House of Commons Library

Debate Pack
3 February 2023
Number 0027

By ,
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Saving for later life

1 Background

A debate is scheduled to be held on 7 February 2023 at 9:30am in Westminster Hall on Saving for Later Life. The debate will be opened by Sir Stephen Timms MP. The subject for this debate was determined by the Backbench Business Committee.

1.1 Work and Pensions Select Committee inquiry

The debate follows the Work and Pensions Committee's report Protecting pension savers – five years on from the pension freedoms: Saving for later life which was published on 30 September 2022 and the responses from the Government, Financial Conduct Authority, and the Money and Pensions Service, which were published on 23 January 2023.

The report was the third in a three-part inquiry – 'Protecting pension savers – five years on from the pension freedoms'. The earlier parts had looked at pension scams and accessing pension savings. The Committee's initial call for evidence on saving for later life asked:

1. Do households in the UK have adequate pension savings for retirement?
2. Are changes needed to auto-enrolment to provide an adequate level of pension savings for retirement?
3. What advice and guidance do people need when saving for retirement?
4. Could retirement income targets help savers plan for retirement?
5. Apart from increasing contributions, how can the Government improve outcomes for savers?
6. Can pension providers change the design of pension products to improve outcomes for savers?
7. What should the Government be doing to support self-employed people to save for retirement?
8. Are different or additional measures required to help gig economy workers save for retirement.

9. Are there measures which the Government should consider to close the gender pension gap?[1]

A second call for evidence targeted specifically at employers, their representatives and trade unions asked further questions, included questions on supporting pension savers decisions and automatic enrolment contributions.[2]

1.2 Automatic enrolment

What is automatic enrolment?

Auto-enrolment requires employers to enrol eligible employees into a workplace pension scheme. Unless those employees opt-out, they and their employer will contribute to an occupational pension.

To be eligible for auto-enrolment employees must be:

- At least 22 years old
- Not yet at State Pension age
- Earning more than the auto-enrolment threshold (£10,000)
- Normally working in the UK under a contract of employment.[3]

Auto-enrolment contributions are paid on qualifying earnings. In 2022-23 this is between £6,240 and £50,270 a year. Any employee earning above the lower level of qualifying earnings (£6,240) can ask to be auto-enrolled even if they are not yet 22 years old or do not earn over the auto-enrolment threshold (£10,000).[4]

Employees can opt-out of auto-enrolment by giving their employer an opt-out notice. A decision to opt-out must be taken freely by the employee and employers must not actively encourage their staff to opt-out.[5] Employers are required to re-enrol eligible employees who have opted out every three years.[6]

1 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, Call for Evidence [accessed 3 February 2023]
2 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, Second Call for Evidence [accessed 3 February 2023]
3 Pensions Act 2008, ss 1 and 3
4 The Pensions Regulator, Automatic enrolment earnings thresholds [accessed 2 February 2023]
5 The Pensions Regulator, Automatic enrolment detailed guidance for employers no. 7 [accessed 2 February 2023]
6 Under section 5 of the Pensions Act 2008

Minimum contributions are 3% from employers and 5% from employees on eligible earnings for defined contribution schemes, which provide a provide a pot of money which can be used in retirement and can increase or decrease in value depending on factors such as investment performance.[7] Defined benefit schemes, which pay a promised pension based on factors such as salary and length of service, are normally tested against a benchmark for the entitlement of benefits or for the cost of providing those benefits.[8]

