Your Island Pension (YIP)
Employer obligations for Secondary Pensions
The pension built for you. Easy. Simple. Affordable.

What are my obligations as an employer in regards to Secondary Pensions?

1. To have an approved occupational pension plan in place by your Operative Date, which will be determined by the number of people you had listed on your Social Security June 2024 Return.

2. An Employer shall be responsible for determining which of its Employees are Designated Employees and Eligible Non-Designated Employees. (See Secondary Pension Guide for Employers).

3. An employer shall inform all Designated Employees and provide information of the pension plan in place.

4. A Designated Employee can opt out of membership at any time by giving an Opt-out Notice to their Employer. On receipt of a valid Opt-out Notice, the Employer must:

    a. Notify the Trustee, in a timely manner, that such notice has been given.
    b. Hold the notification on file for 7 years.
    c. Diarise to contact the Designated Employee on the 3rd anniversary of when they opted out to ask if they want to opt in. (If not, same process applies).
    d. If an "opted out" Designated Employee wants to opt back in at any time, then the Employer must do so.
    e. An Employer is not obligated to pay contributions for a person that has opted out.

5. An Employee who exercises their right to opt out of membership by giving an Opt-out Notice to their Employer within six weeks from the date of enrolment will be entitled to a full refund of any contributions paid by them to the Scheme, and their Employer will be entitled to a full refund of any contributions paid by that Employer in respect of the Employee. On receipt of a valid Opt-out Notice, the Employer must notify the Trustee within two weeks that such notice has been given.

6. An Employer must pay contributions to the Scheme in respect of its Designated Employees who are Active Members that satisfy the minimum contribution requirement as set out in the Secondary Pension Regulation (see Secondary Pension Guide for Employers).

7. If an Employed Active Member is absent from work due to maternity leave, paternity leave, adoption leave, parental leave or family leave that Member and their Employer must pay to the Scheme such contributions as are required to ensure compliance with all Applicable Legal Requirements relating to that period of absence.

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8. The design and implementation of any Salary Sacrifice Arrangement operated by an Employer in relation to its Employees who are Active Members shall be the sole responsibility of the Employer and it must not contravene the Automatic Enrolment Requirements.