Employers’ attitudes and likely reactions to the workplace pension reforms 2007: Report of a quantitative survey

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Summary

Background

• The Pensions Act 2008 sets out a series of measures aimed at encouraging wider participation in private pension saving. The aim of these reforms is to overcome the decision-making inertia that currently characterises individuals’ attitudes to pension saving and to make it easier for individuals to save for their retirement. The measures in the Act include a duty on employers to automatically enrol all eligible workers into qualifying workplace pension provision from 2012 and to provide a minimum contribution towards the pension saving for those employees who participate. The Pensions Act 2008 also sets out plans for the establishment of a new national occupational pension scheme, the Personal Accounts scheme that employers can use as a qualifying scheme.

• The Department for Work and Pensions (DWP) commissioned BMRB Social Research to conduct a survey in 2007 to explore employers’ attitudes and likely reactions to the private pension reforms. This was the second survey amongst employers, the first having been carried out in 20061.

• This research forms part of a wider programme of research and analysis to inform policy development, implementation and estimation of the likely impacts of the workplace pension reforms. The programme includes a follow-up in-depth study with employers who took part in this survey, in order to explore the factors driving employers’ responses to the reforms and their decision making processes. This report can be read in conjunction with the report from the follow-up study2.


This research report is based on a quantitative survey of 2,399 private sector employers in Great Britain. Interviews were conducted by telephone between July and September 2007 with the key decision-maker on pensions for each firm.

The survey was designed to be representative of all private sector employers in Great Britain with one or more employees. The sample of employers was drawn from the Inter-Departmental Business Register (IDBR) which is recognised as the most comprehensive source of UK businesses. The data were weighted to match the IDBR population in terms of size and industrial sector.

Overview of current pension provision

- Overall, around two in ten (21 per cent) employers provided access to a pension scheme to which they made contributions, 17 per cent provided access to a scheme but made no contributions and around three in five (62 per cent) employers made no pension provision for their employees.

- In total, 38 per cent of employers were categorised as having pension provision. Overall, around two in ten (18 per cent) employers contributed 3% or more of gross earnings to their employees’ pension schemes, two per cent contributed less than 3% and one per cent contributed at an unknown rate.

- The majority of employers offering access to occupational pension schemes and Group Personal Pensions (GPPs) made contributions of 3% or more (84 per cent and 80 per cent respectively). By contrast, around two-thirds (67 per cent) of employers offering access to Stakeholder schemes made no contributions.

- Larger employers were more likely to provide access to a pension scheme and also to make contributions. Thus, 85 per cent of private sector employees worked for organisations that provided access to a pension scheme. About seven out of ten (71 per cent) employees worked for firms that made contributions to a pension scheme and 65 per cent worked for organisations that contributed an average of 3% or more.

- Results from this survey were broadly similar to the 2007 Employers Pension Provision Survey in terms of the proportion of employers providing access to a pension and making contributions and the types of pension schemes offered by employers.

Reasons for currently providing/not providing pensions

- When asked for their primary reason for providing access to a pension scheme, the majority of employers said this was to look after their employees in retirement (31 per cent) or because it was a legal requirement (30 per cent). Around one in ten (nine per cent) said it was to recruit and retain staff and this reason was most commonly given by employers with 250 or more employees.
• Non-contributors were more likely than contributors to say they provided a pension primarily because it was a legal requirement (53 per cent and 12 per cent respectively).

• Amongst employers without pension provision, the most common reasons given for not providing access to a pension were that:
  – the organisation was too small (32 per cent);
  – it was too costly (13 per cent);
  – staff did not want a pension (11 per cent); or
  – the firm had mainly part-time or temporary staff (six per cent).

Eligibility and joining mechanisms
• All employers with an open pension scheme were asked whether they had any eligibility criteria in place for joining the scheme. Just over half (55 per cent) of these employers offered an open pension scheme where all employees were eligible to join. Overall, more than a third (37 per cent) required their employees to have been employed for a minimum length of time before being eligible to join the pension scheme, comprising 33 per cent of providers with a waiting period alone and four per cent of providers using a waiting period in combination with another form of eligibility criterion. Seven per cent used only an eligibility criterion other than a waiting period.

• Stakeholder pension schemes were most likely to be available to all employees, with 60 per cent having no eligibility criteria to join in place. GPP schemes on the other hand were most likely to require a minimum length of service before joining, with around six out of ten (58 per cent) GPP’s using this eligibility criterion and a further five per cent of GPP schemes using a waiting period in combination with another form of eligibility criterion.

• Where waiting periods were in operation, the majority (64 per cent) were six months or shorter. This includes a third (33 per cent) who required employees to wait for three months or less before joining a scheme.

• Employers were asked how their employees currently join the organisation’s largest open pension scheme. Overall, 37 per cent of employers asked their employees to complete a detailed form, seven per cent used a pre-completed form, 32 per cent required only a yes/no declaration, six per cent said they used what they referred to as ‘automatic enrolment’.

Participation rates
• Across all employers providing access to a pension scheme, on average 42 per cent of eligible employees had joined a pension scheme.
• Participation rates were highest in defined contribution (DC) occupational schemes (86 per cent participation), followed by defined benefit (DB) occupational schemes (72 per cent participation), GPPs (69 per cent participation) and contributions to personal pensions (65 per cent participation). Stakeholder pension schemes achieved on average only 24 per cent participation.

• Overall, participation rates were higher in schemes with higher employer contributions. In schemes where employers contributed 6% or more, almost three-quarters (73 per cent) of eligible employees had joined the scheme, compared with 54 per cent in schemes with an employer contribution smaller than 3% and only 12 per cent participation in schemes without an employer contribution. Thus the observed low levels of participation in Stakeholder schemes may be due in part to the lack of contributions provided by employers offering such schemes, since 67 per cent of employers offering access to Stakeholder schemes made no contributions.

• Participation rates varied significantly according to the joining mechanisms in place for the scheme. Average participation was 79 per cent where firms used what they referred to as ‘automatic enrolment’, as part of the employment contract or terms and conditions\(^3\), compared with 34 per cent participation where employees had to complete a detailed form. In schemes where employees had to make a yes or no declaration, participation rates were 41 per cent and where employees had to sign a shortened or partially pre-completed form participation rates were 45 per cent.

Awareness and attitudes to the workplace pension reforms

• Approaching half (46 per cent) of employers had heard about the reforms prior to being sent information about the survey\(^4\). Larger organisations were more aware of the reforms, with 91 per cent of employers with 500 or more employees having some awareness of the reforms, compared with 43 per cent of employers with fewer than five employees.

• The majority of employers across all sizes (58 per cent) felt the reforms were a good idea. Seven in ten (70 per cent) employees worked for these employers.

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3 The numbers of employers who were using what they referred to as ‘automatic enrolment’ that was not a part of employees’ employment contract or terms and conditions were too small to analyse participation rates in these schemes.

4 At the time that the survey took place, there had been no awareness raising campaigns about the reforms and the 2007 Pensions Bill had not yet been introduced into Parliament.
• Larger employers and those already contributing 3% or more to employees’ pension were more likely to think the reforms were a good idea. Among large employers with 500 or more employees, almost nine in ten (89 per cent) thought the reforms were a good idea. Among employers currently contributing 3% or more to their employees’ pensions, 71 per cent thought the reforms a good idea.

Strategies for dealing with any additional costs of the workplace pension reforms

• The majority of employers (79 per cent) thought the reforms would mean an increase in the total pension contributions their organisation would have to make. Fourteen per cent of employers said that the reforms would not result in an increase in pension contributions for their organisation.

• Employers currently contributing 3% or more to employees’ pension schemes, those offering occupational pension schemes and those who said at least three-quarters of their workforce had joined their pension scheme, were most likely to say that the reforms would not result in an increase in contributions.

• When asked how they would manage the additional costs of the reforms, the majority of employers said they would be most likely to absorb the increase through overheads (28 per cent), increased prices (21 per cent) or lower wage increases (14 per cent). Some employers (eight per cent) said they might restructure or reduce their workforce in order to cope with costs.

• Some, particularly smaller, employers (ten per cent) said they might encourage opt-out as a means of managing costs.

Likely responses of employers currently contributing 3% or more

Contribution levels

• Among those employers currently contributing 3% or more, 86 per cent said they plan to maintain or increase contributions for current members and just over half (51 per cent) intend to give their current levels of contributions, or higher, to new employees.

• However, a small minority (six per cent) of employers contributing 3% or more said they might reduce contributions for their current employees.

• Three in ten (30 per cent) employers said they might reduce contributions for new employees, although it tended to be the smaller employers that said this. An analysis excluding micro-employers (with one to four employees) shows that 64 per cent of employers with five or more employees plan to offer their existing contribution levels or higher to new employees and only 17 per cent of these employers said they might reduce contributions for new employees.
• The contributions employers said they would make for new employees also varied by the type of scheme they offered. Forty-four per cent of employers contributing to personal pensions and 29 per cent of those contributing to Stakeholder schemes said they would reduce contributions for new employees, compared with 13 per cent of employers with occupational pension schemes and 14 per cent of those offering access to GPPs.

Where will workers be enrolled?
• Among employers currently contributing 3% or more, around nine out of ten (87 per cent) plan to maintain their existing provision for current members. Only four per cent of firms currently contributing at 3% or more said they would close their existing schemes and enrol current members into the personal accounts scheme.

• In relation to their new employees, just over four out of ten (43 per cent) employers contributing at 3% or more said they plan to enrol all new employees into their existing scheme and around a third (34 per cent) said they would enrol all new employees into the personal accounts scheme.

• Larger employers were more likely to say they would enrol new employees into their existing scheme, with 74 per cent of firms with at least 500 employees saying this, compared with 39 per cent of firms with fewer than five employees.

• Employers with at least 50 per cent of their workforce enrolled into a workplace pension scheme were more likely than those with lower pension scheme participation rates to say they would enrol all new employees into their existing scheme (54 per cent versus 31 per cent).

Likely responses of employers currently contributing less than 3%, or not contributing

Contribution levels
• Among employers contributing less than 3% or not contributing to employees’ pensions, with members in their schemes, about six in ten (61 per cent) planned to contribute at the minimum rate of 3% for current members. A small number (13 per cent) said they would offer a higher contribution rate for existing scheme members.

• Almost two-thirds (65 per cent) of employers contributing less than 3% or making no contributions planned to contribute at the minimum rate for non-members and new employees in future. However, six per cent said they would offer a contribution rate above 3% for non-members and new employees.

Where will workers be enrolled?
• The majority (67 per cent) of employers currently contributing less than 3% or not currently contributing (with members), planned to maintain their existing pension scheme for current members.
• One in five (20 per cent) employers currently contributing less than 3%, or not contributing said they would enrol all new employees and non-members into their existing scheme and 46 per cent said they would enrol all new employees and non-members into the personal accounts scheme.

• Among employers contributing less than 3%, or not contributing, more than half (55 per cent) of those with no scheme members said they would enrol all new employees and non-members into the personal accounts scheme, compared with 32 per cent of those with existing scheme members.

Likely responses of employers not currently providing access to a pension scheme

• Among employers who were not making pension provision 52 per cent said they intended to contribute at the minimum required level of 3% and five per cent said they might contribute more than 3%. There was a high level of uncertainty among this group, with around four in ten (41 per cent) not knowing or not commenting on the amount they would contribute.

• Employers who were not making pension provision most commonly said they would enrol their employees into the personal accounts scheme (39 per cent). A minority (15 per cent) thought they might set up their own scheme and enrol employees into that, however there was a great deal of uncertainty surrounding where non-providers intended to enrol employees with almost three in ten (28 per cent) saying they did not know what they would do.

Attitudes to the proposed compliance regime

• Employers were asked about their responses to the proposed compliance regime, including a potential requirement to provide enrolment information online and the proposed use of reminder letters and penalties.

• Around eight in ten (81 per cent) employers said they would find it easy to provide employee and pension enrolment information online to a registration body, for compliance purposes.

• More than nine in ten employers (92 per cent) agreed that a letter was a suitable initial measure to deal with non-compliant employers.

• Over half (57 per cent) of employers thought that a fine for employers who remained non-compliant without sufficient explanation was an appropriate action.

Sources of advice and information

• Almost three-quarters (73 per cent) of employers providing access to a pension scheme said they currently seek advice from someone outside their organisation about their pension arrangements.
The most popular current sources of advice were Independent Financial Advisers (IFAs) and accountants, cited by 46 per cent and 33 per cent of employers respectively. Nineteen per cent of employers said they currently sought advice from pension consultants and 18 per cent of employers said they sought advice from insurance or life insurance representatives.

The majority of employers (84 per cent) said they were likely to seek external advice about how they might respond to the new pension requirements.

An accountant (78 per cent) or an IFA (47 per cent) were the most commonly cited external sources of advice on how to respond to the pension reforms. These were also the most commonly cited sources of advice on compliance with the employer duties.

Three-quarters (75 per cent) of employers said that the post would be their preferred method for receiving information about what they need to do once the new pension requirements are introduced.

Employers most commonly cited television (37 per cent) and mail shots (36 per cent) as the best means of raising awareness about the workplace pension reforms more generally.

Among those employers who said they would enrol at least some of their employees into the personal accounts scheme, about nine in ten (92 per cent) said they were willing for eligible employees to receive information by post at their workplace about the new personal accounts scheme and around eight in ten (83 per cent) were willing for their employees to access information or manage their personal account online at work.
1 Background

The Pensions Act 2008 sets out a series of measures aimed at encouraging wider participation in private pension saving. The aim of these reforms is to overcome the decision-making inertia that currently characterises individuals’ attitudes to pension saving and to make it easier for individuals to save for their retirement. The measures set out in the Act include a duty on employers to automatically enrol their employees into qualifying workplace pension provision and to provide a minimum contribution towards the pension saving for those employees who participate. This duty will come into force from 2012.

Employees will be automatically enrolled if they are aged between 22 and State Pension Age, have gross annual earnings of around £5,000 or more and are not already members of a qualifying workplace pension scheme. Employees will be able to opt out of the scheme if they wish and those who choose to opt out may be re-enrolled after a set period of time. Employees who are not eligible for automatic enrolment may choose to opt in to a qualifying workplace pension scheme.

Employees who choose to remain members of a qualifying workplace pension scheme will receive at least 3% of their qualifying earnings (between a band of £5,035 and £33,450 in 2006/7 earnings terms) from their employer and a further 1% from the Government in the form of normal tax relief. The minimum overall contribution needs to be 8%, so employees of an employer that contributes 3% will need to put in 4% from their pay. Employees and employers may contribute more than the minimum if they wish.

The Pensions Act 2008 also set out a plan for the establishment of a new national occupational pension scheme, ‘the personal accounts scheme’, that employers can use as a qualifying scheme. The personal accounts scheme will be run at arms length from Government by a sole corporate trustee.

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5 The earnings limit is £5,035 in 2006/07 earnings terms and will be uprated in line with earnings using the Average Earnings Index.

6 Annual contributions into the personal accounts scheme will be capped at £3,600 (2006/07 earnings terms). The contribution limit will be uprated in line with earnings.
The Department for Work and Pensions (DWP) commissioned BMRB Social Research to conduct a survey among private sector employers in 2007. This was the second survey amongst employers to examine their reactions to the introduction of automatic enrolment with a minimum employer contribution, the first having been carried out in 2006.

This research forms part of a wider programme of research and analysis to inform policy development, implementation and estimation of the likely impacts of the workplace pension reforms. The programme includes a follow-up in-depth study with employers who took part in this survey, in order to explore the factors driving employers’ responses to the reforms and their decision making processes. This report can be read in conjunction with the report from the follow-up study7.

The Department’s programme of research also includes a parallel nationally representative survey and qualitative follow up study of individuals’ attitudes and likely reactions to the workplace pension reforms among those eligible for automatic enrolment8.

1.1 Research aims and objectives

The overall aim of the research was to explore employers’ views of and likely reactions to the introduction of automatic enrolment with a minimum employer contribution from 2012. Between the 2006 and 2007 surveys, policy was becoming more detailed and the 2007 questionnaire was updated to reflect this. This means that there is limited scope for monitoring any change in employers’ attitudes between the two surveys.

The specific objectives of the 2007 survey were as follows:

• to collect information about employers’ current pension provision, including details about the joining mechanisms used by those that already had a pension scheme;

• to examine employers general awareness of the Government’s plans for the workplace pension reforms and their broad reaction to these;

• to examine the impact that employers felt the workplace pension reforms would have on their overall pension costs and their likely means of coping with any increase in costs;


to assess what employers thought they might do once the new requirements were introduced in terms of what pension scheme they would enrol staff into and the rate at which they would contribute. Employers were asked in turn what they would be likely to do in relation to current employees who were already members of the pension scheme, current employees who were not members of the pension scheme and new employees;

to explore employers’ information needs and preferences. Specifically, to look at what sorts of information they would find useful and the communication channels that might be used;

to explore briefly employers’ attitudes to possible elements of the proposed compliance regime.

1.2 Research design

Full details of the research approach adopted, including the sampling, fieldwork and weighting approaches, are outlined in Appendix B of this report. This section summarises the key methodological details.

1.2.1 Sample

The survey was designed to be representative of all private sector employers in Great Britain with one or more employees. A sample of employers was drawn from the Inter-Departmental Business Register (IDBR), which is held by the Office for National Statistics (ONS). The IDBR is based on VAT trader and PAYE employer information (supplemented by other survey and administrative data) and is recognised as the most comprehensive source of UK businesses, representing about 99 per cent of all economic activity in both the private and public sector.

An extract of all private sector employers was drawn from the IDBR to use as a sample frame for the survey. The sample frame was stratified by size of organisation and industrial sector to ensure an adequate sample size for analysis among employers of different sizes and in different sectors of the economy. Larger employers (those with 50 or more employees) were over sampled in order to ensure robust enough sample sizes for sub-group analysis since, although large employers account for most private sector employment, the total number of such organisations is relatively small.

Since the fieldwork for the survey coincided with the 2007 Employers Pension Provision (EPP) Survey, the sample for both surveys was drawn from the IDBR as a single exercise to ensure that the same employers were not selected for both surveys. However, since the EPP Survey involved a census of employers with 5,000 or more employees, it was necessary to ask a small number of respondents to participate in both surveys. To do this the interview was set up as a single survey

for those employers with 5,000 or more employees (i.e. covering questions from both the EPP Survey and this current survey) and respondents had the option of completing it either in a single interview or in two parts.

A total of 28,261 private sector employers were initially drawn from the IDBR. After eliminating ineligible and duplicate records and those where no telephone number was available, a sample of 8,906 records was screened by telephone to identify the most suitable person within each organisation to complete the survey. In screening for a suitable person it was emphasised that we wanted to talk to someone who actually made decisions about pension arrangements for employees. Since the survey covered businesses of all sizes, the range of respondents interviewed was inevitably wide ranging.

Table 1.1 shows the job titles of those who were interviewed on the survey. About two-thirds (65 per cent) of those interviewed were at Managing Director or Chief Executive level, the owner or partner of the business, the Finance Director or some senior position in the Finance Department, or at Director level. Only about one in ten (12 per cent) of those interviewed occupied a position in the Human Resources (HR) Department.

Table 1.1   Job title of respondent

<table>
<thead>
<tr>
<th>Job title of respondent</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Director/CEO/Company Secretary/Chief Executive</td>
<td>16</td>
</tr>
<tr>
<td>Owner/Proprietor/Partner</td>
<td>11</td>
</tr>
<tr>
<td>Finance – Head/Director/CFO</td>
<td>9</td>
</tr>
<tr>
<td>Finance – Accountant/Treasurer</td>
<td>6</td>
</tr>
<tr>
<td>Finance – Manager/Controller</td>
<td>5</td>
</tr>
<tr>
<td>Finance – below manager level</td>
<td>2</td>
</tr>
<tr>
<td>Human Resources – Head/Director</td>
<td>3</td>
</tr>
<tr>
<td>Human Resources – Manager</td>
<td>7</td>
</tr>
<tr>
<td>Human Resources – below manager level</td>
<td>2</td>
</tr>
<tr>
<td>Pensions Manager/Trustee</td>
<td>4</td>
</tr>
<tr>
<td>Other – director level</td>
<td>16</td>
</tr>
<tr>
<td>Other – manager level</td>
<td>14</td>
</tr>
<tr>
<td>Other – below manager level</td>
<td>6</td>
</tr>
</tbody>
</table>

Unweighted base 2,394

No specific job title was collected for five respondents.

Using a preliminary screener survey to identify a named contact before the main stage also provided an opportunity to send respondents an advance letter giving them more detail about the survey and explaining why it was important for all employers to take part, whether or not they made any pension provision for their employees. Respondents were also sent details of some of the information they
would need to provide in the survey, to ensure that they had this to hand during the telephone interview.

After the preliminary screening stage a total sample of 5,059 employers was loaded into the main stage survey, resulting in 2,399 achieved interviews. This represented a response rate of 50 per cent once all ineligible sample records were removed. Private sector organisations of all sizes were interviewed.

Fieldwork for the screener survey was carried out between 4 June 2007 and 13 July 2007 and for the main survey between 2 July 2007 and 12 September 2007. A pilot stage was conducted in June prior to the main interviewing to test the questionnaire; these interviews were not included in the final survey data.

1.2.2 Questionnaire content and development

Appendix F contains a copy of the questionnaire. The questionnaire was designed by BMRB Social Research with input from research and policy experts at DWP. Before the start of the main survey a small scale telephone pilot of 46 interviews was carried out. These interviews were monitored by researchers from both BMRB and DWP to understand how the questionnaire was working in practice and how respondents understood specific concepts and ideas. The piloting was split into two stages to allow for small changes to be made to the questionnaire between phases.

One of the main findings from the first survey in 2006 was the difficulty of asking respondents detailed and often complex questions about recommendations that had not yet actually been implemented. In order to overcome this difficulty respondents were provided with clear definitions throughout the questionnaire (for example, what was meant by automatic enrolment) and the language of the questions was made as simple as possible.

1.2.3 Weighting

The survey was designed to be representative of all private sector employers in Great Britain. In order to achieve this, the data were weighted to match the IDBR population in terms of employer size and industrial sector. Weights were applied to take account of both differences in the probability of selection as well as differential levels of response.

Although each respondent in the survey answered on behalf of only one organisation, they represented very different numbers of employees – from one or two up to tens or even hundreds of thousands. For this reason the data were also weighted to be representative of employees working for private sector organisations in Great Britain.

Throughout this report the number of employees refers to the actual headcount of employees and not the number of full-time equivalent employees.
All results in this report are weighted to be representative of employers, unless otherwise stated. Where results are weighted to be representative of employees, this is clearly identified.

### 1.3 Profile of the sample

This section describes the main characteristics of the weighted sample. All characteristics are described in terms of the percentages of employers and the percentage of employees working for such organisations.

Table 1.2 shows the weighted profile of employers by size of organisation, which reflects the national population profile of all private sector employees. The vast majority of organisations tended to be small, with 73 per cent having one to four employees. Firms with 50 or more employees represented only three per cent of all employers.

Table 1.2 also shows that while the number of large organisations was relatively small, they employed the majority of employees. Thus, the three per cent of organisations with 50 or more employees accounted for almost seven in ten of all employees (68 per cent). In fact, employers with 500 or more employees accounted for 53 per cent of all employees, even though they represented under one per cent of all private sector organisations. By contrast, small employers with one to four employees accounted for only 12 per cent of all employees despite constituting almost three-quarters of all organisations (73 per cent).

**Table 1.2  Size of private sector organisations**

<table>
<thead>
<tr>
<th></th>
<th>Private sector organisations</th>
<th>Employees working for such organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>1-4</td>
<td>73</td>
<td>12</td>
</tr>
<tr>
<td>5-49</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>50-249</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>250-499</td>
<td>*</td>
<td>4</td>
</tr>
<tr>
<td>500 or more</td>
<td>1</td>
<td>53</td>
</tr>
</tbody>
</table>

*Unweighted base* 2,399  2,399

*Weighted base* 2,399  2,399

Base: All private sector employers.

Table 1.3 shows the weighted profile of organisations and employees by industrial sector. This shows that two industrial sectors between them accounted for more than half of all private sector organisations, with banking, finance and real estate being the largest sector (35 per cent) and wholesale, retail, hotel and catering being the next largest (26 per cent).
The distribution of employees by industrial sector was broadly similar to the distribution of organisations, with banking, finance and real estate and wholesale, retail, hotels and catering accounting for more than half of all private sector employees (43 per cent and 18 per cent respectively).

Table 1.3  Industrial sector (SIC 03) of private sector organisations

<table>
<thead>
<tr>
<th>SIC code</th>
<th>Sector</th>
<th>Private sector organisations</th>
<th>Employees working for such organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>A, B</td>
<td>Agriculture and fishing</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>C, E</td>
<td>Mining, energy and water</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>D</td>
<td>Manufacturing</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>G, H</td>
<td>Wholesale, retail, hotels and catering</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>I</td>
<td>Transport and communications</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>J, K</td>
<td>Banking, finance and real estate</td>
<td>35</td>
<td>43</td>
</tr>
<tr>
<td>M, N</td>
<td>Education and health</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>O</td>
<td>Other services</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

Unweighted base  2,399  2,399
Weighted base  2,399  2,399

Base: All private sector employers.

Table 1.4 shows the employee profile of private sector organisations in terms of the proportion of part-time employees, those who were employed on a casual or temporary basis and those earning less than £5,000 per year.

Just over a third (35 per cent) of employers reported that half or more of their workforce were part-time workers, with ten per cent of organisations reporting that they employed only part-time workers.

More than three-quarters of employers (78 per cent) reported employing no casual or temporary workers, while 12 per cent of organisations reported that half or more of their workforce were casual or temporary workers.

Over six out of ten (62 per cent) organisations said that they employed no workers who earned less than £5,000, while two out of ten (20 per cent) reported that half or more of their employees earned less than £5,000. Not surprisingly, there was a close association between the proportion of part-time workers an organisation had and the proportion who earned less than £5,000.
Table 1.4  Profile of private sector organisations, by characteristics of employees

<table>
<thead>
<tr>
<th>Sector</th>
<th>Private sector organisations %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of part-time employees¹</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>40</td>
</tr>
<tr>
<td>1%-49%</td>
<td>25</td>
</tr>
<tr>
<td>50%-99%</td>
<td>24</td>
</tr>
<tr>
<td>100%</td>
<td>10</td>
</tr>
<tr>
<td>Unknown</td>
<td>*</td>
</tr>
<tr>
<td>Percentage of casual or temporary employees</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>78</td>
</tr>
<tr>
<td>1%-49%</td>
<td>10</td>
</tr>
<tr>
<td>50%-99%</td>
<td>8</td>
</tr>
<tr>
<td>100%</td>
<td>4</td>
</tr>
<tr>
<td>Unknown</td>
<td>*</td>
</tr>
<tr>
<td>Percentage of employees earning less than £5,000</td>
<td></td>
</tr>
<tr>
<td>0%</td>
<td>62</td>
</tr>
<tr>
<td>1%-49%</td>
<td>17</td>
</tr>
<tr>
<td>50%-99%</td>
<td>14</td>
</tr>
<tr>
<td>100%</td>
<td>6</td>
</tr>
<tr>
<td>Unknown</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 2,399
Weighted base 2,399

Base: All private sector employers.

¹ Part-time refers to employees working less than 30 hours per week.

1.4  Content of the report

The rest of the report is organised as follows:

Chapter 2 provides a broad overview of pension provision among employers. It examines the different types of pensions provided by organisations, the profile of organisations providing access to pensions and making contributions, as well as general attitudes to pension provision among both employers who already make pension provision and those that do not.

Chapter 3 looks, firstly, at the eligibility criteria that employers with current pension schemes have, in terms of the proportion of staff eligible to join the scheme and any waiting periods for new staff. It then examines the joining mechanisms currently used by employers by the size of organisation and the type of pension.
Chapter 4 focuses on employers’ awareness of the Government’s proposals for the introduction of automatic enrolment with a minimum employer contribution and their broad reaction by size of organisation and current pension provision.

Chapter 5 concentrates on whether employers think the workplace pension reforms will increase their total pension contributions or not, the likely actions, if any, that employers might take in response to the reforms and the likely timescale for implementing any actions. Employers were given the option to say the action they would be most likely to take and the action they would be next most likely to take, in order to cope with any increased costs as a result of the reforms.

Chapter 6 focuses specifically on employers who are already contributing an average of 3% or more to their employees’ pension scheme. It looks at where these employers are likely to enrol current pension scheme members, as well as non-members and new employees and the rates at which they are likely to contribute.

Chapter 7 examines the same information for employers who are contributing on average less than 3% at present and employers who are currently not providing any pension provision.

Chapter 8 covers employers’ attitudes towards possible elements of the proposed compliance regime.

Chapter 9 looks at the sources of advice and information that employers currently use and those they would prefer at different stages in the implementation of the workplace pension reforms and beyond. Specifically, it examines the sort of advice and information that employers would find useful prior to the implementation of the workplace pension reforms and how such information could be delivered.

Appendix A contains additional tables.

Appendix B contains a full description of the research design, including details of the sample, fieldwork and weighting procedures.

Appendix C contains the advance letter sent to employers.

Appendix D contains the information sheet sent along side the advance letter.

Appendix E contains the data sheet.

Appendix F contains a copy of the questionnaire used in the telephone survey.

1.5 Reporting conventions

All numbers in the tables and text have been rounded. This means that in some tables the figures may add up to 99 per cent or 101 per cent rather than 100 per cent. For several questions, respondents were able to give more than one answer, meaning that in some tables the figures add up to more than 100 per cent. Where this is the case this is noted as a table footnote.
The following conventions have been used in the tables:

**Base**  Both the weighted and the unweighted base sizes are shown at the foot of all tables in italics.

*  Less than 0.5 per cent.

0  No observations.

-  Category not applicable.

[ ]  If the unweighted base size is less than 50 both the percentage estimate and the base number are shown in square brackets.

All differences reported in the commentary of the report are statistically significant at the 95 per cent confidence level unless otherwise stated.
2 Overview of pension provision

This chapter provides a broad overview of pension provision among employers. The Department for Work and Pensions (DWP) commissions a regular survey of employers’ pension provision in Great Britain, which was last carried out in 2007. Many of the background questions relating to employers’ pension provision were based on this established survey. Comparisons between the current survey and the 2007 Employers’ Pension Provision Survey (hereafter known as the 2007 EPP Survey) are made, where appropriate, in Appendix A.

2.1 Definitions and terminology

Private sector employers offered a mixture of occupational pensions, Group Personal Pensions (GPPs), contributions to personal pensions and Stakeholder Pensions (SHP), with some offering more than one pension type.

The pension arrangements reported on are:

- **Occupational pensions** – a pension scheme set up by employers for their employees, with the employer generally meeting the administrative costs. Occupational schemes may be defined benefit (DB) schemes, where the pension payable is related to earnings (generally, final salary or average earnings over a whole career) or defined contribution (DC) schemes, where the pension payable is dependent upon the amount of contributions invested, the growth of the pension fund over time and the type of annuity purchased at retirement.

- **GPPs** – a private pension plan that is arranged by employers for groups of employees, with the employer meeting the administrative costs of setting up the scheme and annual management charges on the funds covering the ongoing costs. Generally, employers will make a contribution to these private pension plans, but they are not obliged to do so.

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• **Private pension plans** – these are personal pensions arranged by individual employees with a provider such as a bank or insurance company. Employers may make contributions to the personal pensions of individual employees.

• **SHPs** – since October 2001 all employers with five or more employees have been required by law to provide relevant employees with access to a Stakeholder pension unless they provide some other pension arrangements (typically, an occupational pension or GPP scheme), or they are exempt for other reasons. Employers may or may not contribute to Stakeholder pensions. Providing access to a Stakeholder pension does not require an employer to set up or manage a pension scheme, but to nominate a designated provider from those registered with the Pensions Regulator.

Although the present survey asked employers about the specific types of pension they currently provided for their employees, the focus of the survey was mainly on:

• whether or not an employer provided access to a pension scheme (of whatever type),

• whether or not they made contributions for any employees and

• what the average contribution rate was.

The questionnaire focused on collecting information about the main pension scheme(s) that an employer offered. Where an employer had more than one pension scheme, employers were asked questions about the largest open pension scheme (defined as the scheme with most members that was still open for new members to join). If an employer’s largest pension scheme was closed to new members, they were also asked details about this closed scheme. This means that employers were asked about the details of up to a maximum of two pension schemes, even if they operated more pension schemes.

Based on the information collected in the survey the following categories of employer were derived for analytical purposes:

• **Non-provider** – an employer who offered no access to any type of pension for any of their employees.

• **Provider** – an employer who offered access to a pension scheme for any of their employees, whether or not they actually made contributions. This included employers who had a designated Stakeholder pension, even if no employees had actually joined the scheme (often called a ‘shell scheme’). Providers can be further categorised as either:

  – **non-contributor** – an employer who offered access to a pension scheme for any of their employees but who was not making any contributions at the present time. In this report non-contributors include:
- **employers who have active members** in their scheme and who have chosen not to make any employer contributions; and

- **employers who have no active members** in their scheme and consequently are not making any contributions;

- **contributor** – an employer who offered any employees access to a pension scheme and who was making a contribution for one or more employees\(^\text{12}\). Contributors were further broken down into three groups based on the average contribution rate of the employer:

  - **contributor, 3% or more** – an employer who said that the average rate at which they contributed was 3% or more of employees’ gross pay. Where employers contributed an amount of money (rather than a percentage of pay) or where respondents were unsure about the average rate, they were asked to estimate whether they thought the average rate was above, below or exactly 3% of an employee’s pay;

  - **contributor, less than 3%** – an employer who said that the average rate at which they contributed to the pension scheme was less than 3% of employees’ gross pay;

  - **contributor, rate unknown** – an employer who said that they did make contributions but did not know whether the average rate was above, or below 3% or 3% exactly.

A summary of this classification is shown in Figure 2.1, together with the proportion of employers that fell into each of the different categories. Throughout the rest of the report this classification and terminology is used to analyse employers’ reactions to the reforms.

Figure 2.1 shows a breakdown of the whole sample into non-providers, providers and contributors. Almost four in ten employers (38 per cent) provided access to a pension for their employees, while around six in ten firms (62 per cent) made no pension provision for any employees.

Although almost four in ten employers provided access to a pension scheme for their employees, only about one in five employers (21 per cent) provided access to a pension and made any employee contributions. Most employers who made contributions to a pension scheme contributed on average 3% or more.

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\(^{12}\) It should be noted that the definition of a contributor is derived from the information collected about an employer’s largest open scheme. If an employer had only closed schemes, information was collected about their largest closed scheme instead; this was the case for 12 per cent of providers. Employers with only closed schemes were still classified as providers/contributors, as it was felt that their attitudes to pension provision would differ from those of employers with no pension provision.
About one in six employers (17 per cent) provided access to a pension but did not make any employee contributions. Most employers that made no contributions had pension schemes that had no active members. Thus, about one in eight employers (12 per cent) provided access to a pension scheme, but which had no active members.

Figure 2.1 Classification of employers based on pension provision and contributions

In terms of employees, 85 per cent of employees worked for organisations that provided access to a pension scheme. Around seven out of ten (71 per cent) employees worked for firms that made some contributions, with 65 per cent of employees working for an employer that contributed 3% or more on average, see Table 2.1. This is because larger employers were more likely to offer access to a pension scheme and to provide a contribution and to contribute 3% or more, see Table 2.3.
Table 2.1  Employers’ provision of and contribution to pensions

<table>
<thead>
<tr>
<th>Private sector organisations</th>
<th>Employees working for such organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider</td>
<td>38</td>
</tr>
<tr>
<td>Contributor</td>
<td>21</td>
</tr>
<tr>
<td>Contributor, 3% or more</td>
<td>18</td>
</tr>
<tr>
<td>Contributor, less than 3%</td>
<td>2</td>
</tr>
<tr>
<td>Contributor, rate unknown</td>
<td>1</td>
</tr>
<tr>
<td>Non-contributor</td>
<td>17</td>
</tr>
<tr>
<td>Non-contributor, with members</td>
<td>5</td>
</tr>
<tr>
<td>Non-contributor, no members</td>
<td>12</td>
</tr>
<tr>
<td>Non-provider</td>
<td>62</td>
</tr>
</tbody>
</table>

Unweighted base 2,399 2,399
Weighted base 2,399 2,399

Base: All private sector employers.

Table 2.2 shows the average contribution rates made by employers who were contributing to a pension scheme. This shows that the vast majority of contributors (86 per cent) were contributing 3% or more, with more than four in ten (41 per cent) contributing an average of 6% or more. Only eight per cent of contributors were contributing less than 3% on average, while a further seven per cent did not know the exact level of contribution rates being made.

Table 2.2  Current average contribution rates among employers who contribute to a pension

<table>
<thead>
<tr>
<th>All contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
</tr>
<tr>
<td>Total contributors, 3% or more</td>
</tr>
<tr>
<td>Contributor, 6% or more</td>
</tr>
<tr>
<td>Contributor, 4% or 5%</td>
</tr>
<tr>
<td>Contributor, 3%</td>
</tr>
<tr>
<td>Contributor, unsure but more than 3%</td>
</tr>
<tr>
<td>Contributor, less than 3%</td>
</tr>
<tr>
<td>Contributor, rate unknown</td>
</tr>
</tbody>
</table>

Unweighted base 1,240
Weighted base 502

Base: All contributors.
Table 2.3 shows the pension profile of employers broken down by size of organisation. There was a clear association between pension provision and size of firm, with almost all organisations (96 per cent) with 50 or more employees providing access to a pension. Around two-thirds (68 per cent) of those with five to 49 employees provided access to a pension and around a quarter (26 per cent) of employers with one to four employees provided access to a pension.

While there is a legal requirement for all firms with five or more relevant employees to provide access to a pension scheme (unless exempt), the survey did not probe for the reasons why employers with five or more employees might not be providing access to a pension.

Larger firms were also more likely than medium and smaller sized organisations to make contributions to a pension scheme. Thus, 96 per cent of firms with 500 or more employees made contributions to a pension scheme compared with 66 per cent of firms with 50 to 249 employees and 17 per cent of firms with one to four employees. Forty-one per cent of employers with five to 49 employees provided access to a pension without making any contributions, compared with only 17 per cent of firms with 250 to 499 employees and four per cent of firms with 500 or more employees. The vast majority of employers of all sizes who were contributing to a pension made contributions of 3% or more.

As mentioned earlier, non-contributors include both employers who have active members in their scheme and who choose not to contribute, as well as employers who have no active members in their pension scheme. A third (33 per cent) of all firms with five to 49 employees provided access to a pension scheme which had no active members, a far higher proportion than other employers.
Table 2.3 Employers’ provision of and contribution to pensions, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more</th>
<th>All%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider</td>
<td>26</td>
<td>68</td>
<td>94</td>
<td>99</td>
<td>100</td>
<td>38</td>
</tr>
<tr>
<td>Contributor</td>
<td>17</td>
<td>27</td>
<td>66</td>
<td>82</td>
<td>96</td>
<td>21</td>
</tr>
<tr>
<td>Contributor, 3% or more</td>
<td>15</td>
<td>23</td>
<td>59</td>
<td>77</td>
<td>91</td>
<td>18</td>
</tr>
<tr>
<td>Contributor, less than 3%</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Contributor, rate unknown</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Non-contributor</td>
<td>9</td>
<td>41</td>
<td>28</td>
<td>17</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Non-contributor, with members</td>
<td>4</td>
<td>8</td>
<td>14</td>
<td>6</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Non-contributor, no members</td>
<td>5</td>
<td>33</td>
<td>15</td>
<td>12</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Non-provider</td>
<td>74</td>
<td>32</td>
<td>6</td>
<td>1</td>
<td>*</td>
<td>62</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2399
Weighted base 1755 581 46 4 13 2399

Base: All private sector employers.

