

Automatic Enrolment – Supporting employers to meet their pension duties with confidence

Overview

Automatic enrolment is a core legal obligation for UK employers, but it remains an area where mistakes are common. Whether you are a small employer with limited HR resources or a large organisation with complex workforce arrangements, understanding and managing your compliance with automatic enrolment obligations is essential.

Failure to comply can result in significant financial penalties and rectification costs, reputational damage and unnecessary disruption to your business.

DWF's Pensions team provides clear, practical and commercially focused advice to help employers navigate every aspect of automatic enrolment from initial set-up to ongoing compliance and regulator engagement.

What is automatic enrolment?

Automatic enrolment is a legal regime that obliges UK employers to automatically enrol eligible workers into a qualifying workplace pension scheme and to make minimum employer contributions on their behalf.

The regime was introduced by the Pensions Act 2008 and phased in from October 2012, with all employers – regardless of size – now required to comply.

Automatic enrolment requires employers to:

- Assess their workforce to identify eligible jobholders, non-eligible jobholders and entitled workers.

- Automatically enrol eligible jobholders into a qualifying workplace pension scheme.
- Make minimum employer contributions and deduct employee contributions correctly.
- Provide prescribed statutory communications to workers.
- Complete and maintain accurate records.
- Submit a declaration of compliance to The Pensions Regulator.
- Carry out ongoing duties, including re-enrolment every three years.

While the framework may appear straightforward, the rules are highly technical and frequently misunderstood, particularly where workforces are atypical or changing.



Common challenges for employers

The complexity of the automatic enrolment regime means that it is often easy for employers to unknowingly be in breach of compliance requirements.

Common difficulties encountered by employers often involve:

- Incorrect assessment of workers/jobholders, including zero-hours staff, agency workers and contractors.
- Errors in postponement or opt-out processes.
- Failure to keep up with changes in earnings, age or employment status.
- Missed or incorrect re-enrolment and re-declaration exercises.
- Inadequate record-keeping.
- Lack of awareness of how corporate activity (such as acquisitions, restructurings or TUPE transfers) can impact automatic enrolment obligations.

Errors with compliance can trigger scrutiny from the Pensions Regulator and/or result in claims of loss from employees.

Enforcement, fines and penalties

The Pensions Regulator has extensive enforcement powers and is increasingly proactive. Sanctions can include:

- Fixed penalty notices.
- Escalating daily penalty notices.
- Requiring payment of back-dated employer (and in some cases Employee) contributions.
- Public naming for non-compliance.

Early advice can often prevent issues from escalating and significantly reduce exposure.

How can DWF support you?

Our Pensions team advises employers across all sectors and at every stage of the automatic enrolment lifecycle.

Strategic, practical and cost-effective advice

We help you understand your legal obligations and translate them into workable, compliant processes that fit your business. We understand that each business often requires a bespoke solution that works for their practices and employees.

Pension arrangement selection and design

There are a number of different types of qualifying pension arrangements used for automatic enrolment obligations and the type that best suits your workforce will be dependent on individual practices and circumstances.

We can provide advice on qualifying registered pension schemes, certification requirements, contribution structures, and salary sacrifice.

Ongoing compliance support

The requirements of the automatic enrolment regime require ongoing work to remain compliant at all times. We can assist by providing guidance on workforce assessments, statutory communications, record-keeping and re-enrolment exercises.

We can also support with liaising with the Pensions Regulator in relation to declarations and re-declarations of compliance, responding to information requests, inspections and enforcement actions.

Managing changing circumstances

Many employers have different and constantly evolving work structures and workforces.

We provide reliable and consistent support and advice on tackling automatic enrolment issues arising from business growth, restructurings, TUPE transfers and mergers and acquisitions.

Risk management and mitigation.

Pension arrangements, including those utilised for automatic enrolment, present ongoing, long-term obligations and liabilities for employers. We can aid in identifying historic non-compliance, correcting issues and mitigating potential penalties. We can also provide digestible advice relating to any historic or ongoing pension disputes with employees and pension providers.

Why choose DWF?

We offer integrated expertise, providing seamless advice across employment law, pensions, corporate and regulatory issues, underpinned by a strong commercial focus that delivers solutions which are both legally robust and aligned with your business objectives. Our team has proven experience acting for employers ranging from SMEs to multinational organisations, and we pride ourselves on clear communication, offering straightforward advice without unnecessary jargon.

We also provide practical, hands-on support, assisting with everything from day-to-day queries to complex

compliance challenges. We understand that automatic enrolment is not just a pensions issue, it is an operational and risk management issue for your business.

Whether you need reassurance that your current arrangements are compliant, support responding to The Pensions Regulator, or advice on a specific change affecting your workforce, our team is here to help.

Contact DWF's Pensions team to discuss how we can support your automatic enrolment obligations with confidence.



Meet the team

A Collaborative Team

With our presence on the global stage, DWF can rely on an extensive network of skilled lawyers in all major jurisdictions to provide our clients a seamless and co-ordinated approach to significant cross-border cases.

In addition, we draw on recognised experts in key industry sectors and specialist areas of law, making us well placed to advise on the full range of disputes that may arise - whatever sector or sectors the employer operates within.

Contacts



Marcus Fink
Partner – Head of Pensions, UK

M +44 (0)7783 770173
E marcus.fink@dwf.law



June Crombie
Partner – Head of Pensions, Scotland

M +44 (0)7748 776 895
E june.crombie@dwf.law



Liz Ramsaran
Partner, Pensions

M +44 7483 399693
E liz.ramsaran@dwf.law



Colin Greig
Partner, Pensions

M +44 (0)7887 796 505
E colin.greig@dwf.law

dwfgroup.com

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