



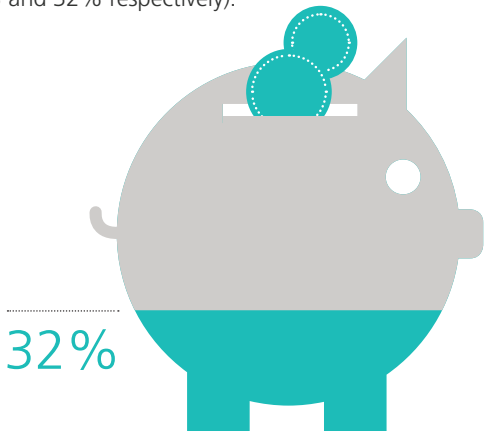
Employers' Pension Provision 2013

Key findings

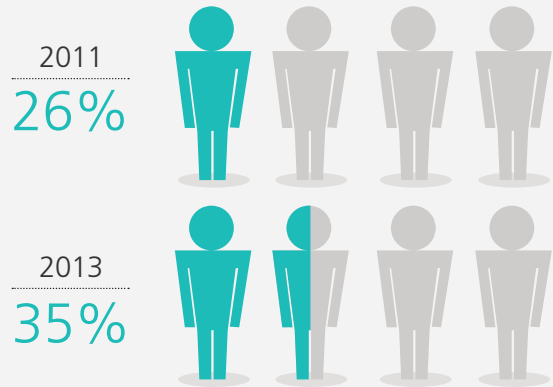
Context: Fieldwork for EPP 2013 ran between June and November 2013 when firms with 800-4099 employees were passing their staging dates for implementing automatic enrolment. Employers are required to automatically enrol all eligible workers into a workplace pension scheme.

One third of private sector employers offered some sort of pension provision for their employees (32%).

This figure has remained stable between 2011 and 2013 (31% and 32% respectively).

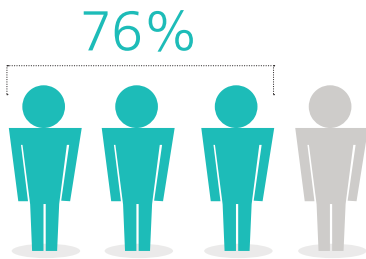


The percentage of private sector employees who are members of a pension scheme* has risen from 26% in 2011 to 35% in 2013.



*Either a workplace pension scheme or a personal pension with employer contributions

Three quarters (76%) of employees worked for a firm offering a workplace pension scheme.



Average employer contribution levels varied by scheme type

Occupational schemes*

GPP schemes**

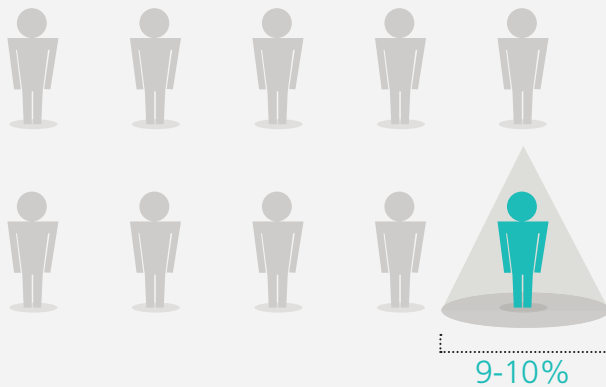
Stakeholder schemes**



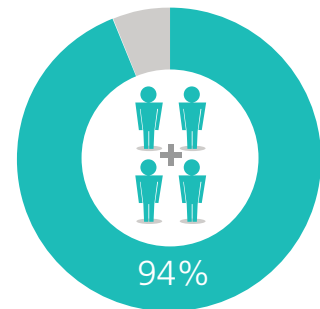
*Average contribution for all active members

**Average contribution for all members receiving a contribution

Around 9-10% of all automatically enrolled employees chose to opt out.



Of staged employers, who had begun automatic enrolment, 65% already had a scheme in place. Almost all (94%) of these chose to retain existing members within that scheme.

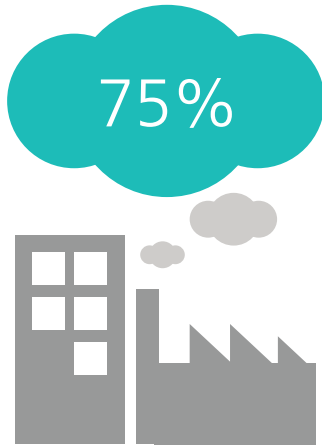


Most staged employers, who had begun automatic enrolment and had an existing scheme, chose not to alter contribution rates for existing members at the advent of the reforms.

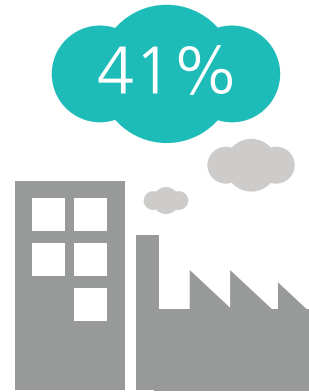
92%

Intended responses to the workplace pension reforms (employers not yet passed staging date)

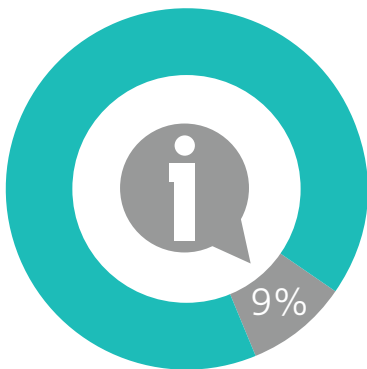
Three quarters (75%) of firms were aware that reforms would require them to automatically enrol eligible employees into a scheme.



Two-fifths (41%) were aware of the requirements regarding minimum contribution rates.



Almost all employers were likely to seek information or advice in relation to some aspects of the reforms. Just 9% said they would not seek any information or advice.



Employers would seek information or advice on:

Choosing which type of scheme



Understanding the legislation



Most commonly reported likely source of advice for choosing a pension provider or type of scheme (cited by employers):

Accountant



Independent Financial Advisor



Enrolment destinations (employers with existing provision)

EXISTING SCHEMES

Current members

59% of employers with members in their existing scheme planned to keep all members in that scheme

Non members

A quarter of firms (24%) with provision would enrol non members into their existing scheme

NEW QUALIFYING SCHEMES (including NEST)*

Current members

9% of firms with members in an existing scheme planned to enrol all of their current members into a new qualifying scheme

Non members

A quarter of providers (25%) would enrol all non-members and new employees into a new qualifying scheme

*Employers may also enrol employees into other types of qualifying schemes