

Press Release

PR/51/09

9th November 2009

Immediate Release

PENSION REFORMS REQUIRE FURTHER INJECTION OF COMMON SENSE

The latest batch of draft regulations on the Government's 2012 pension reforms¹ requires a dose of common sense if the rules are to work in the real world, the National Association of Pension Funds (NAPF) has told the Department of Work and Pensions (DWP).

The NAPF believes the draft regulations are too bureaucratic and prescriptive. Instead, the DWP should start from the assumption that the vast majority of employers who already offer good workplace pension schemes will do their utmost to comply with the new requirements.

The NAPF has recommended a number of key proposals in its response² to the consultation. These include:

- (1) Employers should be given more flexibility over the date on which they have to automatically enrol their staff. The DWP should not prescribe a specific day in the month but should allow employers a choice, so that they can align auto-enrolment with existing payroll processes.
- (2) The period that employers have to provide information to the Pensions Regulator should be extended to three calendar

months after the auto-enrolment date. This would give employers one full calendar month after the opt-out period ends to collate information.

- (3) Employers who already offer good quality schemes should be able to use waiting periods when auto-enrolling short term workers, but only once per employment period. This would save unnecessary administrative costs for employers while also protecting the rights of short term workers.

NAPF Director of Policy, Nigel Peuple, said:

“The NAPF continues to support the 2012 pension reforms and we were pleased that the DWP listened to our concerns on a number of issues in the first batch of auto-enrolment regulations. But we are concerned that the Government does not understand how employers, whether large or small, operate in practice.

“Unless there is more flexibility and less prescription in the second batch of regulations, the risk of undermining existing good workplace pension schemes will remain.”

“This is why we have called on the Government to put in place a joint employer, industry, Pensions Regulator and DWP working group to look at how the reforms can be implemented successfully by employers and pension schemes.”

ENDS

Notes to Editors

- 1 The DWP Consultation "Workplace Pension Reform – Completing the Picture" can be found at <http://www.dwp.gov.uk/docs/workplace-pension-reform-completing-the-picture-consultation240909.pdf>
2. The NAPF response to the above consultation can be found at <http://www.napf.co.uk/policy/recentreports.cfm>

About The National Association of Pension Funds

The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,200 pension schemes with some 15 million members and assets of around £800 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

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