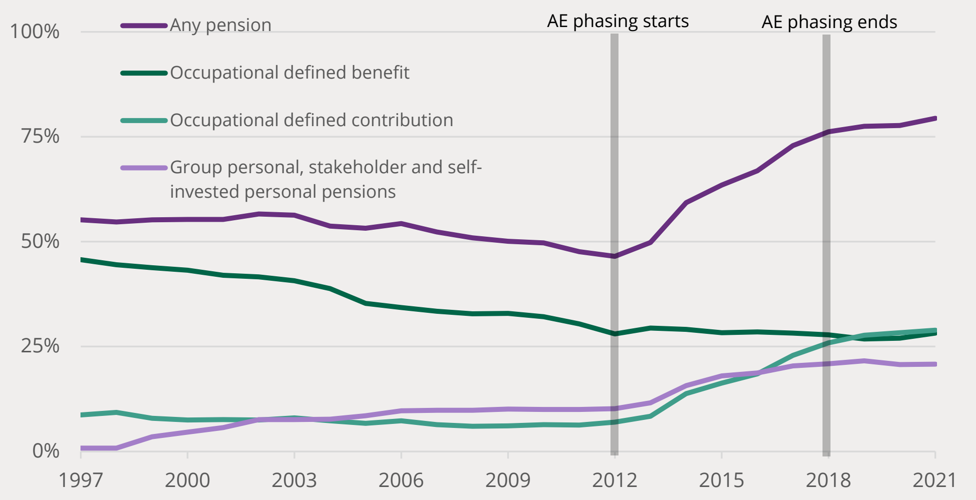
Further information is available in the Library briefing on Pensions: Automatic enrolment – current issues.

What impact did automatic enrolment have?

Since the introduction of automatic enrolment the proportion of employees contributing to a workplace pension has increased significantly. The increase has been driven predominantly by defined contribution pensions, including group personal, stakeholder and self-invested personal pensions. At the same time there has been a steady decline in the proportion of employees contributing to a defined benefit scheme.

Proportion of employees with workplace pension by type of pension

United kingom: 1997 to 2021



Source: Office for National Statistics, Employee Workplace pensions in the UK: 2021 provisional and 2020 final results, figure 1

The DWP publishes statistics on Workplace pension participation and savings trends of eligible employees. This is based on data from the ONS's Annual

7 The Occupational and Personal Pension Schemes (Automatic Enrolment) 2010 (SI 2010/772), reg 32E

8 The Pensions Regulator, Automatic enrolment detailed guidance for employers no. 4 [accessed 2 February 2023]

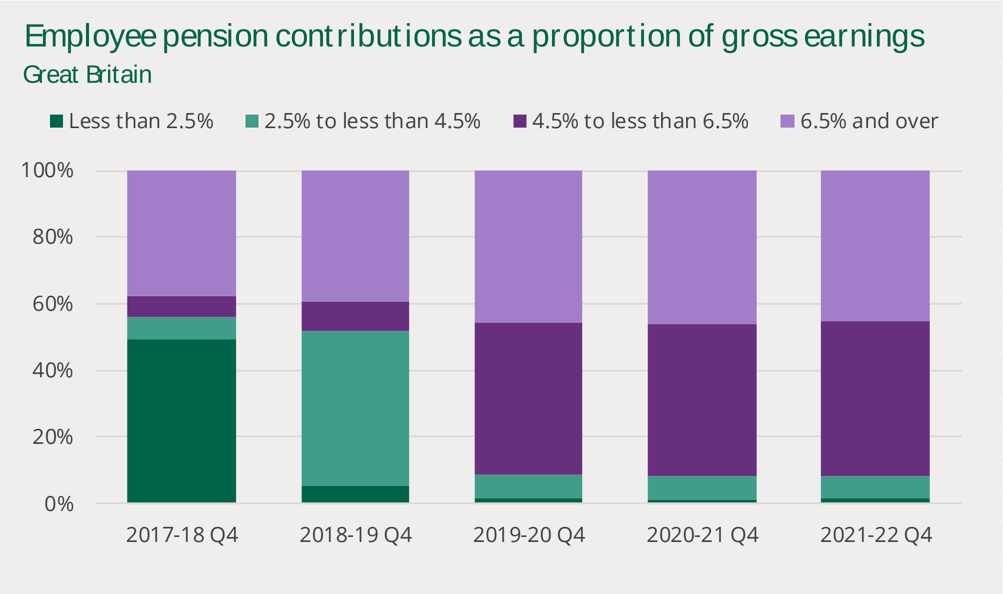
Survey of Hours and Earnings. Data is published on the amount of pension saving for employees, rather than the percentage of earnings saved.

In 2021, 88% of eligible employees participated in a workplace pension scheme. The average annual amount saved per eligible saver was £3,090. The average amount saved by all eligible employees, including those not contributing to a workplace pension, was £2,540.