Just over half (55 per cent) of employers with pension provision made contributions to a scheme. Employers providing an occupational scheme were most likely to contribute to employees’ pension schemes, with 91 per cent of all occupational providers and 100 per cent of those providing either a DC or DB occupational scheme providing contributions, see Table 2.4.

Just over two-thirds (67 per cent) of employers with a Stakeholder scheme as their main scheme did not contribute to the scheme.
Table 2.4  Employers’ provision of and contribution to pensions, by scheme type

<table>
<thead>
<tr>
<th>Provider</th>
<th>Stakeholder</th>
<th>GPP</th>
<th>DB</th>
<th>DC</th>
<th>All†</th>
<th>Contributions to personal pensions</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributor</td>
<td>33</td>
<td>87</td>
<td>100</td>
<td>100</td>
<td>91</td>
<td>78</td>
<td>55</td>
</tr>
<tr>
<td>Contributor, 3% or more</td>
<td>27</td>
<td>80</td>
<td>100</td>
<td>91</td>
<td>84</td>
<td>67</td>
<td>47</td>
</tr>
<tr>
<td>Contributor, less than 3%</td>
<td>3</td>
<td>4</td>
<td>*</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Contributor, rate unknown</td>
<td>3</td>
<td>3</td>
<td>*</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Non-contributor</td>
<td>67</td>
<td>13</td>
<td>*</td>
<td>0</td>
<td>9</td>
<td>22</td>
<td>45</td>
</tr>
<tr>
<td>Non-contributor, with members</td>
<td>14</td>
<td>13</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Non-contributor, no members</td>
<td>53</td>
<td>*</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>6</td>
<td>32</td>
</tr>
</tbody>
</table>

Unweighted base: 789 501 146 121 314 152 1,756
Weighted base: 504 101 28 12 54 254 913

Base: All providers.
† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
2.2 Pension administration and payroll arrangements

Employers who provided access to a pension scheme for their employees were asked how they administered their scheme (if it was open). All employers were asked about the administration of their payroll and how they paid their staff.

2.2.1 Administration of existing pension schemes

Organisations which had a current open pension scheme were asked how they administered their pension arrangements in terms of the work being done in-house or outsourced.

Table 2.5 shows that 26 per cent of firms administered their pension arrangements wholly in-house and 20 per cent administered their pension arrangements partially in-house. Slightly less than half of all firms with an open pension scheme (48 per cent) outsourced all of their pension administration.

Larger organisations were more likely than smaller organisations to administer at least part of their pension scheme in-house. For example, 71 per cent of firms with 500 or more employees did some in-house administration of their pension scheme compared with 40 per cent of firms with one to four employees. Smaller organisations were most likely to outsource the whole administration of their scheme.

Table 2.5 Administration of the pension scheme, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly in-house</td>
<td>28</td>
<td>25</td>
<td>15</td>
<td>19</td>
<td>37</td>
<td>26</td>
</tr>
<tr>
<td>Partially in-house/partially outsourced</td>
<td>12</td>
<td>25</td>
<td>35</td>
<td>55</td>
<td>34</td>
<td>20</td>
</tr>
<tr>
<td>Wholly outsourced</td>
<td>55</td>
<td>43</td>
<td>48</td>
<td>26</td>
<td>28</td>
<td>48</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>*</td>
<td>5</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>121</td>
<td>409</td>
<td>444</td>
<td>294</td>
<td>413</td>
<td>1,681</td>
</tr>
<tr>
<td>Weighted base</td>
<td>369</td>
<td>376</td>
<td>41</td>
<td>4</td>
<td>12</td>
<td>801</td>
</tr>
</tbody>
</table>

Base: All private sector employers providing access to an open pension scheme.

Employers who provided access to a pension scheme but made no contributions were more likely to outsource the whole of the administration compared with employers who made contributions (54 per cent and 43 per cent respectively).
Table 2.6 Administration of the pension scheme, by current pension status

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors %</th>
<th>Non-contributors %</th>
<th>All providers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly in-house</td>
<td>28</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>Partially in-house/partially outsourced</td>
<td>26</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Wholly outsourced</td>
<td>43</td>
<td>54</td>
<td>48</td>
</tr>
<tr>
<td>Other</td>
<td>*</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

*Unweighted base* 1,193 488 1,681

*Weighted base* 429 372 801

Base: All private sector employers providing access to an open pension scheme.

2.2.2 Administration of payroll

All employers, whether they provided a pension or not, were also asked how they administered their payroll and how they paid their employees. Employers who said they wholly or partially administered their payroll in-house were also asked whether their payroll systems were computerised or clerical (manual).

Table 2.7 shows that 56 per cent of employers administered their payroll systems wholly in-house and 11 per cent administered their payroll systems partially in-house. Around a third of employees (31 per cent) outsourced the whole of their payroll administration.

Larger organisations were less likely than smaller organisations to wholly outsource their payroll administration, with only seven per cent of firms with 500 or more employees doing so, compared with 34 per cent of micro-employers (with one to four employees).

Among firms who did any of their payroll in-house, seven in ten (70 per cent) used computerised payroll systems compared with three in ten (30 per cent) who used clerical systems. Firms with one to four employees who administered any of their own payroll in-house were the most likely to use clerical systems (37 per cent), while few firms with 50 or more employees used clerical systems (one per cent), see Table 2.8.
Table 2.7  Administration of payroll, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholly in-house</td>
<td>54</td>
<td>61</td>
<td>65</td>
<td>59</td>
<td>59</td>
<td>56</td>
</tr>
<tr>
<td>Partially in-house/partially outsourced</td>
<td>10</td>
<td>15</td>
<td>22</td>
<td>32</td>
<td>34</td>
<td>11</td>
</tr>
<tr>
<td>Wholly outsourced</td>
<td>34</td>
<td>24</td>
<td>13</td>
<td>9</td>
<td>7</td>
<td>31</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2,399
Weighted base 1,755 581 46 4 13 2,399

Base: All private sector employers.

Table 2.8  Method for administering payroll, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computerised</td>
<td>62</td>
<td>85</td>
<td>99</td>
<td>98</td>
<td>99</td>
<td>70</td>
</tr>
<tr>
<td>Clerical</td>
<td>37</td>
<td>14</td>
<td>1</td>
<td>2</td>
<td>*</td>
<td>30</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 370 483 424 279 374† 1,930†
Weighted base 1,125 440 40 4 9 1,621

Base: All who administer payroll wholly or partially in-house.

† One outlier removed, see Table A.2, Appendix A for a table including the outlier.

Table 2.9 shows what mechanisms firms used to pay their staff. Since some organisations may pay different types of staff using different mechanisms respondents were allowed to give more than one answer.

The most common methods used by firms overall to pay staff were either manually by cash or cheque (46 per cent) or through file transfer such as BACS or CHAPS (40 per cent). Online banking was the only other common method of paying staff, being mentioned by about one in five (19 per cent) firms, although this tended to be the smaller employers.

Almost all organisations with 50 or more employees used file transfer to pay staff (96 per cent). While 99 per cent of firms with 500 or more employees used file transfer to pay staff, almost a quarter (23 per cent) also used cash or cheque. This
suggests that the largest firms use different mechanisms for paying different types of workers.

Paying by cash or cheque was the most common method used by firms with one to four employees (51 per cent), while paying through online banking was also most common amongst the smallest employers\(^{13}\).

**Table 2.9 Mechanisms used by firms to pay their staff, by size of organisation**

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>By file transfer (e.g. BACS/CHAPS)</td>
<td>33</td>
<td>57</td>
<td>95</td>
<td>99</td>
<td>99</td>
<td>40</td>
</tr>
<tr>
<td>By online banking</td>
<td>20</td>
<td>16</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>By telephone banking</td>
<td>3</td>
<td>3</td>
<td>*</td>
<td>3</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>By direct debit</td>
<td>8</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Manually (cash/cheque)</td>
<td>51</td>
<td>35</td>
<td>7</td>
<td>7</td>
<td>23</td>
<td>46</td>
</tr>
</tbody>
</table>

*Unweighted base* 573 630 470 306 420 2,399  
*Weighted base* 1,755 581 46 4 13 2,399

Base: All private sector employers.

Employers could give more than one response to this question.

### 2.3 General attitudes to pension provision and the value of providing a pension

This section examines the general attitudes of employers to pension provision, both those that currently provide pensions and those that do not. It also examines whether employers who provide a pension feel that their employees regard it as a valuable benefit or not.

To the extent that these questions reflect employers’ general attitudes to pension provision it is worth noting that the findings from the 2007 survey were almost identical to the 2006 survey among both providers and non-providers.

\(^{13}\) Although paying staff manually by cash or cheque was the most common payment used by firms with one to four employees, this does not necessarily mean that most of their employees were paid this way. Many organisations reported using more than one method of paying staff, although in such cases the survey did not collect information on the proportion of staff within each organisation who were paid by each method.
2.3.1 Attitudes of non-providers to pensions

Non-providers were asked for the main reason they did not provide access to a pension scheme for any of their employees and if they had seriously considered providing a pension in the future.

Table 2.10 shows the reasons given by employers who did not currently have any pension arrangements in place for providing access to a pension scheme. The answers given by employers were their unprompted responses. The most common reason given by employers was that the organisation was too small, which was mentioned by a third of those not currently providing a pension (32 per cent). The next most common reasons given were that it was too costly (13 per cent), that staff did not want a pension (11 per cent) and that the firm had mainly part-time or temporary staff (six per cent).

Since most non-providers were small in size there were few differences in the reasons given by size of employer. Organisations with five to 49 employees were more likely than those with one to four employees to cite the fact that staff did not want pensions (21 per cent and ten per cent respectively) or that they had mainly part-time or temporary staff (ten per cent and five per cent respectively). Almost one in five (18 per cent) organisations with five to 49 employees which did not provide access to a pension said it was because they were too small, even though employers with five or more relevant employees are legally obliged to designate Stakeholder provision, unless they are exempt for any reason.

Table 2.10 Main reason for not providing pensions among non-providers, by size of organisation

<table>
<thead>
<tr>
<th>Reason</th>
<th>1-4</th>
<th>5-49</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation is too small</td>
<td>35</td>
<td>18</td>
<td>32</td>
</tr>
<tr>
<td>Too costly</td>
<td>13</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Staff don’t want pensions</td>
<td>10</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>Mainly part-time or temporary staff</td>
<td>5</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Firm only recently established</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Never thought about it</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>A family business</td>
<td>3</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base 423 199 643
Weighted base 1,295 189 1,486

Base: All non-providers.

† Total includes 21 non-providers with more than 50 employees.

Only responses given by three per cent or more employers are presented.
Non-providers were also asked if the organisation was seriously considering introducing a pension scheme for their employees at any time over the next five years. Just less than three in ten non-providers (28 per cent) said that they were considering introducing a pension scheme over the next five years and more than two-thirds (68 per cent) said they had not considered it, see Table A.3, Appendix A.

### 2.3.2 Attitudes of providers to pensions in general

Employers already providing a pension scheme were asked why they provided a pension scheme for their employees. Each provider was asked to give only the main reason why their organisation provided a pension and they were not prompted with any possible answers. Employers were also asked how they felt their employees valued the pension in the context of their overall benefit package.

Table 2.11 shows that the most common reasons given for providing access to a pension scheme was to look after or provide for employees in their retirement (mentioned by 31 per cent of employers providing a pension) and because it was a legal requirement (mentioned by 30 per cent). Other reasons less commonly cited were to help recruit and retain staff (nine per cent) and because employees valued pension contributions as part of their benefit package (five per cent). A variety of other reasons were given by employers, although none were mentioned by more than two per cent of respondents.

Organisations with five to 49 employees were the most likely to cite legal requirements as the main reason for providing a pension (48 per cent), while firms with one to four employees were most likely to cite the wish to look after employees in retirement as the main reason for providing a pension (42 per cent). Larger firms were more likely than smaller firms to mention employees valuing pension contributions and recruiting and retaining staff as the main reasons for providing a pension, with each of these reasons being mentioned by 23 per cent of firms with 250 or more employees compared with five per cent and eight per cent respectively of firms with less than 250 employees, see Table 2.11.
Table 2.11  Main reason for providing a pension, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>To look after employees in retirement</td>
<td>42</td>
<td>17</td>
<td>25</td>
<td>16</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>It is a legal requirement</td>
<td>16</td>
<td>48</td>
<td>29</td>
<td>12</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Helps recruit and retain staff</td>
<td>8</td>
<td>8</td>
<td>15</td>
<td>39</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>Employees value pension contributions</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base 150 431 455 302 418 1,756
Weighted base 460 392 44 4 13 913

Base: All providers.

Only responses given by five per cent or more employers are presented.

Table 2.12 shows the reasons given by employers depending upon whether they simply provided access to a pension or whether they also made contributions. Perhaps not surprisingly, employers who provided access to a pension but were not contributing were more likely to give the fact that it was a legal requirement as a reason compared with employers who were actually making contributions (53 per cent and 12 per cent respectively). By contrast non-contributors were less likely than contributors to say they provided a pension to look after their employees in retirement (18 per cent and 40 per cent respectively) or that it helped them recruit and retain staff (five per cent and 11 per cent respectively).
Table 2.12 Main reason for providing a pension, by current pension status

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors %</th>
<th>Non-contributors %</th>
<th>All providers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>To look after employees in retirement</td>
<td>40</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>It is a legal requirement</td>
<td>12</td>
<td>53</td>
<td>30</td>
</tr>
<tr>
<td>Helps recruit and retain staff</td>
<td>11</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Employees value pension contributions</td>
<td>9</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

*Unweighted base*  
1,240  
516  
1,756

*Weighted base*  
502  
412  
913

Base: All providers.

Only responses given by five per cent or more employers are presented.

2.3.3 Estimated value employees place on pension provision

Employers who provided a pension were asked directly how much value they felt their employees placed on a pension when considered in the context of their whole benefit package. Opinion was fairly evenly split amongst employers on this issue. Around four in ten employers (41 per cent) who provided a pension felt their employees valued their pension ‘a lot’ or ‘a fair amount’, just under three in ten (29 per cent) felt their employees valued a pension only ‘a little’ while around a further quarter (24 per cent) felt that their employees attached ‘no value at all’ to a pension.

Larger employers were more likely than smaller employers to think that their staff valued a pension a lot or a fair amount. About two-thirds (64 per cent) of employers with 500 or more employees thought that their staff valued a pension a lot compared with only 19 per cent of firms with one to four employees, see Table 2.13.
Table 2.13  How employers feel their employees value a pension as part of their overall benefit package, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>19</td>
<td>8</td>
<td>19</td>
<td>38</td>
<td>64</td>
<td>15</td>
</tr>
<tr>
<td>A fair amount</td>
<td>35</td>
<td>17</td>
<td>27</td>
<td>33</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>A little</td>
<td>29</td>
<td>30</td>
<td>35</td>
<td>16</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>No value at all</td>
<td>10</td>
<td>42</td>
<td>16</td>
<td>9</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base 150 431 455 302 418 1,756
Weighted base 460 392 444 413 913

Base: All providers.

Table 2.14 shows that organisations who contributed to a pension were more likely than those that did not to feel their staff valued a pension. Thus, 65 per cent of firms who contributed to a pension felt that their staff valued a pension a lot or a fair amount compared with only 13 per cent of firms that made no contributions.

Table 2.14  How employers feel their employees value a pension as part of their overall benefit package, by current pension status

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors %</th>
<th>Non-contributors %</th>
<th>All providers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>23</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>A fair amount</td>
<td>42</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>A little</td>
<td>22</td>
<td>38</td>
<td>29</td>
</tr>
<tr>
<td>No value at all</td>
<td>6</td>
<td>46</td>
<td>24</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base 1,240 516 1,756
Weighted base 502 413 913

Base: All providers.
Finally, the type of pension offered by an employer was also closely linked to how employers felt their employees valued a pension. Just under a quarter of employers (24 per cent) who had a Stakeholder pension as their largest open scheme felt that their employees valued a pension a lot or a fair amount compared with 82 per cent of employers who had an occupational pension as their largest open scheme. Almost all employers (97 per cent) who had a DB occupational scheme as their largest open scheme felt that their employees valued a pension ‘a lot’ or ‘a fair amount’ compared with 66 per cent of employers who had a DC occupational scheme, see Table 2.15.

Employers providing a Stakeholder scheme as their main pension scheme were more likely than those providing other types of schemes to think their employees placed no value at all on pension provision (39 per cent), compared with two per cent of those providing occupational schemes, five per cent of those making contributions to personal pensions and seven per cent of those offering GPPs as their main provision.

It is worth noting that asking employers questions about what their employees think or feel is difficult and that the responses may reflect the employers’ views rather than that of their employees.

Further analysis showed that there was a strong association between an employer’s view about the workplace pension reforms and how they thought their employees viewed a pension in the context of their overall benefit package. Just over half (52 per cent) of employers who thought the reforms were a good idea also felt that their employees valued their pension a lot or a fair amount as part of their overall benefit package. This compared with only 22 per cent of employers who thought the reforms were a bad idea. Employers who thought that the workplace pension reforms were a bad idea were also most likely to think that their employees attached ‘no value at all’ to their pension within the context of their overall benefit package (43 per cent), see Table 2.16.
Table 2.15  How employers feel their employees value a pension as part of their overall benefit package, by largest open pension scheme

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder %</th>
<th>GPP %</th>
<th>Occupational DB %</th>
<th>DC %</th>
<th>All %</th>
<th>Contributions to personal pensions %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>8</td>
<td>23</td>
<td>59</td>
<td>11</td>
<td>39</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>A fair amount</td>
<td>17</td>
<td>40</td>
<td>37</td>
<td>55</td>
<td>43</td>
<td>46</td>
<td>27</td>
</tr>
<tr>
<td>A little</td>
<td>31</td>
<td>28</td>
<td>1</td>
<td>31</td>
<td>9</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>No value at all</td>
<td>39</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>26</td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base: 776 498 146 121 299 109 1,681
Weighted base: 482 98 28 12 45 176 801

Base: All with an open pension scheme.
† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
Table 2.16  How employers feel their employees value a pension as part of their overall benefit package, by attitude towards the workplace pension reforms

<table>
<thead>
<tr>
<th>Attitude towards the workplace pension reforms</th>
<th>A good idea</th>
<th>A bad idea</th>
<th>It depends/no opinion/Don't know</th>
<th>All providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>20%</td>
<td>8%</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>A fair amount</td>
<td>32%</td>
<td>14%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>A little</td>
<td>29%</td>
<td>29%</td>
<td>32%</td>
<td>29%</td>
</tr>
<tr>
<td>No value at all</td>
<td>15%</td>
<td>43%</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>5%</td>
</tr>
</tbody>
</table>

| Unweighted base                              | 1,163      | 385       | 208                             | 1,756        |
| Weighted base                                 | 555        | 256       | 102                             | 913          |

Base: All providers.

2.4  Planned changes to pension provision in the next two years

Providers were also asked if they were seriously considering making any changes to their pension provision in the next two years. Just less than one in ten providers said they were considering changes to their pension scheme in the next two years (nine per cent). Larger employers were the most likely to be considering changes, with 15 per cent of organisations with 250 or more employees saying they were considering change, see Table 2.17.

Table 2.17  Whether considered changes to pension provision in next two years, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5%</td>
<td>12%</td>
<td>11%</td>
<td>24%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>No</td>
<td>93%</td>
<td>85%</td>
<td>86%</td>
<td>73%</td>
<td>88%</td>
<td>89%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>*</td>
<td>2%</td>
</tr>
</tbody>
</table>

| Unweighted base      | 150 | 431  | 455    | 302     | 418         | 1,756 |
| Weighted base        | 460 | 392  | 44     | 4       | 13          | 913   |

Base: All providers.
In relation to their current levels of provision, employers who were contributing an average of less than 3% were the most likely to say they were considering changes to their pension scheme in the next two years, with 29 per cent considering a change, compared with only eight per cent of those currently offering contributions of 3% or more and eight per cent of non-contributors, see Table 2.18.

Table 2.18 Whether considered changes to pension provision in next two years, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors 3% or more</th>
<th>All contributors</th>
<th>Non-contributors</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>no</td>
<td>90</td>
<td>89</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>don't know</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Base: All providers.

Table 2.19 shows the most common changes mentioned by the small group of employers who were thinking about making changes in the next two years. Employers were able to give more than one type of change and were not prompted. The most common change cited was to improve benefits, which might include an increase in the employer contribution, which was cited by 37 per cent of firms thinking about a change. Only three per cent of firms who were thinking about making changes said they were thinking about reducing benefits or contributions.

Other commonly cited changes involved moving to a different type of pension scheme, changing the current pension scheme or setting up a new scheme. Thus, for example, nine per cent of those planning a change said they were planning to set up a new scheme. Eight per cent of those planning a change in the next two years said they were thinking about changing the eligibility of their current scheme to make more employees eligible to join.
Table 2.19  Changes to current pension scheme being considered

<table>
<thead>
<tr>
<th>Change to Current Pension Scheme</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve benefits/increase employer contributions</td>
<td>37</td>
</tr>
<tr>
<td>Set up a new (unspecified) scheme</td>
<td>9</td>
</tr>
<tr>
<td>Introduce/change to a GPP</td>
<td>8</td>
</tr>
<tr>
<td>Change eligibility rules to let more employees join</td>
<td>8</td>
</tr>
<tr>
<td>Introduce/change to a SHP</td>
<td>4</td>
</tr>
<tr>
<td>Introduce/change to a DC scheme</td>
<td>4</td>
</tr>
<tr>
<td>Close existing scheme and set up new scheme</td>
<td>4</td>
</tr>
<tr>
<td>Reduce benefits/reduce employer contributions</td>
<td>3</td>
</tr>
<tr>
<td>Move to a salary sacrifice arrangement</td>
<td>3</td>
</tr>
<tr>
<td>Other changes</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12</td>
</tr>
</tbody>
</table>

Unweighted base 234
Weighted base 78

Base: All who plan to make changes to pension scheme in next two years.
Employers could give more than one response to this question.

Employers who were thinking about making a change to their current pension scheme were also asked the main reason why they were considering changing. Half (50 per cent) of those thinking about making a change said they were making changes to improve the pension they offered employees as part of their overall benefits package. Almost one in ten (eight per cent) said that the main reason for considering a change was to meet the requirements of the workplace pension reforms.
Table 2.20 Main reason for considering change to pension provision in next two years

<table>
<thead>
<tr>
<th>Reason</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve pensions offered to employees</td>
<td>50</td>
</tr>
<tr>
<td>To meet the requirements of Government pension reforms</td>
<td>8</td>
</tr>
<tr>
<td>To reduce costs</td>
<td>4</td>
</tr>
<tr>
<td>Due to organisational change</td>
<td>5</td>
</tr>
<tr>
<td>To be more tax efficient</td>
<td>6</td>
</tr>
<tr>
<td>Poor performance of current scheme</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
</tr>
</tbody>
</table>

Unweighted base: 234
Weighted base: 78

Base: All who plan to make changes to pension scheme in next two years.

2.5 Summary

Overall, of the 2,399 private sector employers who took part in this survey, around two-fifths had some form of pension provision in place for employees, with 85 per cent of employees working for an organisation with pension provision. Around a fifth of all employers made contributions to their employees’ pension schemes, with the majority contributing an average of 3% or more of employees’ pay.

Larger organisations were more likely to have pension provision than smaller organisations, with almost all organisations with 50 or more employees having some form of pension provision. Organisations with five to 49 employees were most likely to have a pension scheme with no active members.

Amongst employers with pension provision the most likely reasons for providing a pension were; to look after their employees in retirement and because it was a legal requirement, with non-contributors being more likely than contributors to provide a pension because it was a legal requirement.

The majority of employers with pension provision felt their employees valued a pension scheme, with a higher proportion of employers who made pension contributions or provided an occupational scheme believing their employees valued this ‘a lot’ or ‘a fair amount’.

A small proportion of providers were looking to make changes to their provision and amongst these the most common change was an improvement in pension benefits or increasing employer contributions.
Amongst employers with no provision in place the most common reasons given for not providing a pension were that the organisation was too small, the cost and the belief that staff did not want pensions. Just under a third of non-providers said that they were considering introducing provision in the next five years (prior to any discussion of the proposed workplace pension reforms).
Chapter 3 explores the eligibility criteria in place for joining existing workplace pension schemes. It also looks at how employees currently join schemes, how this differs across different scheme types and different types of organisation and the impact this may have on levels of participation.

### 3.1 Eligibility criteria

All employers with an open pension scheme were asked whether that scheme was open to all employees in the organisation or whether there were any eligibility criteria in place for joining the scheme. Following this, all employers who had not mentioned that their scheme had a waiting period were asked specifically whether their employees were required to have been at the organisation for a minimum length of time before they were eligible to join the pension scheme.

Table 3.1 shows that just over half (55 per cent) of providers offered an open pension scheme where all employees were eligible to join. Overall, more than a third (37 per cent) required their employees to have been employed for a minimum length of time before being eligible to join the pension scheme, comprising 33 per cent of providers with a waiting period alone and four per cent of providers using a waiting period in combination with another form of eligibility criterion. Seven per cent used only an eligibility criterion other than a waiting period. These criteria included:

- senior management only;
- employees having to be over a certain age;
- white collar or blue collar staff only; and
- all in a particular business group, etc.
Table 3.1 Whether the scheme is open to all employees or only certain types of employees, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
<th>All (employers) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees in organisation (and no waiting period)</td>
<td>54</td>
<td>57</td>
<td>44</td>
<td>44</td>
<td>48</td>
<td>55</td>
<td>54</td>
</tr>
<tr>
<td>All with a minimum length of service only</td>
<td>29</td>
<td>34</td>
<td>45</td>
<td>40</td>
<td>43</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>All with a minimum length of service and other eligibility criteria</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Some other eligibility criteria</td>
<td>11</td>
<td>3</td>
<td>4</td>
<td>11</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know/not stated</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base: 121 409 444 294 413 1,681 1,941
Weighted base: 369 376 41 4 12 801 801

Base: All providers with an open pension scheme.

Non-contributors were most likely to have no eligibility criteria for joining a pension scheme, with 62 per cent of organisations who do not make an employer contribution allowing all employees to join a pension scheme, compared with 48 per cent of employers who make an employer contribution. Contributors were much more likely to have a waiting period before employees could join a scheme (42 per cent, compared with 32 per cent of non-contributors), see Table 3.2.
Looking at eligibility criteria across different types of workplace pension schemes, Table 3.3 shows that Stakeholder pension (SHP) schemes were most likely to be available to all employees, with six in ten (60 per cent) SHP schemes allowing all employees to join, compared with less than a third (30 per cent) of Group Personal Pension (GPP) schemes. Employers with five or more relevant employees are of course legally required to offer a SHP scheme which is open to all relevant employees or a Stakeholder compliant scheme. GPP schemes were most likely to require employees to have served a minimum length of time at an organisation before joining the scheme, with 63 per cent of GPP schemes having a minimum waiting period. Employers offering defined benefit (DB) occupational schemes were more likely than employers offering other types of scheme to have other eligibility criteria in place.
Table 3.3  Whether the scheme is open to all employees or only certain types of employees, by scheme type

<table>
<thead>
<tr>
<th>Eligibility and joining mechanisms</th>
<th>Stakeholder %</th>
<th>GPP %</th>
<th>Occupational DB %</th>
<th>DC %</th>
<th>All %</th>
<th>Contributions to personal pensions %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees in organisation</td>
<td>60</td>
<td>30</td>
<td>51</td>
<td>69</td>
<td>50</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>All with a minimum length of service and other eligibility criteria</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>All with a minimum length of service only</td>
<td>31</td>
<td>58</td>
<td>21</td>
<td>28</td>
<td>27</td>
<td>25</td>
<td>33</td>
</tr>
<tr>
<td>Some other eligibility criteria</td>
<td>5</td>
<td>7</td>
<td>18</td>
<td>*</td>
<td>11</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know/not stated</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>0</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

Unweighted base: 776 497 146 121 299 109 1,681
Weighted base: 482 98 28 12 45 176 801

Base: All providers with an open pension scheme.

† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
3.1.1 Length of waiting period

For organisations where a waiting period was in operation before joining a pension scheme, the majority (64 per cent) operated a waiting period of six months or under. This includes a third (33 per cent) who required employees to wait for three months or less before joining a scheme, see Table 3.4.

Table 3.4 Length of time employees need to have been at the organisation before they are eligible to join the pension scheme, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more</th>
<th>All%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than three months</td>
<td>[0]</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Three months</td>
<td>[13]</td>
<td>42</td>
<td>53</td>
<td>63</td>
<td>62</td>
<td>31</td>
</tr>
<tr>
<td>Four to five months</td>
<td>[0]</td>
<td>0</td>
<td>*</td>
<td>1</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Six months</td>
<td>[32]</td>
<td>32</td>
<td>15</td>
<td>14</td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td>Between six months and one year</td>
<td>[8]</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>*</td>
<td>5</td>
</tr>
<tr>
<td>One year</td>
<td>[26]</td>
<td>13</td>
<td>18</td>
<td>6</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>One to two years</td>
<td>[4]</td>
<td>*</td>
<td>6</td>
<td>5</td>
<td>*</td>
<td>2</td>
</tr>
<tr>
<td>More than two years</td>
<td>[13]</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>[5]</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Unweighted base | [40] | 163 | 240 | 156 | 177 | 776 |
Weighted base | [123] | 144 | 21 | 2 | 6 | 296 |

Base: All providers with a waiting period to join the scheme.

Employers contributing 6% or more to their employees’ pension schemes were generally more likely to have waiting periods of longer than three months than employers contributing lower amounts.

There were some differences in the length of the waiting period by type of scheme, with occupational schemes tending to have the longest waiting periods. Where the length of the waiting period was known, almost half (49 per cent) of GPP schemes had a waiting period of three months or less compared with just over a third (35 per cent) of Stakeholder schemes and just over a quarter (26 per cent) of occupational schemes. Just over a quarter (26 per cent) of occupational schemes operated waiting periods of over two years compared with just six per cent of Stakeholder schemes and three per cent of GPP schemes. This may reflect the fact that occupational schemes are more likely to be attracting higher contribution rates. These figures exclude ‘don’t know’ responses. For an analysis incorporating ‘don’t know’ responses, see Table 3.5.
Table 3.5  Length of time employees need to have been at the organisation before they are eligible to join the pension scheme, by scheme type*  

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder</th>
<th>GPP</th>
<th>Occupational</th>
<th>Contributions to personal pensions</th>
<th>All† %</th>
<th>All † %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>DB %</td>
<td>DC %</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Up to three months</td>
<td>3</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>2</td>
</tr>
<tr>
<td>Three months</td>
<td>30</td>
<td>48</td>
<td>24</td>
<td>29</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Four to five months</td>
<td>*</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>0</td>
<td>*</td>
</tr>
<tr>
<td>Six months</td>
<td>31</td>
<td>31</td>
<td>34</td>
<td>17</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Between six months and one year</td>
<td>3</td>
<td>*</td>
<td>2</td>
<td>30</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>One year</td>
<td>21</td>
<td>15</td>
<td>*</td>
<td>23</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>One to two years</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>More than two years</td>
<td>5</td>
<td>3</td>
<td>*</td>
<td>*</td>
<td>20</td>
<td>13</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>*</td>
<td>38</td>
<td>*</td>
<td>21</td>
<td>2</td>
</tr>
</tbody>
</table>

Unweighted base 285 342 44 56 109 40 776  
Weighted base 166 62 9 4 15 53 296

Base: All providers with a waiting period to join the scheme.  
† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.  
* Percentages in table include ‘don’t know’ responses which are excluded from figures presented in the text.
3.2 Joining mechanisms

The new duty on employers, to be introduced from 2012, will require all workers to be automatically enrolled into a pension scheme, although employees may choose to opt out if they wish. Employers were asked how their employees currently join the organisation’s pension scheme. Overall, 37 per cent of employers asked their employees to complete a detailed form, seven per cent used a pre-completed form (sometimes referred to as ‘streamlined joining’), 32 per cent required a yes or no declaration (sometimes referred to as ‘active decision joining’), four per cent enrolled their employees automatically as part of their contract or terms and conditions and two per cent enrolled their employees automatically, not as part of the contract or terms and conditions, see Table 3.6. Overall, six per cent of employers said they used what they referred to as some form of automatic enrolment. Just over one in ten (11 per cent) employers did not know how their employees joined the scheme and around half (52 per cent) of these firms wholly outsourced the administration of the pension scheme.

Table 3.6 Method for joining pension scheme

<table>
<thead>
<tr>
<th>Method</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic membership (not as part of contract)</td>
<td>2</td>
</tr>
<tr>
<td>Automatic membership (as part of contract)</td>
<td>4</td>
</tr>
<tr>
<td>Make a yes/no declaration</td>
<td>32</td>
</tr>
<tr>
<td>Sign a pre-completed form</td>
<td>7</td>
</tr>
<tr>
<td>Complete a detailed form</td>
<td>37</td>
</tr>
<tr>
<td>Something else</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>11</td>
</tr>
</tbody>
</table>

Unweighted base 1,681
Weighted base 801
Base: All providers with an open pension scheme.

3.3 Proportion of employees who have joined the pension scheme

Employers providing an open pension scheme were asked what proportion of employees who were eligible to join their pension scheme had actually done

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There are some differences in the reported prevalence of the various joining methods between this survey and the 2007 Employers’ Pension Provision (EPP) survey. This may be partially accounted for by differences in the levels of ‘Don’t know’ responses on this question between the surveys.
so\textsuperscript{15}. Overall an average (mean) of 42 per cent of eligible employees had joined a pension scheme, see Table 3.7.

Participation rates varied according to the amount employers contributed to their employees’ pension schemes. Overall, participation tended to be higher in schemes attracting higher employer contributions. Participation rates were highest for schemes with a contribution rate of 6\% or more, with on average, just under three-quarters (73 per cent) of eligible employees having joined these schemes. Participation was particularly low for non-contributing schemes, of which an average of 12 per cent of eligible employees had joined.

Table 3.7  Average proportion of eligible employees who have joined the pension scheme, by pension profile

<table>
<thead>
<tr>
<th>Pension Profile</th>
<th>Average %</th>
<th>Unweighted base</th>
<th>Weighted base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute 6% or more</td>
<td>73</td>
<td>504</td>
<td>161</td>
</tr>
<tr>
<td>Contribute 4% to 5%</td>
<td>65</td>
<td>344</td>
<td>100</td>
</tr>
<tr>
<td>Contribute 3%</td>
<td>50</td>
<td>166</td>
<td>56</td>
</tr>
<tr>
<td>Contribute less than 3%</td>
<td>54</td>
<td>72</td>
<td>30</td>
</tr>
<tr>
<td>All contributors</td>
<td>67</td>
<td>1,147</td>
<td>426</td>
</tr>
<tr>
<td>Non-contributors</td>
<td>12</td>
<td>477</td>
<td>364</td>
</tr>
<tr>
<td>All</td>
<td>42</td>
<td>1,624</td>
<td>789</td>
</tr>
</tbody>
</table>

Table 3.8 shows that, on average, around a quarter (24 per cent) of eligible employees had joined a Stakeholder scheme, 69 per cent had joined a GPP scheme, 76 per cent had joined an occupational scheme and 65 per cent had taken up the option of the employer contributing to their personal pensions. Participation levels in occupational schemes and GPP schemes are also likely to reflect the fact that 84 per cent of occupational schemes attracted an employer contribution of 3\% or more as did 80 per cent of GPP schemes. This compares with just 27 per cent of Stakeholder schemes attracting this level of contribution.

\textsuperscript{15} The questionnaire did not specify whether employers who operated a waiting period should regard those employees still within the waiting period as eligible or ineligible.
Table 3.8  Average proportion of eligible employees who have joined the pension scheme, by scheme type

<table>
<thead>
<tr>
<th>Scheme Type</th>
<th>Average %</th>
<th>Unweighted base</th>
<th>Weighted base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder</td>
<td>24</td>
<td>755</td>
<td>473</td>
</tr>
<tr>
<td>GPP</td>
<td>69</td>
<td>480</td>
<td>97</td>
</tr>
<tr>
<td>DB</td>
<td>72</td>
<td>140</td>
<td>27</td>
</tr>
<tr>
<td>DC</td>
<td>86</td>
<td>116</td>
<td>12</td>
</tr>
<tr>
<td>Occupational (ALL)*</td>
<td>76</td>
<td>285</td>
<td>45</td>
</tr>
<tr>
<td>Contributions to personal pensions</td>
<td>65</td>
<td>104</td>
<td>174</td>
</tr>
<tr>
<td>All</td>
<td>42</td>
<td>1,624</td>
<td>789</td>
</tr>
</tbody>
</table>

* Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.

There was little difference in participation rates according to whether the employer operated a waiting period before employees could join the scheme, on average 40 per cent of employees had joined a scheme where there was no waiting period and 44 per cent had joined a scheme where a waiting period was in place, see Table 3.9.

Table 3.9  Average proportion of eligible employees who have joined the pension scheme, by whether have a waiting period

<table>
<thead>
<tr>
<th>Waiting Period</th>
<th>Average %</th>
<th>Unweighted base</th>
<th>Weighted base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting period</td>
<td>44</td>
<td>752</td>
<td>290</td>
</tr>
<tr>
<td>No waiting period</td>
<td>40</td>
<td>874</td>
<td>499</td>
</tr>
</tbody>
</table>

There were, however, significant variations in participation rates according to the joining mechanisms in place for the scheme. In schemes where employees were enrolled automatically as part of their contract or term and conditions on average 79 per cent of employees had joined the scheme, see Table 3.10. In schemes where employees had to sign a pre-completed form 45 per cent had joined, where they had to make a yes or no declaration 41 per cent had joined and 34 per cent had joined if they had to complete a detailed form.
### Table 3.10 Average proportion of eligible employees who have joined the pension scheme, by enrolment method

<table>
<thead>
<tr>
<th>Enrolment Method</th>
<th>Average %</th>
<th>Unweighted base</th>
<th>Weighted base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic membership (not as part of contract)</td>
<td>79</td>
<td>97</td>
<td>34</td>
</tr>
<tr>
<td>Automatic membership (as part of contract)</td>
<td>79</td>
<td>97</td>
<td>34</td>
</tr>
<tr>
<td>Make a yes/no declaration</td>
<td>41</td>
<td>306</td>
<td>255</td>
</tr>
<tr>
<td>Sign a pre-completed form</td>
<td>45</td>
<td>195</td>
<td>56</td>
</tr>
<tr>
<td>Complete a detailed form</td>
<td>34</td>
<td>815</td>
<td>292</td>
</tr>
<tr>
<td>Something else</td>
<td>38</td>
<td>112</td>
<td>53</td>
</tr>
<tr>
<td>Joining mechanisms unknown</td>
<td>48</td>
<td>74</td>
<td>86</td>
</tr>
<tr>
<td>All</td>
<td>42</td>
<td>1,624</td>
<td>789</td>
</tr>
</tbody>
</table>

#### 3.4 Conclusions

Just over half of employers who provided access to a pension scheme for their employees offered a scheme that was open for all their employees to join and over a third offered a scheme that employees could join after a waiting period. Employers who were contributing to their employees’ schemes were more likely to require a waiting period than those who were not contributing. The majority of waiting periods were less than six months. A small proportion of employers providing access to pension schemes had some other eligibility criteria in place, such as offering access to a pension scheme to senior management only. Eligibility criteria other than waiting periods were most common among employers offering access to DB occupational pension schemes.

