Delegated access
a guide to offering NEST administration services to employers
About this guide

Workplace pensions are changing. By 2018 every employer in the UK will have to provide a suitable pension scheme and automatically enrol some or all of their workers. This means millions of employers will be setting up a pension scheme for the first time. Many of them will be looking for help choosing a scheme, but that’s just the start.

What’s in this guide?
This is a high-level guide to NEST’s delegated access functionality. It will show you how you can use it to provide a pension administration service to your clients, tailoring your offering to meet their needs. We’ll take you step-by-step through the process of helping your clients prepare, setting up NEST and the regular administrative tasks that they can turn over to you.

However, it’s not a comprehensive guide to auto enrolment, a detailed guide to NEST’s system or a guide about NEST’s key features. You’ll find that and much more on our website.

Top tips
Throughout this guide you’ll find top tips in these sections of the document, marked with an i. They’re here to give you extra help or insight into how you can make things a little easier for your clients.

Delegated access timeline
When you’re helping your clients get ready for auto enrolment it can look like there’s a lot to do. Breaking it down into manageable tasks can help. Our timeline shows you what needs to be done and the best time for doing it. It’s based on our own experience helping employers get up and running with NEST and what they’ve told us they found most challenging.

To learn more about each stage you can click on the icon in the timeline or the page numbers and you’ll be taken to the relevant section of the document.
Delegated access timeline

- **At least 6 months before your client’s staging date**: Introducing delegated access (page 4)
  - Delegate organisations (page 4)
  - About NEST (page 4)
  - If you need to know more (page 5)
  - Case studies (page 5)

- **3 months before your client’s staging date**: Getting started checklist (page 7)
  - Setting up an online account (page 8)
  - Key features of delegate organisation accounts (page 9)
  - Preparing your client’s worker information (page 11)

- **1 month before your client’s staging date**: How you’ll pay, when you’ll pay, what you’ll pay (page 12)
  - Working out contributions (page 13)
  - Using groups (page 13)
  - Letting your client’s workers know what’s happening (page 14)

- **Your client’s staging date**: Ongoing assessment and communication (page 17)

- **Up to 3 months after your client’s staging date**: Submitting contribution schedules and payments (page 17)

- **When your client’s up and running**: Paying contributions (page 18)

- **Ongoing administration**: Other ongoing administration (page 18)
Introducing delegated access

Employers have told us that they’ll be looking for ways to minimise the amount of time they spend dealing with a pension scheme. This means they’ll be turning to their accountant, payroll provider or financial adviser for help.

We understand this so we’ve built it into NEST. We call it ‘delegated access’. Delegated access lets you help employers set up NEST for their staging date and help them with their ongoing administration – managing ongoing enrolments, opt-outs, payroll data and paying contributions through every payroll cycle.

Delegate organisations

A delegate organisation account is independent of an employer account. Delegate organisations can set themselves up and offer their range of specialist services to employers. They can take care of the set-up and ongoing administration of a number of employer accounts and assign more delegates to help.

Who can offer delegated access services?

If you’re already helping employers administer their business then you’re in a perfect position to help them with their new pension duties. This includes:

- accountants or bookkeepers
- payroll providers
- financial advisers
- other business administrators.

This guide will show you how NEST can help you make the most of this business opportunity.

If you already help with more than one scheme or you want to extend your pension administration services and take on new clients, you should set up as a delegate organisation.

Learn how to Create and manage your delegate organisation account.

If you’re already a NEST delegate for one or more of your employer clients then you can migrate your account to the new system. Find out how at our help centre.

About NEST

NEST has been created specifically for auto enrolment. We understand what employers need to do and we’re here to help. We offer:

- an online solution that makes day-to-day management of NEST as straightforward as possible
- pre-set enrolment types and contribution levels to get you and your clients up and running quickly
- decision trees, guides and information that lead you through auto enrolment and NEST
- plain language templates to help employers communicate with their workers

If you need to know more

If you need more information about other aspects of auto enrolment or NEST you can find plenty of advice and guidance online. For more information about the auto enrolment regulations visit The Pension Regulator’s website.

You’ll find more about the key features and benefits of using NEST in the Professionals helping employers section of our website. If you want detailed guidance on using the NEST system you’ll find how-to instructions in our help centre.
How you can use NEST with your clients

Here are some examples of how different professionals are already using NEST’s delegated access functionality.

Case study 1 - financial adviser sets up NEST and reviews annually

The managing director of a medium sized business was aware that auto enrolment was coming and contacted their adviser. They already had a pension scheme for senior staff. The adviser looked at the scheme and quickly realised that it wasn’t appropriate for auto enrolment.

