

# Apparent Un-notified Terminations (AUTs)

The purpose of this Mail Shot is to address areas of concern around the annual Apparent Un-notified Terminations (AUTs) exercise and to help prevent the unnecessary enquiries that result when schemes fail to respond or complete the AUT schedules correctly.

Our aim is to address the following points:

- Provide Scheme Administrators with background information about the annual AUT schedules.
- Remind Scheme Administrators of their legal responsibility to complete termination notices timeously.
- Give guidance on how to complete AUT schedules to prevent further enquiries between NI Services to Pension Industry (NISPI) and Scheme Administrators.
- Provide advice on Contributions Equivalent Premiums (CEPs) below the £17 waiver.

## What is an AUT?

An AUT is generated following a review of scheme members Contracted-out employment records on our National Insurance Recording System 2 (NIRS2). On average between 300,000 to 500,000 AUTs are issued every year to schemes to find out if an individual has terminated their membership in a Contracted-out scheme.

The AUT notification is produced by NIRS2 when it identifies any break in service and where no notification has been received from the scheme.

The scheme will be sent their AUTs on a schedule that lists various possible reasons for the output. The schedule should be completed and returned within 3 months. (A blank schedule is shown overleaf).

## What is the Scheme Administrators role?

**The CA14 guidance stipulates that termination notices must be submitted one month before the expected date of leaving or up to 6 months after.**

When a member leaves their pension scheme, it is the legal responsibility of the Scheme Administrator to ensure that termination notices are sent to NISPI within the set time limits. (As outlined in The Occupational Pensions Schemes (Contracting-out) Regulations (SI 1172/1996) section 44.)

AUTs would not be produced if termination notices were submitted within relevant timescales.

An extension of the time limits may be granted for termination notices on receipt of a CA1596 submitted to NISPI no later than 6 months after the date of leaving.

If a member of the scheme has a break in service of more than one tax year, it is the Scheme Administrators responsibility to complete a CA1609 to link the periods of employment together. Failure to notify breaks in service will delay schemes obtaining a GMP calculation request.

### Contact information:

If you would like any further information or assistance about this Mail Shot, please contact the **AUT team**:

NI Services to Pensions Industry  
**084591 58724/58741**

CEPs below the £17 waiver

AUTs will be produced even if a CEP of less than £17 is applicable. As there is no requirement for a scheme to submit termination forms, NISPI are not aware that the pension rights are to be covered by a CEP. In this situation it will be necessary for the AUT schedule to be noted accordingly and returned. If a scheme fails to respond that the CEP is applicable, COSR rights may be enforced, creating the output of a statement to the scheme that will result in further unnecessary enquiries.

(You may prefer to complete a CA1611 at the date of leaving to prevent an AUT enquiry.)

# Guidance for completion of AUT Schedules

Left Scheme/Transferred Out/  
Terminations attached

If the member has left the scheme, please ensure that the relevant termination or transfer notice relating to that member is attached as well as ticking the box.

No record of scheme membership

When you tick this box we will investigate and correct the National Insurance records.

Left and rejoined

If this box is completed, a form CA1609 should also be attached. Please note it is the responsibility of the scheme to notify us on a form CA1609 of all breaks in service of 6 months or more, as and when they occur.

Long-term sick/working abroad

Please enclose all relevant notices as well as ticking the box where a member is:

- On long-term sick - a CA1609 should be completed.
- Working abroad - a CA1614 should be completed.

Active within the Scheme

Tick this box where your records indicate that a person has no breaks in service but continues to be an active member. It could be that 'A' Rate contributions are recorded on the End of Year Return or it is missing. It would assist us if you could provide a copy of any evidence of earnings such as a P14 for each missing tax year to allow further investigations to be made by us.

Other reason, see attached

Where the AUT enquiry does not fall into the categories listed, we would require Scheme Administrators to supply specific details of these members to resolve the issue.

example of a blank schedule