Overall, four in ten employees who were eligible to join a pension scheme had actually done so. Not surprisingly participation rates tended to be higher in schemes with a higher employer contribution and these schemes most typically tended to be occupational schemes. Participation rates also tended to be higher in schemes using automatic enrolment.
4 Awareness and attitudes to the workplace pension reforms

The Pensions Act 2008 sets out a series of measures for reform, including a duty on all employers to automatically enrol all eligible workers into a qualifying workplace pension scheme from 2012 and to provide a minimum employer contribution. Employers will have a choice over which scheme or schemes to use to fulfil their duty and whether to enrol employees into an existing qualifying scheme, into the new personal accounts pension scheme or use a combination of the two. All employers were sent currently available information about the workplace pension reforms prior to being contacted to take part in the research, see Appendix D. Before being asked any questions about their attitudes to the reforms, all employers were also reminded of the main requirements of the reforms.

This chapter examines employers’ awareness of the workplace pension reforms and their attitudes towards the new duties.

4.1 Awareness of the workplace pension reforms

Employers were asked how much they had heard about the workplace pension reforms prior to being sent currently available information in connection with the survey. Fewer than half (46 per cent) of employers said they had heard about the reforms previously. The majority (54 per cent) of employers had heard nothing at all, with 34 per cent having heard ‘a little’, nine per cent a fair amount and three per cent having heard ‘a lot’ about the reforms, see Table 4.1. At the time that the survey took place, there had been no awareness raising campaigns about the reforms and the 2007 Pensions Bill had not yet been introduced into Parliament.

Levels of awareness tended to increase with the size of firms, with 91 per cent of employers with 500 or more employees having at least a little awareness of the reforms, compared with 43 per cent of employers with one to four employees.
Over half of employers with 500 or more employees (52 per cent) said they knew 'a lot' about the reforms, compared with just three per cent of employers with one to four employees and two per cent of those with five to 49 employees.

### Table 4.1  Awareness of the workplace pension reforms, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more%</th>
<th>All%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>12</td>
<td>52</td>
<td>3</td>
</tr>
<tr>
<td>A fair amount</td>
<td>8</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>A little</td>
<td>31</td>
<td>40</td>
<td>39</td>
<td>32</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Nothing at all</td>
<td>57</td>
<td>47</td>
<td>37</td>
<td>35</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td>Any awareness</td>
<td>43</td>
<td>53</td>
<td>63</td>
<td>65</td>
<td>91</td>
<td>46</td>
</tr>
</tbody>
</table>

| Unweighted base      | 573  | 630   | 470     | 306      | 420          | 2,399|
| Weighted base        | 1,755| 581   | 46      | 4        | 13           | 2,399|

Base: All private sector employers.

Table 4.2 summarises the level of awareness of the Government’s plans for pension reform by employers’ current pension provision.

Awareness of the workplace pension reforms tended to increase with employers’ levels of provision, with employers who currently provide no pension scheme at all for their employees having the lowest level of awareness about the reforms (40 per cent of non-providers stated they had any awareness of the reforms). Employers providing access to a pension scheme tended to be more aware of the reforms, with the highest levels of awareness among those firms that provided a pension scheme to which they contributed. Almost six in ten (59 per cent) of these employers said they had any awareness of the reforms.

There was a higher level of awareness of the reforms amongst employers who felt their employees place a lot of value on pension provision, with two-thirds (66 per cent) of these employers having some awareness of the reforms, this compares with almost half (49 per cent) of employers who believe their employees place no value at all on pension provision, see Table 4.3.
Table 4.2 Awareness of the workplace pension reforms, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors</th>
<th>Non-</th>
<th>Non-</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3% or more</td>
<td>Less</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>than</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>A lot</td>
<td>6</td>
<td>*</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>A fair amount</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>A little</td>
<td>42</td>
<td>62</td>
<td>43</td>
<td>36</td>
</tr>
<tr>
<td>Nothing at all</td>
<td>41</td>
<td>26</td>
<td>41</td>
<td>50</td>
</tr>
<tr>
<td>Any awareness</td>
<td>59</td>
<td>74</td>
<td>59</td>
<td>50</td>
</tr>
</tbody>
</table>

Unweighted base 1,118 84 1,240 516 643 2,399
Weighted base 430 38 502 412 1486 2,399

Base: All private sector employers.

Table 4.3 Awareness of the workplace pension reforms, by value employers think employees place on pension provision

<table>
<thead>
<tr>
<th>Value employers think employees place on pension provision</th>
<th>A lot</th>
<th>A fair amount</th>
<th>A little</th>
<th>No value at all</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>A fair amount</td>
<td>20</td>
<td>10</td>
<td>8</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>A little</td>
<td>40</td>
<td>37</td>
<td>42</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Nothing at all</td>
<td>34</td>
<td>44</td>
<td>46</td>
<td>51</td>
<td>45</td>
</tr>
<tr>
<td>Any awareness</td>
<td>66</td>
<td>56</td>
<td>54</td>
<td>49</td>
<td>55</td>
</tr>
</tbody>
</table>

Unweighted base 335 580 455 311 1,756
Weighted base 137 242 268 221 913

Base: All providers.

Employers who were planning on making changes to their pension provision over the next two years were more likely to be aware of the workplace pension reforms than employers not considering changes to their pension provision, see Table 4.4. Two-thirds (66 per cent) of those planning a change had some awareness of the reforms, compared with 54 per cent of those who were not planning a change. However, it is unclear how awareness of the workplace pension reforms and employers’ plans are related, since only a small proportion (nine per cent) of providers said they were planning to make any changes to their current pension provision in the next two years and of these only eight per cent said that their plans were in response to the proposed reforms.
Table 4.4  Awareness of the workplace pension reforms, by whether planning to make changes to pension provision in next two years

<table>
<thead>
<tr>
<th>Planning to make changes to pension provision in next two years</th>
<th>Yes</th>
<th>No</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>A lot</td>
<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>A fair amount</td>
<td>17</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>A little</td>
<td>47</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>Nothing at all</td>
<td>34</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Any awareness</td>
<td>66</td>
<td>54</td>
<td>55</td>
</tr>
</tbody>
</table>

Unweighted base: 234 1,479 1,756
Weighted base: 78 811 913

Base: All providers.

Another factor that is likely to affect an employer's awareness of the workplace pension reforms may be where employers currently receive advice from about their pension arrangements. Table 4.5 illustrates employers’ level of awareness by where they seek advice on pension provision arrangements (see Chapter 9 for more detail on employers’ sources of information and advice).

Employers who use an external lawyer or legal advisor for advice on pensions were most likely to report some awareness of the workplace pension reforms (79 per cent), followed by those advised by an actuary (61 per cent), those advised by a pension consultant (57 per cent) and those advised by an Independent Financial Adviser (IFA) (57 per cent). Those who received advice from an insurance company representative had the lowest level of awareness of the reforms (46 per cent having some awareness). Half (50 per cent) of employers who receive no advice from an outside agency were aware of the reforms. However, these findings are perhaps correlated to the size of the organisation and current pension contribution status. Larger employers and those who make an employer contribution were more likely than smaller employers and those making no contributions to seek advice from a lawyer or legal advisor or an actuary and were also more likely to have any awareness of the reforms, see Tables 4.1 and 4.2.
Table 4.5  Awareness of the workplace pension reforms, by whether received advice from an outside organisation on pension provision

<table>
<thead>
<tr>
<th>Whether received advice from outside organisation on pension provision</th>
<th>An accountant</th>
<th>An Independent Financial Advisor</th>
<th>An insurance company representative</th>
<th>A pension consultant</th>
<th>An actuary</th>
<th>A lawyer/legal advisor</th>
<th>Do not receive any external advice</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>13</td>
<td>11</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>A fair amount</td>
<td>9</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>23</td>
<td>24</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>A little</td>
<td>41</td>
<td>43</td>
<td>33</td>
<td>45</td>
<td>24</td>
<td>43</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Nothing at all</td>
<td>48</td>
<td>43</td>
<td>54</td>
<td>43</td>
<td>39</td>
<td>21</td>
<td>50</td>
<td>45</td>
</tr>
<tr>
<td>Any awareness</td>
<td>52</td>
<td>57</td>
<td>46</td>
<td>57</td>
<td>61</td>
<td>79</td>
<td>50</td>
<td>55</td>
</tr>
</tbody>
</table>

Unweighted base 429 807 432 585 349 287 242 1,756
Weighted base 297 416 162 173 25 30 245 913

Base: All providers.
4.2 Attitudes towards the workplace pension reforms

Employers were asked whether in principle they thought the introduction of automatic enrolment into qualifying workplace pension schemes, with a minimum employer contribution, was a good idea or a bad idea. Overall, the majority (58 per cent) of employers felt these workplace pension reforms were a good idea. Looking at the proportion of employees who worked for organisations who thought the reforms were a good idea, seven in ten (70 per cent) employees worked for these organisations.

Larger employers were more likely to be in favour of the reforms. Almost nine in ten (89 per cent) organisations with 500 or more employees believed the reforms to be a good idea, compared with six in ten (60 per cent) employers with one to four employees and 50 per cent of employers with five to 49 employees, see Table 4.6.

Table 4.6  Attitudes towards the workplace pension reforms, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All* (employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good idea</td>
<td>60</td>
<td>50</td>
<td>69</td>
<td>74</td>
<td>89</td>
<td>58</td>
</tr>
<tr>
<td>Bad idea</td>
<td>24</td>
<td>36</td>
<td>15</td>
<td>15</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>It depends/no opinion/Don’t know</td>
<td>16</td>
<td>14</td>
<td>16</td>
<td>11</td>
<td>2</td>
<td>15</td>
</tr>
</tbody>
</table>

Base: All private sector employers.
* Employee weighted figures.

Employers who contributed to their employees’ pensions were most likely to think the reforms were a good idea with 69 per cent of contributors being in support of the reforms. Those contributing 3% or more were more likely than those contributing less than 3% to be positive about the reforms (71 per cent compared with 52 per cent)\(^\text{16}\). Over half (57 per cent) of employers who made no pension provision for their employees were in favour of the reforms compared with 50 per cent of employers who made provision but did not contribute\(^\text{17}\).

\(^\text{16}\) This difference is not statistically significant.
\(^\text{17}\) This difference is not statistically significant.
Table 4.7 Attitudes towards the workplace pension reforms, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>3% or more %</th>
<th>Less than 3%</th>
<th>All contributors %</th>
<th>Non-contributors %</th>
<th>Non-providers %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good idea</td>
<td>71</td>
<td>52</td>
<td>69</td>
<td>50</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>Bad idea</td>
<td>20</td>
<td>32</td>
<td>22</td>
<td>36</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>It depends/no opinion/Don’t know</td>
<td>9</td>
<td>16</td>
<td>9</td>
<td>14</td>
<td>18</td>
<td>15</td>
</tr>
</tbody>
</table>

Unweighted base 1,118 84 1,240 516 643 2,399
Weighted base 430 38 502 412 1,486 2,399

Base: All private sector employers.

In the 2006 survey, employers did not give an overall view of the workplace pension reforms but were instead asked for their views on automatic enrolment and on a minimum employer contribution.

There seems to have been little change in the attitudes of employers towards the workplace pension reforms between the 2006 and the 2007 surveys. In the 2006 survey, six in ten (60 per cent) employers thought automatic enrolment into a pension scheme would be a good idea, with 57 per cent thinking a minimum employer contribution would be a good idea. This is in line with the 58 per cent of employers thinking the reforms were a good idea in the 2007 survey.

4.2.1 Attitudes of non-providers

Employers currently not making any pension provision for their employees are likely to be most affected by the workplace pension reforms. Over half (57 per cent) of employers with no pension provision currently in place thought the workplace pension reforms would be a good idea.

Table 4.8 looks at the attitudes of non-providers towards the reforms broken down by the reasons they did not make any pension provision for their employees. Employers who said they did not provide access to a pension because their organisation was too small were more likely to think the reforms were a good idea (65 per cent) than those employers who said they did not provide pensions because it would be too costly, or because their staff did not want pensions (43 per cent and 41 per cent of these employers respectively thought the reforms were a good idea)\(^\text{18}\).

\(^\text{18}\) This difference is not statistically significant.
Table 4.8  Attitudes towards the workplace pension reforms, by main reason for not providing a pension

<table>
<thead>
<tr>
<th>Main reason for not providing a pension scheme</th>
<th>Organisation too small %</th>
<th>Too costly %</th>
<th>Staff don’t want pension scheme %</th>
<th>Other reason %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good idea</td>
<td>65</td>
<td>43</td>
<td>41</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Bad idea</td>
<td>18</td>
<td>31</td>
<td>43</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>It depends/no opinion/Don’t know</td>
<td>17</td>
<td>27</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
</tbody>
</table>

Unweighted base 189 92 86 233 643
Weighted base 483 196 163 552 1,486

Base: All employers with no pension provision.

Non-providers who had seriously considered introducing pension provision for their employees in the next five years were slightly more likely than those who had not to think the reforms were a good idea, see Table 4.9. Just over six in ten (61 per cent) non-providers who had considered introducing pension provision, felt the reforms were a good idea compared with 54 per cent of employers who had not considered introducing any provision19.

Table 4.9  Attitudes towards the workplace pension reforms, by whether organisation has considered introducing pension provision in next five years

<table>
<thead>
<tr>
<th>Whether organisation considered introducing pension provision in next five years</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good idea</td>
<td>61</td>
<td>54</td>
<td>[70]</td>
<td>57</td>
</tr>
<tr>
<td>Bad idea</td>
<td>23</td>
<td>27</td>
<td>[16]</td>
<td>26</td>
</tr>
<tr>
<td>It depends/no opinion/Don’t know</td>
<td>16</td>
<td>19</td>
<td>[14]</td>
<td>18</td>
</tr>
</tbody>
</table>

Unweighted base 196 420 [27] 643
Weighted base 414 1,008 [64] 1,486

Base: All employers with no pension provision.

4.2.2 Attitudes of providers

The attitudes of employers who have pension provision in place for their employees were also explored. This includes employers who make any level of employer contribution to a scheme as well as those who don’t contribute.

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19 This difference is not statistically significant.
The attitudes of employers who said they provided pensions as a way of recruiting and retaining staff were generally positive, with 84 per cent thinking the reforms would be a good idea. Those whose primary reason for pension provision was to look after their employees after retirement also tended to be very positive about the reforms, with around three-quarters (74 per cent) being in favour of the reforms. Those who had provision in place because employees value pension provision or because it is a legal requirement shared less positive views of the proposed reforms, with only 43 per cent thinking the reforms would be a good idea, see Table 4.10.

Table 4.10  Attitudes towards the workplace pension reforms, by main reason for providing a pension scheme

<table>
<thead>
<tr>
<th>Main reason for providing a pension scheme</th>
<th>To look after employees after retirement</th>
<th>Because it is a legal requirement</th>
<th>To recruit and retain staff</th>
<th>Employees value pension contributions</th>
<th>Other</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good idea</td>
<td>74</td>
<td>43</td>
<td>84</td>
<td>43</td>
<td>66</td>
<td>61</td>
</tr>
<tr>
<td>Bad idea</td>
<td>19</td>
<td>42</td>
<td>14</td>
<td>53</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>It depends/ no opinion/ Don’t know</td>
<td>8</td>
<td>15</td>
<td>2</td>
<td>4</td>
<td>15</td>
<td>11</td>
</tr>
</tbody>
</table>

Unweighted base 386 418 332 87 457 1,756
Weighted base 279 277 79 49 191 913

Base: All employers with pension provision.

4.3 Conclusions

Employers who had a greater awareness of the reforms tended to be larger organisations, those currently contributing to employees pension schemes, those who felt their employees placed ‘a lot’ of value on pension provision and those planning a change to their pension provision in the next two years.

The majority of employers across all size bands felt the reforms were a good idea, with a large proportion of employees working for organisations in favour of the reforms. That said, some specific subgroups of employers were less positive about the reforms. Larger employers were more likely than smaller employers to think the reforms are a good idea. Similarly, those contributing to their employees’ pensions tended to have a more positive attitude towards the reforms than those not contributing and those with no pension provision in place. Even so, more employers across all levels of pension provision felt the reforms were a good idea than felt they were a bad idea.
Amongst employers who do not currently provide a pension scheme, those who had considered introducing pension provision in the next five years were more likely to think the reforms were a good idea than those who had not considered the introduction of pension provision. Amongst employers with pension provision, it seemed that employers who wanted to look after their employees in retirement and those hoping to recruit and retain staff, were more positive about the reforms than employers who provided pensions because it is a legal requirement or because their employees value pensions contributions.
5 Employers’ likely responses to the workplace pension reforms

This chapter explores employers’ views on the potential impacts of the introduction of automatic enrolment with a minimum employer contribution on their total pension contribution costs. It then looks at the likely actions employers say they might take in order to cope with any increase in pension contribution costs.

5.1 Impact on total employer pension contributions

All employers were asked whether the workplace pension reforms would mean an increase in total pension contributions for their organisation. Nearly eight in ten (79 per cent) employers believed the reforms would mean an increase in their contributions, whilst 14 per cent said the reforms would not result in an increase. Almost three-quarters (74 per cent) of employees worked for organisations which expected to see an increase in total pension contributions.

Overall there was little difference by size of organisation in the proportion of employers thinking the workplace pension reforms would mean an increase in employer contributions, see Table 5.1. Around eight in ten (79 per cent) smaller employers, (with less than 50 employees) said the reforms would mean an increase in their contributions and 78 per cent of employers with between 50 and 249 employees made the same claim. However, employers with between 250 and 499 employees were significantly less likely than average to believe the reforms would result in an increase (56 per cent).
Table 5.1  Whether workplace pension reforms would result in an increase in employer contributions, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more</th>
<th>All %</th>
<th>All* (employees) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>78</td>
<td>82</td>
<td>78</td>
<td>56</td>
<td>81</td>
<td>79</td>
<td>74</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>13</td>
<td>18</td>
<td>35</td>
<td>18</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>It depends/Don’t know</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base: 573 630 470 306 420 2,399 2,399
Weighted base: 1,755 581 46 4 13 2,399 2,399

Base: All private sector employers.
* Employee weighted figures.

As would be expected there were some differences among employers as to whether they felt the reforms would result in an increase according to the level of provision they were already making for their employees, see Table 5.2.

Less than half (47 per cent) of employers who were contributing 3% or more into their employees’ pension schemes felt the reforms would result in an increase in employer contributions compared with 94 per cent of employers who were contributing less than 3%.

Among those employers who said the reforms would not result in an increase in contribution costs but were not currently contributing 3% or more, almost a third (34 per cent) expected all or most of their employees to opt out. This means that nearly a third of employers who otherwise would be expected to see an increase in employer contributions may feel the reforms will not result in an increase due to high proportions of employees opting out of a pension scheme.
Table 5.2 Whether the workplace pension reforms would result in an increase in total employer contributions, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contributors</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3% or more</td>
<td>Less than 3%</td>
<td>All contributors</td>
<td>Non-contributors</td>
<td>Non-providers</td>
<td>All</td>
</tr>
<tr>
<td>Yes</td>
<td>47%</td>
<td>94%</td>
<td>52%</td>
<td>89%</td>
<td>86%</td>
<td>79%</td>
</tr>
<tr>
<td>No</td>
<td>48%</td>
<td>6%</td>
<td>43%</td>
<td>6%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>It depends/Don't know</td>
<td>5%</td>
<td>*</td>
<td>5%</td>
<td>4%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Unweighted base 1,118 84 1,240 516 643 2,399
Weighted base 430 38 502 412 1,486 2,399

Base: All private sector employers.

There was a difference in views when looking at the proportion of employers thinking the reforms would result in an increase by the type of scheme that was their largest open pension scheme, see Table 5.3. Four in five (80 per cent) employers whose largest open scheme was a Stakeholder scheme, thought the reforms would mean an increase in employer contributions. This probably reflects the fact that over half (52 per cent) of these Stakeholder schemes had no members. Over half of those whose largest open scheme was a GPP scheme or made contributions to personal pensions expected an increase in contributions, (57 per cent and 55 per cent respectively). A much smaller proportion of employers whose largest open pension scheme was an occupational scheme felt the reforms would result in an increase (17 per cent). Over three-quarters (77 per cent) of those with DB occupational schemes felt there would be no increase in costs, this compares with 26 per cent of all employers with an open pension scheme who felt the reforms would not result in an increase in their costs.
Table 5.3  Whether the workplace pension reforms would result in an increase in employer contributions, by largest open pension scheme

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder</th>
<th>GPP</th>
<th>DB</th>
<th>DC</th>
<th>All†</th>
<th>Contributions to personal pensions</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Yes</td>
<td>80</td>
<td>57</td>
<td>18</td>
<td>22</td>
<td>17</td>
<td>55</td>
<td>68</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>37</td>
<td>77</td>
<td>41</td>
<td>64</td>
<td>42</td>
<td>26</td>
</tr>
<tr>
<td>It depends/Don’t know</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>36</td>
<td>19</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base 776 497 146 121 299 109 1,681
Weighted base 482 98 28 12 45 176 801

Base: All with an open pension scheme.
† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
Not surprisingly, the lower the proportion of employees who were enrolled into a pension scheme the more likely employers were to think the reforms would result in an increase in overall contributions, see Table 5.4. Almost all employers with no members in a workplace pension scheme expected a contribution increase (95 per cent), compared with 29 per cent of employers with between 76 and 100 per cent of their employees enrolled in a pension scheme.

Table 5.4  Whether the workplace pension reforms would result in an increase in employer contributions, by percentage of employees enrolled in a pension scheme

<table>
<thead>
<tr>
<th>Percentage of employees currently members of a pension scheme</th>
<th>0%</th>
<th>1-10%</th>
<th>11-25%</th>
<th>26-50%</th>
<th>51-75%</th>
<th>76-100%</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>95</td>
<td>85</td>
<td>84</td>
<td>72</td>
<td>59</td>
<td>29</td>
<td>69</td>
</tr>
<tr>
<td>No</td>
<td>3</td>
<td>12</td>
<td>13</td>
<td>25</td>
<td>32</td>
<td>63</td>
<td>26</td>
</tr>
<tr>
<td>It depends/Don’t know</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>10</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base: 293 291 228 315 263 329 1,756
Weighted base: 269 92 72 164 65 234 913

Base: All employers with pension provision.

Thus, employers’ views on potential costs varied according to their current levels of pension provision and current participation rates. Employers providing pension contributions of 3% or more, (which tend to be larger employers and those providing occupational or Group Personal Pension (GPP) schemes) were more likely to say the reforms would not result in an increase in pension contributions. Similarly, those with high levels of participation in their current pension scheme were likely to think the reforms would not affect their costs.

5.2 Likely actions as a result of an increase in pension contributions

All employers were asked what they thought their organisation would be most likely to do in response to any increase in pension contributions when the new requirements are introduced. All employers were asked this, regardless of whether they thought the workplace pension reforms would result in increased costs. Employers were asked to state the action they would be most likely to take and their next most likely action. In both cases a pre-selected list of responses was read out to employers and they were asked to choose from this list, or specify a different response if their likely reaction was not captured in the list20.

---

20 Response options were rotated, to ensure that employers were not influenced by the order in which the options were presented.
Table 5.5 presents the most likely and second most likely responses cited by employers. The majority of employers said they would be most likely to absorb the increase through overheads (28 per cent), increased prices (21 per cent) or lower wage increases (14 per cent). One in ten (ten per cent) employers said they would encourage their employees to opt out and eight per cent said that they might reduce or restructure their workforce.

The second most likely actions employers planned to take followed a similar pattern, 18 per cent stated they would increase prices, 17 per cent said they would absorb the increase through lower wage increases, 17 per cent said they would absorb the increase as part of overheads, 11 per cent stated they would restructure or reduce their workforce and ten per cent expected to encourage their employees to opt out.

Table 5.5 Most and second most likely action to take as a result of an increase in employer contributions

<table>
<thead>
<tr>
<th>Most likely ACTION</th>
<th>Most likely %</th>
<th>Second most likely %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absorb the increase as part of overheads</td>
<td>28</td>
<td>17</td>
</tr>
<tr>
<td>Increase prices</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Absorb the increase through lower wage increases</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Encourage opt-out</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Re-structure or reduce workforce</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Change non-wage benefits</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Change existing pension scheme</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Reduce investment</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Close business</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Would do nothing</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Not relevant as reforms would not result in an increase</td>
<td>2</td>
<td>*</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

Unweighted base 2,399 2,032
Weighted base 2,399 2,116

Bases: Most likely – All private sector employers; Second most likely – All who gave a most likely response.

Table 5.6 shows the proportion of employers who mentioned each ‘most likely’ response by the size of their organisation. The largest employers, with 500 or

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Encouraging opt-out was read out as part of a list of possible responses to the proposals. Since this study was conducted, a decision was made to take legislative measures to prohibit employers from inducing workers to opt out of scheme membership.
more employees said they would be most likely to absorb the costs as part of overheads than those employers with fewer than 500 employers (61 per cent compared with 28 per cent). The largest employers were less likely to say they would increase prices than employers with fewer than 500 employees (five per cent compared with 21 per cent) and to say they would restructure or reduce their workforce (one per cent compared with eight per cent).

Organisations with fewer than 50 employees were more likely than organisations with 50 or more employees to say they would encourage opt-out (ten per cent, compared with three per cent).

Table 5.6 also shows the proportions of employees working for the organisations that gave each response. Nearly a third (32 per cent) of all employees worked for organisations who planned to absorb any increase as part of their overheads, 13 per cent worked for organisations who said they would be most likely to absorb the increase through lower wage increases and ten per cent worked for organisations who planned to increase their prices to absorb any increase in contribution costs.

Six per cent of employees worked for organisations who said they would encourage their employees to opt out of workplace pension schemes and four per cent worked for those who would deal with any increase in contribution costs by restructuring or reducing their workforce, reflecting the fact that it tended to be smaller employers that said they would take these actions.

There were differences in coping strategies according to employers’ current levels of pension provision, with employers currently contributing 3% or more reacting differently to employers contributing less than 3%, contributing nothing, or not providing access to a pension, see Table 5.7.

Employers currently contributing 3% or more were more likely than those not currently contributing 3% or more to say they would absorb the cost as part of overheads (42 per cent, compared with 25 per cent), or change their existing pension scheme (six per cent, compared with one per cent).

Taken as a group, employers currently contributing less than 3%, contributing nothing, or not providing a pension were more likely than those contributing 3% or more to say they would increase prices (23 per cent compared with 11 per cent), encourage opt-out (11 per cent compared with five per cent), or reduce/restructure their workforce (nine per cent compared with three per cent).
### Table 5.6  Most likely response, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more%</th>
<th>All%</th>
<th>All* (employees)%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absorb the increase as part of overheads</td>
<td>30%</td>
<td>23%</td>
<td>34%</td>
<td>30%</td>
<td>61%</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>Increase prices</td>
<td>21%</td>
<td>21%</td>
<td>12%</td>
<td>14%</td>
<td>5%</td>
<td>21%</td>
<td>10%</td>
</tr>
<tr>
<td>Absorb the increase through lower wage increases</td>
<td>12%</td>
<td>20%</td>
<td>18%</td>
<td>16%</td>
<td>10%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Encourage opt-out</td>
<td>11%</td>
<td>7%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Re-structure or reduce workforce</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
<td>6%</td>
<td>1%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>Change non-wage benefits</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Change existing pension scheme</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>12%</td>
<td>5%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Reduce investment</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Close business</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>*</td>
<td>1%</td>
<td>*</td>
</tr>
<tr>
<td>Would do nothing</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Not relevant as reforms would not result in an increase</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>6%</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
<td>8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Unweighted base* 573 630 470 306 420 2,399 2,399

*Weighted base* 1,755 581 46 4 13 2,399 2,399

Base: All private sector employers.

* Employee weighted figures.
### Table 5.7  Most likely response, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>3% or more</th>
<th>Less than 3%</th>
<th>All contributors</th>
<th>Non-contributors</th>
<th>Non-providers</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absorb the increase as part of overheads</td>
<td>42</td>
<td>19</td>
<td>39</td>
<td>25</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>Increase prices</td>
<td>11</td>
<td>26</td>
<td>12</td>
<td>19</td>
<td>24</td>
<td>21</td>
</tr>
<tr>
<td>Absorb the increase through lower wage increases</td>
<td>15</td>
<td>16</td>
<td>16</td>
<td>23</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Encourage opt-out</td>
<td>5</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Re-structure or reduce workforce</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>9</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Change non-wage benefits</td>
<td>3</td>
<td>*</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Change existing pension scheme</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Reduce investment</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Close business</td>
<td>*</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Would do nothing</td>
<td>5</td>
<td>*</td>
<td>4</td>
<td>*</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Not relevant as reforms would not result in an increase</td>
<td>5</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

| Unweighted base | 1,118 | 84 | 1,240 | 516 | 643 | 2,399 |
| Weighted base | 430 | 38 | 502 | 412 | 1,486 | 2,399 |

Base: All private sector employers.

### 5.3 Timings for implementation of likely actions to deal with pension reform

Employers were asked when they would plan to implement the measures they would be most likely to take as a result of any increase in their total pension contributions. Just over half (56 per cent) said they would take action once the reforms were in place, although a third (33 per cent) said they would take action before the reforms are implemented, albeit not in the next year.
Table 5.8  Time period for implementing measures to deal with an increase in total pension contributions

<table>
<thead>
<tr>
<th>Time Period</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within the next 12 months</td>
<td>4</td>
</tr>
<tr>
<td>Not in the next year but before the reforms are implemented</td>
<td>33</td>
</tr>
<tr>
<td>Once the reforms have been implemented</td>
<td>56</td>
</tr>
<tr>
<td>Not thought about it yet</td>
<td>2</td>
</tr>
<tr>
<td>Would not make changes</td>
<td>3</td>
</tr>
<tr>
<td>Don't know</td>
<td>1</td>
</tr>
<tr>
<td>No answer</td>
<td>2</td>
</tr>
</tbody>
</table>

*Unweighted base* 1,128  
*Weighted base* 1,162

Base: All who gave a most likely response that may be implemented prior to the workplace pension reforms.

Employers who said they were most likely to re-structure or reduce their workforce in response to the workplace pension reforms, had a greater propensity to say they would make these changes prior to implementation of the reforms (56 per cent), than post implementation (31 per cent), see Table 5.9.

Those who said they were most likely to absorb the increase through lower wage increases said they were likely to make this change after reform implementation (68 per cent), rather than on the lead up to implementation (26 per cent).
Table 5.9  Most likely response, by whether would implement change before or after the workplace pension reforms

<table>
<thead>
<tr>
<th></th>
<th>Size of organisation</th>
<th>Increase prices</th>
<th>%</th>
<th>Absorb the increase through lower wage increases</th>
<th>%</th>
<th>Restructure or reduce workforce</th>
<th>%</th>
<th>Change non-wage benefits</th>
<th>%</th>
<th>Change existing pension scheme</th>
<th>%</th>
<th>Reduce investment</th>
<th>%</th>
<th>All</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before the reforms are implemented</td>
<td></td>
<td>38</td>
<td>26</td>
<td>56</td>
<td>19</td>
<td>51</td>
<td>[29]</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once the reforms have been implemented</td>
<td></td>
<td>56</td>
<td>68</td>
<td>31</td>
<td>81</td>
<td>47</td>
<td>[70]</td>
<td>56</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>*</td>
<td>2</td>
<td>[*]</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td></td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>*</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>[2]</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unweighted base: 344 392 163 58 139 32 1,128
Weighted base: 499 343 194 44 50 31 1,162

Base: All who gave a most likely response that could be implemented prior to the workplace pension reforms.

5.4 Conclusions

When asked about the potential cost implications of the workplace pension reforms, the majority of employers felt that the reforms would mean an increase in the total pension contributions made by their organisation. One in seven employers felt that the reforms would not result in increased contribution costs and this group mainly comprised employers currently providing contributions of 3% or more (which tended to be larger employers and those offering access to occupational or GPP schemes) and employers with high levels of participation in their current schemes.

Overall, employers felt they would be most likely to absorb any increase in costs through overheads, increased prices, or lower wage increases. Employers currently contributing 3% or more were more likely than other employers to say they would absorb increases in costs through overheads. By contrast with this group, employers currently contributing less than 3%, contributing nothing, or not providing access to a pension scheme were more likely to say they would absorb costs through increasing prices, encouraging opt-out, or reducing or restructuring their workforce.
6 Likely impact on employers contributing 3% or more

The Pensions Act 2008 sets out a series of measures for reform, including a duty on all employers to automatically enrol all eligible workers into a qualifying workplace pension scheme from 2012 and to provide a minimum employer contribution. Employers will have a choice over which scheme or schemes to use to fulfil their duty and whether to enrol employees into an existing qualifying scheme, into the new personal accounts pension scheme or use a combination of the two.

This chapter examines employers’ likely behaviour in response to the workplace pension reforms among those employers currently contributing an average of 3% or more. It explores where employers plan to enrol their employees and at what level they plan to contribute to employees’ pensions once the reforms are introduced.

Employers were asked separately about their scheme choice and contribution levels for existing members of their pension schemes, for existing employees who are not currently members of their pension scheme and for new employees.

6.1 Impact on existing members

Employers were asked whether they plan to maintain their current scheme for existing members or if they plan to close their scheme and enrol all employees into the new personal accounts scheme. Employers were then asked whether they plan to maintain, increase or reduce the current contribution rate once the reforms are introduced.

6.1.1 Enrolment

Approaching nine in ten (87 per cent) employers currently contributing 3% or more said they were likely to maintain their current scheme for existing members.
Very few (four per cent) of these firms said that they would wind up their existing scheme completely and enrol all employees into the new personal accounts pension scheme\textsuperscript{22}.

Table 6.1 shows how future scheme enrolment varied by size of employer. Generally, views were fairly consistent among all sizes of employers contributing 3\% or more, with the vast majority planning to maintain their existing scheme for current members. The very large employers with 500 or more employees were slightly more likely than the micro employers with one to four employees to say they plan to keep all existing scheme members in their pension scheme (96 per cent and 86 per cent respectively).

Table 6.1  Whether employers contributing 3\% or more plan to maintain their existing pension scheme or enrol employees into the personal account scheme, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>86</td>
<td>88</td>
<td>93</td>
<td>91</td>
<td>96</td>
<td>87</td>
</tr>
<tr>
<td>Personal accounts</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>4</td>
</tr>
<tr>
<td>scheme only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>

Unweighted base 79 160 293 244 342 1,118

Weighted base 256 132 27 3 11 430

Base: All employers currently contributing 3\% or more.

6.1.2 Likely contribution rates for existing scheme members

Employers on the whole intended to maintain their existing scheme for current scheme members and the majority (86 per cent) also expressed an intention to maintain or even increase contribution rates for existing members, following the introduction of the reforms. Only six per cent said they planned to reduce the contribution rate for existing members, see Table 6.2.

Employers’ views on the likely contribution rates for existing members of their scheme varied by the size of the organisation. Almost all (95 per cent) larger firms with 500 or more employees planned to maintain or increase current contribution rates once the reforms are introduced compared with 85 per cent of employers with fewer than 500 employees.

\textsuperscript{22} This group is too small for separate analysis.
Table 6.2 Likely impact on contribution rates for current members, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>5</td>
<td>10</td>
<td>17</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>79</td>
<td>76</td>
<td>73</td>
<td>86</td>
<td>94</td>
<td>78</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>7</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>

Unweighted base | 79 | 160 | 293 | 244 | 342 | 1,118 |
Weighted base | 256 | 132 | 27 | 3 | 11 | 430 |

Base: All employers currently contributing 3% or more.

Employers’ future contribution levels for current members also varied according to the percentage of their workforce that was already in a pension scheme. Employers who currently had more than half of their workforce enrolled into a pension scheme were more likely than those who had enrolled half or less to say they plan to increase or maintain their current contribution rate (94 per cent and 77 per cent respectively).

Table 6.3 Likely impact on contribution rates for current members, by percentage of work force currently enrolled into a pension scheme

<table>
<thead>
<tr>
<th>Percentage of work force enrolled in a pension scheme</th>
<th>50% or less %</th>
<th>More than 50%</th>
<th>Don’t know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rate</td>
<td>10</td>
<td>5</td>
<td>[0]</td>
<td>7</td>
</tr>
<tr>
<td>Maintain contribution rate</td>
<td>67</td>
<td>89</td>
<td>[65]</td>
<td>78</td>
</tr>
<tr>
<td>Reduce contribution rate</td>
<td>9</td>
<td>3</td>
<td>[21]</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>[0]</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12</td>
<td>2</td>
<td>[14]</td>
<td>7</td>
</tr>
</tbody>
</table>

Unweighted base | 573 | 522 | [23] | 1,118 |
Weighted base | 202 | 223 | [4] | 430 |

Base: All employers currently contributing 3% or more.

23 This percentage includes all pension schemes the organisation offers and not just the main scheme.
Employers who said that they plan to reduce contribution levels were asked if they planned to reduce levels to an amount above 3% or to 3% exactly. Of the six per cent who said they plan to reduce contributions the majority (78 per cent) plan to reduce contributions to 3% exactly, one in ten (ten per cent) to more than 3% and 12 per cent were unsure of the exact amount they are likely to contribute.

Employers currently contributing 3% or more were asked to specify the contribution rate they would make for current scheme members once the reforms are introduced. The mean and median contribution rates they said that they intended to contribute in future can be compared with the mean and median contribution rates currently provided. Currently, the mean contribution rate provided for existing pension scheme members is 9% (median rate of 7%). Once the reforms are introduced the mean contribution rate is likely to be 8% (median rate of 6%).

6.2 Likely impact on new employees

Employers were also asked where they planned to enrol new employees and the likely contribution rate they intended to provide them once the reforms have been introduced. They were also asked whether they were likely to contribute at the same level, or at a higher or lower level than they currently contribute for existing members of their pension scheme.

6.2.1 Where employers contributing 3% or more plan to enrol new employees

About four in ten (43 per cent) said they planned to enrol all new employees into their existing scheme and around a third (34 per cent) said they planned to enrol them into the personal accounts pension scheme. Nine per cent of employers said they plan to enrol some new employees into their existing scheme and some into the personal accounts scheme.

Where employers currently contributing 3% or more plan to enrol new employees is related to firm size, with larger employers more likely than smaller employers to say they will enrol all new employees into their existing schemes. For example, about three-quarters (74 per cent) of employers with 500 or more employees said they would enrol all new employees into their existing scheme, compared with just under four in ten (39 per cent) micro-employers (with one to four employees). Conversely, smaller employers were more likely to say they would enrol new employees into the personal accounts scheme, with just over four in ten (41 per cent) micro employers saying this, compared with only four per cent of the largest employers (with 500 or more employees).
Employers who tended to be positive about the workplace pension reforms were more likely to say they intend to enrol all new employees into their existing scheme. Half (50 per cent) of employers who thought the reforms were a good idea said they would be likely to enrol new employees into their existing scheme compared with just less than a third (31 per cent) of employers who thought the reforms were a bad idea, see Table 6.5.