The managing director agreed that the adviser would set up NEST but that the employer’s staff would take care of day-to-day enrolments and contributions. The adviser set his firm up as a delegate organisation and carried out the set-up process. The only thing the managing director had to do was accept NEST’s terms and conditions.

The adviser charged a fee for the compliance assessment, setting up NEST and reviewing the scheme annually. It means they can keep in touch with the business and offer retiring workers advice when they take their money out of NEST.

Case study 2 - payroll provider manages ongoing contributions

This payroll company provides services to a national transport and storage company with different pay periods and temporary workers in several regions. They’d never offered a pension scheme for any workers. When they realised that their staging date was approaching they turned to their payroll provider for help.

Although the employer was able to set up NEST on their own without help they wanted assistance with managing worker assessment and contributions on an ongoing basis. The payroll provider went to NEST’s website and learned how to submit contributions from the help and guidance provided there. She asked the employer to give her delegate organisation access to their employer account. As a delegate organisation they set up a process to generate the necessary files, send them to NEST and pay contributions before the due date.
Case study 3 - accountant does it all

This accountant takes care of the books for several independent retailers in the Midlands. His clients had been receiving information from TPR about auto enrolment and expected that he’d take care of it all for them.

For a small additional fee, the accountant added the employer to his delegate organisation account when their staging date was three months away. He can now take care of auto enrolment for all his clients through his delegate organisation account.

Case study 4 – specialist firm gets referrals from advisers, solicitors and accountants

This advisory firm had been established for over 20 years with a number of solicitors and accountants that regularly refer business to them. As more and more employers approached their staging dates the company started to receive many auto enrolment enquiries through their referral network.

They decided to set up part of their company as a delegate organisation that deals only with auto enrolment administration.

As a delegate organisation they can act on behalf of hundreds of employers and manage their accounts from one place.

They provide this specialist service for a retainer fee to the accountants, solicitors and advisers who in turn can also retain their existing clients.
We recommend that you engage with your clients six months before their staging date. This will give you time to go through and agree the terms of the service you’re going to provide in relation to running NEST. You’ll also have time to work with their payroll and any existing pension providers.

If you’ve got clients that you know will be affected by auto enrolment in the near future you might want to think about getting in touch and seeing if they have plans in place.

Getting started checklist

✔️ Set a realistic timeline
There’s a lot to do to get your clients to the stage of being ready to set up NEST. The time you need will depend on exactly which services you offer but getting started early and planning things out will help enormously. We generally recommend starting when your client is six months or less from their staging date. This is to ensure they have time to make any changes to their payroll and other processes before they start enrolling workers.

✔️ Set up as a delegate organisation
Setting yourself up as a delegate organisation with NEST lets you provide a complete, end-to-end service for your clients, including account set up and management. Alternatively, clients who have already registered with NEST can give your delegate organisation access to their employer account and you can take it from there.

✔️ Collect your client’s business information
Our set-up process asks employers for a lot of important information about their organisation. We’ve put together a form that will help you get all this information together in one place. Download Information you need to set up NEST (PDF).

✔️ Collect your client’s worker information
Make sure your client has up-to-date information about their workers. This is really important and getting it right now will make ongoing administration much easier. This might mean spending some time reviewing the information they hold to make sure that they have birth dates, National Insurance numbers, postcodes and email addresses for their workers.
Employers can use a waiting period of up to three months after their staging date before they have to start automatically enrolling workers. This is often called 'postponement'. During this period they’ll need to make sure that they have a scheme already in place and enrol any workers that ask to join it. However, it gives them a bit of breathing space and makes sure they can align auto enrolment to their pay cycles to make the process easier.

**Speak to existing providers early on**

You should make sure that your client talks to their existing pension provider as early as possible if they’re expecting this provider to accept some of their automatically enrolled workers. A lot of employers have told us that their existing providers have turned down their business.

NEST has a public service obligation to accept any employer that wants to use us to meet their new duties. This means that you can recommend NEST to your clients with confidence knowing that they can always use NEST.

**Setting up an online account**

As a delegate organisation you can sign up your employer client to NEST and set up their account. All they’ll need to do is accept our terms and conditions. Alternatively, they can register with NEST and then give your delegate organisation access to their account.
Key features of delegate organisation accounts

Once you've set up a delegate organisation account you can start helping your employer clients with NEST. You'll have your own login for security purposes and you can assign and manage more delegates to help you manage your employer accounts.