In the private sector the average annual amount saved per eligible saver showed several years of decline from 2012 to 2017. The falling trend was a result of the increased number of savers in the private sector, many of whom will be making contributions at the automatic enrolment minimum level. This has the effect of lowering the average. This has also affected the average amount saved among all employees.

The average amount saved by private sector employees then increased between 2017 and 2019. This is most likely attributable to the phased increases in minimum contribution rates associated with auto-enrolment, which underpins the growth in pension participation, particularly in the private sector.

The impact of raising the contribution rates in recent years is apparent in the following chart. Typical employee pension contributions are now 4.5%+ of gross earnings for around 90% of employees:



Source: DWP, Workplace pension participation and savings trends: 2009 to 2021, tables 5.2

What was the 2017 review of automatic-enrolment?

In December 2017, DWP published the review of Automatic Enrolment, Maintaining the Momentum, which set out a "comprehensive and balanced package of proposals to continue to normalise pension savings". These included:

- confirming that automatic enrolment should continue to be available to all eligible workers regardless of who their employer is;
- making saving the norm for young people, by lowering the age for automatic enrolment from 22 to 18, to bring an extra 900,000 people into workplace pensions;
- supporting all those who are automatically enrolled, particularly those with low earnings and multiple jobs, to save more for retirement by removing the lower earnings limit so that their contributions are calculated from the first pound of earnings.[9]

The ambition was to implement the changes in the mid-2020s.

The 2017 review found that despite the success of auto-enrolment, around 12 million people (38% of the working age population) were under-saving.[10]

In its report on saving for later life the Work and Pensions Committee recommended that the Government introduce the necessary legislation to implement the recommendations of the 2017 auto-enrolment review by the mid-2020s.[11] In response to the report the Government committed to carrying out further analysis and implementing the 2017 review recommendations by the mid-2020s.[12]

A Private Members' Bill, Pensions (Extension of Automatic Enrolment) Bill, which is currently before Parliament, would introduce some of the changes in the 2017 review.[13] This includes lowering the age for automatic enrolment to 18 and removing the lower qualifying earnings threshold.[14]

1.3 Pension adequacy

There is no consensus on a single definition of an adequate pension or measure of whether or not people are saving enough for later life. Various

9 Department for Work and Pensions, Automatic enrolment review 2017: Maintaining the momentum, 18 December 2018

10 Department for Work and Pensions, Automatic enrolment review 2017: Maintaining the momentum, 18 December 2018

11 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 35

12 Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

13 Pensions (Extension of Automatic Enrolment) Bill

14 As above

bodies have theorised potential measurements, which are identified by the Work and Pensions Committee:

- The Pensions Commission which ran from 2002-06 suggested target replacement rates which look at retirement income as a ratio of earnings in working life. The Commission proposed replacement rates of around 80% for low earners, 60 to 66% for median earners and 50% for higher earners would ensure people can have a similar lifestyle before and after retirement.[15]

- The Pensions and Lifetime Savings Association, an industry body, has published a piece of research titled 'Retirement living standards'. Their research provide three levels of pension incomes, minimum (£10,900 a year for a single person in 2021/22), moderate (£20,800) and comfortable (£33,600), designed to help savers understand retirement savings.[16]

The Work and Pensions Committee recommended that the Government set out plans to build a consensus on what an adequate income in retirement would be. It also recommended that the Government trial auto-escalation schemes, where people commit in advance to increasing their pension contributions for future salary increases.[17]

The Government agreed that statutory contributions of 8% are "unlikely to give all individuals the retirement to which the aspire." It said that it was committed to implementing the recommendations of the 2017 review as a first step before looking at further changes.[18]

1.4 Self-employment

Unlike employees, automatic enrolment does not apply to self-employed people.

