

Consultation response

Ref: 3109(S)

Department for Work and Pensions Pensions – Consultation on Draft Regulations

June 2009

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The Pensions Act 2008 requires employers to automatically enrol eligible jobholders into qualifying workplace pension saving, with a minimum employer contribution. Individuals who decide that they do not want to participate in pension saving have the right to opt out. It is proposed that The Pensions (Automatic Enrolment) Regulations 2009 will come into force on the commencement of the employer duty to automatically enrol eligible jobholders, currently scheduled from 2012.

This consultation also covers regulations that will enable the Pensions Regulator, which is responsible for delivering the employer compliance regime, to delegate certain specified compliance powers to external public and private bodies to enable it to deliver the compliance regime efficiently and effectively. The Pensions Regulator (Delegation of Powers) Regulations 2009 are scheduled to come into force in Autumn 2009.

Key points and recommendations

- Age Concern and Help the Aged welcomes the earlier discussions we have had with DWP officials on the process of auto-enrolment. As a result we support the proposed time limits and processes in these regulations. However, we do have some comments to make in connection with the information proposals.
- We recommend that Regulations 4 and 5 should require the employer to give the scheme the jobholder's personal postal address, unless the jobholder asks the employer not to do so. We also recommend that DWP considers the risk of high numbers of 'lost' workplace pensions and how it may be mitigated.
- We recommend that the DWP conducts consumer testing to establish how information about the right to cease contributions can most usefully be given.
- The key features information for personal pensions should tell jobholders where to obtain further information about pensions and saving for retirement in general, in the same way as for occupational schemes.
- We strongly support DWP's proposal that opt out forms should only be available from the scheme in order to reduce the risk of employers inducing employees to opt out. We also support the principle of prescribed wording, but we have concerns that the current wording will be difficult for some people to understand. The DWP should either reword the current prescribed wording to meet the needs of the target audience or consider other means of ensuring that approved wording is used without having to set it out in regulations.

Age Concern England (charity number 261794) has merged with Help the Aged (charity number 272786) to form Age UK, a charitable company limited by guarantee and registered in England: registered office address 207-221 Pentonville Road, London, N1 9UZ, company number 6825798, registered charity number 1128267. Age Concern and Help the Aged are brands of Age UK. The three national Age Concerns in Scotland, Northern Ireland and Wales have also merged with Help the Aged in these nations to form three registered charities: Age Scotland, Age Northern Ireland, Age Cymru.