Delegate organisation accounts let you take care of different areas of employers' accounts from one place and share the workload in different ways between your delegates.

Your employer clients will set the level of control you have over their account. They could just want a 'read only' delegate to check that they're doing the right thing. They can also give you access for specific tasks, such as enrolling workers or creating contribution schedules. Some of your clients will want you to be a 'full access' delegate, able to undertake nearly everything involved in setting up and managing NEST.

All the delegates in a delegate organisation will have the same level of access.

You can find more about how your clients give you delegated access in our help centre.
Who’s responsible for what?

It’s important to remember that our contractual relationship is with the employer, not with you as a delegate. This means the employer will only need to agree to our terms and conditions.

Make sure your client understands the scope of the different delegate roles and how you’ll be accessing and using their account. All users in a delegate organisation have the same level of access to an employer’s account.

When deciding what level of access they want to grant you, your clients will need to think about what they want you to do for them. For example, if the employer only wants you to enrol workers then they can make you an enrolment delegate.

You can find out more about the different levels of access in our help centre.

Delegates get their own NEST secure mailbox. We’ll send them a message every time a task is completed on the NEST secure website that’s relevant to their level of access.

For the rest of this guide we’ll assume that you’ve been assigned full access delegate status. This is the access level your clients should choose if they want you to set NEST up for them.

A full access delegate can do everything that the primary contact for the account can do. They’ll also get all the important messages that go to the primary contact to make sure that they can keep up with what’s happening and take any required action.

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<tr>
<th>Business services</th>
<th>Read-only delegate</th>
<th>Payment delegate</th>
<th>Enrolment delegate</th>
<th>General delegate</th>
<th>Schedule delegate</th>
<th>Full access delegate</th>
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<td>Enrol workers into the scheme</td>
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<td>Make contribution payments</td>
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<td>Create and change contribution schedules</td>
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<td>Make payments other than contributions</td>
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<td>Put right late payments</td>
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<td>Give other delegates access to the employers account</td>
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Preparing your clients’ worker information

We need a lot of details about your clients’ workers before they can use NEST. In particular, you should make sure we have:

Address

We have a very specific address format. You should use our file templates or look in our Employer payroll guide (PDF) to make sure that you’re providing everything we need in the right format. Getting it right first time will drastically cut down on the amount of administration time you have to spend enroling workers. It will also ensure that workers get all the information they need from us when they’re enrolled.

National Insurance number

Without a National Insurance (NI) number we can’t claim tax relief on workers’ contributions. This means that your clients will have to collect the member’s full contribution, including any tax relief they may be entitled to.

Read our article Why National Insurance numbers are important (PDF).

Assessing your client’s workers

It’s important to establish what your clients’ workers are entitled to under the new duties. Some will be automatically enrolled, others can ask to be enrolled. Some will be entitled to minimum contributions from their employer, others won’t be entitled to employer contributions.

You can find out more about assessing your client’s workers on our website.

Before you proceed to the next stage your client must accept NEST’s Terms and Conditions if they haven’t already done so. Remember that the terms and conditions form a legal agreement between NEST and your client so it’s important they understand everything that they’re agreeing to. You can’t accept the terms and conditions for them.

Download our Employer Terms and Conditions (PDF).
Getting everything in order and making sure you’ve got all the information you need before starting the set-up process will make it much quicker and easier to set up NEST.

You may want to find out more about how NEST works before running through the following options with your clients. There are useful guides in our help centre.

How you’ll pay, when you’ll pay, what you’ll pay

These three elements are at the heart of your client’s relationship with NEST.

How you’ll pay

Your client needs to provide a payment method for getting contributions to NEST. Direct Debit is the easiest way but they can also pay by direct credit or using a debit card. We’ll also ask for an account to receive any refunds that your client may be due and a source for the payment of any fees or charges.

There’s more information on payment sources and methods in our help centre.

When you’ll pay

Your client’s pay periods are very important. They tell us when we can expect to receive members’ contributions, what we call the ‘payment due date’. This is the date that all contributions deducted from a worker’s pay must be cleared in NEST’s bank account. It’s a legal deadline that your client will have to meet after every pay period.

You’ll find detailed guidance to setting payment due dates in our Help centre.

What you’ll pay

You’ll need to make sure that your clients pay at least the minimum set out in the pension regulations. We’ll ask what part of the workers’ pay your client wants to base their contributions on. This is called an earnings basis. Employers can use the standard ‘qualifying earnings’ band set by the government or choose one of three pre-defined alternative earnings bases known as tiers or sets.