In November 2022, the Nest Insight Unit, part of the master trust set up by the Government to support employers meeting their auto-enrolment duties, said that around 4.2 million people in the UK were in some form of self-

15 The Pensions Commission Pensions: Challenges and Choices: The First Report of the Pensions Commission, October 2004, p142 and The Pensions Commission A New Pension Settlement for the Twenty-First Century. The Second Report of the Pensions Commission, November 2005, p132 and

16 The Pensions and Lifetime Savings Association, Retirement Living Standards [accessed 3 February 2023]

17 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 27

18 Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

employment but that only an estimated 18% of them were actively saving in a workplace or personal pension.[19] This compared to 88% of employees eligible for auto enrolment.[20] The Institute for Fiscal Studies similarly found that the proportion of self-employed people contributing to a pension had fallen from 48% in 1998 to 16% in 2018 when it analysed Office for National Statistics data.[21]

In December 2018, the Government published plans for a programme of research and trialling activity which commenced in 2018-19.[22] The Nest Insight Unit published the findings from a series of trials in November 2022. The trials covered:

- Saving nudges
- Flexible saving mechanisms
- Pension scheme messaging trials[23]

The trials found that increased engagement did not result in higher savings, with the Nest Insight Unit saying:

> We found that the innovations tested in all three if these trials were relevant to self-employed people to some extent. We observed relatively high levels of interest in the interventions, which prompted increased engagement.
>
> However, while some of these positive results were statistically significant, the effect sizes were small, and engagement did not translate into meaningfully higher levels of saving.[24]

In its report on saving for later life the Work and Pensions Committee recommended trials of default saving for self-employed people and a consultation on increasing National Insurance paid by self-employed people, with the increase paid into a pension if the self-employed person also contributes 5% of their earnings.[25]

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19 Nest Insight Unit, Innovative trials of retirement saving solutions for self-employed people show promise and will help to inform future solution design, 29 November 2022

20 Nest Insight Unit, Innovative trials of retirement saving solutions for self-employed people show promise and will help to inform future solution design, 29 November 2022

21 Institute for Fiscal Studies, Retirement saving of the self-employed, 16 October 2020

22 Department for Work and Pensions, Pensions and long-term savings trials for self-employed people, 18 December 2018

23 Nest Insight Unit, Summary report: Exploring practical ways to support self-employed people to save for retirement, 29 November 2022

24 Nest Insight Unit, Summary report: Exploring practical ways to support self-employed people to save for retirement, 29 November 2022

25 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 74

In response the Government said that it is working with software developers to explore the opportunities to nudge and encourage self-employed people to save into a pension. It also said that it that HMRC was not actively considering auto-enrolling self-employed people through National Insurance.[26]

1.5 Gig economy

Automatic enrolment only applies to employees and the Pensions Regulator is responsible for ensuring that employers comply with their automatic enrolment duties.[27]

There has been a lack of clarity on how this might apply to different 'gig economy' workers.[28] In February 2021, the UK Supreme Court found that Uber drivers were 'workers' for the purpose of the of the National Minimum Wage Act 1998.[29] The judgement did not explicitly refer to pension rights, though Uber announced in September 2021 that it would auto-enrol its drivers into a pension scheme.[30]

In correspondence with the Work and Pensions Committee, the Pensions Regulator said that it does not consider the legal position of workers to be clear and that it had discussions with BEIS as part of the work to improve clarity of employment status.[31] The Pensions Regulator said that "Employers in the gig economy should recognise and comply with their automatic enrolment (AE) responsibilities voluntarily and promptly."[32]

The Work and Pensions Committee recommended that the Government should bring forward an Employment Bill.[33]

In oral evidence before the BEIS Select Committee on 13 December 2022, Business Secretary Grant Shapps suggested that, given a series of Private

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26 Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

27 Pensions Act 2008

28 There is no single definition of the "gig economy" but the term usually refers to discrete jobs or "gigs" usually operated by businesses through digital platforms.

29 Uber BV v Aslam [2021] UKSC 5 (PDF)

30 NOW: Pensions, Uber launches first pension scheme for drivers, 24 September 2021

31 Work and Pensions Committee, Letter from Chief Executive of the Pensions Regulator to Chair of the Work and Pensions Select Committee re Automatic enrolment and the gig economy (PDF), 1 July 2022

32 As above (PDF)

33 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 85

Members' Bills including, there was no longer any need for a Government Employment Bill, saying:

> "We have had five separate Bills, which the Department has helped sponsor through Back Benchers. I do not think we have an Employment Bill on the cards per se."[34]

The Private Members' Bills currently making their way through Parliament do not address the definition of a worker or propose introducing an enforcement body which would be relevant for auto-enrolment. The Government did however publish new guidance on employment status and employment rights in July 2022.[35] The Business Secretary told the BEIS Select Committee "it may be that with two years left of the Parliament, we are still able to address single enforcement bodies".[36]

Further information on the gig economy is covered in the February 2020 Library briefing on Insecure work: the Taylor Review and the Good Work Plan.