### Table 6.5 Where employers contributing 3% or more plan to enrol new employees, by views on the workplace pension reforms

<table>
<thead>
<tr>
<th>Views on the workplace pension reforms</th>
<th>A good idea</th>
<th>Bad idea</th>
<th>No opinion view/Don't know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>307</td>
<td>86</td>
<td>37</td>
<td>430</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>827</td>
<td>172</td>
<td>119</td>
<td>1,118</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>307</td>
<td>86</td>
<td>37</td>
<td>430</td>
</tr>
<tr>
<td>Other</td>
<td>307</td>
<td>86</td>
<td>37</td>
<td>430</td>
</tr>
<tr>
<td>Don’t know</td>
<td>307</td>
<td>86</td>
<td>37</td>
<td>430</td>
</tr>
</tbody>
</table>

Base: All employers currently contributing 3% or more.

## Table 6.4 Where employers contributing 3% or more plan to enrol new employees, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more%</th>
<th>All%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>39%</td>
<td>46%</td>
<td>57%</td>
<td>60%</td>
<td>74%</td>
<td>43%</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>8%</td>
<td>10%</td>
<td>14%</td>
<td>15%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>41%</td>
<td>27%</td>
<td>18%</td>
<td>13%</td>
<td>4%</td>
<td>34%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>6%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>10%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Unweighted base: 79 160 293 244 342 1,118
Weighted base: 256 132 27 3 11 430

Base: All employers currently contributing 3% or more.
Employers who provided a contribution rate of 6% or more for existing members of their pension scheme were less likely than those who contributed between 3% and 5% to say they planned to enrol all new employees into their existing scheme (40 per cent compared with 54 per cent respectively). Conversely, employers currently contributing 6% or more were more likely to say they would enrol all new employees into the personal accounts scheme (39 per cent compared with 23 per cent).

### Table 6.6 Where employers contributing 3% or more plan to enrol new employees by current contribution rates

<table>
<thead>
<tr>
<th>Current contribution rates</th>
<th>6% or more</th>
<th>4 or 5%</th>
<th>3%</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>40 %</td>
<td>53 %</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>12 %</td>
<td>10 %</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>39 %</td>
<td>21 %</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>3 %</td>
<td>6 %</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7 %</td>
<td>10 %</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

Unweighted base: 543 366 172 1,118

Weighted base: 206 107 59 430

Base: All employers currently contributing 3% or more.
† Base includes a number of respondents who said that they contributed more than 3% but were unsure of the exact amount.

Employers whose main pension scheme was a Group Personal Pension (GPP) scheme were more likely to say they intended to enrol all new employees into their existing scheme (67 per cent) compared with those whose main pension scheme was an occupational pension scheme, a Stakeholder scheme or those who made contributions to personal pensions (52 per cent, 45 per cent and 29 per cent respectively).
Table 6.7  Where employers contributing 3% or more plan to enrol new employees, by scheme type

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder %</th>
<th>GPP %</th>
<th>DB %</th>
<th>DC %</th>
<th>All %</th>
<th>Contributions to personal pensions %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>45</td>
<td>67</td>
<td>59</td>
<td>62</td>
<td>52</td>
<td>29</td>
<td>43</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>5</td>
<td>14</td>
<td>15</td>
<td>32</td>
<td>17</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>40</td>
<td>15</td>
<td>12</td>
<td>3</td>
<td>15</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>*</td>
<td>6</td>
<td>*</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>3</td>
<td>12</td>
<td>14</td>
<td>10</td>
</tr>
</tbody>
</table>

Unweighted base 273 454 143 112 296 95 1,118
Weighted base 134 81 28 11 45 169 430

Base: All employers currently contributing 3% or more.
† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
In organisations where over half the workforce had already joined a pension scheme, employers were more likely than those where less than half had joined a scheme to say they would enrol all new employees into their existing scheme (54 per cent and 31 per cent respectively).

**Table 6.8 Where employers contributing 3% or more plan to enrol new employees, by percentage of workforce enrolled into a pension scheme**

<table>
<thead>
<tr>
<th>Percentage of work force enrolled in a pension scheme</th>
<th>50% or less</th>
<th>More than 50%</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>31%</td>
<td>54%</td>
<td>67%</td>
<td>43%</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>6%</td>
<td>12%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>47%</td>
<td>22%</td>
<td>2%</td>
<td>34%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12%</td>
<td>8%</td>
<td>18%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Unweighted base: 573 522 23 1,118
Weighted base: 202 223 4 430

Base: All employers currently contributing 3% or more.

**6.2.2 Likely contribution rates for new employees**

Around half of employers (51 per cent) said that they intended to offer new employees their existing contribution rate or higher, while three in ten (30 per cent) said that they intended to reduce their existing contribution rate for new employees. Employers intending to reduce or increase contribution rates were asked to give an exact future contribution rate.

Table 6.9 shows that employers’ opinions about likely contribution rates for new employees varied according to size of organisation. Almost two-thirds (64 per cent) of employers with five or more employees said that they planned to offer new employees their existing contribution levels or higher and 17 per cent said they planned to reduce contribution rates for new employees. By contrast, just over four in ten (42 per cent) micro employers (with one to four employees) said they would offer their current levels of contributions or higher, to new employees, with four in ten (40 per cent) saying they would offer lower levels of contributions to new employees.
### Table 6.9 Likely impact on existing contribution rates for new employees, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>4</td>
<td>4</td>
<td>11</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>38</td>
<td>60</td>
<td>49</td>
<td>71</td>
<td>72</td>
<td>46</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>40</td>
<td>17</td>
<td>24</td>
<td>10</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>7</td>
<td>6</td>
<td>7</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>14</td>
<td>13</td>
<td>11</td>
<td>10</td>
<td>7</td>
<td>13</td>
</tr>
</tbody>
</table>

**Unweighted base**

| 79 | 160 | 293 | 244 | 342 | 1,118 |

**Weighted base**

| 256 | 132 | 27  | 3   | 11  | 430   |

Base: All employers currently contributing 3% or more.

There were some differences in the amount employers intended to contribute for new employees according to where they planned to enrol them. Around three-quarters (76 per cent) of employers who planned to enrol all new employees into their existing scheme said they intended to maintain or increase existing contribution rates for new employees compared with almost four in ten (39 per cent) employers who planned to enrol all new employees into the personal account pension scheme. Over half (54 per cent) of employers who planned to enrol all new employees into the personal accounts pension scheme said they would reduce contribution rates compared with almost a quarter (24 per cent) of those who intended to enrol all of their new employees into their existing scheme, see Table 6.10.
Table 6.10 Likely impact on existing contribution rates for new employees, by where they may be enrolled

<table>
<thead>
<tr>
<th>Where plan to automatically enrol new employees</th>
<th>Existing scheme only</th>
<th>Existing and personal accounts scheme</th>
<th>Personal account scheme</th>
<th>Don't know</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>5</td>
<td>*</td>
<td>6</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>71</td>
<td>50</td>
<td>32</td>
<td>0</td>
<td>46</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>24</td>
<td>18</td>
<td>54</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>*</td>
<td>16</td>
<td>*</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>*</td>
<td>15</td>
<td>7</td>
<td>94</td>
<td>13</td>
</tr>
</tbody>
</table>

Unweighted base: 573 165 200 156 1,118
Weighted base: 187 40 146 42 430

Base: All employers currently contributing 3% or more.
† Includes a small number of respondents who gave another answer.

There were also some differences in planned contributions according to the levels of contributions employers currently offered. Just over nine in ten (91 per cent) employers currently contributing 3% exactly said they planned to maintain or increase contribution rates for new employees. This is perhaps to be expected as employers were told that once the reforms are introduced this will be the minimum required employer contribution rate. Employers who currently contribute 4%, 5% or 6% or more were less likely to say they intended to increase or maintain existing rates for new employees (59 per cent and 44 per cent) and were more likely to say they would reduce contributions, see Table 6.11.
Table 6.11 Likely impact on contribution rates for new employees, by current contribution rates

<table>
<thead>
<tr>
<th>Current contribution rates for main pension scheme</th>
<th>6% or more</th>
<th>4 or 5%</th>
<th>3%</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>41</td>
<td>57</td>
<td>84</td>
<td>46</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>40</td>
<td>23</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>8</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>11</td>
<td>10</td>
<td>8</td>
<td>13</td>
</tr>
</tbody>
</table>

Unweighted base 543 366 172 1,118
Weighted base 206 107 59 430

Base: All employers currently contributing 3% or more.

† Includes a small number of employers who are currently contributing more than 3% to their main scheme but are unsure of the exact amount.

Employers’ planned future contribution rates also varied by scheme type. Employers whose main form of pension provision was a GPP scheme were more likely than those offering an occupational or Stakeholder scheme to say they would provide new employees with the same contribution rate currently provided for their existing scheme members (75 per cent compared with 58 per cent and 48 per cent respectively).

However, this may be correlated to the mean contribution rate employers currently provide for such schemes, since employers with higher current contribution rates were more likely to say they would offer lower contributions to new employees and current contribution rates varied by scheme type. The highest mean current contribution rate was made by employers who make contributions to employee’s personal pensions, followed by occupational schemes, then Stakeholder schemes, with the lowest mean contribution rate made by employers contributing to GPP schemes.

In organisations where over half the workforce had already joined a pension scheme, employers were more likely than those where less than half had joined a scheme to say they would increase or maintain contribution rates for new employees (55 per cent and 46 per cent respectively).
### Table 6.12 Likely impact on contribution rates for new employees, by scheme type

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder</th>
<th>GPP</th>
<th>DB</th>
<th>DC</th>
<th>All†</th>
<th>Contributions to personal pensions</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Increase contributions rates</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>48</td>
<td>75</td>
<td>61</td>
<td>83</td>
<td>58</td>
<td>29</td>
<td>46</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>29</td>
<td>14</td>
<td>9</td>
<td>7</td>
<td>13</td>
<td>44</td>
<td>30</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2</td>
<td>21</td>
<td>1</td>
<td>13</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>14</td>
<td>20</td>
<td>13</td>
</tr>
</tbody>
</table>

**Unweighted base**

| 273 | 454 | 143 | 112 | 296 | 95 | 1,118 |

**Weighted base**

| 134 | 81 | 28 | 11 | 45 | 169 | 430 |

Base: All employers currently contributing 3% or more.

† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
Of those employers who said that they intended to reduce contributions for new employees, the majority (81 per cent) said that they would reduce contributions to 3% exactly while six per cent said they would reduce contributions to a level above 3%. As is probably to be expected there was some uncertainty at this stage around likely contribution rates with 13 per cent of employers not able to say what action they were likely to take regarding contribution rates.

The mean contribution rate employers said they were likely to provide for new employees following the implementation of the reforms was 5%, in comparison with a mean future contribution rate of 8% for existing scheme members. The median future contribution rate was 3% for new employees and 6% for existing scheme members.

In summary employers who planned to maintain or increase their existing contributions for new employees tended to comprise larger organisations, firms offering access to occupational or GPP schemes and firms that planned to enrol all new employees into their existing scheme.

6.3 Likely impact on non-members

It appears that employers planned to treat current employees who were not members of their pension scheme in a similar way to how they would treat new employees.

Almost four in ten (37 per cent) employers contributing 3% or more said they were likely to enrol all non-members into their existing scheme, over three in ten (32 per cent) said they planned to enrol all non-members into the personal accounts scheme and eight per cent planned to enrol some non-members into
their existing scheme and some into the personal accounts pension scheme. As may be expected at this stage there was a high level of uncertainty around where non-members may be enrolled (18 per cent).

Where employers currently contributing 3% or more planned to enrol non-members was related to firm size, with larger employers more likely than smaller employers to say they will enrol all non-members into their existing schemes. For example, large employers with 500 or more employees were more likely to plan to enrol all non-members into their existing scheme than micro-employers with one to four employees (74 per cent and 29 per cent respectively). Micro-employers were more likely to plan to enrol all non-members into the personal accounts scheme (38 per cent) compared with four per cent of the largest employers.

Table 6.14 Where employers contributing 3% or more plan to enrol non-members, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>29</td>
<td>44</td>
<td>55</td>
<td>50</td>
<td>74</td>
<td>37</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>6</td>
<td>10</td>
<td>13</td>
<td>14</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>38</td>
<td>27</td>
<td>20</td>
<td>15</td>
<td>4</td>
<td>32</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>23</td>
<td>13</td>
<td>10</td>
<td>19</td>
<td>6</td>
<td>18</td>
</tr>
</tbody>
</table>

Unweighted base  79   160  293  244  342  1,118
Weighted base    256  132  27   3    11  430

Table 6.15 shows that employers whose main form of pension provision was a GPP or occupational scheme were most likely to say they intend to enrol all non-members into their existing pension scheme (63 per cent and 51 per cent respectively). By comparison, employers whose main form of pension provision was a Stakeholder scheme or making contributions to personal pensions were more likely to say they planned to enrol all non-members into the personal accounts scheme (39 per cent and 40 per cent).
Table 6.15  Where employers contributing 3% or more plan to enrol non-members, by scheme type

<table>
<thead>
<tr>
<th>Main pension scheme</th>
<th>Stakeholder %</th>
<th>GPP %</th>
<th>Occupational</th>
<th>Contributions to personal pensions</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>DB %</td>
<td>DC %</td>
<td>All %</td>
</tr>
<tr>
<td>Existing scheme only</td>
<td>34</td>
<td>63</td>
<td>58</td>
<td>62</td>
<td>51</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>7</td>
<td>13</td>
<td>15</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>39</td>
<td>15</td>
<td>12</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>*</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>15</td>
<td>8</td>
<td>9</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>273</td>
<td>454</td>
<td>143</td>
<td>112</td>
<td>296</td>
</tr>
<tr>
<td>Weighted base</td>
<td>134</td>
<td>81</td>
<td>28</td>
<td>11</td>
<td>45</td>
</tr>
</tbody>
</table>

Base: All employers currently contributing 3% or more.

† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
In organisations where over half the workforce had already joined a pension scheme, employers were more likely than those where less than half had joined a scheme to say they would enrol all non-members into their existing pension scheme (42 per cent and 31 per cent respectively).

Table 6.16 Where employers contributing 3% or more plan to enrol non-members, by the percentage of total workforce enrolled into a pension scheme

<table>
<thead>
<tr>
<th>Percentage of total workforce enrolled in a pension scheme</th>
<th>50% or less %</th>
<th>More than 50% %</th>
<th>Don’t know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>31</td>
<td>42</td>
<td>[67]</td>
<td>37</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>8</td>
<td>8</td>
<td>[14]</td>
<td>8</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>46</td>
<td>20</td>
<td>[2]</td>
<td>32</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>6</td>
<td>[0]</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12</td>
<td>24</td>
<td>[18]</td>
<td>18</td>
</tr>
</tbody>
</table>

Unweighted base 573 522 [23] 1,118
Weighted base 202 223 [4] 430

Base: All employers currently contributing 3% or more.

6.3.1 Likely contribution rates for non-members

Almost two-thirds (64 per cent) of employers contributing 3% or more indicated that they would treat new employees and non-members in the same way. There are, therefore, similar patterns in the contribution rates for non-members as detailed earlier relating to new employees.

Over four in ten employers (45 per cent) said they were likely to provide non-members with the same contribution rate or higher than currently provided for existing members, while a quarter (25 per cent) planned to reduce the contribution rate for non-members. Two in ten employers (20 per cent) said they were likely to reduce contribution rates to 3% exactly and five per cent said they were likely to reduce contributions to a level above 3%. Almost a quarter of employers (23 per cent) were unsure at this stage what contribution rate they were likely to provide for non-members.

Table 6.17 shows likely contribution rates by size of organisation. Employers who said they planned to reduce current contribution rates tended to be smaller organisations. For example, almost three in ten (29 per cent) employers with one to four employees said they planned to reduce contribution rates for non-members compared with one in ten (ten per cent) employers with 500 or more employees.
Table 6.17 Likely impact on existing contribution rates for non-members, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>4</td>
<td>4</td>
<td>11</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>31</td>
<td>55</td>
<td>46</td>
<td>53</td>
<td>71</td>
<td>41</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>29</td>
<td>18</td>
<td>26</td>
<td>16</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>9</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>28</td>
<td>16</td>
<td>12</td>
<td>20</td>
<td>7</td>
<td>23</td>
</tr>
</tbody>
</table>

Unweighted base  79  160  293  244  342  1,118
Weighted base    256  132  27   3    11   430

Base: All employers currently contributing 3% or more.

The rate at which employers said they would contribute for non-members varied by where they planned to enrol them, see Table 6.18. Employers who planned to enrol all non-members into the personal accounts pension scheme were more likely to say they intended to reduce contribution rates than those who planned to enrol all non-members into their existing pension scheme (53 per cent compared with 15 per cent). Nevertheless, around four in ten (39 per cent) employers who planned to enrol all non-members in to the personal account scheme said they would offer their current contribution levels, or higher, to non-members.

There were also some differences by current contribution rates, see Table 6.19. Employers who currently contribute 3% exactly were more likely than those contributing more than 3% to say they intended to offer the same or higher contribution rates for employees who are not currently enrolled into a pension scheme (77 per cent and 43 per cent respectively). Similarly employers contributing 4% or 5% were more likely than those contributing 6% or more to say they intended to provide non-members with the same or increased contribution rate as existing scheme members (54 per cent and 38 per cent respectively).
Table 6.18 Likely impact on existing contribution rates for non-members, by where employers plan to enrol non-members

<table>
<thead>
<tr>
<th>Where plan to automatically enrol non-members</th>
<th>Existing scheme only</th>
<th>Existing and personal accounts scheme</th>
<th>Personal account scheme</th>
<th>Don’t know</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>5%</td>
<td>*</td>
<td>9%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>77%</td>
<td>32%</td>
<td>30%</td>
<td>0%</td>
<td>41%</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>15%</td>
<td>30%</td>
<td>53%</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>*</td>
<td>19%</td>
<td>2%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3%</td>
<td>18%</td>
<td>7%</td>
<td>97%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Unweighted base: 549 149 221 170 1,118  
Weighted base: 159 34 138 79 430  

Base: All employers currently contributing 3% or more.  
† Includes a small number of respondents who gave another answer.

Table 6.19 Likely impact on contribution rates for non-members, by contribution rate

<table>
<thead>
<tr>
<th>Current contribution rate</th>
<th>6% or more</th>
<th>4 or 5%</th>
<th>3%</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>35%</td>
<td>52%</td>
<td>71%</td>
<td>41%</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>31%</td>
<td>23%</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>12%</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>23%</td>
<td>12%</td>
<td>21%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Unweighted base: 543 366 172 1,118  
Weighted base: 206 107 59 430  

Base: All employers currently contributing 3% or more.  
† Includes a small number of employers who said that they were unsure of the current contribution rate but that it was more than 3%.

There were also some differences in planned contribution rates for non-members by scheme type, see Table 6.20. Employers whose main form of pension provision was a GPP scheme were more likely to say they planned to provide non-members with the same contribution rate currently provided for their existing scheme members (67 per cent) compared with 50 per cent who offered an occupational scheme, 42 per cent who offered a Stakeholder scheme and 24 per cent who offered contributions to personal pensions as their main form of pension provision.
<table>
<thead>
<tr>
<th>Likely impact on contribution rates for non-members, by scheme type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main pension scheme</strong></td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Increase contributions rates</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Don’t know</td>
</tr>
<tr>
<td><strong>Unweighted base</strong></td>
</tr>
<tr>
<td><strong>Weighted base</strong></td>
</tr>
</tbody>
</table>

Base: All employers currently contributing 3% or more.

† Includes a small number of hybrid schemes or where respondents were unsure of the type of occupational scheme they had.
In organisations where half or less of the total workforce were members of a pension scheme, employers were more likely to say that they intended to reduce the contribution rate for employees who are not currently members of a pension scheme than those in organisations where over half of the work force were members of a pension scheme (31 per cent compared with 20 per cent).

Table 6.21 Likely impact on contribution rates for non-members, by percentage of total workforce enrolled into a pension scheme

<table>
<thead>
<tr>
<th>Percentage of total work force enrolled in a pension scheme</th>
<th>50% or less</th>
<th>More than 50%</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contributions</td>
<td>5%</td>
<td>4%</td>
<td>[0]</td>
<td>4%</td>
</tr>
<tr>
<td>Maintain current contributions</td>
<td>40%</td>
<td>40%</td>
<td>[68]</td>
<td>41%</td>
</tr>
<tr>
<td>Reduce contributions</td>
<td>31%</td>
<td>20%</td>
<td>[*]</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>9%</td>
<td>[12]</td>
<td>7%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>18%</td>
<td>27%</td>
<td>[19]</td>
<td>23%</td>
</tr>
</tbody>
</table>

Unweighted base | 573 | 522 | [23] | 1,118 |
Weighted base | 202 | 223 | [4] | 430 |

Base: All employers currently contributing 3% or more.

The mean and median contribution rates employers said they would make in future for employees who were not already members of their existing pension scheme were similar to those planned for new employees. The mean future contribution rate was 6% and the median was 3%.

6.4 Comparison of likely future contributions for current members, new employees and non-members

More than three-quarters (78 per cent) of employers contributing 3% or more to their employees’ pensions planned to maintain their level of contributions for existing scheme members, 46 per cent planned to maintain this level of contribution for new employees and 41 per cent for existing employees who had not joined their current scheme, see Table 6.22.

Three in ten (30 per cent) employers contributing 3% or more planned to reduce their contributions for new employees and 25 per cent planned to do this for non-members. This compares with six per cent who planned to reduce contributions for existing members.
### Table 6.22 Likely impact on existing contribution rates

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Existing members</th>
<th>New employees</th>
<th>Non-members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase contribution rates</td>
<td>7</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Maintain contribution rates</td>
<td>78</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>Reduce contribution rates</td>
<td>6</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7</td>
<td>13</td>
<td>23</td>
</tr>
</tbody>
</table>

Unweighted base: 1,118 1,118 1,118

Weighted base: 430 430 430

Base: All employers currently contributing 3% or more.

The mean contribution rate employers contributing 3% or more intended to offer to existing members of their pension scheme once the reforms are in place was eight per cent. The mean contribution rate employers intended to give to new employees and non-members (five per cent and six per cent) is lower than the mean rate for existing members. There was a high level of uncertainty at this stage, particularly surrounding the likely contribution rate for non-members.

### Table 6.23 Likely impact on existing contribution rates, by employee type

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Existing members</th>
<th>New employees</th>
<th>Non-members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean current contribution rate</td>
<td>9</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>Mean future contribution rate once the reforms are introduced</td>
<td>8</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Median current contribution rate</td>
<td>7</td>
<td>N/A</td>
<td>0</td>
</tr>
<tr>
<td>Median future contribution rate once the reforms are introduced</td>
<td>6</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Unweighted base: 1,118 1,118 1,118

Weighted base: 430 430 430

Base: All employers currently contributing 3% or more.
6.5 Conclusions

The majority of employers currently contributing 3% or more said they intended to leave their current members in their existing scheme and maintain their current contribution levels for these employees with some even planning to increase contributions. Overall, the mean contribution level employers said they would offer for current scheme members in future was 8%, compared with current mean contributions of 9%.

The picture for non-members and new employees was slightly different from that for current scheme members. On the whole employers said they would treat non-members and new employees alike, although there was higher uncertainty around how they would treat non-members.

Around four in ten employers said they would enrol all new employees into their existing schemes and about three in ten employers said they would enrol all new employees into the personal accounts scheme. The picture for non-members was very similar.

In terms of contributions, half of employers currently contributing 3% or more said they would offer their existing contribution levels or higher to new employees, with three in ten saying they might offer lower contributions to new employees. Employers who said they would enrol all new employees into the personal accounts scheme were more likely to say they would offer lower contributions to new employees than those who said they would enrol them into their existing scheme. Even so, around four in ten of those who said they would enrol all new employees into the personal accounts scheme said they would offer their existing contribution levels or higher to new employees. Again, the picture for non-members was similar.

Overall, the mean contribution levels employers said they would offer to new employees and non-members in future were 5% and 6% respectively, as compared with 8% for existing scheme members.

There were consistent trends in the types of employers who said they would enrol new employees and non-members into their existing schemes and among those who said they would offer their existing levels of contributions or higher to new employees and non-members. In general, large employers, those with occupational pension schemes and GPPs and those with more than half of their workforce already participating in a pension scheme were all more likely to say they would enrol new employees and non-members into their existing scheme. They were also more likely to say they would offer their existing levels of contributions or higher to these workers.

By contrast, small employers, those making contributions to employees’ individual personal pensions and those with half or less of their workforce enrolled in a pension scheme were all more likely to say they would use the personal accounts scheme for new employees and non-members and also to say they would reduce their current levels of contributions for these workers.
Likely impact on employers currently contributing less than 3%, not contributing or not providing access to a pension scheme

This chapter explores employers’ likely behaviours in response to the introduction of automatic enrolment with a minimum employer contribution among those currently contributing less than 3% and those contributing nothing (including those with and without members in their scheme). As a short hand this group is referred to as ‘employers contributing less than 3%’ throughout this chapter.

The likely impact of the workplace pension reforms on employers not currently offering any pension provision is explored separately at the end of the chapter as the impact of the reforms on these employers is likely to be different to those who already have some sort of pension in place.

This chapter looks at where employers are likely to enrol their employees, whether this will be into their existing scheme or into the new personal accounts pension scheme. It also examines the rates employers are intending to contribute for their employees when the new reforms are introduced.

Sections 7.1.1 and 7.1.2 explore the likely impact of the workplace pension reforms on employers who currently provide access to a pension scheme, while Sections 7.2.1 and 7.2.2 explore the impact on those who do not currently provide access to a pension scheme.
7.1 Employers who currently provide access to a pension scheme

7.1.1 Impact on existing scheme members

Employers were asked whether they plan to maintain their current scheme for existing members, or if they plan to close their scheme and enrol all employees into the new personal accounts scheme. Employers were then asked whether they plan to maintain, increase or reduce the current contribution rate once the reforms are introduced.

*Where employers contributing less than 3% plan to enrol existing members of their pension scheme*

Employers with members in their pension scheme who contributed less than 3% to their employees’ pension scheme or did not contribute at all were asked where they thought they would enrol existing members of their pension scheme once the workplace pension reforms were introduced24. Just over two-thirds (67 per cent) planned to leave all existing members in their existing scheme and seven per cent planned to enrol all existing members into the personal accounts scheme, see Table 7.1. Some employers (six per cent) said they intended to do nothing to comply with the workplace pension reforms and four per cent said they would do something else to comply. The responses given by these employers included comments such as ‘The business will be closed by 2010’, ‘I won’t have any employees in 2010’, ‘None of my employees will be eligible for the pension scheme’, ‘I plan to retire by 2010’. There was a fairly high level of uncertainty among these employers with 13 per cent not knowing where they would enrol employees.

Larger employers with over 500 employees were more likely to say they would maintain their existing scheme for all existing members than smaller employers with less than 50 employees (86 per cent and 66 per cent respectively).

There was little difference in where employers intended to enrol existing members of their scheme by whether or not the employer contributed at all to employees’ pensions, see Table 7.2.

---

24 This analysis necessarily excludes a small number of employers who currently provide access to a pension scheme, but have no members in that scheme.
Table 7.1  Where employers contributing less than 3% plan to enrol current members of their existing pension scheme, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4%</th>
<th>5-49%</th>
<th>50-249%</th>
<th>250-499%</th>
<th>500 or more</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>68</td>
<td>64</td>
<td>78</td>
<td>51</td>
<td>86</td>
<td>67</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>7</td>
<td>6</td>
<td>13</td>
<td>35</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Would do nothing</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>8</td>
<td>23</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Not stated</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>40</td>
<td>77</td>
<td>87</td>
<td>35</td>
<td>58</td>
<td>297</td>
</tr>
<tr>
<td>Weighted base</td>
<td>114</td>
<td>70</td>
<td>9</td>
<td>[*]</td>
<td>1</td>
<td>195</td>
</tr>
</tbody>
</table>

Base: All employers contributing less than 3%, an unknown amount or not making contributions with members in the scheme.

Table 7.2  Where employers contributing less than 3% plan to enrol current members of their existing pension scheme, by pension profile

<table>
<thead>
<tr>
<th>Pension Profile</th>
<th>Contribute less than 3%</th>
<th>Non-contributors</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>68</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>5</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Would do nothing</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>15</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Not stated</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>84</td>
<td>175</td>
<td>297</td>
</tr>
<tr>
<td>Weighted base</td>
<td>38</td>
<td>123</td>
<td>195</td>
</tr>
</tbody>
</table>

Base: All employers contributing less than 3%, an unknown amount or not making contributions with members in the scheme.

† Includes those contributing an unknown amount.
Likely contribution rates for existing scheme members

Employers currently contributing less than 3% to employees’ pensions were asked whether they would increase their level of contributions to 3% or to a level above 3%, following the implementation of the reforms\(^\text{25}\). The majority of employers (61 per cent) intended to contribute at the minimum required level of 3%, see Table 7.3. However, a significant minority (13 per cent) were planning to contribute at a level above 3%.

Larger organisations with 50 or more employees were more likely to say they would increase their contributions to the required minimum than smaller organisations with less than 50 employees (90 per cent compared with 59 per cent).

Table 7.3 Planned future contributions for existing scheme members, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute at 3%</td>
<td>[57]</td>
<td>63</td>
<td>91</td>
<td>[82]</td>
<td>88</td>
<td>61</td>
</tr>
<tr>
<td>Contribute more than 3%</td>
<td>[19]</td>
<td>6</td>
<td>*</td>
<td>[2]</td>
<td>*</td>
<td>13</td>
</tr>
<tr>
<td>Don’t know</td>
<td>[8]</td>
<td>23</td>
<td>7</td>
<td>[10]</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Not stated</td>
<td>[2]</td>
<td>4</td>
<td>1</td>
<td>[0]</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

Unweighted base       | [40]  | 77     | 87       | [35]       | 58          | 297   |
Weighted base         | [114] | 70     | 9        | [*]        | 1           | 195   |

Base: All employers contributing less than 3%, an unknown amount or not making contributions with members in the scheme.

Table 7.4 shows that employers who were making contributions to their employees’ pensions (albeit at a level less than 3%) were slightly more likely than those currently making no contributions to say they would contribute above the minimum 3% level for their employees (13 per cent and seven per cent respectively)\(^\text{26}\).

----

\(^{25}\) This analysis necessarily excludes a small number of employers who currently provide access to a pension scheme, but have no members in that scheme.

\(^{26}\) This difference is not statistically significant.
Table 7.4 Planned future contributions for existing scheme members, by pension profile

<table>
<thead>
<tr>
<th>Pension Profile</th>
<th>Contribute less than 3% %</th>
<th>Non-contributors %</th>
<th>All† %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute at 3%</td>
<td>58</td>
<td>69</td>
<td>61</td>
</tr>
<tr>
<td>Contribute more than 3%</td>
<td>13</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>Something else</td>
<td>14</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know</td>
<td>15</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Not stated</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

Unweighted base 84 175 297
Weighted base 38 123 195

Base: All employers contributing less than 3%, an unknown amount or not making contributions with members in the scheme.
† Includes employers contributing an unknown amount.

The average (mean) level of planned future contributions for all employers currently making a contribution of less than 3% or not contributing at all was 3.1%. This is heavily influenced by the majority of employers who said they would contribute at exactly 3%. The group of employers who said they would contribute at a level above 3% is too small to allow separate analysis of the mean rate at which they intended to contribute, but the majority said they did not know at what rate they would contribute.

7.1.2 Likely impact on new employees and non-members

Employers were also asked where they planned to enrol new employees and current employees who were not members of their existing scheme. They were also asked whether they were likely to contribute at the same level, or at a higher or lower level than they currently contribute for existing members of their pension scheme.

Where employers contributing less than 3% plan to enrol new employees and non-members

A fifth (20 per cent) of employers contributing less than 3% to employees’ pensions said they planned to enrol new employees and non-members into their existing pension scheme. Just under half (46 per cent) said they planned to enrol new employees and non-members into the personal accounts scheme and one in ten (ten per cent) employers planned to enrol some into their existing scheme and some into the personal accounts scheme. Just under two in ten (17 per cent) did not yet know where they planned to enrol their employees.
Large employers (with over 500 employees) who were contributing less than 3% or not contributing at all were more likely than those with less than 500 employees to say that they planed to enrol their employees into their existing pension scheme, see Table 7.5. Over three-fifths (63 per cent) of those with over 500 employees said they would enrol all their employees into their existing scheme compared with one fifth (20 per cent) of those with less than 500 employees.

**Table 7.5 Where employers contributing less than 3% and non-contributors plan to enrol new employees and non-members, by size of organisation**

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>22</td>
<td>18</td>
<td>27</td>
<td>19</td>
<td>63</td>
<td>20</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>20</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>43</td>
<td>48</td>
<td>49</td>
<td>45</td>
<td>15</td>
<td>46</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>17</td>
<td>18</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Unweighted base**

| 71 | 271 | 162 | 58 | 76 | 638 |

**Weighted base**

| 205 | 261 | 16 | 1 | 1 | 483 |

*Base: All employers contributing less than 3%, an unknown amount or not making contributions.*

Looking in more detail at employers contributing less than the proposed 3% required minimum rate, there are three groups of employers; those making a contribution, those not making a contribution but who have members in their scheme and those who have set up a scheme but none of their employees have joined.

Employers who had no members in their existing pension scheme were less likely to enrol new employees and non-members into their existing scheme than those with members (16 per cent and 28 per cent respectively) and conversely were more likely to say they would enrol new employees and non-members into the personal accounts scheme. Over half (55 per cent) of employers with no members in their scheme said they would enrol new employees and non-members into the personal accounts scheme, compared with 32 per cent of those with members.
Table 7.6  Where will enrol new employees and non-members, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>Contribute less than 3%</th>
<th>Provider with members – Non-contributor</th>
<th>No members</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing scheme only</td>
<td>28</td>
<td>28</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Enrol some into existing scheme and some into personal accounts scheme</td>
<td>1</td>
<td>13</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Personal accounts scheme only</td>
<td>33</td>
<td>30</td>
<td>55</td>
<td>46</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>21</td>
<td>23</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Not stated</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base: 84 175 341 638
Weighted base: 38 123 289 483

Base: All employers contributing less than 3%, an unknown amount or not making contributions.
† Includes employers contributing an unknown amount.

Likely contribution rates for new employees and non-members

Almost two-thirds (65 per cent) of employers who currently contribute less than 3% said they would contribute at 3% exactly for new employees and non-members. Six per cent said they would contribute at a level above 3% for non-members and new employees and almost a fifth (18 per cent) did not know how much they would contribute for new employees and non-members.

There were some differences in the rate at which employers said they would contribute for new employees and non-members by firm size. Over three-quarters (76 per cent) of larger employers with 50 or more employees contributing less than 3% said they would contribute at the minimum required rate of 3% compared with almost two-thirds (65 per cent) of smaller employers with less than 50 employees. Smaller employers were more likely than larger employers to say they would contribute over and above the minimum required rate (six per cent of those with fewer than 50 employees compared with one per cent of those with 50 or more). This may be related to current contribution levels, since employers currently making contributions of less than 3% were more likely than those not making contributions to say they would contribute more than 3% following the introduction of the reforms, see Table 7.4.
Table 7.7  Amount contributed for new employees and non-members, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute at 3%</td>
<td>61</td>
<td>67</td>
<td>76</td>
<td>79</td>
<td>75</td>
<td>65</td>
</tr>
<tr>
<td>Contribute more than 3%</td>
<td>10</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Something else¹</td>
<td>11</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Don’t know</td>
<td>17</td>
<td>18</td>
<td>17</td>
<td>17</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Not stated</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

| Unweighted base      | 71  | 271  | 162    | 58      | 76          | 638 |
| Weighted base        | 205 | 261  | 16     | 1       | 1           | 483 |

Base: All employers contributing less than 3%, an unknown amount or not making contributions.

¹ Other codes mainly include employers who said that they plan to enrol some new employees/non-members into their existing scheme and some into the personal accounts scheme and would then provide different contribution rates for the two different schemes.

7.2  Likely impact of reforms for employers not currently providing a pension scheme for their employees

Under the workplace pension reforms employers not currently making any pension provision for their employees will be required to choose either to enrol their employees into the personal accounts scheme or they may choose to set up their own pension scheme and enrol their employees into that scheme.

7.2.1  Where employers not currently providing access to a pension plan to enrol employees

There was a great deal of uncertainty among non-providers about what they would do when the reforms are introduced. Over a quarter of non-providers (28 per cent) said they did not know where they would enrol their employees once the reforms are introduced. Almost four in ten (39 per cent) said they would enrol all employees into the personal accounts scheme and 15 per cent indicated that they would set up their own scheme. Subsequent qualitative research with these employers²⁷ suggested that some employers currently without pension provision may have been rather optimistic about their intention to set up an alternative form of pension provision. When this issue was explored in more depth, these employers said that they were at a pre-planning phase and felt that with the

provision of more information about the personal accounts scheme they may reconsider their views.

Eight per cent of non-providers said they would set up their own scheme and enrol some of their employees into that scheme and enrol some into the personal accounts scheme. There was little difference in where they said they would enrol their workers by size of organisation.

**Table 7.8 Where non-providers will enrol their employees**

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>All*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up own scheme and enrol employees into that</td>
<td>15</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Set up own scheme and enrol some employees into that and some into personal accounts</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Enrol all employees into personal accounts</td>
<td>40</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Don’t know</td>
<td>27</td>
<td>36</td>
<td>28</td>
</tr>
</tbody>
</table>

*Includes a small number of employers with over 50 employees.

Over a quarter (28 per cent) of employers who did not offer a pension scheme for their employees said they were seriously considering offering a scheme in the next five years. Table 7.9 shows that those employers who said they were seriously considering introducing some form of pension provision for their employees were more likely than those who were not to say they would set up their own scheme and enrol all their employees into that scheme (25 per cent compared with 11 per cent).
Table 7.9  Where non-providers will enrol their employees, by whether they are planning to introduce a pension scheme in the next five years

<table>
<thead>
<tr>
<th>Planning to introduce provision</th>
<th>Not planning to introduce provision</th>
<th>All†</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Set up own scheme and enrol employees into that</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>Set up own scheme and enrol some employees into that and some into personal accounts</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Enrol all employees into personal accounts</td>
<td>36</td>
<td>41</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Don’t know</td>
<td>23</td>
<td>31</td>
</tr>
<tr>
<td>Unweighted base</td>
<td>196</td>
<td>420</td>
</tr>
<tr>
<td>Weighted base</td>
<td>414</td>
<td>1,008</td>
</tr>
</tbody>
</table>

Base: All employers with no pension provision.
† Includes employers who did not know whether they planned to introduce a pension scheme within the next five years.

7.3 Likely contribution rates

Table 7.10 shows the planned future contribution rates for all non-providers, including those who did not know where they would enrol their employees. Over half (52 per cent) of all non-providers said they planned to contribute at the minimum required level of 3% and one in twenty (five per cent) said they planned to contribute at a level above 3%. There was little difference in the level at which non-providers intended to contribute in future, by size of organisation.