There’s detailed guidance to setting up contributions in our help centre.

Direct Debit is the best way of setting up payments because your client only needs to set up a Direct Debit mandate once. The type of Direct Debit we use doesn’t come out of your client’s account on a specific day. We’ll only take the money after the contributions have been approved by your client or their delegate so they still keep control.
Setting good deadlines

When setting up pay periods make sure that you leave enough time to process all the administration. The payment due date is the date that cleared funds must be in NEST’s bank account, which is not the same as the date the payment is authorised. As well as leaving time for submitting payments you should leave enough time for the money to arrive at NEST. We recommend allowing four days for the money to get to NEST after you’ve authorised the payment with your bank.

Working out contributions

The minimum contributions are based on what’s known as ‘qualifying earnings’. This is a band of earnings that’s defined each tax year by the government. The qualifying earnings basis for the 2017/18 tax year is anything over £5,876 and £45,000.

Basing contributions on qualifying earnings will mean your clients will always meet the new duties. However, they can use a different earnings basis if they want. Some employers might find it easier to base their contributions on their workers’ total pay, for example, while others might find it better to use base pay only.

Any employer using an alternative to qualifying earnings has to draw up a certificate outlining how they’re calculating contributions. They don’t have to do anything with this certificate but they’ll need to show it to TPR if they’re asked to. Workers and their representatives can also ask to see the certificate.

Using groups

When you enrol workers you’ll assign each one to a group. A ‘group’ is a way of putting workers together for making contributions. NEST’s system creates a number of groups based on your client’s decisions about when and what they’ll pay. We’ll create a group for each set of workers that share a payment cycle, payment due date for contributions and contribution level. We’ll ask you to give each of these groups a name.

Give groups memorable names that make it easy to enrol workers. However, remember that workers can ask to see these names, so the names should be something you’re happy with everyone knowing.

Find out more about how NEST uses groups in our help centre.
Letting your client’s workers know what’s happening

When you click the ‘I’ve finished setting up NEST’ button at the end of the set-up process you’ll see a pop-up alert. This asks you to confirm that you’ll inform the workers at your client’s organisation about their pension rights. This is a legal requirement – it’s one of your client’s employer duties to make sure their workers get this information before they’re enrolled.

Our letter templates and guidance will help you and your clients with this part of the new duties. Decision trees make it clear which workers should get which letter and there are templates ready to use for each option.

You’re free to use our letter templates as they are or adapt them for your clients. They include all the information employers are required to provide. In addition, we’ve included extra information about NEST and their pension rights which should reduce the amount of questions and queries from your clients’ workers.

Take a look at our Employer notices (PDF).

Employers have told us that the two letters they use most often are:

- Letter number one – tells a worker they’ve been enrolled.
- Letter number six – lets your client’s workers know if they’re using a postponement.

See page 8 in this guide to find out more about using a postponement.
Enrol workers

Once you’ve set up NEST for your client they’ll be ready to meet their duties as their staging date approaches. The next thing you’ll need to do is enrol your client’s workers. You’ll find this much easier if you’ve taken the time beforehand to gather all the necessary information and get it in the right format. See page 11 for more information.

You can enrol workers by uploading a comma separated values (CSV) file to us directly, using secure file transfer protocol (SFTP) or by entering worker details directly to our website. Find out more about the different ways to enrol workers in our help centre.

If you’ve enrolled client’s workers by CSV file upload or SFTP we’ll send you a message to your secure NEST account to let you know that we’ve received your file. This message will also tell you if we found any errors in the file. If there are errors you’ll need to put them right and send us a corrected file.

Make sure you enrol workers with the correct start date.

We’ll be expecting contributions for a member of NEST from the start date you give us when you enrol them. This should be the date that they’re eligible for auto enrolment. This could be:

- your client’s staging date
- the date a worker turns 22, the minimum age for automatic enrolment
- the start of a pay period in which their pay is high enough to make them eligible for automatic enrolment.

See our guide to avoiding late payments (PDF) for more information about when you need to enrol and make contributions for workers.

We’ve got detailed guidance on enrolling workers in our help centre.

NEST’s file tester and file templates

Use our file templates to make sure you’re providing us with the information we need in the right format. They’ll speed up your processes and minimise the types of small errors that can creep in when you’re compiling a lot of information.

Our file tester will let you know if there are any major problems with your enrolment or contributions files before you send them to us. This will reduce the amount of time you need to spend fixing errors.
Ongoing assessment and communication

Assessing workers and letting them know about their rights aren’t one-off responsibilities. Your client needs to review their workforce at every pay cycle to ensure that no one has changed status.