The Work and Pensions Committee also recommended that the Department for Work and Pensions explores sectoral pension schemes, available to any employer in a sector.[37] In response the Government said that it aims to consult soon on proposals for multi-employer master-trust collective defined contribution (CDC) schemes to operate on a sectoral basis or wider.[38]

In a CDC scheme, both the employer and employee contribute to a collective fund which provides an income in retirement. Unlike in a defined benefit scheme the employer does not provide a guarantee. CDC schemes provide a target pension, if the scheme is under (or over) funded then the pensions it pays can be decreased (or increased accordingly). Further information on CDC schemes is available in the Library briefing on Pensions: Collective Defined Contribution (CDC) schemes.

34 BEIS Select Committee, Oral evidence: The work of the Business, Energy and Industrial Strategy Department, HC 529, 13 December 2022, Q145

35 Department for Business, Energy & Industrial Strategy, Guidance: Employment status and employment rights, 26 July 2022

36 BEIS Select Committee, Oral evidence: The work of the Business, Energy and Industrial Strategy Department, HC 529, 13 December 2022, Q148

37 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 88

38 Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

1.6 Gender Pensions gap

Since the introduction of auto-enrolment, the proportion of men and women in workplace pensions is now similar.[39]

Although now similar, there remains a gap in what they receive. Women have lower pensions wealth than men, and estimates show the gender pensions gap to be larger than the gender pay gap.[40] Earnings are a primary driver of contributions to workplace and other private pensions, meaning the causes of the gender pensions gap overlap with those of the gender pay gap.[41]

The Pensions Policy Institute found in 2020 that women are less likely to meet the qualifying criteria for auto-enrolment than men. 20% of women were ineligible for auto-enrolment compared to 15% of the whole population. It said that more women would qualify if assessment included second jobs.[42]

There is no official measure of the gender pension gap, but this is generally understood to refer to the differences in retirement outcomes for men and women. The Government told the Work and Pensions Committee that it would continue to collaborate to find a suitable definition of the gender pensions gap and that any target to reduce it could only be considered once a definition has been agreed.[43] It also said that HMRC had been commissioned to analyse multiple jobholders to help it consider the scale of the challenge and determine next steps.[44]

Divorce and pension sharing

Pensions assets are not a compulsory part of divorce proceedings, though occupational and personal pensions can be shared between couples on divorce.[45] The Work and Pensions Committee was critical of the lack of data on pension sharing orders.[46] The Department for Work and Pensions has said that it will work with HM Courts and Tribunal Service to understand the

39 Department for Work and Pensions, Workplace pension participation and saving trends: 2009 to 2021, 28 June 2022
40 Office for National Statistics, Pension wealth: wealth in Great Britain, 7 January 2022
41 As above
42 Pension Policy Institute, The Underpensioned Index, December 2020
43 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126
44 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126
45 Welfare Reform and Pensions Act 1999
46 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 113

barriers to producing regular and reliable statistics on pension sharing orders so they can be published.[47]

Further information is available in the Library briefing on The Gender Pension Gap.

1.7 Pensions guidance

People can receive advice or guidance about their pensions:

- Advice is a personalised recommendation and can only be provided by Financial Conduct Authority regulated firms on the Financial Services Register.
- Guidance is a broader term including general information and signposting about pensions. Guidance does not include a recommendation but can be offered by any organisation.

Pensions guidance can be provided by any organisation and may be offered by employers, pension schemes and other pension providers.

The Government introduced the "stronger nudge" to pensions guidance in June 2022. This requires that pension scheme trustees or managers be required to ensure that people accessing their pension flexibly have either received or have opted out of appropriate pensions guidance.[48] The appropriate guidance may be delivered through the free Pension Wise service.