The average (mean) level of contribution non-providers planned to provide once the reforms are introduced was 3.1%.
Table 7.10  Current non-providers’ planned future contributions

<table>
<thead>
<tr>
<th></th>
<th>Size of organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-4</td>
</tr>
<tr>
<td>Contribute at 3%</td>
<td>52</td>
</tr>
<tr>
<td>Contribute at more than 3%</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
</tr>
<tr>
<td>Not stated</td>
<td>37</td>
</tr>
</tbody>
</table>

Unweighted base 423 199 643
Weighted base 1,295 189 1,486

Base: All employers with no pension provision.
† Includes a small number of employers with over 50 employees.

Table 7.11 shows the planned contribution rates by non-providers according to where they intended to enrol their employees. Employers who said they would enrol all their employees into the personal accounts scheme were slightly more likely to say they would contribute at the minimum required amount than those who said they would set up their own scheme in which to enrol employees (89 per cent compared with 74 per cent)28. Similarly non-providers who intended to set up their own scheme and enrol all employees were more likely to say they would contribute at a level over 3% (14 per cent compared with six per cent respectively).

One in ten (ten per cent) non-providers who were planning to introduce some kind of pension provision for their employees in the next five years said they intended to contribute at a level above the minimum 3% compared with 3% of those who were not already planning to introduce provision, see Table 7.12.

---

28 This difference is not statistically significant.
Table 7.11 Planned future contributions, by where employers plan to enrol their employees

<table>
<thead>
<tr>
<th>Where plan to automatically enrol employees</th>
<th>Set up and use own scheme only %</th>
<th>Set up and use own scheme and personal accounts scheme %</th>
<th>Use personal accounts scheme only %</th>
<th>Don’t know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute at 3%</td>
<td>74</td>
<td>89</td>
<td>0</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>Contribute more than 3%</td>
<td>14</td>
<td>6</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Other¹</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Not stated</td>
<td>*</td>
<td>0</td>
<td>100</td>
<td>38</td>
<td></td>
</tr>
</tbody>
</table>

Unweighted base 89 [49] 249 198 643
Weighted base 218 [122] 586 422 1,486

Base: All employers with no pension provision.
¹ Other responses included, seeking advice, planning to retire before 2012 and selling business among other responses.

Table 7.12 Planned future contributions, by whether they are planning to introduce a pension scheme in the next five years

<table>
<thead>
<tr>
<th>Planning to introduce provision %</th>
<th>Not planning to introduce provision %</th>
<th>All¹ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribute at 3%</td>
<td>53</td>
<td>52</td>
</tr>
<tr>
<td>Contribute more than 3%</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Not stated</td>
<td>29</td>
<td>42</td>
</tr>
</tbody>
</table>

Unweighted base 196 420 643
Weighted base 414 1,008 1,486

Base: All employers with no pension provision.
¹ Includes employers who did not know whether they planned to introduce a pension scheme within the next five years.
7.4 Conclusions

Among employers contributing less than 3%, or not contributing to their employees' pensions, the majority said they would leave their current members in their existing scheme and increase contributions to 3% exactly. Around one in eight said they might contribute more than the minimum 3% and it tended to be the smaller employers that said this.

The picture was slightly different for non-members and new employees, with almost half of employers contributing less than 3% or not contributing saying they would enrol these workers into the personal accounts scheme. This was influenced by the large number of employers who were making no contributions and had no members in their schemes; overall, employers with no scheme members were more likely than those with members to say they would enrol non-members and new employees into the personal accounts scheme.

The majority of employers contributing less than 3% or making no contributions said they would contribute at the 3% level for new employees and non-members once the reforms were introduced.

There was a great deal of uncertainty among employers who were not making any pension provision for their employees about where they might enrol employees in future and how much they might contribute. Four in ten said they would enrol all workers into the personal accounts scheme and fifteen per cent said they would set up their own scheme.

Half of all employers who were not currently making pension provision for their employees said they would contribute at 3% exactly following the introduction of the reforms. There was a great deal of uncertainty among this group, with around four in ten not knowing, or not commenting on the amount they would contribute.

Employers who said they were planning to introduce pension provision in the next five years (prior to any discussion of the reforms) were more likely than those who weren't to say they would set up their own scheme and also to say they would contribute above the minimum 3% level.
8 Employers’ attitudes to compliance

This chapter examines employers’ attitudes towards elements of the proposed compliance regime.

8.1 Ease of providing information online

Employers were asked how easy they would find it to provide information online to a registration body about their employees and choice of qualifying scheme.

Overall, about eight in ten employers (81 per cent) said they would find it easy to provide information online. Almost four in ten (38 per cent) said they would find it very easy to do and slightly more (43 per cent) felt they would find it fairly easy. There was a clear trend by size, with larger employers being more likely than smaller employers to say they would find it easy to provide information online.

Table 8.1 Ease of providing information online to registration body, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very easy</td>
<td>38</td>
<td>36</td>
<td>43</td>
<td>45</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Fairly easy</td>
<td>43</td>
<td>45</td>
<td>44</td>
<td>44</td>
<td>58</td>
<td>43</td>
</tr>
<tr>
<td>Not very easy</td>
<td>7</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Not at all easy</td>
<td>9</td>
<td>8</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Easy</td>
<td>81</td>
<td>81</td>
<td>87</td>
<td>89</td>
<td>96</td>
<td>81</td>
</tr>
<tr>
<td>Not easy</td>
<td>15</td>
<td>14</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

| Unweighted base      | 573 | 630  | 470    | 306     | 420         | 2,399 |
| Weighted base        | 1,755 | 581 | 46     | 13      | 2,399       |      |

Base: All private sector employers.
Employers who administered their payroll either entirely in house or partially in house and used computerised systems (see Chapter 2) were more likely to say that it would be very easy (43 per cent) to provide this information than those who used clerical systems (32 per cent).

Table 8.2 Ease of providing information online to registration body, by payroll system

<table>
<thead>
<tr>
<th>Whether payroll systems are computerised or clerical</th>
<th>Computerised</th>
<th>Clerical</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very easy</td>
<td>43</td>
<td>32</td>
<td>9</td>
<td>39</td>
</tr>
<tr>
<td>Fairly easy</td>
<td>43</td>
<td>46</td>
<td>31</td>
<td>44</td>
</tr>
<tr>
<td>Not very easy</td>
<td>6</td>
<td>9</td>
<td>29</td>
<td>7</td>
</tr>
<tr>
<td>Not at all easy</td>
<td>5</td>
<td>11</td>
<td>31</td>
<td>7</td>
</tr>
<tr>
<td>Easy</td>
<td>86</td>
<td>78</td>
<td>40</td>
<td>83</td>
</tr>
<tr>
<td>Not easy</td>
<td>11</td>
<td>19</td>
<td>60</td>
<td>14</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>3</td>
<td>*</td>
<td>3</td>
</tr>
</tbody>
</table>

Unweighted base 1,685 233 13 1,931
Weighted base 1,126 483 11 1,621

Base: Employers who administered their payroll either entirely in house or partially in house.

8.2 Measures of compliance

All employers were asked their opinions about specific elements of the proposed compliance regime. Employers were asked whether they felt it would be appropriate to send a letter to non-compliant employers as a first step and their views on the use of fines as a second step.

8.2.1 Letter to non-compliant employers

Over nine in ten employers (92 per cent) agreed that a letter was an appropriate first step and there was very little variation by size of employer. At least nine in ten employers of all sizes thought this was an appropriate first step and almost all (98 per cent) of those with over 500 employees thought this, see Table 8.3.

The survey showed a higher level of support for sending a letter to non-compliant employers amongst those who view the reforms as a good idea. Ninety-four per cent of the employers who thought the reforms were a good idea also thought that a letter would be an appropriate first step, compared with 88 per cent of those who did not support the reforms.
### Table 8.3 Whether sending a letter to non-compliant employers is an appropriate first step, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>93</td>
<td>90</td>
<td>90</td>
<td>93</td>
<td>98</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

**Unweighted base**: 573 630 470 306 420 2,399  
**Weighted base**: 1,755 581 46 4 13 2,399

Base: All private sector employers.

### Table 8.4 Whether sending a letter to non-compliant employers is an appropriate first step, by whether view the workplace pension reforms as a good idea or bad idea

<table>
<thead>
<tr>
<th>Whether feel the workplace pension reforms are a good or bad idea</th>
<th>Good idea %</th>
<th>Bad idea %</th>
<th>It depends/no opinion/Don’t know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>94</td>
<td>88</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>11</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

**Unweighted base**: 1,522 556 321 2,399  
**Weighted base**: 1,395 636 368 2,399

Base: All private sector employers.

### 8.2.2 Fines for non-compliant employers

This element of the proposed compliance regime was less popular than issuing a letter but the majority of employers did believe this was an appropriate measure to take. Around six in ten employers (57 per cent) agreed that this would be an appropriate action (Table 8.5). Employers with 50 or more employees were more likely to consider a fine an appropriate option than employers with fewer employees (70 per cent compared with 56 per cent respectively).
Table 8.5 Whether fining employers who remain non-compliant without explanation is appropriate, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>57</td>
<td>55</td>
<td>71</td>
<td>74</td>
<td>67</td>
<td>57</td>
</tr>
<tr>
<td>No</td>
<td>39</td>
<td>40</td>
<td>23</td>
<td>24</td>
<td>32</td>
<td>39</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base 573  630  470  306  420  2,399
Weighted base 1,755  581  46   4   13  2,399

Base: All private sector employers.

Employers, who contributed to their employees’ pensions were more accommodating towards the proposal of a fine for those who do not comply than those who did not contribute. Sixty-three per cent of contributors responded that a fine would be an appropriate measure, compared with 53 per cent of employers not currently contributing to their employees’ pensions and 56 per cent of those not providing access to a pension. Employers currently contributing 3% or more were more likely to support the idea of a fine than those contributing less than 3% (65 per cent and 41 per cent respectively).

Table 8.6 Whether non-compliant employers should be fined, by pension profile

<table>
<thead>
<tr>
<th>Pension profile</th>
<th>3% or more</th>
<th>Less than 3%</th>
<th>All contributors</th>
<th>Non-contributors</th>
<th>Non-providers</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>65</td>
<td>41</td>
<td>63</td>
<td>53</td>
<td>56</td>
<td>57</td>
</tr>
<tr>
<td>No</td>
<td>31</td>
<td>59</td>
<td>33</td>
<td>43</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>*</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base 1,118  84  1,240  516  643  2,399
Weighted base 430  38  502  412  1,486  2,399

Base: All private sector employers.

Almost two-thirds of employers (65 per cent) who thought the workplace pension reforms were a good idea thought that fining non-compliant employers was appropriate compared with just 44 per cent of employers who thought the
reforms were a bad idea. This continues the trend shown earlier with employers who thought the reforms were a good idea, generally being more favourable towards compliance measures.

Table 8.7 Whether non-compliant employers should be fined, by whether view the workplace pension reforms as a good idea or bad idea

<table>
<thead>
<tr>
<th>Attitude towards the workplace pension reforms</th>
<th>Good idea</th>
<th>Bad idea</th>
<th>It depends, no opinion, Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>65%</td>
<td>44%</td>
<td>46%</td>
<td>57%</td>
</tr>
<tr>
<td>No</td>
<td>31%</td>
<td>53%</td>
<td>46%</td>
<td>39%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Unweighted base: 1,522 556 321 2,399
Weighted base: 1,395 636 368 2,399

Base: All private sector employers.

8.3 Conclusions

When asked how easy they would find it to provide information online about their employees and pension enrolment four in five employers thought this would be easy to do.

Almost all employers thought that sending a letter to non-compliant employers was an appropriate first step in the compliance regime. There was slightly less support for fining firms who remained non-compliant, however around six in ten employers were in favour of this step. Those who were in favour of the workplace pension reforms and employers who were currently contributing 3% or more to employees’ pensions were more likely to support fining firms who remained non-compliant.
9 Sources of advice and information on how to meet new pension requirements

This chapter explores employers’ current sources of advice on pensions, whether they felt they were likely to seek external advice regarding how to react and comply with the new pension requirements to be introduced in 2012 and if so where they would seek this advice. It also considers employers’ preferred methods for receiving information and their preferred methods for communicating queries or seeking advice about what organisations will be required to do in the run up to the implementation of the workplace pension reforms. Finally, the chapter explores employers’ attitudes towards eligible employees receiving information by post about the personal accounts scheme at work and employers attitudes to employees accessing and managing their personal account online in the workplace.

9.1 Current sources of advice

Organisations, which provided access to a pension scheme, were asked whether they received any advice about their pension arrangements from an external source, such as an accountant or an independent financial consultant.

Table 9.1 shows that almost three-quarters (73 per cent) of organisations that provided a pension said they took advice from someone outside the organisation about their pension arrangements. The most common sources of external advice about pensions were:

- independent financial advisers (46 per cent);
- accountants (33 per cent);
- pension consultants (19 per cent); and
- insurance or life insurance representatives (18 per cent).
Larger firms were more likely than smaller firms to use pension consultants, actuaries and lawyers as sources of advice about their pension arrangements.

Table 9.1  Current sources of external advice on pension arrangements, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Financial Adviser (IFA)</td>
<td>48</td>
<td>42</td>
<td>53</td>
<td>42</td>
<td>36</td>
<td>46</td>
</tr>
<tr>
<td>Accountant</td>
<td>38</td>
<td>27</td>
<td>23</td>
<td>22</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Pension consultant</td>
<td>19</td>
<td>17</td>
<td>27</td>
<td>41</td>
<td>49</td>
<td>19</td>
</tr>
<tr>
<td>(Life) Insurance representative</td>
<td>15</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>30</td>
<td>18</td>
</tr>
<tr>
<td>Actuary</td>
<td>2</td>
<td>1</td>
<td>12</td>
<td>26</td>
<td>52</td>
<td>3</td>
</tr>
<tr>
<td>Lawyer/legal advice</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>46</td>
<td>3</td>
</tr>
<tr>
<td>Any advice</td>
<td>71</td>
<td>73</td>
<td>84</td>
<td>89</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>No advice</td>
<td>29</td>
<td>26</td>
<td>14</td>
<td>9</td>
<td>27</td>
<td>27</td>
</tr>
</tbody>
</table>

Unweighted base 150 431 455 302 418 1,756
Weighted base 460 392 44 4 13 913

Base: All private sector employers providing access to a pension scheme (providers).

Employers could give more than one response to this question.

9.2 Whether organisation likely to seek external advice on how to respond to the new pension requirements

Employers were asked whether they were likely to seek external advice on how to respond to the new pension requirements. Overall, around eight in ten (84 per cent) employers said that they were likely to seek advice from someone outside of the organisation on how to respond to the new pension requirements. Fifteen per cent of employers said they would not seek external advice on how to respond to the reforms. It is not clear why these employers would not seek external advice, whether this was because they had good internal sources of pensions advice, or for other reasons.

Smaller employers with less than 250 employees were more likely to seek external advice on how to comply with the new pension regulations compared with larger employers with 250 or more employees (84 per cent and 69 per cent respectively).
Table 9.2 Whether organisation would seek external advice about how to respond to new pension requirements, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82</td>
<td>89</td>
<td>87</td>
<td>76</td>
<td>67</td>
<td>84</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td>23</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>*</td>
<td>*</td>
<td>2</td>
</tr>
</tbody>
</table>

Unweighted base: 573 630 470 306 420 2,399
Weighted base: 1,755 581 46 4 13 2,399

Base: All private sector employers.

Employers who said they knew ‘a lot’ about the workplace pension reforms were less likely to seek external advice on how to respond to the new pension requirements (60 per cent) compared with employers who said they knew ‘a fair amount’ (84 per cent), ‘a little’ (86 per cent) or ‘nothing at all’ (84 per cent) about the reforms.

Table 9.3 Whether organisation would seek external advice about how to respond to new pension requirements, by awareness of the reforms

<table>
<thead>
<tr>
<th>Awareness of the reforms</th>
<th>A lot</th>
<th>A fair amount</th>
<th>A little</th>
<th>Nothing at all</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>60</td>
<td>84</td>
<td>86</td>
<td>84</td>
<td>63</td>
<td>84</td>
</tr>
<tr>
<td>No</td>
<td>40</td>
<td>16</td>
<td>13</td>
<td>14</td>
<td>37</td>
<td>15</td>
</tr>
<tr>
<td>Don’t know</td>
<td>*</td>
<td>*</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Weighted base: 70 221 805 1,296 [6] 2,399

Base: All private sector employers.

As could be expected, employers who already received advice on their current pension arrangements from someone outside the organisation were more likely to also say they would seek external advice about how to respond to the new pension requirements compared with those employers who did not seek advice already (78 per cent and 44 per cent respectively).
9.2.1 Where employers would seek advice about how to respond to new pension requirements

Overall the most popular sources of advice were accountants (65 per cent), IFAs (39 per cent) and pension consultants (26 per cent), with a smaller proportion of employers saying they would seek advice from employer bodies (18 per cent), insurance companies (15 per cent) and lawyers or legal advisors (12 per cent).

Larger employers tended to be more likely than smaller employers to say they would seek advice from pension consultants, lawyers/legal advisors or actuaries, see Table 9.4. By contrast, smaller employers were more likely to say they would seek advice from accountants, with 66 per cent of employers with one to 49 employees saying they would seek advice from an accountant compared with 36 per cent of employers with 50 or more employees.

Table 9.4 Where organisation would seek external advice about how to respond to new pension requirements, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant</td>
<td>67</td>
<td>62</td>
<td>38</td>
<td>18</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>IFA</td>
<td>36</td>
<td>47</td>
<td>51</td>
<td>33</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Pension consultant</td>
<td>24</td>
<td>28</td>
<td>44</td>
<td>32</td>
<td>40</td>
<td>26</td>
</tr>
<tr>
<td>Employer bodies</td>
<td>19</td>
<td>18</td>
<td>16</td>
<td>19</td>
<td>25</td>
<td>18</td>
</tr>
<tr>
<td>Insurance/life</td>
<td>13</td>
<td>17</td>
<td>22</td>
<td>17</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td>company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawyer/legal advisor</td>
<td>11</td>
<td>12</td>
<td>15</td>
<td>16</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>Actuaries</td>
<td>3</td>
<td>2</td>
<td>13</td>
<td>15</td>
<td>45</td>
<td>3</td>
</tr>
<tr>
<td>A bank</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Pension provider</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Would not seek advice</td>
<td>16</td>
<td>10</td>
<td>9</td>
<td>23</td>
<td>33</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2,399
Weighted base 1,755 581 46 4 13 2,399

Base: All private sector employers.

Employers could give more than one response to this question.

Table 9.5 compares where employers would seek external advice about how to respond to the new pension requirements with where employers already received external advice on pension arrangements.
Table 9.5 Where organisation currently seeks external advice on current pension provision and where would seek advice about how to respond to new pension requirements

<table>
<thead>
<tr>
<th>Source of advice</th>
<th>Whether organisation already receives advice on pension provision arrangements from anyone outside the organisation</th>
<th>Whether organisation would seek external advice about how to respond to new pension requirements by pension provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFA</td>
<td>46</td>
<td>49</td>
</tr>
<tr>
<td>Accountant</td>
<td>33</td>
<td>53</td>
</tr>
<tr>
<td>Pension consultant</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Employer bodies</td>
<td>n/a</td>
<td>15</td>
</tr>
<tr>
<td>(Life) Insurance representative</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Actuary</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Lawyer/legal advice</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Any advice</td>
<td>73</td>
<td>85</td>
</tr>
<tr>
<td>No advice</td>
<td>27</td>
<td>14</td>
</tr>
</tbody>
</table>

Unweighted base 1,756  Weighted base 913

Base: All private sector employers who make pension provision.

Employers could give more than one response to this question.

Table 9.5 shows that an IFA or an accountant were the most commonly cited sources of external advice about current pension provision (46 per cent and 33 per cent respectively) and they were also the most commonly cited sources of advice if organisations were to seek advice about how to respond to the new pension requirements (49 per cent and 53 per cent respectively).

Accountants showed the greatest increase in the proportion of employers who would seek external advice from them on how to respond to the new pension requirements compared with the proportion who currently sought advice on pension provision. This increased from a third (33 per cent) of employers currently receiving advice on pension provision to over half of employers (53 per cent) who would seek advice from an accountant.

9.2.2 Where employers would seek advice about how to comply with new pension requirements

Employers were asked whether they would be likely to seek advice on how to comply with the new pension requirements from a number of sources. All employers were read a list of possible responses and were able to give as many as applied.
Where employers would seek advice from on how to comply with the new pension requirements showed a very similar trend to where employers said they would seek advice on how to respond to the new pension requirements; with accountants (74 per cent) and IFA’s (40 per cent) being the most commonly cited sources of advice for how to comply.

Smaller employers with one to 49 employees were again more likely to seek advice on compliance from an accountant compared with larger employers with 50 or more employees (75 per cent and 41 per cent respectively).

Employees with less than 250 employees were more likely to cite trade associations as a source of external advice on how to comply with the new pension requirements in comparison with employers with 250 employees or more (18 per cent and six per cent respectively).

Table 9.6 Where organisation would seek advice about how to comply with the new pension requirements, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant</td>
<td>77</td>
<td>68</td>
<td>46</td>
<td>19</td>
<td>28</td>
<td>74</td>
</tr>
<tr>
<td>IFA</td>
<td>36</td>
<td>47</td>
<td>62</td>
<td>37</td>
<td>33</td>
<td>40</td>
</tr>
<tr>
<td>Business link</td>
<td>29</td>
<td>28</td>
<td>26</td>
<td>26</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>Employer body</td>
<td>25</td>
<td>28</td>
<td>30</td>
<td>28</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>Trade associations</td>
<td>16</td>
<td>22</td>
<td>17</td>
<td>10</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>Payroll manager</td>
<td>12</td>
<td>19</td>
<td>19</td>
<td>15</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td>Actuaries</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>10</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Lawyer/Solicitor</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Pension consultant/advisor</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>Chamber of commerce</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>*</td>
<td>0</td>
<td>*</td>
</tr>
<tr>
<td>Would not seek advice</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>22</td>
<td>33</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>*</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2,399
Weighted base 1,755 581 46 4 13 2,399

Base: All private sector employers.
Employers could give more than one response to this question.

Employers who stated that they would seek advice on compliance with the new pension regulations from a trade association were asked which trade association they would seek advice from. The most commonly cited trade associations were
an industry-specific association (27 per cent) followed by the Federation of Small Businesses (24 per cent). Other trade associations cited by employers included the National Federation (ten per cent) and General Advisory (seven per cent). Five per cent of employers said they would seek advice from Unions.

9.3 Raising awareness of the new pension requirements among employers and employees

Employers were asked a number of questions about their preferred methods for receiving advice and information about the introduction of automatic enrolment with a minimum employer contribution.

9.3.1 Most suitable method of communication for raising awareness about the new pension requirements among employers

Employers were asked initially which one method of communication would be most useful for raising awareness about the new pension requirements among employers. They were asked for the most useful method in terms of raising awareness generally amongst employers, rather than their individual preference for receiving information about the new requirements. Employers were prompted with a list of possible methods of communication and were only able to give one response.

Over a third of employers said that a TV programme (37 per cent) or a mail shot, for example, leaflet, (36 per cent) would be the most useful method of communicating the new pension requirements among employers. Around one in ten employers said that a website (13 per cent) or newspaper articles/adverts (eight per cent) would be most useful. Preferences were generally consistent across size groups, see Table 9.7.
Table 9.7  Main communication method for raising awareness about the new pension requirements among employers, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV programme</td>
<td>36</td>
<td>39</td>
<td>41</td>
<td>49</td>
<td>44</td>
<td>37</td>
</tr>
<tr>
<td>Mail shots (e.g. leaflets)</td>
<td>35</td>
<td>37</td>
<td>26</td>
<td>22</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Websites</td>
<td>14</td>
<td>11</td>
<td>14</td>
<td>14</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Newspaper articles or adverts</td>
<td>7</td>
<td>8</td>
<td>13</td>
<td>8</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Journals</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Radio programme or adverts</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>2</td>
</tr>
<tr>
<td>Email</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>1</td>
<td>*</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2,399
Weighted base 1,755 581 46 4 13 2,399

Base: All private sector employers.

9.3.2  Employers preferred method for receiving information about what they will be required to do when new pension requirements are introduced

Having explored in Section 9.2 where employers would seek external advice, employers were then asked how they would most like to receive information about what they will need to do once the new requirements are introduced. Employers were asked whether they would most like to receive this information by post, email, online or by some other method and were only able to provide one response.

Three-quarters (75 per cent) of employers said that their preferred method for receiving information about what they need to do once the new pension arrangements are introduced would be by post. Nearly one in five employers (19 per cent) said that they would prefer to receive information via email, while a small proportion (six per cent) said they would like to receive information online through a website.

Overall, the larger the size of the organisation the less likely they were to prefer to receive information by post and the more likely they were to prefer to receive information via email about what they will need to do once the new pension requirements are introduced, see Table 9.8.
Employers who said they knew nothing at all or a little about the pension reforms were more likely to prefer to receive information by post compared with employers who said they knew a fair amount or a lot about the pension requirements (76 per cent and 63 per cent respectively). In comparison, employers who said they knew a fair amount or a lot about the workplace pension reforms were more likely to prefer to receive information via email compared with employers who said they knew a little or nothing at all about the pension requirements (27 per cent and 17 per cent respectively).

**Table 9.9 Preferred method to receive information about what to do once new pension requirements are introduced, by awareness of the workplace pension reforms**

<table>
<thead>
<tr>
<th>Awareness of the workplace pension reforms</th>
<th>A lot %</th>
<th>A fair amount %</th>
<th>A little %</th>
<th>Nothing at all %</th>
<th>Don't know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>By post</td>
<td>61</td>
<td>64</td>
<td>73</td>
<td>78</td>
<td>[92]</td>
<td>75</td>
</tr>
<tr>
<td>Via email</td>
<td>38</td>
<td>24</td>
<td>20</td>
<td>16</td>
<td>[1]</td>
<td>19</td>
</tr>
<tr>
<td>Online through a website</td>
<td>1</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>[7]</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>*</td>
<td>[0]</td>
<td>*</td>
</tr>
<tr>
<td>Don’t know</td>
<td>*</td>
<td>*</td>
<td>1</td>
<td>*</td>
<td>[0]</td>
<td>*</td>
</tr>
</tbody>
</table>

**Unweighted base** 156 398 892 947 [6] 2,399

**Weighted base** 70 221 805 1,296 [6] 2,399

Base: All private sector employers.
9.3.3 Employers’ preferred method for asking questions or requesting additional information in the run up to implementation of new pension requirements and beyond

Employers were asked what method they would prefer to use if they had a question or required additional information about what they needed to do to in the run up to implementation of the reforms and beyond. Employers were asked whether they would prefer a designated telephone helpline, a specifically designed website or email contact.

Over half (56 per cent) of employers preferred a designated telephone line, three in ten (30 per cent) preferred a specifically designed website. Just over one in ten (13 per cent) employers said that an email would be their preferred method for questions or additional information they may require, see Table 9.10.

Overall, the larger the size of the organisation the less likely they were to prefer a designated telephone line and the more likely they were to prefer a specifically designed website or email if they had any questions or required additional information.

Table 9.10 Employers preferred method for questions or additional information about new pension requirements, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A designated telephone line</td>
<td>57</td>
<td>56</td>
<td>39</td>
<td>42</td>
<td>23</td>
<td>56</td>
</tr>
<tr>
<td>A specifically designed website</td>
<td>29</td>
<td>31</td>
<td>38</td>
<td>34</td>
<td>42</td>
<td>30</td>
</tr>
<tr>
<td>Email</td>
<td>13</td>
<td>12</td>
<td>23</td>
<td>21</td>
<td>34</td>
<td>13</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>*</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 573 630 470 306 420 2,399
Weighted base 1,755 581 46 4 13 2,399

Base: All private sector employers.

Employers who said they knew a fair amount, a little or nothing at all about the workplace pension reforms were more likely to prefer a designated telephone helpline compared with employers who said they knew a lot about the pension requirements (57 per cent and 46 per cent respectively). In comparison, employers who said they knew a lot about the about the reforms were more likely to prefer email compared with employers who said they knew a fair amount, a little or nothing at all about the reforms (26 per cent and 12 per cent respectively).
Table 9.11  Preferred method to receive information about what to do once new pension requirements are introduced, by awareness of the workplace pension reforms

<table>
<thead>
<tr>
<th>Awareness of the workplace pension reforms</th>
<th>A lot %</th>
<th>A fair amount %</th>
<th>A little %</th>
<th>Nothing at all %</th>
<th>Don’t know %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A designated telephone line</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A specifically designed website</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unweighted base 156 398 892 947 [6] 2,399
Weighted base 70 221 805 1,296 [6] 2,399

Base: All private sector employers.

9.3.4 Whether employers were willing for eligible employees to receive information by post about the new personal account pension scheme at workplace

Employers who said that they would enrol at least some of their employees into the personal accounts scheme were asked whether they would be happy for eligible employees to receive information by post about the new personal account pension scheme at their worksite address.

Almost all (92 per cent) of these employers were willing for eligible employees to receive information by post about the new personal account pension scheme at their workplace. Smaller employers tended to be more likely than larger employers to be willing for eligible employees to receive information at work about the personal account pension scheme, see Table 9.12.
Table 9.12  Whether employers are willing for eligible employees to receive information by post about new personal account pension scheme at their workplace, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>92</td>
<td>93</td>
<td>83</td>
<td>80</td>
<td>72</td>
<td>92</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>7</td>
<td>17</td>
<td>20</td>
<td>28</td>
<td>8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>1</td>
<td>*</td>
</tr>
</tbody>
</table>

Unweighted base 278 295 188 118 140 1,019
Weighted base 862 281 20 2 2 1,166

Base: All private sector employers who said they would enrol at least some employees into the personal accounts scheme.

9.3.5  Employers attitude towards employees accessing information about their personal account pension and managing them online at work

Employers who had said that they would enrol at least some of their employees into the personal accounts scheme and said that employees currently have access to the internet were asked whether they would be happy for employees to use the internet at their worksite address to access information about their personal account or manage them online.

Over eight in ten (83 per cent) of these employers were willing for their employees to access information or manage their personal account online at work. Smaller employers tended to be more likely than larger employers to be willing for their employees to access information or manage their personal account online at work, see Table 9.13.
Table 9.13  Whether employers are willing for employees to access information about their personal account or manage them online at work, by size of organisation

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4</th>
<th>5-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500 or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>88</td>
<td>71</td>
<td>56</td>
<td>67</td>
<td>48</td>
<td>83</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>28</td>
<td>43</td>
<td>32</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>*</td>
<td>38</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base 210 211 174 * 38 1
Weighted base 645 188 18 1 2 854

Base: All private sector employers who would enrol employees into the personal accounts scheme and employees have access to the internet.

9.4 Conclusions

Employers currently used a range of sources of pensions advice, with employers of different sizes preferring different types of advisors. The most common sources of advice about pension arrangements used by smaller employers were IFAs followed by accountants. Larger employers were more likely to seek advice from actuaries, pension consultants and lawyers.

The majority of employers planned to seek external advice about how to respond to and comply with the workplace pension reforms and again the preferred sources varied with employer size. Smaller employers were most likely to seek advice from an accountant or IFA, whilst larger employers said they would be most likely to consult with actuaries, pension consultants and lawyers or legal advisors.

In terms of raising awareness about the reforms employers favoured the use of TV programmes/adverts and mailshots. Three-quarters of employers would prefer to receive information by post rather than email. Larger employers (with over 500 employees) were, however, more likely to prefer to receive information via email.

Should they have queries about the workplace pension reforms half of employers would prefer to be able to contact a designated telephone helpline, a third would prefer to visit a website and 13 per cent would prefer to be able to make contact via email.

Almost all employers were happy for their employees to receive information about the personal accounts scheme at their workplace and the majority were happy for employees to access information about the scheme online at work.
Appendix A
Additional analysis

Chapter 2

Comparisons with the Employers’ Pension Provision (EPP) Survey 2007

The focus of this section is to compare the pension profile of organisations that took part in this survey with the 2007 EPP Survey, which represents the definitive source of statistics on pension provision among private sector organisations in Great Britain.

Table A.1 provides a comparison of the estimates from the current survey with the 2007 EPP Survey. The intention is to see the extent to which the current survey broadly reflects the findings from this regular survey. It should be noted that although the two surveys asked broadly similar questions, the overall design and weighting approaches used on each survey were not exactly identical, meaning that any difference in estimates may be attributable to these differences.
### Table A.1 Employers’ provision of different types of pension – comparison with Employers Pension Provision Survey 2007

<table>
<thead>
<tr>
<th></th>
<th>Private sector organisations</th>
<th>Employees working for such organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Occupational pension</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Group Personal Pension (GPP)</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Contribution to personal pension</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Access to Stakeholder pension (SHP)</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Any provision (provider)(^1)</td>
<td>41</td>
<td>38</td>
</tr>
<tr>
<td>Any employer contribution (contributor)(^2)</td>
<td>24</td>
<td>21</td>
</tr>
</tbody>
</table>

**Unweighted base** 2,300 2,399 2,300 2,399  
**Weighted base** 2,300 2,399 2,300 2,399

**Base:** All private sector employers.

\(^1\) Some employers had more than one type of pension scheme so the sum of schemes does not equal the sum of providers.

\(^2\) The employer attitudes survey only collected information about contributions made by employers to their largest open scheme (or largest scheme if all schemes were closed). The EPP survey collected information about contributions made to all pension schemes.

Comparing the results from the two surveys shows a broadly similar pattern in terms of pension provision, with occupational pensions and GPPs being offered only by a small proportion of organisations and Stakeholder pensions being the most common type of pensions offered.

Overall, the proportion of employers who were providing access to a pension and the proportion who were contributing to a pension scheme was broadly the same across both surveys. The current survey suggests a slightly lower proportion of organisations were providing pensions or contributing to pensions compared with the 2007 EPP Survey, but this difference is not significant.

The proportion of employees who had access to a pension through their employer and who benefit from employer contributions was also similar between the two surveys, although the current survey suggested that a higher proportion of employees worked for employers who provided an occupational pension or a GPP.
Overall, although there are some differences between the two surveys, the broad similarity between the two sets of figures suggests that the current survey reflects the pattern of pension provision and contributions among private sector employers in Great Britain.

**Administration of payroll**

**Table A.2  Whether payroll systems are computerised or clerical**

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>50-249 %</th>
<th>250-499 %</th>
<th>500 or more %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computerised</td>
<td>62</td>
<td>85</td>
<td>99</td>
<td>98</td>
<td>78</td>
<td>69</td>
</tr>
<tr>
<td>Clerical</td>
<td>37</td>
<td>14</td>
<td>1</td>
<td>2</td>
<td>22</td>
<td>30</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>1</td>
</tr>
</tbody>
</table>

Unweighted base: 370 483 424 279 375 1,931  
Weighted base: 1,125 440 40 4 12 1,621  
Base: All private sector employers who administer their payroll wholly or partially in-house.

This table includes one outlier in the group of employers with 500 or more employees, who said that they used clerical payroll systems.

**Attitudes of non-providers to pensions**

**Table A.3  Whether non-providers have considered introducing a pension scheme in the next five years**

<table>
<thead>
<tr>
<th>Size of organisation</th>
<th>1-4 %</th>
<th>5-49 %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
<td>30</td>
<td>28</td>
</tr>
<tr>
<td>No</td>
<td>68</td>
<td>67</td>
<td>68</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Unweighted base: 423 199 643  
Weighted base: 1,295 189 1,486  
Base: All employers with no pension provision.
Appendix B
Technical report on sampling, fieldwork and weighting

Introduction

The Department for Work and Pensions (DWP) commissioned BMRB Social Research to conduct a survey among private sector employers in 2007. This was the second survey amongst employers to examine their reactions to the introduction of automatic enrolment with a minimum employer contribution, the first having been carried out in 2006.

Specific objectives of the 2007 survey were to:

• collect information about employers current pension provision, including details about the joining mechanisms used by those that already had a pension scheme;

• examine employers general awareness of the Government’s proposals for workplace pension reform and their broad reaction to these;

• examine the impact that employers felt the new reforms would have on their overall pension costs and the likely responses of employers to the reforms;

• assess what employers thought they might do once the new requirements were introduced in terms of what pension scheme they would enrol staff into and the rate at which they would contribute;

• explore employers’ information needs and preferences. Specifically, to look at what sorts of information they would find useful and the communication channels that might be used; and

• explore briefly employers’ attitudes to how non-compliant employers should be dealt with.
Method

The survey was conducted using Computer Assisted Telephone Interviewing (CATI). The use of CATI for this type of survey had a number of advantages. The telephone research was easily controlled and supervised and allowed for a relatively short fieldwork period.

The interview was conducted electronically with all questions and routing programmed automatically, meaning interviewers were free to concentrate on the respondent’s answers and data was recorded accurately, a prime consideration for this particular survey where complex and detailed information was collected.

Finally, telephone fieldwork encouraged participation whilst also allowing the respondent to participate at a time that suited them, an essential requirement of this survey where the respondents – busy professionals – needed some encouragement to take part and the flexibility of being able to take part at a time suited to them. Respondents were able to schedule appointment times for the interviewer to call, ensuring the sample and the interviewer’s time was used most efficiently and respondents were more committed to taking part. On some occasions these appointments were broken due to the busy nature of the organisations surveyed. However, a simple electronic process allowed the interviewers to re-schedule an appointment and then move on to the next interview.

Fieldwork

The survey fieldwork was conducted between June 2007 and August 2007 and involved three main stages.

Stage One: Contacting sampled organisations to identify the most appropriate person to interview, an essential stage to ensure the survey was conducted with the person who was most capable of answering the questions asked during the interview. This stage also checked that the organisation was in the private sector and was still trading. This stage was conducted between 4 June 2007 and 9 July 2007.

Stage Two: Despatching advance letters containing a brief outline of the objectives of the research to the person identified at stage one.

Stage Three: The main interview with the person identified at stage one. This stage was conducted between 2 July 2007 and 12 September 2007.

Advance letter

An advance letter, see Appendix C, was sent to the person identified at stage one of the fieldwork before they took part in the main interview at stage three. The letter was despatched on DWP headed notepaper, this helped to reassure respondents of the genuine nature of the research and therefore encourage
response. The letter explained the purpose of the research and the importance of the research in terms of collecting information to help inform key government policies on pension arrangements. The letter also explained that organisations had been randomly selected to participate in the research and that an interviewer would be in touch in the future. Contact details were provided for a member of the research team at BMRB so that any organisation could get in touch if they had any queries about the research.

Alongside the letter employers were sent an information sheet, which provided employers with background information on the Government’s plans for pension reform. This information sheet was used to provide all employers with some background information on the reforms before they took part in the interview. Respondents were also sent details of some of the information they would need to provide in the survey, to ensure that they had this to hand during the telephone interview.

**Questionnaire**

The questionnaire, see Appendix F, consisted of seven main sections:

**Section A: About the organisation**

This section collected a range of information about the organisation, including the type of organisation and its workforce composition.

**Section B: Existing pension provision**

This section collected information on the type of pension schemes the organisation had in place and the level of contributions made to these schemes. Information was only collected for the largest pension scheme (or in cases where the largest scheme was a closed scheme additional information was collected for the largest open pension scheme). This section included data collection on details of scheme joining mechanisms, eligibility criteria, scheme participation rates and reasons for providing pensions.

**Section C: Administration arrangements**

This section collected detailed information on employers’ current administration arrangements for pension provision and payroll.

