



**Your island
pension**

Easy, Simple, Affordable

Employer Guide To Secondary Pensions



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How YIP can
help you meet
your secondary
pension
obligations

Your Island Pension (YIP) is an easy, simple and accessible workplace pension.

● Secondary pensions for all

YIP is available to all local employers, regardless of their size or industry. YIP is also available to self-employed and non-employed individuals.

There are no employer costs, and member charges are simple, transparent and low cost.

YIP is easy and efficient for employers and employees, with online self-service portals available 24/7.

“ Secondary Pensions is transformative for how people save for their retirement in Guernsey.

YIP will help to ensure that all Guernsey and Alderney businesses can meet their Secondary Pensions obligations.

Our aim is to make it as easy as possible, for as many as possible.

”

Sean Gillease
Managing Director,
Sovereign Pension Services



Employer responsibilities

As a Guernsey or Alderney employer with one or more employees, you are legally required to:

- 1 Setup a pension arrangement that meets the Secondary Pension requirements
- 2 Enrol your “designated employees” into the arrangement
- 3 Make contributions into designated employee’s pots, in line with the minimum rates
- 4 Enrol any non-designated employees who request to join on a voluntary basis





● Who do you need to enrol?

You are legally required to enrol “designated employees”, and voluntary employees who opt-in.

Designated employees, are:

- » **Aged between 16 and State Pension Age**
- » **Resident in Guernsey, Herm, Jethou or Alderney**
- » **Likely to be earning above the Lower Earnings Limit**
- » **Not in full time education**

Voluntary employees under the age of 75 can request to be enrolled, and you will need to enrol them.

Employees can opt-out at any point, however you will need to re-enrol them every three years.

● How much should you contribute?

Contribution rates are set out in the Secondary Pensions law.

- » Employer contribution rates start from 1.00% in 2024 and increase to 3.50% by year 2032.
- » Employee contributions start at 1.00% in 2024 and increase to 6.50% by year 2032.
- » This makes a total combined contribution rate of 10.00% from 2032 onwards.

| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|----------------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|------------|
| Employer | 1% | 1% | 1% | 2% | 2% | 3% | 3% | 3% | 3.5% |
| Employee | 1% | 1% | 1.5% | 2% | 3% | 4% | 5% | 6% | 6.5% |
| Overall | 2% | 2% | 2.5% | 4% | 5% | 7% | 8% | 9% | 10% |

Contributions are based on total qualifying earnings, as opposed to just salary. This is the same as for social security purposes and so should make it easier for employers to calculate. For example, earnings would include commission, bonuses, overtime payments etc.



Who can use YIP?

YIP is open to all Guernsey and Alderney employers – irrespective of size or industry.



Costs and service are consistent, no matter how large or small your business is.



Simplicity and ease have been prioritised to ensure no undue barriers exist for businesses.



YIP provides a one size fits all solution that should be attractive to businesses of all types.



Self-employed and non-employed individuals can also join YIP.

Why use YIP?



It's easy – setup and ongoing administration is streamlined



It's free for employers – there are no setup or ongoing fees for employers



High quality scheme – the scheme is fully compliant and tax approved



Local service providers – local trustee, administrator and investment manager



Online self-service portal – 24/7 online self-service access for employers and employees



Seamless payroll integration – setup and monthly submissions made easy





How we support your employees



Great value

Low-cost, accessible solution, with an annual management charge of 1.00% on the total value of the fund. For example, if a member has a value in their account of £1,000, the annual management charge would be just £10. There are additional underlying fund charges.



Member self-service portal

Web-based online portal for members to engage with their pension, allows real time 24/7 access.



Investments for everyone

Standard investment option automatically adjusts to ensure appropriate risk profile based on years to retirement.



Free transfers

Members who have existing pensions can transfer these in and consolidate free of charge. Anyone wanting to transfer out will also not pay a fee.



Financial wellness portal

Free access for all members to a third-party specialist financial wellness portal.

Getting started

There are 3 easy steps to get up and running with YIP.



1. Apply to join YIP

Visit yip.gg to download and complete the relevant form. You will need to complete the form and submit together with supporting documents required.



2. Notify your employees

You are required to provide certain information to your employees. yip.gg has a library of documents for employers to help with this.



3. Enrol your employees

This may be possible via your payroll submission, or yip.gg has an easy to populate upload schedule that you can complete and submit.



Whilst every effort has been made to ensure that the details contained herein are correct and up-to-date, this information does not constitute legal or other professional advice. We do not accept any responsibility, legal or otherwise, for any error or omission.

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