension, a non-profit pension provided by B&CE. It is one of the largest master trust workplace pensions, with over 4 million members and supporting more than 1,000 businesses across the UK.

SmartWork has elected to defer automatic enrolment for the first three months of your employment.

SmartWork will assess your eligibility for auto-enrolment pension when you join, which is a government requirement for all employers. Once assessed, and if eligible, we will postpone your auto-enrolment and send you a letter confirming the deferral date.

If you meet the criteria, you will be automatically enrolled into our workplace pension on the date stated. We will write to you again at that time to confirm your enrolment. You can also join the scheme before this date if you wish. The first pension deduction is taken and displayed on the payslip.

Following this, you will receive a Welcome Pack from The People's Pension. They will contact you directly with your scheme details and opt-out information if you choose not to participate. You have the right to opt out at any time, and to opt out, this must be done directly with the provider.

## WHO IS ELIGIBLE?

You will automatically be enrolled on a workplace pension if you:

- are at least 22 years old
- are under the State Pension age
- earn more than the £10,000 per annum (equal to £833 p/m or £192 p/w)
- usually work in the UK

## HOW TO OPT OUT

You will receive a welcome pack from the provider after enrolment, which will contain a link to opt out.

You can opt out within a month (opt-out period) from the date the welcome pack is sent, and have any deductions refunded or at a later date, where your payment is either preserved or transferred to another pension arrangement.

You can either call the opt-out service on 0300 330 1280 or [go online](#). (Please note that your customer number needs to be issued before you can opt out online or on the phone.) Please note, you cannot opt out until the provider has sent you the welcome pack.

You'll need to have the following details at hand when you call:

- Your customer number (you can find this in your joining letter or email)
- Your date of birth
- Your National Insurance number

If you have not received your account number, please try 0300 2000 555 (option 5) to obtain your account number. For any questions regarding your pension, you can reach The People's Pension helpline on 0300 330 1280.

## PRIVATE PENSION/SIPP

If you would like to contribute to a Private SIPP, we require that you complete an [online form](#) with details of your SIPP and the contribution amount. Please note that this does not affect the workplace pension; auto-enrolment will still apply from week 12.

If agreed, the contribution amount will be fixed for your current assignment. An administration fee of £25 will be applied if the contribution levels are changed mid-assignment.

Please note that you cannot allocate 100% of the Contract/Assignment Income to a private pension, and that as a minimum, you have received minimum wage plus holiday pay for the time you have worked.

You can select a Fixed Percentage or Fixed Amount per week or month, depending on your billing cycle. For Example:

**Fixed Percentage:** *If the Contract Income/Invoice Value for a week's work is £1,000, and you select a 10% Fixed Percentage, £100 will be allocated to your pension as a Gross Employer Contribution.*

**Fixed Amount:** *If you select a Fixed Amount of £250, that amount will be allocated to your pension as a Gross Employer Contribution.*

SmartWork will transfer the Employer Contribution to the chosen pension provider by BACS payment around the 10th of each month. We will not set up Direct Debit or Standing Orders with the providers.

The cost/fee of operating the scheme is £25 per month, or £5 per week, which will be reflected on your payslip.

Please note that the annual allowance limit for the current tax year is £60,000. This limit includes all your contributions, tax relief and employer contributions across all your pension arrangements. If you exceed this limit, a tax charge, known as the annual allowance charge, will be incurred.

Please note that SmartWork is unable to monitor your allowance on your behalf. It is essential to consult with your pension advisor or financial planner before determining the level of contribution. We are not regulated by the FCA and, as such, are unable to offer any financial or retirement planning advice.

SmartWork is not affiliated with any pension provider, so we cannot recommend one over another.

Further information can be found at <https://www.gov.uk/tax-on-your-private-pension/annual-allowance>, or alternatively, be sure to seek independent advice from a financial advisor should you need it.

## USEFUL CONTACTS

Tel: 0800 434 6446 / 0117 311 9800

Email:

**enquiries@smartwork.com** - For services information

**invoicing@smartwork.com** - To submit timesheets/expenses

**contracts@smartwork.com** - To submit contracts, schedules, and other legal documentation

**holidays@smartwork.com** - To make a holiday request