For example, workers whose pay goes above the contribution threshold of qualifying earnings will become entitled to contributions, even if they weren’t entitled when they were enrolled. Their employer will need to make contributions for them. If they don’t, they’ll be in breach of the duties.

When new workers join your client’s organisation they’ll also need to be assessed and given a letter explaining their rights.

Opt-outs

Any worker enrolled into NEST who’s entitled to contributions from their employer can opt out of their enrolment within one month. That will include everyone who’s eligible for auto enrolment.

Workers who opt out will no longer be members of NEST. Your client will have to refund any contributions they made during the opt-out period.

Members can opt out of NEST through their online account, by using our automated phone service or by handing their employer a paper form. For regulatory reasons members can’t opt out by talking to one of our contact centre operators.

Workers can stop their contributions after the opt-out period if they want to. However, in that case they’re not entitled to a refund of their contributions and they’ll still be members of NEST until their retirement date.

Managing opt-outs can mean putting new processes and systems in place. It will also affect your client’s payroll systems.

You can find out more about managing opt-outs in our help centre.

You should make sure your clients understand the process of assessing workers and have a way of double-checking their workers’ entitlements in every pay period. It’s particularly important in organisations where workers’ earnings can vary substantially between pay periods.
Ongoing administration

Once you’ve set up NEST and enrolled your client’s workers there’s still a lot that needs to be done in every pay cycle. This includes making contributions, regularly assessing workers, managing opt-outs, paying any refunds and re-enrolling any workers who opt out every three years.

Many employers will be looking for help with these ongoing administration tasks. This is the kind of service you can offer so they can be left to get on with running their business.

Submitting contribution schedules and payments

Enrolling workers and adding them to a group means that we’ll be expecting contributions for them from the worker’s start date. If we don’t start receiving contributions from this date then your client may get a late payment notice.

NEST automatically generates schedules for all the groups and payment sources that you told us about when you set up NEST or added as part of managing the scheme. This includes the names of all the members in that group. You’ll then need to provide or confirm the information about member contributions for each pay period.

A contribution schedule tells us what contributions to expect from an employer and how much is being paid in respect of each member. You can complete a contribution schedule online by entering the information manually on our website, create a separate CSV file to send us by file upload, or use a SFTP.

It’s best to send us the information in a file if your client has more than 10 workers.

You’ll find more information about using contributions schedules in our help centre.

When you submit your contribution schedule we’ll check that we have all the information we need and the contributions are what we expect. We call this ‘validation’. If there are problems we’ll let you know, either onscreen or as a message sent to your secure inbox. If there are no problems then you’re ready to pay.
Ongoing administration

Paying contributions

When your contribution schedule is ready to go you’ll need to approve the schedule for payment. You’ll find more information about paying contributions in our help centre.

After you’ve paid your contributions it’s still possible you’ll have to make corrections – for example, if you need to submit contributions you were holding for a worker during their opt-out period.

Remember that different payment methods take different amounts of time to process. You should take this into account when you’re approving payments.

Make sure that the contribution schedule has been submitted and validated by NEST before paying the contributions. We frequently receive payments before the schedules are processed and then have to return the payment to the employer and delegates, adding an extra administrative burden that could have been avoided.

However, this won’t be a problem if you use Direct Debit as your payment source because you won’t be asked to approve the payment before the files have been processed. This is another good reason to use Direct Debit.

Other ongoing administration

As well as making regular payments, there are other administrative tasks that you’ll need to keep track of for your clients. This includes:

› enrolling new workers when they join the organisation
› removing workers from contribution schedules when they leave
› handling contributions for workers who take maternity leave or whose contributions change for other reasons.

There’s detailed guidance for all these tasks in our help centre:

Making a one-off contribution

Fixing your contribution errors by file upload

Making permanent changes to member contributions

Making temporary changes to member contributions
Making our systems better

We’re always looking at ways to improve our system and make things easier for both employers and delegates. We make regular updates to our service that add functionality and change existing processes to make them quicker and easier. We’ll let you know when we’re making these changes so that you can keep abreast of anything that might affect the work you’re doing for your clients. We’ll always endeavour to make sure that the improvements we make cause minimum disruption for our existing users.

Need to know more?

You can learn everything you need to know about automatic enrolment and NEST from our website. If you have a question about how NEST works or how to complete a particular task, then you’ll find in-depth help in our help centre.