**Section D: Employers’ awareness of and attitudes to private pension reform and likely actions to cope with costs**

This section collected information on employers’ awareness of and broad attitudes to the proposed private pension reforms. It also looked at the actions employers said they would be likely to take in order to cope with any increase in costs resulting from the introduction of the reforms.
Section E: Employers’ likely behaviour in response to the reforms

This section looked at what employers thought they might do once the new requirements were introduced in terms of what pension scheme they would enrol staff into and the rate at which they would contribute. Employers were asked in turn what they would be likely to do in relation to current employees who were already members of the pension scheme, current employees who were not members of the pension scheme and new employees.

Section F: Compliance

This section covered employers’ attitudes towards compliance, particularly what levels of support there was amongst employers for the proposals to deal with non-compliance.

Section G: Information

This section looked at the sources of advice and information that employers would prefer at different stages in the implementation of the reforms and beyond. Specifically, it examined the sort of advice and information that employers would find useful prior to the implementation of personal accounts and how such information could be delivered.

The survey was conducted using CATI software as part of the Quantum package. The same version of the questionnaire was used for all organisations with the relevant routing built into the CATI script.

As mentioned previously, Section B, which gained information about employers’ pension schemes, was in some cases repeated twice for organisations if their largest pension scheme was closed. Where this was the case employers were asked about their largest scheme and their largest open scheme (if applicable). Where organisations had a number of pension schemes in place or a particularly complicated set of arrangements, filtering in the questionnaire made sure that employers were only asked about their largest and largest open schemes, ensuring the burden on respondents was kept to a minimum.

From the information organisations provided about their pensions arrangements they were classified as contributors, non-contributors or non-providers. Further to this contributors were broken down further into contributor 3% or more, contributor less than 3% and contributor unsure amount.

Piloting

A telephone pilot, using the same three tiered method as the main stage, was conducted prior to the start of the main fieldwork. Interviewing took place on two separate days, a few days apart to allow for improvements to be made to the questionnaire after the first interviewing session.
Before the pilot interviewers were briefed face-to-face by researchers from BMRB and detailed interviewer instructions were also issued. Researchers from BMRB and DWP also monitored the telephone interviews as they took place to understand how the questionnaire was working in practice and how respondents understood specific concepts and ideas. Forty-three organisations were interviewed during the pilot, covering a range of size bands and sectors. The sample for the pilot was drawn from the Inter-Departmental Business Register (IDBR) sample provided by Office for National Statistics (ONS) and these organisations were then excluded from the main stage sample. The pilot interviews took place on 17 May 2007 and 31 May 2007.

Sample design

The survey is intended to provide an indication of employers’ likely reactions towards the Government's plans for private pension reform. It was designed to be representative of private sector employers in Great Britain in 2007. The sample was obtained from the IDBR. The IDBR is a government database maintained by the ONS which is based on Value Added Tax (VAT) and Pay As You Earn (PAYE) records. It was preferred over alternative sampling frames due to its greater coverage, particularly of smaller companies and the amount of detail that could be obtained from the frame such as number of employees, legal status and SIC03 code. The main drawback with the IDBR for this particular survey was that only a small proportion of records had telephone numbers. Therefore, telephone numbers had to be obtained after the sample was drawn through a tracing exercise.

The population for the survey was defined as all private sector employers in Great Britain including private companies, sole proprietorships, partnerships and non-profit making organisations. All public sector employers such as central government, local government and other public bodies such as health authorities and universities were excluded from the survey. Since the survey was only concerned with the attitudes of private sector employers who employed at least one employee, extremely small businesses that consisted only of owner-proprietors or owning partners (i.e. with no employees) were also excluded from the survey.

During the same fieldwork period as the PA survey was being conducted, the Employers’ Pension Provision (EPP) Survey was also being conducted by BMRB for the DWP. Sample was drawn for both surveys in a single exercise ensuring that respondents could not be selected for both surveys. For the EPP Survey there was a requirement to interview all census companies (over 5,000 employees). For the PA Survey it was also necessary to interview a number of census companies and as a result a number of census companies were selected to take part in both the PA and the EPP Survey.

Table B.1 shows the total population taken from the IDBR in January 2007 by number of employees. In order to achieve the required initial sample in each size band, a different sampling fraction was applied to each. This ranged from drawing
one in 367 companies with five to 12 employees up to approximately half of all companies with 5,000 or more employees.

**Table B.1  Proportion of private sector organisations in Great Britain, by size**

<table>
<thead>
<tr>
<th>Size band</th>
<th>IDBR population count</th>
<th>Selection fractions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of employees</strong></td>
<td><strong>Number of units</strong></td>
<td><strong>%</strong></td>
</tr>
<tr>
<td>1-4</td>
<td>1,128,743</td>
<td>73.560</td>
</tr>
<tr>
<td>5-12</td>
<td>247,583</td>
<td>16.135</td>
</tr>
<tr>
<td>13-19</td>
<td>58,480</td>
<td>3.811</td>
</tr>
<tr>
<td>20-49</td>
<td>63,093</td>
<td>4.112</td>
</tr>
<tr>
<td>50-99</td>
<td>18,893</td>
<td>1.231</td>
</tr>
<tr>
<td>100-249</td>
<td>10,699</td>
<td>0.697</td>
</tr>
<tr>
<td>250-499</td>
<td>3,468</td>
<td>0.226</td>
</tr>
<tr>
<td>500-999</td>
<td>1,741</td>
<td>0.113</td>
</tr>
<tr>
<td>1,000-4,999</td>
<td>1,413</td>
<td>0.092</td>
</tr>
<tr>
<td>5,000 or over</td>
<td>348</td>
<td>0.023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,534,461</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Prior to the telephone number look-up, a number of records were excluded from the sample. As in the 2006 survey there were a number of SIC03 categories where it was felt the majority of employees would be covered by a public-sector pension scheme. These were mainly in the education sector. Thus, all organisations with SIC codes 80100, 80210, 80220, 80301, 80302 or 80303 were excluded from the sample at this stage. This represented a total of 533 organisations.

Table B.2 shows how the initial sample of 28,261 was broken down by size band both pre and post-tracing for telephone numbers.

Telephone numbers were obtained for 41 per cent of the original sample. This was achieved through a variety of methods and sources. These included both electronic tracing and, where this failed to generate a number, manual tracing of numbers. Additionally, where a telephone number already existed from the IDBR this was used if the tracing process failed to generate a number. Finally, once the tracing process was exhausted, researchers working on the survey re-examined the small number of large companies (1,000+) where a number had not already been obtained and tried to obtain a contact number through company websites.

The success rate in obtaining numbers for small employers was lower than for larger employers, but this had been anticipated in advance and had been taken into account when specifying the initial sample sizes by size band.

---

29 Not all sample was sent for manual look-up as at this stage we had more sample than we needed to load.
Additionally, a comprehensive check for duplicate records was done. This was initially based on full postcode and telephone number. Where duplicate postcodes or duplicate telephone numbers were identified, all the records were manually checked. Where it was established that duplicate records did exist in the sample, they were removed.

Once the process of eliminating ineligible and duplicate records was completed a final sample for the initial screening stage was drawn. This was done by applying a selection probability specific to each size band so that the profile of the screening sample by size band matched the profile of the initial sample shown in Table B.2.

At the initial screening stage a number of businesses (2,354) were identified as being out of scope either because they had gone out of business, they were a public-sector organisation, they had no employees, or the telephone number was unobtainable or incorrect. Of the remaining records in scope, contact names were obtained and contact details confirmed for 75 per cent of the sample.

The result of the initial screening process was a sample of 5,335 employers who were mailed a letter and data sheets. Table B.3 shows the distribution of the sample of employers who were mailed a letter and data sheets by size band.
Table B.3  Screened sample, by size band

<table>
<thead>
<tr>
<th>Size band (Number of employees)</th>
<th>Screened sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>1-4</td>
<td>2,129</td>
</tr>
<tr>
<td>5-12</td>
<td>450</td>
</tr>
<tr>
<td>13-19</td>
<td>98</td>
</tr>
<tr>
<td>20-49</td>
<td>108</td>
</tr>
<tr>
<td>50-99</td>
<td>547</td>
</tr>
<tr>
<td>100-249</td>
<td>320</td>
</tr>
<tr>
<td>250-499</td>
<td>851</td>
</tr>
<tr>
<td>500-999</td>
<td>410</td>
</tr>
<tr>
<td>1,000-4,999</td>
<td>311</td>
</tr>
<tr>
<td>5,000 or over</td>
<td>111</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,335</strong></td>
</tr>
</tbody>
</table>

Response rate

After the initial letter was sent out to employers a total of 16 organisations contacted either DWP or BMRB to opt out of the survey before the start of the main stage fieldwork and these respondents were removed from the sample. The sample was loaded in batches and closely monitored to ensure a good response rate was achieved. In total, 260 records were not loaded into the main survey as they were not required to achieve the interview numbers. The remainder of this section focuses on the 5,059 cases (the ‘issued sample’) remaining at the start of the main telephone interviewing stage.

Table B.4 shows that from the initial issued sample of 5,059 a total of 205 cases (4.9 per cent) were established as being out of scope for various reasons. From the remaining sample a total of 2,399 interviews were achieved, representing a response rate of 50 per cent. The main reasons for non-response were refusal (26.8 per cent) and respondents being unavailable to do the survey during the fieldwork period (19.2 per cent).
Table B.4  Response rate for main stage sample

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Issued sample</td>
<td>5,059</td>
<td>100</td>
</tr>
<tr>
<td>Out of scope</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number incorrect/unobtainable</td>
<td>45</td>
<td>0.9</td>
</tr>
<tr>
<td>Fax/computer line</td>
<td>35</td>
<td>0.7</td>
</tr>
<tr>
<td>Duplicate record</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ineligible company¹</td>
<td>138</td>
<td>2.7</td>
</tr>
<tr>
<td>No reply after at least ten calls</td>
<td>28</td>
<td>0.6</td>
</tr>
<tr>
<td>No answer/answering machine</td>
<td>4</td>
<td>0.1</td>
</tr>
<tr>
<td>Total out of scope</td>
<td>250</td>
<td>4.9</td>
</tr>
<tr>
<td>Total eligible sample</td>
<td>4,809</td>
<td>100</td>
</tr>
<tr>
<td>Unproductive outcomes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Abandoned/incomplete interviews</td>
<td>129</td>
<td>2.6</td>
</tr>
<tr>
<td>Refused</td>
<td>1,289</td>
<td>26.8</td>
</tr>
<tr>
<td>Away during fieldwork period</td>
<td>923</td>
<td>19.2</td>
</tr>
<tr>
<td>Incapable of doing interview</td>
<td>44</td>
<td>0.9</td>
</tr>
<tr>
<td>General call back</td>
<td>25</td>
<td>0.5</td>
</tr>
<tr>
<td>Total unproductive</td>
<td>2,410</td>
<td>50.0</td>
</tr>
<tr>
<td>Total complete interviews</td>
<td>2,399</td>
<td>50.0</td>
</tr>
</tbody>
</table>

¹ Reasons for ineligibility included companies with no employees, companies that had closed down or moved and companies that categorised themselves as being in the public sector.

Table B.5 shows response rate broken down by size band. Smaller companies were only slightly less responsive than larger companies. This shows that there were few obvious biases.
Table B.5  Main stage response rates, by size band

<table>
<thead>
<tr>
<th>Size band</th>
<th>Issued sample</th>
<th>Out of scope</th>
<th>Total in scope</th>
<th>Total non-effective</th>
<th>Achieved interviews</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>n</td>
<td>n</td>
<td>n</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>1-4</td>
<td>2,109</td>
<td>183</td>
<td>8.7</td>
<td>1,926</td>
<td>1,054</td>
<td>872</td>
</tr>
<tr>
<td>5-12</td>
<td>421</td>
<td>16</td>
<td>3.8</td>
<td>405</td>
<td>218</td>
<td>187</td>
</tr>
<tr>
<td>13-19</td>
<td>90</td>
<td>3</td>
<td>3.3</td>
<td>87</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>20-49</td>
<td>98</td>
<td>1</td>
<td>1.0</td>
<td>97</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>50-99</td>
<td>498</td>
<td>10</td>
<td>2.0</td>
<td>488</td>
<td>220</td>
<td>268</td>
</tr>
<tr>
<td>100-249</td>
<td>287</td>
<td>7</td>
<td>2.4</td>
<td>280</td>
<td>116</td>
<td>164</td>
</tr>
<tr>
<td>250-499</td>
<td>783</td>
<td>14</td>
<td>1.8</td>
<td>769</td>
<td>354</td>
<td>415</td>
</tr>
<tr>
<td>500-999</td>
<td>379</td>
<td>7</td>
<td>1.8</td>
<td>372</td>
<td>167</td>
<td>205</td>
</tr>
<tr>
<td>1,000-4,999</td>
<td>285</td>
<td>8</td>
<td>2.8</td>
<td>277</td>
<td>114</td>
<td>163</td>
</tr>
<tr>
<td>5,000 or over</td>
<td>109</td>
<td>1</td>
<td>0.9</td>
<td>108</td>
<td>71</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>5,059</td>
<td>250</td>
<td>4.9</td>
<td>4,809</td>
<td>2,410</td>
<td>2,399</td>
</tr>
</tbody>
</table>

1 It should be noted that the response analysis has been done on the basis of the number of employees as taken from the IDBR. Since the analysis in the rest of the report uses the number of employees given in the interview the number of interviews achieved in each size band will not match the tables in the main part of the report.

Data preparation and data output

The CATI questionnaire incorporated a number of checks to try and resolve any discrepancies during the interview. For this reason post-interview edits were kept to a minimum.

All verbatim answers at ‘other – specify’ and open-ended questions were inspected by coders. This resulted in some additional codes being added to the code frames of some questions. In all questions, the aim was to reduce the proportion of answers left in other to below ten per cent.

The data was produced in one SPSS files at the level of the company or organisation and consisted of 2,399 records.

Weighting

The weighting process involved three stages:

1. Design weights

These were attributed to each enterprise group based on their probability of selection. This was dependent on the number of employees (five size bands) stated in the sampling frame. This accounted for the over-sampling of enterprise groups with larger numbers of employees.
2. Overall weights
After applying the weights to take account of the over-sampling by employee size, further weights were applied to the entire sample to calibrate it to be nationally representative by SIC group and employee size reported by the group. This used the statistical technique of Rim weighting.

3. Scaling
Finally, the weights were rescaled so that the weighted total was the same size as the number of enterprises that responded.
Appendix C
Advance letter

Dear Sir/Madam

EMPLOYERS' ATTITUDES TOWARDS PENSION REFORM

The Department for Work and Pensions is conducting an important research study of employers throughout Great Britain.

What is the research about?

In December 2006, the Government outlined proposals for reform of the private pensions system. These proposals include the introduction, from 2012, of a new personal accounts pension scheme to give employees without access to workplace pension schemes the opportunity to save. Further details of these proposals are enclosed, for information, with this letter.

The purpose of this research is to gather information about employers' attitudes and likely responses to these proposals. The information collected will help to inform Government thinking on this important area.
Why are we writing to you?

Your organisation has been selected at random from the Government’s *Inter-Departmental Business Register*, compiled from PAYE and VAT returns. To obtain a nationally representative picture, it is essential that as many organisations as possible take part in the survey. We are interested in all types of employers including employers of different sizes (both small and large) and those who do not have any pension arrangements for employees, as well as those who do. Employers do not need to have any knowledge about the proposals to take part.

If your organisation consists of a number of businesses, such as a group of companies, the information required relates to the whole of the organisation in England, Scotland and Wales. That is, the British parent company and all its subsidiaries and operations within this country.

What happens now?

We have commissioned an independent research organisation, BMRB Social Research, to carry out this study on our behalf. An interviewer will call you within the next two weeks to ask you to complete an interview over the telephone. It is estimated that the interview will take, on average, less than 25 minutes for most organisations contacted.

We are aware that you may need to collect some information from other people before the interviewer calls. Enclosed with this letter is a sheet to help you prepare in advance some of the details the interviewer will ask for when they call. This sheet covers some details about your organisation and any pension arrangements the company makes for any employees. We would be grateful if you could complete this sheet prior to the interviewer calling.

**PLEASE DO NOT RETURN THIS DATA SHEET TO ME, AS YOU WILL NEED TO REFER TO IT DURING THE INTERVIEW.**

We have advised a number of professional bodies and employers’ organisations that the survey is taking place. These are:

- Confederation of British Industry
- Institute of Directors
- Federation of Small Businesses
- Forum of Private Businesses
- Engineering Employers Federation
- National Association of Pension Funds
- Pensions Management Institute
- Society of Pension Consultants
- Faculty and Institute of Actuaries
- Association of Consulting Actuaries
- Association of British Insurers
- Trades Union Congress

All information given in the survey will be treated in the strictest confidence by BMRB Social Research. No information identifying you or your company will be passed to the Department for Work and Pensions or to any other organisation without your consent.
If you have any queries about the survey, please contact Polly Sinclair at BMRB Social Research on 020 8433 4136 (between 9.30am and 5.30pm Monday to Friday) or by email at Polly.Sinclair@bmrb.co.uk. Alternatively, if you would like to discuss anything further in relation to the research, please do not hesitate to get in touch with me on 020 7962 8952 or by e-mail at: james.erikson@dwp.gsi.gov.uk.

We hope you agree to take part and thank you in advance for your help.

Yours sincerely

James Erikson
Senior Research Officer
Pensions Client Directorate
Appendix D
Information sheet

Background information on the Government’s proposals for pension reform to help you when you are completing the interview

When the interviewer from BMRB calls they will ask you some questions about your organisation and also about your attitudes and likely responses to the Government’s proposals, announced in December 2006, to promote private pension saving across the UK workplace. In order to help you complete the interview this sheet provides some further details of the Government’s proposals in this area.

These proposals, which were announced in the Government’s White Paper ‘Personal accounts: a new way to save’30, include:

• From 2012, all employers will be required to enrol eligible employees into a qualifying workplace pension scheme. Employers with a pension scheme providing contributions or benefits at least comparable to a new personal account pension scheme – being set up as part of these proposals – will have a choice over whether to enrol eligible employees into their own pension scheme or the new personal account pension scheme.

• Your employees will be eligible for enrolment if they earn above about £5,000 a year and are aged between 22 and State Pension age.

• Employees will be able to decide to opt out if they wish.

• The minimum overall contribution level will be eight per cent of employees’ earnings.

30 Copies of the Government’s White Papers on pension reform, can be found on the DWP website at: http://www.dwp.gov.uk/pensionsreform
• Contributions will only be calculated on employees’ earnings that fall between about £5,000 and £33,500.

• Employers will be required to pay contributions of at least 3% of employees’ earnings between about £5,000 and £33,500 for all employees who remain in a qualifying workplace pension scheme.

• Employees will pay contributions of around four per cent of their earnings. (However, if their employer chooses to pay more than 3%, the employee may pay less, so long as the overall contribution level is at least eight per cent.)

• There will be a State contribution of around one per cent in the form of tax relief.

• There will be a three year phasing in period of costs to allow employers to adjust to the new requirements.
Appendix E
Data sheet
DWP Survey of attitudes & likely responses towards pension reform 2007
Data Sheet

This form is designed to help you answer some of the questions when the BMRB interviewer telephones
PLEASE KEEP THIS FORM AND DO NOT RETURN IT TO DWP OR BMRB.
If you have any queries regarding the data sheet please contact Polly Sinclair on 020 8433 4136 or email Polly.sinclair@BMRB.co.uk

• ABOUT YOUR ORGANISATION
For these questions, we are interested in your organisation as it exists within Great Britain (i.e. England, Scotland and Wales). If your organisation consists of a number of businesses, such as a group of companies, the information required relates to the whole of the organisation in Great Britain. That is, the British parent company and all its subsidiaries and operations within this country.

<table>
<thead>
<tr>
<th>Q1</th>
<th>How many employees are there in total in your organisation in England, Scotland and Wales? (By employee, we mean someone with a contract of employment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>How many employees work full-time? (That is, for 30 or more hours each week. If you are unsure please give your best estimate).</td>
</tr>
<tr>
<td>Q3</td>
<td>How many of the employees are employed on a casual/temporary basis? (By casual/temporary we mean the employees do not have a permanent contract. This would not include permanent employees who work on a part time basis)</td>
</tr>
<tr>
<td>Q4</td>
<td>How many of the employees earn over £5000 a year? (If you are unsure please give your best estimate).</td>
</tr>
<tr>
<td>Q5</td>
<td>In what year did your organisation commence its operations in Britain? (If your organisation has been subject to mergers/takeovers please use the earliest date that the organisation commenced).</td>
</tr>
<tr>
<td>Q6</td>
<td>How many employees left your organisation in the last financial year?</td>
</tr>
</tbody>
</table>
**TYPES OF PENSION PROVISION**
The next set of questions, ask about the pension provision your organisation offers. We are interested in finding out whether or not your organisation offers access to a pension scheme for any employees and if so the types of schemes you offer. These types of pension can often appear to be quite similar but do in fact differ in important ways - please see the notes by each question. Please still include schemes with no members.

| Q7 | Does your organisation provide access to a Stakeholder pension scheme for any employees? (A stakeholder pension is a type of personal pension launched in April 2001. Stakeholder pensions are a form of private pension arranged between an individual and a pension provider such as an insurance company or a bank). | Yes | No |
| Q8 | Does your organisation provide access to a Group Personal Pension (GPP) scheme for any employees? (Group Personal Pension plans - GPPs - are personal pension plans that an employer has arranged with an insurance company, bank or building society for a group of employees.) |  | |
| Q9 | Has your organisation set up or arranged a personal pension plan for any employees? (Personal pensions are a private form of pension arrangement between an individual employee and an insurance company, building society or bank. Employers may also contribute to plans). |  | |
| Q10 | Has your organisation set up or arranged an occupational pension scheme for any employees? (Occupational schemes are organised by the employer to provide employees with a pension and/or benefits when they retire from work. Usually employers make contributions for each employee who joins the scheme. There are two main types of occupational schemes: Defined benefits (or salary related) and defined contribution (or money purchase).) |  | |
| Q11 | Does your organisation have any closed occupational pension schemes? Please do not included any frozen or wound up schemes. (Closed schemes are Occupational schemes where no new members are allowed to join but contributions may still be made by existing members and/or the employer) |  | |
| Q12 | What percentage of your total workforce are currently members of a pension scheme offered by your organisation? Please include all pension schemes, including contributions to private personal pension plans |  | |
| Q13 | What percentage of your total workforce is eligible to join a pension scheme offered by your organisation? Please include all pension schemes, including contributions to private personal pension plans |  | |

**Largest Pension Scheme**

| Q14 | Which of the pension scheme your company offer access to is the largest scheme, that is the one with the most members e.g. Stakeholder, GPP, Occupational etc? (If you only offer access to one pension scheme please refer to this one.) |  | |
| Stakeholder pension scheme |  | |
| Group Personal pension scheme (GPP) |  | |
| Personal pension scheme |  | |
| Occupational pension scheme |  | |
### Appendices – Data sheet

#### Q15 Is your largest scheme currently open for new members to join?  
- Yes  
- No

#### Q16 If your largest pension scheme is currently closed to new members which is the largest OPEN pension scheme your company offers access to?  
- Stakeholder pension scheme
- Group Personal pension scheme (GPP)
- Personal pension scheme
- Occupational pension scheme

LARGEST OPEN PENSION SCHEME

The next set of questions refers to the largest OPEN pension scheme your organisation offers access to.

#### Q17 What percentage of current employees who are eligible to join this pension scheme have actually done so?  
- %

#### Q18 How many current employees, including senior managers and directors are active members of this scheme?  
- Num

#### Q19 Please provide details of your organisation's contributions to your largest OPEN pension scheme as a percentage of employees GROSS pay.  
((If your organisation does not contribute please leave blank)

<table>
<thead>
<tr>
<th>% of gross earnings</th>
<th>Average contributions for 2006/07</th>
<th>Minimum contributions for 2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Q20 Please provide details of contributions EMPLOYEES make into your largest OPEN pension scheme.  
(If your employees do not contribute just leave blank)

<table>
<thead>
<tr>
<th>% of gross earnings</th>
<th>Average contributions for 2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Q21 How do eligible employees join this scheme?
- Complete a detailed form
- Sign a pre completed form
- Just make a Yes-or-No declaration stating whether they wish to join the scheme or no;
- Or do they automatically become members unless they choose to opt out
If answered at Q21 that eligible employees 'automatically become members unless they chose to opt out' please answer Q21A

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Q21A** Does this automatic membership of the pension scheme form part of the employee’s contract of employment and terms and conditions?

**IF YOUR LARGEST PENSION SCHEME IS CLOSED (answered no at Q15) PLEASE FILL OUT THE FOLLOWING QUESTIONS ABOUT YOUR LARGEST PENSION SCHEME (you only need to answer these questions if your largest scheme is closed to new members)**

**LARGEST PENSION SCHEME WHERE THIS IS CLOSED TO NEW MEMBERS**

**Q22** How many current employees, including senior managers and directors are active members of this scheme?

*Active members are current employees who belong or contribute to the scheme, please do not include deferred or retired pensioners.*

**Q23** Please provide details of your organisation’s contributions to your largest closed pension scheme. (If your organisation does not contribute just leave blank)

<table>
<thead>
<tr>
<th>% of gross earnings</th>
<th>Minimum contributions for 2006/07 (if varies between employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Q24** Please provide details of contributions EMPLOYEES make into your largest closed pension scheme. (If your employees do not contribute just leave blank)

<table>
<thead>
<tr>
<th>% of gross earnings</th>
<th>Average contributions for 2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**THANK YOU FOR COMPLETING THIS INFORMATION**

**PLEASE KEEP THIS SHEET TO HELP YOU WITH THE INTERVIEW**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
Appendix F

Questionnaire

Personal accounts 2007
Final questionnaire

PAP07P

Good morning/afternoon my name is…calling on behalf of BMRB social research. We are conducting an important piece of research for the department for work and pensions into employer’s opinions of new proposals concerning pension provision for employees. The department recently wrote to you asking for your help with this research.

IF NECESSARY: The information collected will help to inform government thinking on pension arrangements.

qdash

‘DO NOT READ OUT.

INTERVIEWER: CODE HERE WHETHER RESPONDENT HAS RECEIVED/COMPLETED THEIR DATA SHEET.

Yes – has received and completed
No – not received/not completed but happy to be interviewed without
No – not received/not completed and wants to receive/complete data sheet
Don’t know

1
2
3
Y

IF qdash = No – not received/not completed and wants to receive/complete data sheet collect details and send out/email data sheet, letter and proposal description to respondent and make appointment for +1 week
Qlegsta  Can I just check, what is the nature of the business?
Is it...? READ OUT
A private limited company  1
A public limited company  2
A sole proprietor  3
A partnership  4
Public corporation or nationalised industry  5
Central government  6
Local authority  7
Non-profit making organisation (charity)  8
Don’t know  Y
Other  0
Other specify....................................................................................................

Termin1  IF Qlegsta = Public corporation or nationalised industry OR Qlegsta = Central
government OR Qlegsta = Local authority – Termination with data (Quit)
Thank you for your time but I’m afraid we are only interested in speaking to
to companies in the private industry sector

Qnumemp  How many employees, including yourself [excluding yourself] and any other partners]work in your organisation in England, Scotland and Wales that is your whole organisation,
not just your present location?

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 1.

ENTER NUMBER. RANGE 0-999999
TYPE IN EXACT NUMBER THEN CODE RANGE AT NEXT QUESTION

Numeric Range
Don’t know  Y
Permitted Range
0 TO 9999999 (Numeric Range)

Termin2  IF Qnumemp = 0  -  Termination with data (Quit)
Thank you for your time but we are only interested in speaking to companies with 1 or
more employee(s)
Qnumemp2  PLEASE CODE THE RANGE IN WHICH THE NUMBER OF EMPLOYEES WOULD FALL INTO

1 to 4     1
5 to 12    2
3 to 19    3
20 to 49   4
50 to 99   5
100 to 249 6
250 to 499 7
500 to 999 8
1,000 to 4,999 9
5,000 to 9,999 0
10,000 to 14,999 1
15,000 to 24,999 2
25,000 + 3
Don’t know Y

CATI CHECK THAT RAW NUMBER OF EMPLOYEES CODED FALLS INTO CORRECT BAND

Qnumful Of the [INSERT NUMBER] employees in your organisation, how many are employed full-time, that is working 30 hours or more per week?

ENTER NUMBER, IF UNSURE PROBE FOR BEST ESTIMATE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 2.

Numeric Range ____________________________________________________________
Don’t know Y
Permitted Range 0 TO 999999 (Numeric Range)

IF Qnumemp < qnumful

CATI CHECK: YOU HAVE CODED THAT THEY HAVE MORE FULL TIME EMPLOYEES THAN TOTAL EMPLOYEES PLEASE CHECK
Qnumcas  How many of the [INSERT NUMBER] employees are employed on a casual/temporary basis?

ENTER NUMBER, IF UNSURE PROBE FOR BEST ESTIMATE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 3.

Numerical Range _____________________________________________________________
Don’t know
Permitted Range
0 TO 999999 (Numerical Range)

CATI CHECK IF Qnumemp < qnumcas

YOU HAVE CODED THAT THEY HAVE MORE CASUAL EMPLOYEES THAN TOTAL EMPLOYEES PLEASE CHECK

QnumNI  And how many of the [INSERT NUMBER] employees earn over £35,000 a year (gross salary)?

ENTER NUMBER IF UNSURE PROBE FOR BEST ESTIMATE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 4.

Numerical Range _____________________________________________________________
Don’t know
Permitted Range
0 TO 999999 (Numerical Range)

CATI CHECK IF Qnumemp < qnumni

YOU HAVE CODED THAT THEY HAVE MORE EMPLOYEES WITH £5000+ SALARY THAN TOTAL EMPLOYEES PLEASE CHECK

Qyear  In what year did this organisation commence its operations in Britain?

INTERVIEWER: Enter pre 1901 as 1900.

ENTER YEAR, IF UNSURE PROBE FOR BEST ESTIMATES

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 5.
Don’t know  Y
Permitted Range
1900 TO 2007 (Numeric Range)

Qleft How many employees left your organisation in the last financial year, 2006/7?
IF UNSURE PROBE FOR BEST ESTIMATE
IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 6.

Numeric Range ____________________________________________________________
Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

Qfin How would you assess your organisation’s financial performance in 2006/7 compared
with other organisations in the same industry. Is it...
A lot better than average  1
Better than average  2
About average for the industry  3
Below average  4
Or is it a lot below average  5
(SPONTANEOUS MENTION ONLY) No comparison possible  6
(SPONTANEOUS MENTION ONLY) Relevant data not available  7
Don’t know  Y

I would now like to ask you some questions about the different pension
arrangements you have in place such as Stakeholder pensions, Group Personal
Pension arrangements, contributions to employees’ private personal pensions
and occupational schemes.

Qstak Does your organisation offer access to a Stakeholder pension scheme for any employees?
This may be a scheme to which the employer does or does not make contributions.
IF NECESSARY SAY: Stakeholder pensions are a form of personal pension arranged
between an individual and a pension provider such as an insurance company or a bank
IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 7.
Yes  1
No  2
Don’t know  Y
QGPP  Has your organisation set up or arranged a group personal pension plan for any employees?

IF NECESSARY SAY: Group personal pensions are personal pension plans that an employer has organised with an insurance company, building society or bank for a group of employees. Group personal pensions are not private personal pensions, Stakeholder pensions or occupational schemes. They are collections of personal pensions arranged by the employer for a group of employees

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 8.

Yes  1  
No  2  
Don’t know  Y

Qpers  Does your organisation contribute to the private personal pension plans of any employees?

IF NECESSARY SAY: Private personal pensions are a form of private pension arrangement between an individual and a pension provider. These are personal pensions that are NOT a Stakeholder or part of a group personal pension.

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 9.

Yes  1  
No  2  
Don’t know  Y

Qocc  Has your organisation set up or arranged an occupational pension scheme for any employees?

IF NECESSARY SAY: Occupational schemes are organised by the employer to provide employees with a pension and/or benefits when they retire from work. Usually employers make contributions for each employee who joins the scheme. There are two types of occupational schemes: Defined benefit (or salary related) and defined contribution (or money purchase).

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 10.

Yes  1  
No  2  
Don’t know  Y
Qocclo  Does your organisation have any closed occupational pension schemes? Please do not include any frozen or wound up schemes.

IF UNSURE READ OUT:

CLOSED SCHEMES: Occupational schemes where no new members are allowed to join but contributions may still be made by existing scheme members and/or their employer

FROZEN SCHEMES: Occupational pension schemes where no new members are allowed to join and generally, no contributions are being or will ever be made by members and/or the employer

WOUNDUP SCHEMES: Have no members and the assets of the scheme have been used towards meeting the schemes liabilities.

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 11.

Yes  1
No  2
Don’t know  Y

IF ONLY OFFERS ACCESS TO ONE TYPE OF PENSION SCHEME
THEN ASK: QpenNum

QpenNum  Can you tell me, does your organisation [offer access/make contributions] to one or more than one [Stakeholder/GPP/Occupational pension scheme/Private personal pension scheme]

One  1
More than one  2
Don’t know  Y

[ASK ALL]

Qcheck  Can I just check you’ve told me you INSERT TEXT AS APPROPRIATE

• Have no pension schemes set up for any employees
• Have a/no Stakeholder pension scheme
• Have a/no Group Personal Pension Scheme
• Make/Do not make contributions to private personal pension schemes
• Have an/no Occupational Pension scheme

Is that correct?

Yes  1
No  2
Don’t know  Y
IF HAVE A PENSION SCHEME THEN ASK: Qcover, Qcover2

Qcover  What percentage of your total workforce are currently members of the pension scheme offered by your organisation? Please include all pension schemes, including contributions to private personal pension plans.

PLEASE ENTER % OF EMPLOYEES ENROLLED INTO A PENSION SCHEME

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 12.

Numeric Range ____________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

Qcover2  And what percentage of your total workforce is eligible to join a pension scheme offered by your organisation? Please include all pension schemes, including contributions to private personal pension plans.

PLEASE ENTER % OF EMPLOYEES ELIGIBLE TO JOIN A PENSION SCHEME

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 13.

Numeric Range ____________________________
Don’t know  Y
Permitted Range 0 TO 100 (Numeric Range)

[IF OFFER ACCESS TO MORE THAN ONE TYPE OF PENSION SCHEME OR IF QPENNUM = 2] THEN ASK: Qlarge

IF ONLY OFFERS ACCESS TO ONE TYPE OF SCHEME ANSWER SHOULD BE FORCED.

IF PENNUM = 2 AND QPERS = 1 FORCE ANSWER TO 4 SO QUESTION IS NOT READ OUT]
Qlarge Can you tell me which of the pension schemes your company offers access to is the largest scheme, that is the scheme with the most members?

INTERVIEWER: IF ONLY ONE SCHEME LISTED PLEASE CODE THIS AND ENTER NAME OF SCHEME ON NEXT SCREEN

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 14.

Stakeholder Pension scheme 1
GPP pension scheme 2
Occupational pension scheme 3
Contributions to personal pension scheme 4

ASK IF HAVE A PENSION SCHEME

IF QLARGE = 4 FORCE ANSWER TO READ CONTRIBUTIONS YOU MAKE TO PERSONAL PENSIONS’ (as this is used as text sub later on)

Qscheme And can you tell me the name of the [INSERT ANSWER FROM QLARGE]?

TYPE IN

IF RESPONDENT DOESN’T KNOW JUST GIVE IT A LOGICAL NAME EG IF STAKEHOLDER PENSION CALL STAKEHOLDER ETC

PLEASE ONLY WRITE THE ACTUAL NAME OF THE SCHEME EG ‘SCOTTISH EQUITABLE’ OR ‘STAKEHOLDER’ WITHOUT USING THE WORDS ‘PENSION SCHEME’ HERE AS THIS DESCRIPTION WILL BE USED IN LATER QUESTIONS.

ASK IF HAVE A PENSION SCHEME

Qopen

IF QLARGE = 4 (MAKES CONTRIBUTIONS TO PRIVATE PERSONAL PENSION PLANS): Thinking about your organisation’s contributions to employee’s private personal pension arrangements. Is this arrangement currently open to new members to join?

ALL OTHERS: And is this scheme currently open for new members to join?

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 15.

Yes 1
No 2
IF Qopen = No AND ( HAS MORE THAN ONE TYPE OF PENSION SCHEME OR QPENNUM = More than one OR QPENNUM = Don’t know)
THEN ASK: Qlarge2

Qlarge2 Which is the largest pension scheme which is currently open for new members to join?

IF ONLY ONE SCHEME LISTED PLEASE CODE THIS AND ENTER NAME OF SCHEME ON NEXT SCREEN

IF RESPONDENT SAYS THAT THEY DO NOT HAVE ANY OPEN PENSION SCHEMES CODE THIS AS NULL. BUT ONLY USE NULL CODE IF NONE OF THE SCHEMES ARE OPEN

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 16.

Stakeholder Pension scheme 1
GPP pension scheme 2
Occupational pension scheme 3
Contributions to personal pension scheme 4
None of these X

IF Qlarge2 = Stakeholder Pension scheme OR Qlarge2 = GPP pension scheme OR Qlarge2 = Occupational pension scheme
THEN ASK: Qschem2

IF QLARGE2 = 4 FORCE ANSWER TO READ CONTRIBUTIONS YOU MAKE TO PERSONAL PENSIONS

Qschem2 Can you tell me the name of the largest OPEN scheme

TYPE IN. IF RESPONDENT ISN’T SURE JUST USE TYPE OF PENSION SCHEME EG. STAKEHOLDER

PLEASE ONLY WRITE THE ACTUAL NAME OF THE SCHEME EG. ‘SCOTTISH EQUITABLE’ OR ‘STAKEHOLDER’ WITHOUT USING THE WORDS ‘PENSION SCHEME’ HERE AS THIS DESCRIPTION WILL BE USED IN LATER QUESTIONS.

QUESTIONNAIRE ASKS ABOUT LARGEST OPEN SCHEME FIRST AND THEN CLOSED SCHEME. SO WILL LOOP ROUND TWICE

IF HAVE AN OPEN PENSION SCHEME

I’d now like to ask you a few questions about the [INSERT NAME OF LARGEST OPEN PENSION SCHEME, where they only contribute to a personal pension plan or this is their largest scheme this will read ‘Contributions you make to personal pension plans’]
QeligO  Is the scheme open to all employees, or can only certain types of employee join?

SINGLE CODE. DO NOT READ OUT
INTERVIEWER NOTE: Code in priority order, 1 is the highest

INTERVIEWER: IF RESPONSE IS OTHER, PLEASE CODE ‘SOME OTHER GROUP OF EMPLOYEES’ ON THIS SCREEN AND CODE THE OTHER RESPONSE ON NEXT SCREEN

All employees in organisation  1
Senior management only  2
White collar/staff employees only  3
Blue collar/works employees only  4
All employees in a particular subsidiary of the organisation  5
Only those invited to join  6
All in particular business group/activity (e.g. employees in our insurance firm)  7
Hourly or weekly paid employees (not white collar staff)  8
All employees under a certain age  9
All employees over a certain age  0
All employees up to senior management level/all employees except for senior managers or directors  1
All employees with a minimum length of service  2
Some other group of employees (specify)  3
Don’t know  Y

IF  qeligO = Some other group of employees (specify)
THEN ASK: QotherO

QotherO  INTERVIEWER: PLEASE CODE THE OTHER GROUP OF EMPLOYEES HERE

IF NOT  QeligO = 12
THEN ASK: QminleO

QminleO  Do employees have to have been at the organisation for a MINIMUM amount of time before they are eligible to join the scheme?