The Work and Pensions Committee recommended in its accessing pension savings report that the Government trial automatic Pension Wise appointments and more recently in its saving for later life report that the metrics for evaluating the success of the stronger nudge should be published.[49] The Department for Work and Pensions responded that it is exploring options to encourage the use of guidance. The Money and Pensions Service, which delivers Pension Wise appointments, said that in addition to Pension Wise, the development of the pensions dashboards and implementation of a midlife MOT, which gives free support to people in their 40s, 50s and 60s to make plans about work, wellbeing and money, will have

47 Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

48 Department for Work & Pensions, Consultation outcome: Stronger Nudge to pensions guidance, 17 January 2022

49 Work and Pensions Committee, Protecting pension savers—five years on from the Pension Freedoms: Accessing pension savings, 12 January 2022, HC 237, para 75 Work and Pensions Committee, Protecting pension savers – five years on from the pension freedoms: Saving for later life, 30 September 2022, HC 126, para 13

a positive impact on 2 to 3.5 million and 750,000 to 1.75 million people respectively.[50]

[50] Work and Pensions Committee, Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses, 23 January 2023, HC 1057

2 Articles

Industry welcomes DWP DC reforms package

Pensions Age

Sophie Smith

31 January 2023

Pensions Minister unveils raft of DC measures in private pension 'shake-up'

Pensions Age

Sophie Smith

30 January 2023

Push into illiquid assets exposes UK pension savers to higher fees

Financial Times

Josephine Cumbo

30 January 2023

How to make sure your pension is big enough to last

Investors Chronicle

Val Cipriani

25 January 2023

Is the gender pension gap hitting single mothers hardest?

Lloyds Banking Group

Jackie Leiper

7 December 2022

Treasury evidence reveals divided views on pensions tax relief

Pensions Age

Sophie Smith

18 November 2022

How well prepared are different communities for retirement?

Lloyds Banking Group

Pete Glancy

25 October 2022

Women need to work until 83 to close gender pension gap: how to boost your pot

Which?

Grace Witherden

19 June 2022

Gender pensions gap means retired women go the equivalent of four and a half months each year without a pension

TUC

19 May 2022

3 Press releases

Consultations on illiquids, small pots, CDC and VfM welcomed

Pensions and Lifetime Savings Association

30 January 2023

Delivering fairer, more predictable, and better-run pensions

Department for Work and Pensions

Laura Trott MBE MP (speech)

30 January 2023

Minister unveils plans to start closing the pensions inequality gap

Department for Work and Pensions

30 January 2023

PLSA keeps policy focus on improved pension adequacy

Pensions and Lifetime Savings Association

27 January 2023

Trustees urged to support DC savers amid economic challenges

The Pensions Regulator

12 January 2023

Rising prices add almost 20% to "minimum" cost of retirement

Pensions and Lifetime Savings Association

12 January 2023

PLSA comments on the publication of TPR's new DB Funding Code consultation document

Pensions and Lifetime Savings Association

16 December 2022

Consultation published by TPR on new DB funding code

The Pensions Regulator

16 December 2022

PLSA welcomes dashboards consultation, but cautions that extensive user testing will be required to ensure dashboards are safe for savers

Pensions and Lifetime Savings Association

1 December 2022

FCA sets out plans to improve engagement with pensions

Financial Conduct Authority

1 December 2022

TPR calls for views on its new dashboards compliance and enforcement policy

The Pensions Regulator

24 November 2022

One in six UK adults have no savings

Money and Pensions Service

7 November 2022

4 Parliamentary material

A Private Members' Bill, Pensions (Extension of Automatic Enrolment) Bill is currently before Parliament.

Gender Pension Gap

HC Deb 25 January 2023 c997

Asked by: Patricia Gibson

What recent assessment she has made of the implications for her policies of the gender pension gap.

Answering Member: Mims Davies

Department: Work and Pensions

The primary causes of the gender pension gap are due to the historical inequality of the labour market. This includes differences in working patterns and earnings for men and women. The Government have taken key steps, such as the introduction of shared parental leave, mandatory gender pay gap reporting, and an effort, as we have heard already today, to tackle the root causes of this problem for women. I know that the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Sevenoaks (Laura Trott) is looking directly at this issue for women as well.

