



# Teachers Financial Planning

750 Mandarin Court Warrington  
Cheshire WA1 1GG

info@teachersfp.co.uk  
08452 696990

## WEALTH KNOWLEDGE

JUNE 2016

www.teachersfp.co.uk



In this month's Wealth Knowledge...The Pensions Regulator issued 806 auto-enrolment non-compliance fixed penalties in the first quarter of 2016. Citizens Advice has reported a rise in the number of women seeking advice on maternity and pregnancy workplace discrimination. A survey has shown that 36% of employees received no form of training in 2015. And, parents lend their children an average of £17,500 to purchase property.

### Businesses fined for auto-enrolment non-compliance

**The number of businesses failing to comply with auto-enrolment is on the rise, according to The Pensions Regulator (TPR).**

Between January and March 2016, TPR issued 806 fixed penalty notices (bringing the total since 2012 to 2,234) and 96 escalating penalty notices (making the total 127).

However, TPR also reports that 95% of small employers registering staff into a workplace pension have complied with the law with regards to auto-enrolment.

Charles Counsell, executive director for automatic enrolment at TPR, said:

"It's simply not fair for staff not to receive the pension contributions they are legally due.

"But failing to act also means an employer risks clocking up a significant penalty until they put things right."

### Penalties for non-compliance

When TPR discovers that an employer has not met its duties, it can issue a statutory notice. These notices let the employer know what they've done wrong and the timeframe within which they must rectify the situation.

If the employer ignores the statutory notice, the TPR can issue a fixed penalty notice of £400. Employers who continue to fail to comply may face an escalating penalty based on the number of employees they have:

- £50 a day for employers with 1-4 employees
- £500 a day for employers with 5-49 employees.

**Talk to us about managing your auto-enrolment responsibilities.**

## Managing maternity leave

**Citizens Advice has reported a 25% increase in people seeking advice on pregnancy and maternity discrimination in the last year.**

Some of the issues reported to the charity by new or expectant mothers included:

- having their hours cut
- being moved onto zero-hours contracts
- being pressured into returning to work early from leave.

### Maternity leave

Eligible employees have the right to 52 weeks maternity leave. The first 26 weeks is 'ordinary maternity leave' and the last 26 weeks is 'additional maternity leave'.

Statutory maternity pay (SMP) can be paid for up to 39 weeks. People are entitled to 90% of average weekly earnings before tax for the first 6 weeks then £139.58 (or 90% of average weekly earnings if that is lower) for the remaining 33 weeks.

Employees must inform their employer by the end of the 15th week before the due date of the following:

- that they are pregnant
- the expected week of childbirth via medical certificate
- the intended start date of maternity leave.

Once informed, employers must set out a return date within 28 days of the employee's notification. Employees must give 8 weeks' notice if they wish to change the return date.

Employers are required to keep all of their employee's records for HMRC including proof of pregnancy, start date, SMP payments and any SMP they've reclaimed.

Get in touch today to discuss your business.

## Employee training becoming increasingly collaborative

**Knowledge sharing and collaborative workspaces are becoming the main ways in which employees receive training, according to CIPD.**

CIPD's latest Employee Outlook survey of 2,000 employees found that:

- 28% receive on-the-job training
- 26% receive online learning
- 20% receive learning from peers.

Employees are least likely to receive job rotation, secondment and shadowing and formal qualifications.

36% said they have received no form of on-the-job training.

## Development opportunities

42% of employees surveyed are satisfied with the opportunities their workplace provides to grow their skills. However, 30% said that their employer doesn't offer them any training and development opportunities.

CIPD found that different forms of training are viewed as having different degrees of usefulness.

When asked if certain forms were useful or very useful, the respondents gave the following ratings:

- learning from peers (95%)
- on-the-job learning (91%)
- coaching (92%)
- online learning (54%).

The survey also highlighted that employees feel over-qualified in their roles. 36% said they are unlikely to fulfil their career aspirations in their current workplace, compared to 32% in 2015.

Contact us today to talk about business development.

## 'Bank of mum and dad' helps property purchases

**The 'bank of mum and dad' will help an estimated 305,900 home purchases this year, giving on average £17,500.**

A report by Legal & General found that parents will help out financially in 25% of all mortgage transactions this year.

However, increases in house prices may mean that families risk stretching their finances to support their children. On average households contribute 37% of their net wealth towards a loved one's home.

This has been predicted to grow to more than 50% by 2035.

### Helping your child buy their first home

Buying your first home can be a daunting and stressful process but there are ways that parents can help boost their child's chances of securing a property.

Alternatives to cash gifts include:

- lending money – your child could pay you back in instalments or in a lump sum when they sell their property
- mortgages - acting as a mortgage guarantor, getting a joint mortgage or an offset mortgage.

We can help with financial planning.

### Important Notice

This document is solely for information purposes and nothing in this document is intended to constitute advice or a recommendation. Whilst considerable care has been taken to ensure that the information contained within this document is accurate and up-to-date, no warranty is given as to the accuracy or completeness of any information.