

Your handy guide to auto-enrolment



What is auto-enrolment?

- All businesses with at least one employee must offer a workplace pension scheme
- It came into force gradually from 2012 (biggest employers first)
- Anyone aged over 22 who earns more than £10,000 has to be made a member of a workplace pension by their employer (auto-enrolled)
- Current minimum contribution is 2% of pensionable salary. Employers have to pay at least 1%, leaving 1% payable from the employee

Why is it big news?

- 9 million people have been auto-enrolled so it affects a large proportion of the population
- It affects virtually every employer
- In April 2018 contributions will rise to 5%, a minimum 2% from the employer leaving 3% from the employee
- In April 2019 contributions will rise to 8%, a minimum 3% from the employer leaving 5% from the employee
- People are living much longer in retirement than ever before
- People are not saving enough for their retirement

Aviva's view

- Auto-enrolment has been extremely successful in getting people to begin saving
- Contribution rates are currently too low to give the vast majority of people the type of retirement they would like
- We would like to see contribution rates increased gradually to 12.5% by 2028
- We would like to see the self-employed included in some form of auto-enrolment to support the gig economy
- We would like to see rules of thumb used (e.g. aim to save 10 times your income by the time you retire)

What we can offer

- Expert comment – for print and broadcast. Aviva is one of the largest providers of workplace pensions in the UK
- Analysis and modelling of how different levels of pension saving can affect your retirement
- Background briefings to bring you up to speed on pensions and auto-enrolment

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