Pensions: Tax Allowances

18 January 2023 | PQ 121124

Asked by: Darren Jones

If he will make an assessment of the potential merits of increasing the amount of money that can be withdrawn from a pension scheme tax-free in any one financial year.

Answering Member: Andrew Griffith

Department: Treasury

The government has increased the Personal Allowance (PA), the amount of income an individual does not have to pay income tax on, by over 40% in real terms since 2010. The PA at £12,570 is high by international standards – it is one of the most generous tax allowances in the OECD and highest in the G7.

The government wishes to encourage personal saving, to help ensure that people have income, or funds on which they can draw, throughout retirement. This is why, for the majority of savers, pension contributions are tax-free.

Pensions

14 December 2022 | PQ 107096

Asked by: Jonathan Ashworth

What steps his Department is taking to increase (a) private and (b) workplace pension contributions.

Answering Member: Laura Trott

Department: Work and Pensions

We have been clear that the next step for Automatic Enrolment is the implementation of the 2017 Review measures in the mid-2020s. These measures will improve pension eligibility and contribution levels, in particular for low and medium earners.

Alongside this, we are supporting better planning for retirement saving and financial well-being – Pensions dashboards will help individuals plan for later life.

Pensions: Insolvency

8 December 2022 | PQ HL 3789

Asked by: Lord Wigley

What steps they intend to take in response to representations made to them by the Pensioners Action Group on behalf of persons now of pensionable age whose sponsoring companies closed in the 1990s through insolvency and who consequently suffered substantial pension losses.

Answering Member: Baroness Stedman-Scott

Department: Work and Pensions

The taxpayer funded Financial Assistance Scheme (FAS) has been operational since 2005. It was set up to award financial assistance to members of eligible defined benefit pension schemes which started to wind up underfunded between 1 January 1997 and 5 April 2005. Since it was established, the FAS has been extended and improved several times, making the financial help more generous and encompassing more schemes and members. Therefore, the Government does not intend to take any steps in response to the Pensions Action Group.

Pensions

28 November 2022 | PQ94701

Asked by: Kevan Jones

If he will issue guidance to pension providers on whether changes to the Protected Pension Age will allow an unqualified right to access tax-privileged pension savings at a younger age than the increase to NMPA from 2028.

Answering Member: Andrew Griffith

Department: Treasury

Members of pension schemes which gave an unqualified right to access their pension benefits before age 57 will receive a protected pension age when the normal minimum pension age increases from 55 to 57 in April 2028. HMRC has published guidance on this protection regime in The Pensions Tax Manual.

Gender Pensions Gap

Questions for Short Debate

HL Deb 27 June 2022 c441-3

5 Further reading

Pensions and Lifetime Savings Association, Retirement Living Standards (web page)

Department for Work and Pensions, Understanding member engagement with workplace pensions, DWP Research Report 1019, 30 January 2023

Work and Pensions Committee, Protecting pension savers - five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses to the Committee's Third Report of Session 2022–23 (HC 126), HC 1057 2022-23, 23 January 2023

Financial Conduct Authority, Improving outcomes in non-workplace pensions, Policy Statement PS22/15, 1 December 2022

Money and Pensions Service, UK Adult Financial Wellbeing Survey 2021: Future Focus, 1 November 2022

Work and Pensions Committee, Protecting pension savers - five years on from the pension freedoms: Saving for later life, HC 126 2022-23, 30 September 2022

The Gender Pension Gap, Commons Library Briefing 9517, 4 April 2022

Pensions: Collective Defined Contribution (CDC) schemes, Commons Library Briefing 8674, 1 August 2022

Pensions: Automatic enrolment - current issues, Commons Library Briefing 6417, 8 March 2022

Insecure work: the Taylor Review and the Good Work Plan, Commons Library Briefing 8817, 28 February 2020

Department for Work and Pensions, Automatic enrolment review 2017: Maintaining the momentum, Cm 9546, December 2017

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