Yes  1
No  2
Don’t know  Y

IF  QminleO = Yes  OR  Qeligo = 12
THEN ASK: QwaitO
QwaitO  How long do they have to have been at the organisation?

INTERVIEWER NOTE: IF RESPONDENT SAYS AFTER A PROBATION PERIOD PROBE FOR AVERAGE LENGTH OF PROBATION PERIOD.

Less than 1 month  1
1 month  2
2 months  3
3 months  4
4 months  5
5 months  6
6 months  7
More than 6 months less than 1 year  8
1 year  9
1-2 years  0
2 years  1
More than 2 years  2
Don’t know  Y

ASK ALL WITH OPEN SCHEME

QeligiO  How do eligible employees join this scheme? Do they...

READ OUT. SINGLE CODE.

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 21.

Complete a detailed form  1
Sign a pre completed form  2
Just make a Yes-or-No declaration stating whether they wish to join the scheme or not  3
Or do they automatically become members unless they choose to opt out  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF   QeligiO = Or do they automatically become members unless they choose to opt out
THEN Ask: QautmeO

QautmeO  Can I just check: Does this automatic membership of the pension scheme form part of the employee’s contract of employment or terms and conditions?

Yes  1
No  2
Don’t know  Y
QperjoO  Can you tell me roughly what percentage of current employees who are eligible to join this pension scheme have actually done so?

PLEASE ENTER PERCENTAGE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 17.

Numeric Range ____________________________________________________________

Don’t know  Y

Permitted Range 0 TO 100 (Numeric Range)

QschmeO  Now thinking about the membership of this scheme

How many current employees, including senior managers and directors, are active members of the scheme?

IF UNSURE GET BEST ESTIMATE

READ OUT IF NECESSARY: Active members are current employees who belong or contribute to the scheme. Please do not include deferred and retired pensioners. Deferred pensioners (or deferred members) are people who were members of an occupational pension scheme and who have now left it, usually because they have joined a new employer. Contributions are no longer being made into the scheme by either the member or the employer. The rights are frozen or retained into the scheme until they are drawn as a pension or transferred to a new pension scheme.

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 18.

Numeric Range ____________________________________________________________

Don’t know  Y

Permitted Range 0 TO 999999 (Numeric Range)

IF  QschmeO >  0  OR  QschmeO = Don’t know THEN ASK: QschfuO, QconscO
QschfuO Of these, how many are full-time employees. That is working 30 hours or more per week?

IF UNSURE ASK FOR BEST ESTIMATE
ENTER AMOUNT

Numeric Range ____________________________
Don’t know Y
Permitted Range
0 TO 999999 (Numeric Range)

QconscO Does your organisation make contributions to this [INSERT ANSWER FROM QLARGE] pension scheme/Personal pension plan for any employees?

Yes 1
No 2
Don’t know Y

IF QconscO = Yes THEN ASK: QcontnO

QcontnO For how many employees does the organisation make contributions to [INSERT ANSWER FROM QLARGE] pension scheme/Personal pension plan?

IF UNSURE ASK FOR BEST ESTIMATE

Numeric Range ____________________________
Don’t know Y
Permitted Range
0 TO 999999 (Numeric Range)

IF QcontnO > 0 OR QcontnO = Don’t know THEN ASK: QPropO
QPropO  I am now going to ask you about your organisation’s contributions to this pension scheme, but firstly, can I just check, are you able to tell me the contributions as a PERCENTAGE of gross pay?

   If necessary. By percentage of pay I mean that contributions are paid as a percentage of employees’ gross pay, such as 3% or 4%.

   Yes  1
   No  2
   Don’t know  Y

   If QPropO = No  OR  QPropO = Don’t know
   Then ask: QPromO

QPromO  Are you able to tell me the contributions to this scheme as AMOUNTS of money?

   Yes  1
   No  2
   Don’t know  Y

   If QPropO = Yes
   Then ask: QFix1O

QFix1O  Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE percentage your organisation contributed in the last financial year, 2006/7?

   Enter percentage

   If necessary. This is recorded on data sheet at question 19.

   Numeric Range __________________________________________________________
   Don’t know  Y
   Permitted Range
   0 TO 100 (Numeric Range)

   If QPromO = Yes
   Then ask: QFix2O
QFix2O  Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE amount your organisation contributed in the last financial year, 2006/7?

ENTER AMOUNT

Numeric Range ____________________________________________________________
Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT QFix2O = Don’t know
THEN ASK: QFixa2O

QFixa2O  And what period does this average payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify.............................................................................................................

IF   QPROPO = Yes
THEN ASK: Qmin2aO

Qmin2aO  What was the MINIMUM percentage at which the organisation contributed for any member in the last financial year, 2006/7?

ENTER PERCENTAGE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 19.

Numeric Range ____________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF   QPROMO = Yes
THEN ASK: Qmin2bO
Qmin2bO  What was the MINIMUM amount the organisation contributed for any member in the last financial year, 2006/7?

ENTER ANSWER

Numeric Range ____________________________________________________________

Don’t know

Permitted Range

0 TO 999999 (Numeric Range)

IF NOT  qmin2bO = Don’t know
THEN ASK: Qmin3O

Qmin3O  And what period does this minimum payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.

 Per week  1
 Per 4 weeks  2
 Per calendar month  3
 Per year  4
 Don’t know  Y
 Other  0
 Other specify...............................................................................................................

IF   QpropO = No OR QpropO = Don’t know OR Qfix1O = Don’t know
THEN ASK: QaveO

QaveO  Would you say the average percentage at which your organisation contributes to this pension scheme is.....

READ OUT

 Less than 3 per cent  1
 3 per cent exactly  2
 More than 3 percent, but less than 6 per cent  3
 6 per cent or more  4
 Don’t know but over 3%  5
 Don’t know  Y

ASK ALL WITH ONE OR MORE SCHEME MEMBERS OR IF DK

Now thinking about contributions employees make into this scheme
QconteO  Is this scheme....
READ OUT. CODE ONE ANSWER ONLY

READ OUT IF NECESSARY: By contributory we mean that members pay contributions into the scheme, other than for additional voluntary contributions (AVC’s) or optional benefits.

contributory, that is do its members normally pay contributions 1
or, is the scheme normally non-contributory? 2
Don’t know Y

IF  QconteO = contributory, that is do its members normally pay contributions
THEN ASK: QoccprO

QoccprO  I am now going to ask you about your scheme members’ contributions to this pension scheme, but firstly, can I just check, are you able to tell me the scheme members’ contributions as a PERCENTAGE of gross pay?

Yes  1
No  2
Don’t know Y

IF  QoccprO = No OR  QoccprO = Don’t know
THEN ASK: QschcO

QschcO  Are you able to tell me the scheme members’ contributions to this scheme as AMOUNTS of money?

Yes  1
No  2
Don’t know Y

IF  QoccprO = Yes
THEN ASK: QavempO
QavempO  I’d now like you to think about the AVERAGE PERCENTAGE at which scheme members contribute to this pension scheme.

Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE PERCENTAGE at which scheme members contributed in the last financial year, 2006/7?

ENTER PERCENTAGE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 20.

Numeric Range ____________________________________________________________
Don’t know
Permitted Range
0 TO 100 (Numeric Range)

IF  QschcO = Yes
THEN ASK: Qavem2O

Qavem2O  I’d now like you to think of the AVERAGE AMOUNT at which scheme members contribute to this pension scheme.

Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE AMOUNT at which scheme members contributed in the last financial year, 2006/7?

Numeric Range ____________________________________________________________
Don’t know
Permitted Range
0 TO 999999 (Numeric Range)

IF NOT  Qavem2O = Don’t know
THEN ASK: QconavO

QconavO  And what period does this average payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
IF QoccprO = No OR QoccprO = Don’t know OR QavempO = Don’t know
THEN ASK: QminO

QminO Would you say the AVERAGE percentage at which scheme members contributed into this pension scheme in the last financial year 2006/7 was...

READ OUT
Less than 5 per cent of gross pay 1
5 per cent exactly 2
or more than 5 per cent of gross pay 3
Don’t know Y

IF LARGEST OPEN SCHEME IS AN OCCUPATIONAL SCHEME
THEN ASK: QdcdbO

QdcdbO Is this scheme...

IF NECESSARY SAY: In a salary-related (or defined benefit) schemes, benefits are usually based on length of service and final salary. In money-purchase (or defined contribution) schemes, benefits are based on contributions made and investment returns during membership.

a salary-related scheme (defined benefit) 1
a money purchase scheme (defined contributions) 2
or a scheme where benefits are calculated using both methods 3
Don’t know Y

IF QDCDBO = a salary-related scheme (defined benefit)
THEN ASK: Qocc2O

Qocc2O What is the accrual rate for this salary related (or defined benefit) scheme?

IF NECESSARY: Accrual rate is the speed at which pension benefits accrue within a defined benefit occupational pension scheme for each year in service.

INTERVIEWER: FIRST CODE WHETHER YOU WILL RECORD A PERCENTAGE OR A FRACTION

Percentage 1
Fraction 2
Don’t know Y

IF Qocc2O = Percentage
THEN ASK: Qocc3O
Qocc3O  PLEASE ENTER PERCENTAGE

Numeric Range ____________________________________________________________
Don’t know                                  Y
Permitted Range                           0 TO 100 (Numeric Range)

________________________

IF  Qocc2O = Fraction
THEN ASK: Qocc4O

________________________

Qocc4O  PLEASE ENTER FRACTION

FOR EXAMPLE IF TWO THIRDS CODE AS 2/3
Don’t know                                  Y

________________________

ASK ALL WITH AN OPEN PENSION SCHEME

________________________

QadminO  Is the administration of the pension scheme done...

IF NECESSARY SAY: outsourcing could include contracting administration functions to a
third party administrator or insurance company
IF NECESSARY SAY: By administration I mean day to day aspects of administration such
as maintaining membership records, collecting contributions, calculating awards or
benefits, producing annual accounts for the scheme etc.

Wholly in-house                          1
Partially in house/partially outsourced   2
Wholly outsourced                       3
Don’t know                                      Y
Other                                     0
Other specify...............................................................................................................

________________________

NOW WE ASK ABOUT THE CLOSED SCHEME (WHERE THIS IS THE LARGEST
SCHEME)

________________________

I’d now like to ask you a few questions about the [INSERT NAME OF LARGEST PENSION
SCHEME, where they only contribute to a closed personal pension plan or this is their
largest scheme this will read ‘Contributions you make to personal pension plans’]
QclosC  Is this scheme.....READ OUT

SINGLE CODE

IF NECESSARY: By contributions I mean contributions made by employee or employer

One into which any contributions are still being paid  1
One into which no contributions are paid at present, but might be
in the future  2
OR a scheme into which no further contributions are being paid
now or at any time in the future?  3
Don’t know  Y

IF NOT  Qclosc = 3
THEN ASK: QschmeC

QschmeC  Now thinking about the membership of this scheme
How many current employees, including senior managers and directors, are active
members of the scheme?
IF UNSURE GET BEST ESTIMATE
READ OUT IF NECESSARY: Active members are current employees who belong
or contribute to the scheme. Please do not include deferred and retired pensioners.
Deferred pensioners (or deferred members) are people who were members of an
occupational pension scheme and who have now left it, usually because they have joined
a new employer. Contributions are no longer being made into the scheme by either the
member or the employer. The rights are frozen or retained into the scheme until they are
drawn as a pension or transferred to a new pension scheme.

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 22.

Numeric Range ____________________________________________________________
Don’t know  Y
Permitted Range
0 TO 999999 (Numeric Range)

End of Filter Skip138

IF  QschmeC >  0 OR  QschmeC = Don’t know
THEN ASK: QschfuC, QconscC
QschfuC  Of these how many are full-time employees. That is working 30 hours or more per week?

IF UNSURE ASK FOR BEST ESTIMATE
ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 999999 (Numeric Range)

QconscC  Does your organisation make contributions to this [INSERT NAME OF SCHEME] pension scheme/personal pension plan for any employees?

Yes  1
No  2
Don’t know Y

IF  QconscC = Yes THEN ASK: QcontnC

QcontnC  For how many employees does the organisation make contributions to the [INSERT NAME OF SCHEME] pension scheme/personal pension plan for any employees?

IF UNSURE ASK FOR BEST ESTIMATE

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 999999 (Numeric Range)

IF  QcontnC > 0 OR  QcontnC = Don’t know THEN ASK: QpropC
QpropC  I am now going to ask you about your organisation’s contributions to this pension scheme, but firstly, can I just check, are you able to tell me the contributions as a PERCENTAGE of gross pay?

IF NECESSARY: By percentage of pay I mean that contributions are paid as a percentage of employees’ gross pay, such as 3% or 4%.

Yes  1
No  2
Don’t know  Y

IF  QPropC = No  OR  QPropC = Don’t know
THEN ASK: QpromC

QpromC  Are you able to tell me the contributions to this scheme as AMOUNTS of money?

Yes  1
No  2
Don’t know  Y

IF  Qpropc = Yes
THEN ASK: QavcurC

QavcurC  Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE percentage your organisation contributed in the last financial year, 2006/7?

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 23.
ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  Qpromc = Yes
THEN ASK: QavcubC
QavcubC  Considering contributions made for all members of this pension scheme, what would you say was the AVERAGE amount your organisation contributed in the last financial year, 2006/7?

ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range 0 TO 999999 (Numeric Range)

IF NOT  QavcubC = Don’t know
THEN ASK: Qc3C

Qc3C  And what period does this average payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF   Qpropc = Yes
THEN ASK: Qmin2aC

Qmin2aC  What was the MINIMUM percentage at which the organisation contributed for any member in the last financial year, 2006/7?

ENTER PERCENTAGE

IF NECESSARY: THIS IS RECORDED ON DATA SHEET AT QUESTION 23.

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range 0 TO 100 (Numeric Range)

IF   Qpromc = Yes
THEN ASK: Qmin2bC
Qmin2bC  What was the MINIMUM amount the organisation contributed for any member in the last financial year, 2006/7?

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range
0 TO 9999999 (Numeric Range)

IF NOT qmin2bC = Don’t know
THEN ASK: Qmin3C

Qmin3C  And what period does this minimum payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.
Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF   QpropC = No  OR  QpropC = Don’t know  OR  QavcurC = Don’t know
THEN ASK: QaveC

QaveC  Would you say the average percentage at which your organisation contributes to this pension scheme is…..

READ OUT
Less than 3 per cent  1
3 per cent exactly  2
More than 3 percent, but less than 6 per cent  3
6 per cent or more  4
Don’t know but over 3 per cent  5
Don’t know  Y

ASK ALL WITH ONE OR MORE SCHEME MEMBERS OR IF DK

Now thinking about contributions employees make into this scheme
QcontC  Is this scheme...

READ OUT. CODE ONE ANSWER ONLY

READ OUT IF NECESSARY: By contributory we mean that members pay contributions into the scheme, other than for additional voluntary contributions (AVC’s) or optional benefits.

contributory, that is do its members normally pay contributions 1
or, is the scheme normally non-contributory? 2
Don’t know Y

IF  QcontC = contributory, that is do its members normally pay contributions
THEN ASK: QoccprC

QoccprC  I am now going to ask you about your scheme members’ contributions to this pension scheme, but firstly, can I just check, are you able to tell me the scheme members’ contributions as PERCENTAGES of gross pay?

Yes 1
No 2
Don’t know Y

IF  QoccprC = No  OR  QoccprC = Don’t know
THEN ASK: QschC

QschC  Are you able to tell me the scheme members’ contributions to this scheme as AMOUNTS of money?

Yes 1
No 2
Don’t know Y

End of Filter Skip156

IF  QoccprC = Yes
THEN ASK: QavempC
QavempC  I’d now like you to think about the AVERAGE PERCENTAGE at which scheme members contribute to this pension scheme.

Considering contributions made for all members of this pension scheme, what would you say was the average percentage at which scheme members contributed in the last financial year, 2006/7?

ENTER PERCENTAGE

Numeric Range ______________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QschcC = Yes
THEN ASK: Qavem2C

Qavem2C  I’d now like you to think of the AVERAGE AMOUNT at which scheme members contribute to this pension scheme.

Considering contributions made for all members of this pension scheme, what would you say was the average amount at which scheme members contributed in the last financial year, 2006/7?

ENTER AMOUNT

Numeric Range ______________________________
Don’t know  Y
Permitted Range
0 TO 9999999 (Numeric Range)

IF NOT  Qavem2C = Don’t know
THEN ASK: QconavC
QconavC  And what period does this average payment cover?

IF NECESSARY: We are trying to establish how often this payment is made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify........................................................................................................

End of Filter lavem2C

End of Filter loccC

IF  QoccprC = No  OR  QoccprC = Don’t know  OR  QavempC = Don’t know
THEN ASK: QminC

QminC  Would you say the AVERAGE percentage at which scheme members contributed into this pension scheme in the last financial year 2006/7 was...

READ OUT

Less than 5 per cent of gross pay  1
5 per cent exactly  2
Or more than 5 per cent of gross pay  3
Don’t know  Y

ASK ALL WITH NO PENSION SCHEME THEN ASK: Qnopen, Qchange
Qnopen  What is the main reason your organisation does not provide a pension scheme for its employees at the moment?

DO NOT READ OUT   CODE ONE ANSWER ONLY

Organisation is too small  1
Employees earnings below National Insurance lower earnings limit  2
Too costly to provide pensions/cannot afford at moment  3
Organisation has only recently been established/organisation is too new  4
Mainly part-time or temporary staff  5
Staff don't want pensions/have never asked for a pension scheme  6
Staff turnover is too high/employees don't stay long enough to make it worthwhile for employees  7
Only a family business  8
It is the responsibility of employees, not the employer  9
Pensions are too complicated/too much administration or legislation involved  0
It is not company policy to provide pensions  1
Our competitors don't provide pensions  2
Not legally required to provide a pension  3
Don't know  Y
None of these  X
Other  0
Other specify................................................................................................................

Qchange  To your knowledge, has your organisation seriously considered introducing some form of pension provision for its employees in the next 5 years?

Yes  1
No  2
Don’t know  Y

IF HAVE PENSION SCHEME
THEN ASK: Qpenhav, Qseriou
What would you say is the main reason your organisation provides a pension scheme?

DO NOT PROMPT SINGLE CODE

To recruit and retain staff 1
To recruit and retain senior/specialist staff 2
Because employees value pension contributions 3
Pressure from trade unions to provide a pension 4
It is a cost effective way of compensating employees due to tax relief 5
To look after employees after retirement 6
Building a reputation as a socially responsible employer (prestige) 7
It is what our competitors do 8
We have inherited pension scheme from a merger/acquisition 9
Because we have always had one (tradition/inertia) 0
Because it is a legal requirement 1
Competitiveness in the labour market 2
Don’t know  Y
Other  0
Other specify.............................................................................................................

I’d now like you to think about your organisation’s main form of pension provision.

As far as you are aware are there any changes which the organisation is seriously considering making to its pension provision over the next two years?

Yes 1
No 2
Don’t know  Y

IF Qseriou = Yes
THEN ASK: Qwhatch, Qexpchn
Qwhatch  What are these changes?

PROBE FULLY  CODE UP TO FIVE ANSWERS

Improve benefits (including death (in service) benefits, ill health benefits)  1
Reduce benefits (including death (in service) benefits and ill health benefits)  2
Increase level of employer contributions or funding  3
Reduce level of employer contributions or funding  4
Introduce/change to defined contribution (money purchase) scheme  5
Introduce/change to group personal pension arrangement or personal pension plans  6
Introduce/change to Stakeholder pension  7
Intend to close Defined Benefit (salary related) scheme  8
Equalisation of pension ages  9
Increase to pension age  0
Close scheme(s) and set up new provision  1
Set up new scheme  2
Rationalise/merge schemes  3
Contract in to S2P (formerly known as SERPS)  4
Contract out of S2P (formerly known as SERPS)  5
Open up eligibility rules to allow more employees to join  6
Change existing schemes to avoid need for Stakeholder pension  7
Don’t know  Y
Other  0
Other specify................................................................................................................

Qexpchn  Why are you considering making that change?

DO NOT PROMPT

So the organisation meets the requirements of the Government proposals for pension reform  1
To improve employee benefits  2
To give employees a better pension when they retire  3
Take up level of current pension scheme is low  4
To keep in line with our competitors  5
To reduce costs  6
Don’t know  Y
Other  0
Other specify................................................................................................................

ASK ALL WITH A PENSION SCHEME
Qvalue  In the context of the overall benefit package your organisation offers how much value do you think your employees place on the pension provision you offer? Is it....?

A lot  1
A fair amount  2
A little  3
No value at all  4
Don’t know  Y

Qconsul  Does your organisation receive any advice on your pension provision arrangements from anyone outside the organisation? For example do you receive advice from...

READ OUT AND CODE ALL THAT APPLY

An accountant  1
An independent financial adviser (IFA)  2
An insurance/life insurance company representative (pension provider)  3
A pension consultant  4
An actuary  5
A lawyer/legal advisor  6
Don’t know  Y
None of these  X
Other  0
Other specify................................................................................................................

Qpayrol  Is the administration of payroll done...

Wholly in-house  1
Partially in house/partially outsourced  2
Wholly outsourced  3
Don’t know  Y
Other  0
Other specify................................................................................................................

IF  Qpayrol = Wholly in-house  OR  Qpayrol = Partially in house/partially outsourced
THEN ASK: Qelect

Qelect  Are your payroll systems computerised or clerical?

Computerised  1
Clerical  2
Don’t know  Y

ASK ALL
Qpaid  How are staff currently paid? Are payments made...

READ OUT CODE ALL THAT APPLY
by file transfer such as BACS or CHAPS  1
via online banking        2
telephone banking         3
variable direct debit arranged through your bank  4
or manually (e.g. cash/cheque etc)  5
Don’t know                        Y
Other                              0
Other specify…………………………………………………………………………………………

Qacces  Do your employees have access to the internet in the workplace?

IF NECESSARY: By employees we mean all employees in the organisation
INTERVIEWER NOTE: If only able to access in their own time this should be coded as ‘yes’

Yes all employees       1
Yes some employees      2
No                      3
Don’t know              Y

IF Qacces = Yes all employees OR Qacces = Yes some employees THEN ASK: Qintern

Qintern  Are your employees allowed to access the internet at their workplace for their own use such as for internet banking etc?

INTERVIEWER NOTE: if only able to access in their own time this should be coded as ‘yes’

Yes all employees       1
Yes, some employees     2
No                       3
Don’t know              Y

ASK ALL

I would now like to ask you about some of the proposals for a new personal accounts pension scheme to be introduced in 2012.
The government has proposed that, from 2012, EMPLOYERS will be required to enrol all eligible EMPLOYEES into either an employer-sponsored pension scheme or into a new personal account pension scheme being set up as part of the proposals. EMPLOYEES can decide to opt out if they wish. EMPLOYEES will pay contributions of at least 4% of their earnings. All EMPLOYERS will be required to make an employer contribution of at least 3% for all employees who do not opt out.

IF NECESSARY: By eligible employees I mean all employees aged 22 or over and earning more than about £5,000

QS2_1  How much would you say you have heard about these proposals before you were sent any information about this survey?

READ OUT

A lot 1
A fair amount 2
A little 3
Nothing at all 4
Don’t know Y

QS2_2  Do you think these proposals are in principal…..

READ OUT

A good idea 1
Or a bad idea 2
It depends – DO NOT READ OUT 3
No opinion/view – DO NOT READ OUT 4
Don’t know Y

ASK ALL
From 2012, you will be required to enrol all of your employees, aged 22 or over and earning more than about £5,000 into a pension scheme. You will be required to contribute at least 3% of employees’ earnings between about £5,000 and £33,500 for those employees who do not opt out.

IF CONTRIBUTE AND HAVE AN OPEN SCHEME: You said earlier that XX% of your employees are members of your existing pension arrangements and that you offer a contribution of Y% to your largest open pension scheme

IF CONTRIBUTE BUT HAVE NO OPEN SCHEME: You said earlier that XX% of your employees are members of your existing pension arrangements and that you offer a contribution of Y% to your largest closed scheme

IF DON’T CONTRIBUTE: and that you do not currently offer an employer contribution to your largest open pension scheme,

IF HAVE NO PROVISION: You said earlier that you don’t currently offer any pension provision]

QS4_1b Would these proposals mean an increase in the TOTAL pension contributions that your organisation would have to make?

Yes 1
No 2
It depends - DO NOT READ OUT 3
Don’t know Y

ASK ALL

When the new requirements are introduced there will be a 3 year phasing in period of costs to allow employers to adjust to them.

IF NECESSARY SAY: The minimum employer contribution will be phased in over 3 years for those who operate the new personal account pension scheme. The government is currently consulting on arrangements for existing pension arrangements but a similar phasing arrangement will apply over a three year period.
Qs4_2a

[IF QINCREASE = 2] Although you said that the proposals would not create any increase in pension contributions for your organisation, if they did then

[IF QINCREASE = 1, 3 OR DK] I am going to read out a list of some things organisations might do if total pension contributions increased as a result of the new requirements.

Which, if any of these things do you think your organisation would be MOST likely to do?

READ OUT SINGLE CODE

Would absorb the increase as part of overheads  1
Would absorb the increase through lower wage increases  2
Change existing pension scheme  3
Change non-wage benefits  4
Increase prices  5
Reduce investment  6
Re-structure or reduce workforce  7
Encourage opt out  8
Not relevant as the proposals would not result in an increase (DO NOT READ OUT)  9
Don’t know [DO NOT READ OUT] Y
None of these [DO NOT READ OUT] X
Other [DO NOT READ OUT] 0
Other specify................................................................................................................

IF NOT ( Qs4_2a = None of these OR Qs4_2a = Don’t know OR Qs4_2a = Not relevant as the proposals would not result in an increase (DO NOT READ OUT)) THEN ASK: Qs4_2b

Qs4_2b And which, if any of these things do you think your organisation would be SECOND MOST likely to do?

READ OUT SINGLE CODE

Would absorb the increase as part of overheads  1
Would absorb the increase through lower wage increases  2
Change existing pension scheme  3
Change non-wage benefits  4
Increase prices  5
Reduce investment  6
Re-structure or reduce workforce  7
Encourage opt out  8
Not relevant as the proposals would not result in an increase (DO NOT READ OUT)  9
Don’t know (DO NOT READ OUT) Y
None of these (DO NOT READ OUT) X
Other (DO NOT READ OUT) 0
Other specify............................................................................................................
IF  Qs4_2a = Absorb the increase through lower wage increases OR  Qs4_2a = Change existing pension scheme OR  Qs4_2a = Change non-wage benefits OR  Qs4_2a = Increase prices OR  Qs4_2a = Reduce investment OR  Qs4_2a = Restructure or reduce workforce
THEN ASK: QS4_3

QS4_3  You said that if pension contributions increased as a result of the new requirements you would be most likely to [INSERT ANSWER FROM Qs4_2a] When do you think you would be most likely to start implementing this change...

READ OUT

Within the next 12 months  1
Not in the next year but before the reforms are implemented in 2012 (i.e. in the next 5 years)  2
or will you implement this change once the reforms have been implemented  3
Haven’t thought about it yet (DO NOT READ OUT)  4
Would not make changes (DO NOT READ OUT)  5
Don’t know  Y

ASK ALL WHO HAVE A PENSION SCHEME AND CONTRIBUTE 3% OR MORE

(THIS REFERS TO THEIR LARGEST OPEN SCHEME OR WHERE THEY HAVE NO OPEN SCHEME THEIR LARGEST SCHEME)

As I mentioned, from 2012, you will be required to enrol all eligible employees into a pension scheme and contribute at least 3% for employees who do not opt out.

Employers with a pension scheme providing contributions or benefits at least comparable to the new personal account pension scheme will have a choice over whether to enrol employees into their existing scheme, into the new personal account pension scheme or into a combination of the two.

I would now like you to think about what you might do once the new requirements are introduced........
QS5_2  For current members of your existing pension scheme, will your organisation:

READ OUT          SINGLE CODE

IF RESPONDENT CURRENTLY CONTRIBUTES 3% AND WILL CONTINUE TO CONTRIBUTE AT THIS LEVEL PLEASE CODE AS 2

increase the contribution rate
continue to contribute at the current rate
reduce the contribution rate to a level above 3% - CODE ONLY
TO APPEAR IF CONTRIBUTE MORE THAN 3%
reduce contributions to the minimum required rate of 3% - CODE ONLY TO APPEAR IF CONTRIBUTE MORE THAN 3%
Or will you do none of the above as you plan to wind up or close your existing pension scheme
Don’t know
Other
Other specify..........................................................................................................................

IF QS5_2 = increase the contribution rate OR QS5_2 = reduce the contribution rate to a level above 3%
THEN ASK: QS5_2a

QS5_2a  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage
Amount
Don’t know

IF QS5_2a = Percentage
THEN ASK: QS5_2a1

QS5_2a1  ENTER PERCENTAGE

Numeric Range
Don’t know
Permitted Range
0 TO 100 (Numeric Range)

IF QS5_2a = Amount
THEN ASK: QS5_2a2
QS5_2a2  ENTER AMOUNT

Numeric Range ____________________________________________________________
Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( qS5_2a2 = Don’t know )
THEN ASK: Qtime

Qtime  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

ASK IF QS5_2 = close or wind down scheme

QS5_3 will only be asked if they have an open scheme. If only have a closed scheme answers will be forced to code 2

QS5_3  Would you.....

READ OUT
Close your existing scheme to new members, but continue to contribute for existing members  1
or wind up your existing scheme so there are no members  2
Don’t know  Y

IF  Qs5_3 = 1
THEN ASK: QS5_3a
QS5_3a  Can I just check, for existing members of this scheme will your organisation...

- increase the contribution rate 1
- continue to contribute at the current rate 2
- reduce the contribution rate to a level above 3% - CODE ONLY 3

TO APPEAR IF CONTRIBUTE MORE THAN 3%
- reduce contributions to the minimum required rate of 3% - CODE ONLY 4
- Don’t know Y
- Other 0
- Other specify.................................................................................................................................

IF QS5_3a = increase the contribution rate OR QS5_3a = reduce the contribution rate to a level above 3%
THEN ASK: S5_3b

S5_3b  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

- Percentage 1
- Amount 2
- Don’t know Y

IF S5_3b = Percentage
THEN ASK: QS5_3a1

QS5_3a1  ENTER PERCENTAGE

Numeric Range ____________________________________________________________
- Don’t know Y
- Permitted Range
- 0 TO 100 (Numeric Range)

IF S5_3b = Amount
THEN ASK: QS5_3a2
QS5_3a2  ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( qs5_3A2 = Don’t know )
THEN ASK: Qtime1

Qtime1  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF   QS5_3 = Close your existing scheme to new members, but continue to contribute for existing members OR  QS5_3 = or wind up your existing scheme so there are no members

QS5_4  Can I just check, does this mean that you plan to enrol all non-members and new employees/eligible employees into the new personal account pension scheme?

Yes  1
No  2
Don’t know  Y

IF   QS5_4 = No
THEN ASK: QS5_4a

QS5_4a  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

PROMPT - WHAT ELSE/WHY DO YOU SAY THAT

Don’t know  Y
None of these  X
IF  QS5_4 = Yes

QS5_5  You mentioned you would wind up/close your existing scheme and enrol all non-members and new employees/eligible employees into the new personal account pension scheme (TEXT SUB IF qs5_3A = 1,2 OR 3 and that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate).

For employees enrolled into the new personal account pension scheme, would your organisation contribute...

IF RESPONDENT CURRENTLY CONTRIBUTES 3% AND WILL CONTINUE TO CONTRIBUTE AT THIS LEVEL PLEASE CODE AS 1

the same as [TEXT SUB IF WOULD WIND UP SCHEME: CURRENTLY contributed] for members of your existing scheme
less than [TEXT SUB IF WOULD WIND UP SCHEME: CURRENTLY contributed] for members of your existing scheme but more than 3%
at the 3% minimum required rate
or more than [TEXT SUB IF WOULD WIND UP SCHEME: CURRENTLY contributed] for members of your existing scheme
Don’t know
Other
Other specify................................................................................................................

IF  QS5_5 = 2  OR  QS5_5 = 4 THEN ASK: QS5_6

QS5_6  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount  2
Don’t know  Y

IF  QS5_6 = Percentage
THEN ASK: QS5_6a

QS5_6a  ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)
IF Q5_6 = Amount
THEN ASK: Q5_6b

Q5_6b ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( Q5_6b = Don’t know )
THEN ASK: Qtime2

Qtime2 And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify................................................................................................................

IF NOT Q5_2= 5
THEN ASK: qmember

qmember Thinking of employees who are not currently members of your existing pension arrangements, will you offer current employees who are not members and new employees the same arrangements in terms of where you will enrol them and pension contribution rates?

Yes 1
No 2
Don’t know Y

IF qmember = Yes
THEN ASK: Q5_7s
QS5_7s  The new requirements mean that from 2012, you will be required to enrol all eligible employees into a pension scheme unless they decide to opt out. Thinking about your employees who are not currently members of your existing pension arrangements and new employees who join your organisation. Will you reopen your current scheme and...

READ OUT

IF NECESSARY: We are only referring to eligible employees, that is those aged 22 or over and earning more than about £5,000.

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrol all non-members and new employees into your existing scheme</td>
<td>1</td>
</tr>
<tr>
<td>Enrol some into your existing scheme and some into the new personal account pension scheme</td>
<td>2</td>
</tr>
<tr>
<td>Enrol all non-members and new employees into the new personal account pension scheme</td>
<td>3</td>
</tr>
<tr>
<td>OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Other specify...</td>
<td></td>
</tr>
</tbody>
</table>

IF  QS5_7s = Other
THEN ASK: Qs57as

Qs57as  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>None of these</td>
<td>X</td>
</tr>
</tbody>
</table>

IF  Qs5_7s = 2
THEN ASK: Q55_8s

QS5_8s  What percentage of non-members and new employees would you enrol into your existing pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE

ENTER %

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeric Range</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>Permitted Range</td>
<td>0 TO 100 (Numeric Range)</td>
</tr>
</tbody>
</table>
IF  Qs5_7s = 2  AND ( NOT  qS5_8s = Don’t know )
THEN ASK: QS5_9s

QS5_9s  And what percentage of non-members and new employees would you enrol into the new personal account pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ___________________________________________________________

Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS5_8s = Don’t know OR  Qs5_9s = Don’t know
THEN ASK: S5_9bs

S5_9bs  Do you think you would enrol the majority of non-members and new employees into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

IF  Qs5_7s = 1  OR  Qs5_7s = 2  OR  qS5_7s = 4
THEN ASK: Qs5_10s

QS5_10s  TEXT SUB [If code 1,3 or 4 at S5_2 - You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …]

For non-members and new employees enrolled into your EXISTING scheme, would your organisation contribute....

READ OUT

the same as for members of your existing scheme  1
less than for members of your existing scheme but more than 3%  2
at the 3% minimum required rate  3
or more than for members of your existing scheme  4
Don’t know  Y
Other  0
Other specify...........................................................................................................
IF QS5_10s = less than for members of your existing scheme but more than 3% OR QS5_10s = or more than for members of your existing scheme
THEN ASK: QS5_10a1s

QS5_10a1s At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

| Percentage | 1 |
| Amount     | 2 |
| Don’t know | Y |

IF QS5_10a1s = Percentage
THEN ASK: QS5_10a2s

QS5_10a2s ENTER PERCENTAGE

| Numeric Range | |
| Don’t know    | Y |
| Permitted Range | 0 TO 100 (Numeric Range) |

IF QS5_10a1s = Amount
THEN ASK: QS5_102s

QS5_102s ENTER AMOUNT

| Numeric Range | |
| Don’t know    | Y |
| Permitted Range | 0 TO 10000 (Numeric Range) |

IF NOT ( qs5_102s = Don’t know )
THEN ASK: Qtime3s
Qtime3s  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF  Qs5_7s = 2  OR  Qs5_7s = 3  OR  Qs5_7s = 4
THEN ASK: Qs5_11s

QS5_11s  TEXT SUB [If code 1,3 or 4 at S5_2 - You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …]

For non-members and new employees enrolled into the new personal account pension scheme, would you provide an employer contribution which is.....

the same as for members of your existing scheme  1
less than for members of your existing scheme but more than 3%  2
at the 3% minimum required rate  3
or more than for members of your existing scheme  4
Don’t know  Y
Other  0
Other specify...

IF  QS5_11s = less than for members of your existing scheme but more than 3%
OR  QS5_11s = or more than for members of your existing scheme
THEN ASK: QS5_12s

QS5_12s  At what level would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS5_12s = Percentage
THEN ASK: QS5_12as
QS5_12as ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range 0 TO 100 (Numeric Range)

IF QS5_12s = Amount of money THEN ASK: QS5_12bs

QS5_12bs ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range 0 TO 10000 (Numeric Range)

IF QS_512BS = Don’t know THEN ASK: QTIME4S

Qtime4s And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify................................................................................................................

IF qmember = No OR qmember = Don’t know THEN ASK: QS5_7NM
The new requirements mean that from 2012 you will be required to enrol all eligible employees into a pension scheme unless they decide to opt out.

Thinking about your existing employees who are not currently members of your existing pension arrangements, will you [reopen your current scheme and] TEXT FILL IF ONLY HAVE CLOSED SCHEME (TEXT FILL TO APPEAR BEFORE FIRST TWO CODES LAST CODE WILL NOT HAVE THIS TEXT FILL BEFORE IT )…

READ OUT

IF NECESSARY: We are only referring to eligible employees, that is those aged over 22 years of age and earning over £5,000.

Enrol all non-members into your existing scheme 1
Enrol some into your existing scheme and some into the new personal account pension scheme 2
Enrol all non-members into the new personal account pension scheme 3
OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT) 4
Don’t know Y
Other 0
Other specify................................................................................................................

IF  QS5_7NM = Other
THEN ASK: Qs5_7anm

The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

Don’t know Y
None of these X

IF  QS5_7NM = 2
THEN ASK: QS5_8NM

What percentage of non-members would you enrol into your existing pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)
IF ( QS5_7NM = 2 ) AND ( NOT QS5_8NM = Don’t know )
THEN ASK: QS5_9NM

QS5_9nm  And what percentage of non-members would you enrol into the new personal account pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF   QS5_7nm = Don’t know OR    QS5_9nm = Don’t know
THEN ASK: QS5_9BNM

Qs5_9bnm  Do you think you would enrol the majority of non members into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know Y

IF   QS5_7nm = 1 OR    QS5_7nm = 2 OR    QS5_7nm = 4
THEN ASK: QS5_10nm

QS5_10nm  TEXT SUB [If code 1,3 or 4 at S5_2 - You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …]

For non-members enrolled into your existing scheme, would your organisation contribute....

READ OUT

the same as for members of your existing scheme  1
less than for members of your existing scheme but more than 3%  2
at the 3% minimum required rate  3
or more than for members of your existing scheme  4
Don’t know Y
Other  0
Other specify...............................................................................................................

