

Your handy guide to auto-enrolment



What is auto-enrolment?

- All businesses with at least one employee must offer a workplace pension scheme
- Any UK resident aged over 22 who earns more than £10,000 must be made a member of a workplace pension by their employer (auto-enrolled)
- Contributions are paid by the employee, employer and the government through tax relief
- Minimum contributions started at 2% of pensionable salary (2012-2018) and are currently set at 5%. Employers pay at least 2%, leaving 3% payable by the employee (and government through tax relief)

Why is it big news?

- Almost 10 million people have been auto-enrolled so it affects a large proportion of the population
- It affects virtually every employer and every employee aged over 22 in the UK
- In April 2019 minimum contributions will rise to 8% of pensionable salary
- Employers will have to pay at least 3%, typically leaving 4% from the employee, and 1% from the government in tax relief
- The increases will come just days after we are scheduled to leave the EU. No one knows whether people will pay the extra, or leave their pension scheme
- There are question marks over the sustainability of state pension so private pensions are imperative to the future prosperity of the UK population
- People are living much longer in retirement and are not saving enough

Aviva's view

- Auto-enrolment has been extremely successful in getting people to begin saving.
- The Department for Work and Pensions always saw it as a foundation on which people could build
- Minimum contribution rates are currently too low to give the vast majority of people the type of retirement they would like
- We believe minimum contribution rates need to be 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

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

For media enquiries please contact:

Ben Moss, Aviva Media Relations – ben.moss@aviva.com or **07827 832 395**