

Freedom of Information request 4947/2012

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Information request

Can you tell me that up to December 12, 2012, how many workers eligible have been automatically enrolled into pension schemes under auto-enrolment, and how many have chosen to opt out?

DWP response

Automatic enrolment is an employer's duty to enrol eligible jobholders into a qualifying workplace pension scheme. It is up to the employer to select a scheme which meets the requirements which could be a trust or contract based scheme. From their staging date, employers must then automatically enrol eligible jobholders. Employers may choose to postpone an individual's automatic enrolment by a period of up to three months. Pension saving is not compulsory and workers who are automatically enrolled have the right to opt out within a period of one month. If they wish to exercise this right, they will need to obtain an opt out from the pension scheme, complete it and return it to the employer. Any contributions which have already been made will be refunded to the worker and employer. Employers are required to register with The Pensions Regulator within a period of four months from their staging date. This includes providing some information about the automatic enrolment activity that the employer has carried out.

DWP is committed to fully evaluating the effects of the reforms. The evaluation will assess the extent to which the policy objectives are met whilst putting minimal burden on employers and maintaining current good existing pension provision. The DWP set out this evaluation strategy in a report published in July 2011, which is available at the following link:

<http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep764.pdf>

DWP plans to publish a series of evaluation reports annually during the implementation of the workplace pension reforms and these will feed into the 2017 review as outlined in the Pensions Act 2008. This will include information on the number of eligible employees participating in a workplace pension scheme based on information from the Annual Survey of Hours and Earnings and management information collected from the National Employment Savings Trust. The Department will seek to supplement this information by information from other pension providers and by conducting

research with those who opt out of pension saving. The first in this series of reports – the baseline report describing the landscape before the reforms– was published in July 2012 and is available at the following link:

http://research.dwp.gov.uk/asd/asd5/report_abstracts/rr_abstracts/rra_803.asp

Research into individuals' attitudes and intentions has been important in informing the way the reforms are designed and implemented. However, this information can only be used indicatively because individuals' views will be based on their perception of their future behaviour and may not reflect their actual behaviour. The latest indicative research from the Attitudes to Pensions shows that seven in ten (70 per cent) eligible respondents thought they would definitely or probably stay in a pension scheme once enrolled. The report was published in November 2012 and is available at the following link:

<http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep813.pdf>