Appendices – Questionnaire
IF QS5_10nm = less than for members of your existing scheme but more than 3% OR QS5_10nm = or more than for members of your existing scheme THEN ASK: QS5_10a1nm

QS5_10a1nm At what rate would you contribute?
INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage 1
Amount 2
Don’t know Y

IF QS5_10a1nm = Percentage
THEN ASK: QS5_10a2nm

QS5_10a2nm ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF QS10a1nm = Amount
THEN ASK: QS5_102nm

QS5_102nm ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS5_102nm = Don’t know )
Qtime3nm  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF  QS5_7nm = 2  OR  QS5_7nm = 3  OR  QS5_7nm  = 4
THEN ASK: QS5_11nm

QS5_11nm  TEXT SUB [If code 1,3 or 4 at S5_2 - You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …]

For non-members enrolled into the new personal account pension scheme, would you provide an employer contribution which is....

the same as for members of your existing scheme  1
less than for members of your existing scheme but more than 3%  2
at the 3% minimum required rate  3
or more than for members of your existing scheme  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF  QS5_11nm = less than for members of your existing scheme but more than 3%  OR  QS5_11nm = or more than for members of your existing scheme
THEN ASK: QS5_12nm

QS512_nm  At what level would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS5_12nm = Percentage
THEN ASK: QS5_12anm
QS5_12anm ENTER PERCENTAGE

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF QS5_12nm = Amount of money
THEN ASK: QS5_12bnm

QS5_12bnm ENTER AMOUNT

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS5_12bnm = Don’t know )

Qtime4nm And what period would this contribution cover?

IF NECESSARY. We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify.............................................................................................................

ASK IF QMEMBER = 2 OR DK
QS5_7ne  Thinking now about NEW EMPLOYEES who join your organisation, will you [reopen your current scheme and] TEXT FILL IF ONLY HAVE CLOSED SCHEME (TEXT FILL TO APPEAR BEFORE FIRST TWO CODES LAST CODE WILL NOT HAVE THIS TEXT FILL BEFORE IT )…

READ OUT

IF NECESSARY: We are only referring to eligible employees, that is those aged over 22 or over and earning more than about £35,000.

Enrol all new employees into your existing scheme  1
Enrol some into your existing scheme and some into the new personal account pension scheme  2
Enrol all new employees into the new personal account pension scheme  3
OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)  4
Don’t know  Y
Other  0
Other specify........................................................................................................................................

IF  QS5_7ne = Other
THEN ASK: QS5_7ane

QS5_7ane  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

Don’t know  Y
None of these  X

IF  QS5_7ne = 2
THEN ASK: QS5_8ne

QS5_8ne  What percentage of new employees would you enrol into your existing pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE

ENTER %

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF NOT ( QS5_8ne = Don’t know )
THEN ASK: QS5_9ne
And what percentage of new employees would you enrol into the new personal account pension scheme?

**IF UNSURE PROBE FOR BEST ESTIMATE**

ENTER %

Numeric Range ___________________________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

**IF QS5_8ne = Don’t know OR QS5_9ne= Don’t know**
**THEN ASK: QS5_9bne**

Do you think you would enrol the majority of new employees into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme 1
Enrol majority to personal account pension scheme 2
Don’t know Y

**IF QS5_7ne = 1 OR QS5_7ne = 2 OR QS5_7ne = 4**
**THEN ASK: QS5_10ne**

TEXT SUB [If code 1,3 or 4 at S5_2- You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …] For new employees enrolled into your existing scheme, would your organisation contribute....

READ OUT

the same as for members of your existing scheme 1
less than for members of your existing scheme but more than 3% 2
at the 3% minimum required rate 3
or more than for members of your existing scheme 4
Don’t know Y
Other 0
Other specify.........................................................................................................................
IF Q5.10ne = less than for members of your existing scheme but more than 3%
OR Q5.10ne = or more than for members of your existing scheme
THEN ASK: Q5.10a1ne

Q5.10a1ne At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage 1
Amount 2
Don’t know Y

IF Q5.10a1ne = Percentage
THEN ASK: Q5.10a2ne

Q5.10a2ne ENTER PERCENTAGE

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF Q5.10a1ne = Amount
THEN ASK: Q5.102ne

Q5.102ne ENTER AMOUNT

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT (Q5.102ne = Don’t know)
THEN ASK: Qtime3ne
Qtime3ne  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF  Q55_7ne = 2 OR Q55_7ne = 3 OR Q55_7ne = 4
THEN ASK: Q55_11ne

Q55_11ne  TEXT SUB [If code 1,3 or 4 at 55_2- You mentioned that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate …]

For new employees enrolled into the new personal account pension scheme, would you provide an employer contribution which is.....

the same as for members of your existing scheme  1
less than for members of your existing scheme but more than 3%  2
at the 3% minimum required rate  3
or more than for members of your existing scheme  4
Don’t know  Y
Other  0
Other specify................................................................................................................

IF  Q55_11ne = less than for members of your existing scheme but more than 3%
OR  Q55_11ne = or more than for members of your existing scheme
THEN ASK: Q55_12ne

Q55_12ne  At what level would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  Q55_12ne = Percentage
THEN ASK: Q55_12ane
QS5_12ane  ENTER PERCENTAGE

Numeric Range ____________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS5_12ne = Amount of money
THEN ASK: QS5_12bne

QS5_12bne  ENTER AMOUNT

Numeric Range ____________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS5_12bne = Don’t know )
THEN ASK: Qtime4ne

Qtime4ne  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know Y
Other  0
Other specify................................................................................................................

IF  Contributor less than 3% OR Contributor unknown amount OR Provider not contributing OR Provider no members
As I mentioned, from 2012, you will be required to enrol all eligible employees into a pension scheme and contribute at least 3% for employees who do not opt out.

Employers with a pension scheme providing contributions or benefits at least comparable to the new personal account pension scheme will have a choice over whether to enrol eligible employees into their existing scheme, into the new personal account pension scheme, or into a combination of the two.

I would now like you to think about what you might do once the new requirements are introduced.

IF   Provider no members
THEN ASK: Q6_1b

Q6_1b   Thinking about your existing scheme, will you....
[reopen your existing scheme and] TEXT FILL FOR THE FIRST 2 CODES IF (QOPEN = 2 AND QLARGE NOT IN 1:4).

- enrol all eligible employees into your existing scheme
- enrol some into your existing scheme and some into the new personal account pension scheme
- or just enrol all eligible employees into the new personal account pension scheme
- OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)
- Don’t know
- Other
- Other specify

IF   Q6_1b = Other
THEN ASK: Q61CA

Q61CA   The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

- Don’t know
- None of these

IF   Qs6_1b = 2
THEN ASK: Q6_1d
QS6_1d  What percentage of employees would you enrol into your existing scheme?
IF UNSURE ASK FOR BEST ESTIMATE

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF   Qs6_1b = 2  AND ( NOT  qs6_1d = Don’t know )
THEN ASK: QS6_1e

QS6_1e  And what percentage of employees would you enrol into the new personal account pension scheme?
IF UNSURE ASK FOR BEST ESTIMATE
ENTER %

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

End of Filter Skip130

IF   qs6_1E = Don’t know  OR   QS6_1D = Don’t know
THEN ASK: qS6_1F

qS6_1F  Do you think you would enrol the majority of employees into your existing scheme or would you enrol the majority into the new personal accounts pension scheme?

Enrol the majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

IF   Qs6_1b = 1  OR   QS6_1B = 2  OR   QS6_1B = 4
THEN ASK: Qs6_1g
<table>
<thead>
<tr>
<th>Qs6_1g</th>
<th>For those employees enrolled into your existing scheme, will you....</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Start to make contributions at the minimum required rate of 3% 1</td>
</tr>
<tr>
<td></td>
<td>Start to make contributions at more than 3%                  2</td>
</tr>
<tr>
<td></td>
<td>Don’t know                                                   Y</td>
</tr>
<tr>
<td></td>
<td>Other                                                        0</td>
</tr>
<tr>
<td></td>
<td>Other specify..................................................................</td>
</tr>
</tbody>
</table>

**IF**  
**Qs6_1g = Start to make contributions at more than 3%**  
**THEN ASK:** Qs6_1h

<table>
<thead>
<tr>
<th>Qs6_1h</th>
<th>At what level would you contribute?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY</td>
</tr>
<tr>
<td></td>
<td>Percentage                          1</td>
</tr>
<tr>
<td></td>
<td>Amount of money                     2</td>
</tr>
<tr>
<td></td>
<td>Don’t know                          Y</td>
</tr>
</tbody>
</table>

**IF**  
**Qs6_1H = Percentage**  
**THEN ASK:** Qs6_1G1

<table>
<thead>
<tr>
<th>Qs6_1G1</th>
<th>ENTER PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numeric Range ____________________________________________</td>
</tr>
<tr>
<td></td>
<td>Don’t know       Y</td>
</tr>
<tr>
<td></td>
<td>Permitted Range  0 TO 0.99 (Numeric Range)</td>
</tr>
</tbody>
</table>

**IF**  
**qS6_1H = Amount of money**  
**THEN ASK:** Qs6_1h1

<table>
<thead>
<tr>
<th>Qs6_1h1</th>
<th>ENTER AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numeric Range ____________________________________________</td>
</tr>
<tr>
<td></td>
<td>Don’t know   Y</td>
</tr>
<tr>
<td></td>
<td>Permitted Range  0 TO 10000 (Numeric Range)</td>
</tr>
</tbody>
</table>
IF NOT (QS6_1h1 = Don’t know)
THEN ASK: Qtime5

Qtime5  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify.............................................................................................................

IF   Qs6_1b = 3  OR    Qs6_1b = 2  OR    Qs61b = 4
THEN ASK: Q6_1c

QS6_1c  For those employees enrolled into the new personal accounts pension scheme will you...

READ OUT

make contributions at the minimum required rate of 3%  1
or contribute at more than 3%  2
Don’t know  Y
Other  0
Other specify.............................................................................................................

IF   Qs6_1c = or contribute at more than 3%
THEN ASK: Q6_1c1

QS6_1c1  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF   Qs6_1c1 = Percentage
THEN ASK: Q6_1c2
QS6_1c2 ENTER PERCENTAGE

Numeric Range ______________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

End of Filter Skip135

IF QS6_1C1 = Amount of money THEN ASK: QS6_1C3

QS6_1C3 ENTER AMOUNT

Numeric Range ______________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( Qs6_1c3 = Don’t know ) THEN ASK: Qtime6

Qtime6 And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify.........................................................................................................................

IF Contributor unknown amount OR Contributor less than 3%
Thinking first about employees who are currently members of your existing scheme, will you...

READ OUT

increase the contribution level to the minimum required rate of 3%  1
Increase the level of contribution to more than 3%  2
or do you plan to wind up or close your existing scheme  3
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF  QS6_1 = Increase the level of contribution to more than 3%
THEN ASK: qs61_1

At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS61_1 = Percentage
THEN ASK: QS61_2

ENTER PERCENTAGE

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range  0 TO 0.99 (Numeric Range)

IF  qs61_2 = Amount of money
THEN ASK: QS61_3
QS61_3  ENTER AMOUNT

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range
0 TO 40000 (Numeric Range)

IF NOT (QS61_3 = Don’t know )
THEN ASK: Qtime7

Qtime7  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify.............................................................................................................

IF   QS6_1 = or do you plan to wind up or close your existing scheme
IF ONLY HAVE A CLOSED SCHEME ANSWERS WILL BE FORCED INTO CODE 2

QS61_4  Would you.....

READ OUT

Close your existing scheme to new members, but continue to contribute for existing members  1
or wind up your existing scheme so there are no members  2
Don’t know  Y

End of Filter Skip223

IF   qs61_4= 1
THEN ASK: QS61_5
Can I just check, for existing members of this scheme will your organisation...

- increase the level to the minimum required rate of 3% 1
- increase the level of contribution to more than 3% 2
- Don’t know Y
- Other 0
- Other specify...............................................................................................................

IF QS61_5 = increase the level of contribution to more than 3%
THEN ASK: QS61_6

At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

- Percentage 1
- Amount 2
- Don’t know Y

IF QS61_6 = Percentage
THEN ASK: QS61_7

ENTER PERCENTAGE

Numeric Range ___________________________________________________________
- Don’t know Y
- Permitted Range
  0 TO 100 (Numeric Range)

IF QS61_6 = Amount
THEN ASK: QS61_8

ENTER AMOUNT

Numeric Range ___________________________________________________________
- Don’t know Y
- Permitted Range
  0 TO 10000 (Numeric Range)
IF NOT (QS61_8 = Don’t know)
THEN ASK: Qtime8

Qtime8  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per week</td>
<td>1</td>
</tr>
<tr>
<td>Per 4 weeks</td>
<td>2</td>
</tr>
<tr>
<td>Per calendar month</td>
<td>3</td>
</tr>
<tr>
<td>Per year</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Other specify</td>
<td></td>
</tr>
</tbody>
</table>

IF NOT (QS61_4 = Don’t know)

QS61_9  Can I just check, does this mean that you plan to enrol all new members and new employees/eligible employees into the new personal account pension scheme?

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF QS61_9 = No
THEN ASK: Qs61_9a

QS61_9a  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

PROMPT - WHAT ELSE/ WHY DO YOU SAY THAT

<table>
<thead>
<tr>
<th>Option</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>None of these</td>
<td>X</td>
</tr>
</tbody>
</table>

IF QS61_9 = Yes
QS61_10 You mentioned you would [close/wind up] your existing scheme and enrol all [non members and new employees/ eligible employees] into the new personal account pension scheme [TEXT SUB IF WOULD CHANGE AMOUNT CONTRIBUTED FOR EXISTING SCHEME] and that you would change the amount contributed to your existing scheme for current scheme members. Thinking about this revised rate...

For employees enrolled into the new personal account pension scheme, would your organisation contribute....READ OUT

the same as [TEXT SUB IF WOULD WIND UP SCHEME: CURRENTLY CONTRIBUTED] for members of your existing scheme

1

at the 3% minimum required rate

2

or more than [TEXT SUB IF WOULD WIND UP SCHEME: CURRENTLY CONTRIBUTED] for members of your existing scheme

3

Don’t know

Y

Other

0

Other specify.........................................................................................................................

IF   QS61_10= 3  OR
THEN ASK: QS61_11

QS61_11 At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage

1

Amount

2

Don’t know

Y

IF   QS61_11 = Percentage
THEN ASK: QS61_12

QS61_12 ENTER PERCENTAGE

Numeric Range ___________________________________________________________

Don’t know

Y

Permitted Range

0 TO 100 (Numeric Range)

IF   QS61_11 = Amount
THEN ASK: QS61_12a
QS61_12a ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know

Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS61_12a = Don’t know )
THEN ASK: Qtime9

Qtime9 And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify...............................................................................................................

IF Provider not contributing
THEN ASK: QS6_1cd

QS6_1cd Thinking about employees who are currently members of your existing scheme, will you.....

Start to make contributions at the minimum required rate of 3% 1
Start to make contributions at more than 3% 2
or do you plan to wind up or close your existing scheme 3
Don’t know Y
Other 0
Other specify...............................................................................................................

IF QS6_1CD = Start to make contributions at more than 3%
THEN ASK: qs6_1cd1
qs6_1cd1  At what level would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF   QS6_1cd1 = Percentage
THEN ASK: QS6_1CD2

QS6_1CD2  ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 0.99 (Numeric Range)

IF   qs6_1cd1 = Amount of money
THEN ASK: QS6_1cd3

QS6_1cd3  ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 40000 (Numeric Range)

IF NOT ( QS6_1cd3 = Don’t know )
THEN ASK: Qtime10

Qtime10  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

Appendices – Questionnaire
IF qs6_1cd = or do you plan to wind up or close your existing scheme. IF ONLY HAVE A CLOSED SCHEME ANSWERS WILL BE FORCED TO CODE 2

Qs62_1 Would you...
Close your existing scheme to new members, but start to make contributions for existing members 1
Or wind up your scheme so there are no longer any members 2
Don't know Y

IF Qs62_1 = 1
THEN ASK: Qs62_2

Qs62_2 Can I just check, for existing members of this scheme will your organisation...
Start to make contributions at the minimum required rate of 3% 1
Start to make contributions at more than 3% 2
Don’t know Y
Other 0
Other specify.............................................................................................................

IF qs62_2 = Start to make contributions at more than 3%
THEN ASK: Qs62_3

Qs62_3 At what rate would you contribute?
INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY
Percentage 1
Amount of money 2
Don’t know Y

IF qs62_3 = Percentage
THEN ASK: Q62_4

Q62_4 ENTER PERCENTAGE

Numeric Range _______________________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)
IF QS62_3 = Amount of money
THEN ASK: QS62_5

QS62_5 ENTER AMOUNT

Numeric Range __________________________________________________________
Don’t know Y
Permitted Range
0 TO 9999999 (Numeric Range)

IF NOT (QS62_5= Don’t know )
THEN ASK: Qtime11

Qtime11 And what time period would this amount cover?

IF NECESSARY: We are trying to establish how often this payment is made

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per week</td>
<td>1</td>
</tr>
<tr>
<td>Per 4 weeks</td>
<td>2</td>
</tr>
<tr>
<td>Per calendar month</td>
<td>3</td>
</tr>
<tr>
<td>Per year</td>
<td>4</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td>Other specify</td>
<td></td>
</tr>
</tbody>
</table>

IF NOT (QS62_1 = Don’t know) i.e. those who plan to close scheme

QS6_2 Can I just check, you said you would [close/wind up] your existing scheme. Do you plan to enrol all [non-members and new employees/eligible employees] into the new personal account pension scheme?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>

IF QS6_2 = No OR
THEN ASK: Q62a
QS62a The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply with these requirements?

PROMPT - WHAT ELSE/WHY DO YOU SAY THAT

Don’t know Y
None of these X

IF QS62 = Yes
THEN ASK: QS6_3

QS6_3 For those employees enrolled into the new personal account pension scheme, would your organisation provide an employer contribution which is....READ OUT

more than the minimum required rate of 3% 1
or at the minimum required rate of 3% 2
Don’t know Y
Other (DO NOT READ OUT) 0
Other specify...............................................................................................................

IF QS6_3 = more than the minimum required rate of 3%
THEN ASK: QS6_4

QS6_4 At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage 1
Amount 2
Don’t know Y

IF QS6_4 = Percentage
THEN ASK: QS6¬_4a

QS6_4a ENTER PERCENTAGE

Numeric Range __________________________________________________________
Don’t know Y
Permitted Range 0 TO 100 (Numeric Range)
IF QS6_4 = Amount
THEN ASK: QS6_4b

QS6_4b ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT (QS6_4b = Don’t know )
THEN ASK: QS6_4c

QS6_4c And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify..............................................................................................................

ASK IF DID NOT SAY THEY WOULD CLOSE OR WIND UP SCHEME AND HAVE MEMBERS

IF qs6_1 = increase the contribution level to the minimum required rate of 3% OR
qs6_1 = Increase the level of contribution to more than 3% OR qs6_1 = Other OR
qs6_1 = Don’t know OR qs6_1cd = Start to make contributions at the minimum required rate of 3% OR
qs6_1cd = Start to make contributions at more than 3% OR qs6_1cd = Other OR qs6_1cd = Don’t know
THEN ASK: Qmembe2

Qmembe2 Thinking of employees who are not currently members of your existing pension arrangements, will you offer current employees who are not members and new employees the same arrangements in terms of where you will enrol them and pension contribution rates?

Yes 1
No 2
Don’t know Y
IF  qmembe2 = Yes

QS6_5s  The new requirements mean that from 2012 you will be required to enrol all eligible employees into a pension scheme unless they decided to opt out.

Thinking now about your existing employees who are not currently members of your existing pension arrangements and new employees who join your organisation. Will you [reopen your existing scheme and] TEXT FILL IF (QOPEN = 2 AND QLARGE NOT IN 1:4]

READ OUT

IF NECESSARY: We are only referring to eligible employees, that is those aged 22 or over and earning more than about £35,000.

Enrol all non-members and new employees into your existing scheme  1
Enrol some into your existing scheme and some into the new personal account pension scheme  2
Enrol all non-members and new employees into the new personal account pension scheme  3
OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF  QS6_5s = Other
THEN ASK: QS65a

QS65a  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

Don’t know  Y
None of these  X

IF  Qs6_5s = 2
THEN ASK: QS6_6s
QS6_6s  What percentage of non-members and new employees would you enrol into your existing pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  qs6_5s = 2  AND ( NOT  qs6_6s = Don’t know )
THEN ASK: QS6_7s

QS6_7s  And what percentage of non-members and new employees would you enrol into the new personal account pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS6_6s = Don’t know OR  QS6_7s = Don’t know
THEN ASK: Q6_7as

QS6_7as  Do you think you would enrol the majority of non members and new employees into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

IF  Qs6_5s = 1  OR  Qs6_5s = 2  OR  Qs6_5s = 4
THEN ASK: Q6_8s
QS6_8s  For non-members and new employees enrolled into your existing scheme, would your organisation contribute....

READ OUT

more than the 3% minimum required rate  
1  
or at the 3% minimum required rate  
2  
Don’t know  
Y  
Other (DO NOT READ OUT)  
0  
Other specify.............................................................................................................

IF  QS6_8s = more than the 3% minimum required rate  
THEN ASK: QS6_9s

QS6_9s  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  
1  
Amount  
2  
Don’t know  
Y

IF  QS6_9s = Percentage  
THEN ASK: QS6_9as

QS6_9as  ENTER PERCENTAGE

Numeric Range ____________________________________________  
Don’t know  
Y  
Permitted Range  
0 TO 100 (Numeric Range)

IF  QS6_9s = Amount  
THEN ASK: QS6_9bs

QS6_9bs  ENTER AMOUNT

Numeric Range ____________________________________________  
Don’t know  
Y  
Permitted Range  
0 TO 10000 (Numeric Range)
IF NOT ( Qs6_9bs = Don’t know )
THEN ASK: Qtime12s

Qtime12s  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify.................................................................................................................

IF   Qs6_5s = 2  OR    Qs6_5s= 3  OR Qs6_5s = 4
THEN ASK: QS6_10s

QS6_10s  For non-members and new employees enrolled into the new personal account pension scheme, would you provide an employer contribution which is.....

more than the required minimum rate of 3%  1
or at the minimum required rate of 3%  2
Don’t know  Y
Other (DO NOT READ OUT)  0
Other specify.................................................................................................................

IF   QS6_10s = more than the required minimum rate of 3%
THEN ASK: QS6_10as

QS6_10as  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF   QS6_10as = Percentage
THEN ASK: QS6_101s
QS6_101s  ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS6_10as = Amount of money
THEN ASK: QS6_102s

QS6_102s  ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( qs6_102s = Don’t know )
THEN ASK: Qtime13s

Qtime13s  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know Y
Other  0
Other specify...............................................................................................................

IF  Qmembe2 = No OR Qmembe2 = Don’t know
THEN ASK: Q56_5nm
QS6_5nm  The new requirements mean that from 2012 you will be required to enrol all eligible employees into a pension scheme unless they decide to opt out. Thinking now about your existing employees who are not currently members of your existing pension arrangements, will you [reopen your existing scheme and] TEXT FILL BEFORE FIRST TWO CODES IF (QOPEN = 2 AND QLARGE NOT IN 1:4) … READ OUT

IF NECESSARY: We are only referring to eligible employees, that is those aged over 22 years of age and earning over £35,000.

&TVA13& enrol all non-members into your existing scheme  1
&TVA13& enrol some into your existing scheme and some into the new personal account pension scheme  2
Enrol all non-members into the new personal account pension scheme  3
OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF   QS6_5nm= Other
THEN ASK: QS6_5am

QS6_5am  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

Don’t know  Y
None of these  X

IF   Qs6_5nm = 2
THEN ASK: QS6_6nm

QS6_6nm  What percentage of non-members would you enrol into your existing pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)
IF NOT qs6_6nm = Don’t know
THEN ASK: Qs6_7nm

Qs6_7nm And what percentage of non-members would you enrol into the new personal account pension scheme?
IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range __________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF Qs6_6nm = Don’t know OR Qs6_7nm = Don’t know
THEN ASK: Qs6_7anm

Qs6_7anm Do you think you would enrol the majority of non members into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

IF Qs6_5nm = 1 OR Qs6_5nm = 2 OR Qs6_5nm = 4
THEN ASK: Qs6_8nm

Qs6_8nm For non-members enrolled into your existing scheme, would your organisation contribute....

READ OUT

More than the 3% minimum required rate  1
or at the 3% minimum required rate  2
Don’t know  Y
Other (DO NOT READ OUT)  0
Other specify.............................................................................................................

IF Qs6_8nm = More than the 3% minimum required rate
THEN ASK: Qs6_9nm
QS6_9nm  At what rate would you contribute?
INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS6_9nm = Percentage
THEN ASK: QS6_9anm

QS6_9anm  ENTER PERCENTAGE

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS6_9nm = Amount of money
THEN ASK: QS6_9bnm

QS6_9bnm  ENTER AMOUNT

Numeric Range ___________________________________________________________
Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS6_9bnm = Don’t know )
THEN ASK: Qtime12nm
Qtime12nm  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify...............................................................................................................

IF  Qs6_5nm = 2  OR  Qs6_5nm = 3  OR  Qs6_5nm = 4
THEN ASK: Qs6_10nm

QS6_10nm  For non-members enrolled into the new personal account pension scheme, would you provide an employer contribution which is.....

More than the minimum required rate of 3%  1
or at the minimum required rate of 3%  2
Don’t know  Y
Other (DO NOT READ OUT)  0
Other specify...............................................................................................................

IF  qs6_10nm = More than the minimum required rate of 3%
THEN ASK: qs6_10anm

Qs6_10anm  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS6_10ANM = Percentage
THEN ASK: qs6_101nm

Appendices – Questionnaire
Qs6_101nm ENTER PERCENTAGE

Numeric Range __________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF QS6_10ANM = Amount of money
THEN ASK: qs6_102nm

Qs6_102nm ENTER AMOUNT

Numeric Range __________________________________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( Qs6_102nm = Don’t know )
THEN ASK: Qtime13nm

Qtime13nm And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify...............................................................................................................

IF qmembe2 = Don’t know OR qmembe2 = No
THEN ASK: Q6_5ne
Thinking now about NEW EMPLOYEES who join your organisation, will you [reopen your existing scheme and] Text fill if (QOPEN = 2 AND QLARGE NOT IN 1:4) …

Read out

If necessary: We are only referring to eligible employees, that is those aged over 22 years of age and earning over £35,000.

Enrol all new employees into your existing scheme 1
Enrol some into your existing scheme and some into the new personal account pension scheme 2
Enrol all new employees into the new personal account pension scheme 3
Offer both and let employees decide (do not read out) 4
Don’t know  Y
Other 0
Other specify…………………………………………………………………………………………

If QS6_5ne = Other
Then ask: QS6_5ane

The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply?

Don’t know  Y
None of these  X

If QS6_5ane = 2
Then ask: QS6_6ane

What percentage of new employees would you enrol into your existing pension scheme?

If unsure probe for best estimate
Enter %

Numeric range ___________________________________________________________
Don’t know  Y
Permitted range
0 TO 100 (Numeric range)

If not QS6_6ane = Don’t know
Then ask: QS6_7ane
And what percentage of new employees would you enrol into the new personal account pension scheme?

If unsure probe for best estimate
Enter %

Numeric Range _________________________________ Y
Don’t know
Permitted Range
0 TO 100 (Numeric Range)

If QS6.6ne = Don’t know OR QS6.7ne = Don’t know
Then ask: QS6.7ane

Do you think you would enrol the majority of new employees into your existing scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority into existing scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

If Qs6.5ne = 2 OR Qs6.5ne = 1 OR Qs6.5ne = 4
Then ask: Qs6.8ne

For new employees enrolled into your existing scheme, would your organisation contribute....

Read out

more than the 3% minimum required rate  1
or at the 3% minimum required rate  2
Don’t know  Y
Other (specify)  0
Other specify.............................................................................................................

If qs6.8ne = more than the 3% minimum required rate
Then ask: Qs6.9ne
QS6_9ne  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  QS6_9ne = Percentage THEN ASK: QS6_9ane

QS6_9ane  ENTER PERCENTAGE

Numeric Range ___________________________________________________________

Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS6_9ne = Amount of money THEN ASK: QS6_9bne

QS6_9bne  ENTER AMOUNT

Numeric Range ___________________________________________________________

Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS6_9bne = Don’t know ) THEN ASK: Qtime12ne
Qtime12ne And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify..............................................................................................................

IF  QS6_5ne = 2 OR   Qs6_5ne = 3 OR   Qs6_5ne = 4
THEN ASK: Qs6_10ne

Qs6_10ne For new employees enrolled into the new personal account pension scheme, would you provide an employer contribution which is.....

more than the minimum required rate of 3% 1
or at the minimum required rate of 3% 2
Don’t know Y
Other (DO NOT READ OUT) 0
Other specify.................................................................

IF   Qs6_10ne = more than the minimum required rate of 3%
THEN ASK: Qs6_10ane

Qs6_10ane At what level would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage 1
Amount of money 2
Don’t know Y

IF   Qs6_10ane = Percentage
THEN ASK: Qs6_101ne
QS6_101ne ENTER PERCENTAGE

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF QS6_101ne = Amount of money
THEN ASK: QS6_102ne

QS6_102ne ENTER AMOUNT

Numeric Range ________________________________
Don’t know Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS6_102ne = Don’t know )
THEN ASK: Qtime13ne

Qtime13ne And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week 1
Per 4 weeks 2
Per calendar month 3
Per year 4
Don’t know Y
Other 0
Other specify...............................................................................................................

IF No pension scheme
THEN ASK: QS7_1

As I mentioned from 2012 you will be required to enrol all eligible employees into a pension scheme and contribute at least 3% for employees who do not opt out.
QS7_1  Do you think you will ...

SINGLE CODE.  DO NOT READ OUT

Set up your own scheme and enrol ALL employees into this scheme  1
Set up your own scheme and enrol some employees into this scheme and some into the new personal accounts scheme  2
Or enrol all employees into the new personal accounts scheme  3
WOULD OFFER BOTH AND LET EMPLOYEES DECIDE (DO NOT READ OUT)  4
Don’t know  Y
Other  0
Other specify ..................................................

IF  QS7_1 = Other
THEN ASK: QS72

QS72  The proposals state that you will be required to enrol all eligible employees into a pension scheme, what would you do to comply with these requirements?

PLEASE PROBE “Why do you say that”

Don’t know  Y

IF  QS7_1 = 2
THEN ASK: QS7_2a

QS7_2a  What percentage of non-members and new employees would you enrol into your own scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF (Qs7_1 = 2) AND (NOT QS7_2a = Don’t know)
THEN ASK: QS7_2b
QS7_2b  And what percentage of non-members and new employees would you enrol into the new personal account pension scheme?

IF UNSURE PROBE FOR BEST ESTIMATE
ENTER %

Numeric Range ____________________________________________________________________________
Don’t know Y
Permitted Range
0 TO 100 (Numeric Range)

IF  QS7_2a = Don’t know OR QS7_2b = Don’t know
THEN ASK: QS7_2c

QS7_2c  Do you think you would enrol the majority of non-members and new employees into your own scheme or would you enrol the majority into the new personal account pension scheme?

Enrol majority to own scheme  1
Enrol majority to personal account pension scheme  2
Don’t know  Y

IF  Qs7_1 = 1 OR Qs7_1 = 2 OR Qs7_1 = 4
THEN ASK: QS7_3

QS7_3  Employers will be required to make a minimum employer contribution of 3% for all employees who do not opt out of the scheme. For employees enrolled into YOUR OWN SCHEME will you contribute...

READ OUT

The minimum required rate of 3%  1
More that 3%  2
Don’t know  Y
Other  0
Other specify................................................................................................................................

IF  qs7_3 = More that 3%
THEN ASK: QS7_4
**QS7_4**  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

| Percentage | 1 |
| Amount of money | 2 |
| Don’t know | Y |

**IF**  QS7_4 = Percentage
**THEN** ASK: QS7_5

**QS7_5**  ENTER PERCENTAGE

| Numeric Range | ________________________________ |
| Don’t know | Y |
| Permitted Range | 0 TO 100 (Numeric Range) |

**IF**  QS7_4 = Amount of money
**THEN** ASK: QS7_6

**QS7_6**  ENTER AMOUNT

| Numeric Range | ________________________________ |
| Don’t know | Y |
| Permitted Range | 0 TO 10000 (Numeric Range) |

**IF NOT**  ( QS7_6 = Don’t know )
**THEN** ASK: Qtime14
Qtime14  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify.................................................................................................................

IF  Qs7_1 = 2  OR  Qs7_1 = 3  OR  Qs7_1 = 4
THEN ASK: QS7_7

QS7_7  Employers will be required to make a minimum employer contribution of 3% for all employees who do not opt out of the scheme. For employees enrolled into the NEW PERSONAL ACCOUNT PENSION SCHEME will you contribute...

READ OUT

The minimum required rate of 3%  1
More that 3%  2
Don’t know  Y
Other  0
Other specify .................................................................................................................

IF  QS7_7 = More that 3%
THEN ASK: QS7_8

QS7_8  At what rate would you contribute?

INTERVIEWER RECORD WHETHER THIS IS A PERCENTAGE OR AMOUNT OF MONEY

Percentage  1
Amount of money  2
Don’t know  Y

IF  qS7_8 = Percentage
THEN ASK: QS7_9
QS7_9  ENTER PERCENTAGE

Numeric Range ________________________________
Don’t know  Y
Permitted Range
0 TO 100 (Numeric Range)

IF  qS7_8 = Amount of money
THEN ASK: QS7_10

QS7_10  ENTER AMOUNT

Numeric Range ________________________________
Don’t know  Y
Permitted Range
0 TO 10000 (Numeric Range)

IF NOT ( QS7_10 = Don’t know )
THEN ASK: Qtime15

Qtime15  And what period would this contribution cover?

IF NECESSARY: We are trying to establish how often this payment would be made.

Per week  1
Per 4 weeks  2
Per calendar month  3
Per year  4
Don’t know  Y
Other  0
Other specify ............................................................................................................

ASK ALL

Qs8_2  Are you likely to seek advice from anyone outside the organisation on how to respond to the new requirements?

Yes  1
No  2
Don’t know  Y
IF QS8_2 = Yes
THEN ASK: QS83

QS83 Are you likely to seek advice from....?

INTERVIEWER: An employer body is an organisation which represents employers (such as CBI etc)

READ OUT AND CODE ALL THAT APPLY

- An accountant 1
- Independent financial adviser 2
- Insurance/Life company representatives 3
- Pension Consultant 4
- Actuaries 5
- A lawyer/legal advisor 6
- Employer bodies 7
- Don’t know Y
- Other 0
- Other specify... ...........................................................................................................

ASK ALL

I would now like to talk you through some of the options for how a possible compliance regime might work.

Qcompli One proposal is that employers would be required to provide information to a registration body, to show they are complying with the new requirements. This could involve providing details such as where an employer plans to enrol employees. Employers may be asked to provide this information online.

Would you find this....

- Very easy to do 1
- Fairly easy 2
- Not very easy 3
- Not easy at all 4
- Don’t know Y

Qletter One proposal for dealing with non-compliant employers is that, initially, they would be issued with a letter asking why they have not complied. Do you think this is appropriate as a first step?

- Yes 1
- No 2
- Don’t know Y
If an employer remains non-compliant without an explanation they might then be fined. Do you think it's appropriate that employers who remain non-compliant without explanation should get fined?

Yes 1
No 2
Don’t know Y

Would you be likely to seek advice on how to comply with the new requirements from any of the following?

READ OUT   CODE ALL THAT APPLY

INTERVIEWER: An employer body is an organisation which represents employers (such as CBI etc)

An accountant 1
An independent financial adviser 2
An employer body 3
Payroll manager 4
Trade associations (specify) 5
Business link (a government advice and information service) 6
Would not seek any advice on compliance 7
Don’t know Y
Other 0
Other specify.............................................................................................................

IF QADVICE = Trade associations (specify)
THEN ASK: Addv2

Which trade associations would you seek advice from?

Don’t know Y

ASK ALL
Qoptout If all your employees aged 22 or over and earning more than about £35,000 were enrolled into a pension scheme in which they had to contribute at least 4% of their salary and also received an employer contribution of at least 3%, what proportion do you think would OPT OUT? Do you think it would be...

READ OUT SINGLE CODE

None or hardly any of them 1
Less than a quarter of them 2
Between a quarter and half of them 3
About half of them 4
Between a half and three quarters of them 5
All or most of them 6
Don’t know Y

Before the new requirements are implemented the government wants to raise awareness among both employers and employees about what the new requirements will mean for them. There are a number of different channels the Government might use to do this.

Qcommun Of the following communication methods, which ONE do you think would be MOST useful for raising awareness about the new requirements among employers?

READ OUT SINGLE CODE

Websites 1
Journals 2
Newspaper articles or adverts 3
TV programs or adverts 4
Radio programs or adverts 5
Mail shots (e.g. leaflets etc) 6
Don’t know Y
Other 0
Other specify.................................................................................................................
In the run up to implementation, the government will be providing all employers with information about what they will need to do once the new requirements are introduced. How would you MOST like to receive this information?

READ OUT SINGLE CODE

INTERVIEWER: IF RESPONSE IS ‘OTHER’ PLEASE CODE ‘OTHER’ AT THIS QUESTION AND THEN ENTER OTHER RESPONSE ON NEXT SCREEN

By post (e.g. information pack/leaflets) 1
Online through a website 2
Via e-mail 3
Don’t know Y
Other (DO NOT READ OUT) 0
Other specify.............................................................................................................

In the run up to implementation and beyond which of the following would you prefer to use if you had a question or wanted more information about what you will need to do?

READ OUT SINGLE CODE

INTERVIEWER: IF RESPONSE IS ‘OTHER’ PLEASE CODE ‘OTHER’ AT THIS QUESTION AND THEN ENTER OTHER RESPONSE ON NEXT SCREEN

A specifically designed website 1
e-mail 2
A designated telephone helpline 3
Don’t know Y
Other (DO NOT READ OUT) 0
Other specify.............................................................................................................

IF Would enrol employees into personal accounts
THEN ASK: Qpost

Would your organisation be happy for eligible employees to receive information by post about the new personal account pension scheme at your worksite address?

Yes 1
No 2
Don’t know Y

IF Would enrol employees into personal accounts AND acces = Yes all employees OR Qaccess = Yes some employees
THEN ASK: Qaccess
**Qaccint**  
You mentioned earlier that employees currently have access to the internet. One possibility is that employees would be able to access information about their personal account or manage it online. Would you be happy for employees to use the internet at your worksite address for this purpose?

<table>
<thead>
<tr>
<th>Response</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (include if say only as long as it is on employee's own time)</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>

**ASK ALL**

**CName**  
Can I just confirm the full name of your company?

<table>
<thead>
<tr>
<th>Response</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
<tr>
<td>Refused</td>
<td>Z</td>
</tr>
</tbody>
</table>

**JTitle**  
And may I take your job title?

ENTER JOB TITLE
INTERVIEWER: CHECK JOB TITLE COMPLETE (i.e. Manager is not enough, need department as well)

<table>
<thead>
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</tr>
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<tbody>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>

**Qrecon**  
In the future BMRB may want to re-contact some people we’ve talked to on this survey to explore some of these issues in more detail, for the purposes of follow up research on behalf of the Department for Work and Pensions. If this is the case, would it be alright for us to contact you again?

<table>
<thead>
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<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>

**ASK IF QRECON = 1**

**Qrecon2**  
If a different research organisation were to carry out this follow-up research on behalf of DWP, would it be alright for us to pass your details on to that research organisation so that they could contact you? By that I mean your name, address, telephone number and some of the answers you have given today.

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td>Don’t know</td>
<td>Y</td>
</tr>
</tbody>
</table>