



The Pensions
Regulator

Intermediaries' understanding and activity relating to automatic enrolment and ongoing duties

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1. Executive summary

1.1 Introduction

This report summarises the results from a survey conducted among intermediaries by OMB Research, an independent market research agency, on behalf of The Pensions Regulator (TPR).

Questions from the previous Intermediary Tracker surveys (2011 to 2016) were largely retained as a basis for comparison in this survey. New questions were introduced in 2017 however, to reflect that, at the time of the survey, the large majority of employers had already passed their 'staging date' for automatic enrolment. Therefore, the role of intermediaries has generally shifted to assisting clients with ongoing automatic enrolment duties, re-enrolment, the two increases in the minimum contribution amounts and helping new employers with instant duties¹.

The objectives of the research were:

- to identify and track intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to employers' ongoing automatic enrolment duties and how the policy applies instantly to new employers from October 2017
- to determine intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to re-enrolment, including the extent to which they expect to assist their clients with re-enrolment
- to determine intermediaries' knowledge of the increases in the minimum pension contributions being introduced in April 2018 and April 2019 (known as "phasing").

The survey was carried out with intermediaries who advised or informed micro and small employers (with between 1 and 29 employees) about automatic enrolment. A total of 452 interviews were conducted between 21 August and 11 September 2017. The survey respondents comprised 141 accountants, 110 payroll administrators, 101 independent financial advisers (IFAs) and 100 bookkeepers.

The vast majority of intermediaries (437 out of 452) interviewed were already supporting small businesses with automatic enrolment or planned to do so in the future. The 15 respondents who did not plan to support clients with automatic enrolment were asked fewer questions. Therefore, the sample size for most of the questions comprised 140 accountants, 108 payroll administrators, 94 IFAs and 95 bookkeepers.

¹ From October 2017, new employers are required to instantly enrol eligible employees into a workplace pension. For the purposes of the survey, new employers were defined as newly formed businesses taking on at least one member of staff or existing businesses employing someone for the first time or after a lapse.

1.2 Key findings

1.2.1 Over 90% of intermediaries were supporting their clients with automatic enrolment duties and used the TPR website as a source of information.

Over 90% of each intermediary type reported that they were already helping small business clients with automatic enrolment (ranging from 93% to 98%). The proportion of accountants doing so increased since the autumn 2016 survey (from 89% to 98%).

More than 90% had used the TPR website to find information about automatic enrolment. Other favoured sources were the Gov.uk website, email newsletters, HMRC, webinars and the websites of professional bodies.

1.2.2 Intermediaries expected most clients to rely on them completely for ongoing duties and the majority were confident their clients would comply.

More than half of accountants, payroll administrators and bookkeepers expected their clients to rely on them completely to fulfil their ongoing automatic enrolment duties (52%, 55% and 56% respectively). This proportion was lower among IFAs (8%).

Around nine in ten of all intermediaries were very or fairly confident that their clients would be able to comply with their ongoing duties (between 89% and 94% for each intermediary type).

1.2.3 Awareness of instant duties for new employers increased since the last survey and was highest among IFAs.

Awareness of new employers having instant automatic enrolment duties increased among all of the intermediary types since the autumn 2016 survey. It was highest among IFAs (91%), followed by accountants (73%), payroll administrators (69%) and bookkeepers (67%).

1.2.4 The perceived challenges in helping new employers with automatic enrolment related to these businesses having a lack of knowledge and having competing priorities.

Nearly all the intermediaries expected new employers to face challenges in relation to automatic enrolment (3% or fewer did not expect employers to face any challenges). The two most highly anticipated challenges were that new employers will not know what to do and that they will have other priorities.

1.2.5 Awareness of postponement was near-universal, but detailed knowledge of it varied.

Overall awareness of postponement was near-universal, ranging from 94% to 97% across the different intermediary types. Payroll administrators were most knowledgeable about the details of postponement (48%) – determined by correctly identifying three true and one false statement - followed by IFAs, (36%), bookkeepers (33%) and accountants (25%).

Awareness of new employers being able to use postponement, as well as existing employers, was highest among payroll administrators (90%), followed by IFAs (86%), accountants (80%) and bookkeepers (79%).

1.2.6 Awareness of re-enrolment was near-universal among IFAs and payroll administrators and had increased among accountants and bookkeepers.

Almost all IFAs (99%) and payroll administrators (94%) were aware of re-enrolment. While lower, awareness among accountants and bookkeepers increased since autumn 2016 (from 77% to 89% and from 72% to 85% respectively).

1.2.7 Awareness of the minimum contribution increases was near-universal and knowledge of the dates and amounts had risen.

Intermediaries' awareness of the 2018 minimum contribution increase was near-universal, ranging from 96% to 100%. Awareness of the second increase in 2019 was at a similar level: between 92% and 99%.

Between 86% and 95% of intermediaries were aware of both the date and amount of the 2018 increase and between 80% and 92% knew the amount and date for the 2019 increase.

Over 90% of each intermediary type knew that the increases to minimum contributions will apply to all employers at the same time, regardless of their staging date.

1.2.8 There was broad support for the minimum contribution increases among intermediaries, but some concerns over affordability and the potential impact on opt-out levels.

Over two thirds of bookkeepers (67%), accountants and payroll administrators (69% each) and nearly nine in ten IFAs (88%) thought that the increases in minimum contributions are a good idea.

Half of bookkeepers (52%) and nearly two thirds of payroll administrators and accountants (58% and 62% respectively) thought that their clients would find the increases difficult to afford. IFAs were less concerned (26%). They were also more positive about the affordability of the increases for their clients' employees: 46% thought that employees would find the increases difficult, compared with 51% of bookkeepers, 59% of accountants and 60% of payroll administrators.

Approaching two thirds of all of the intermediaries thought that the planned increases could cause an increase in the number of employees opting out of workplace pension schemes.

2. Introduction

2.1 Workplace pension reforms

The workplace pension reforms, set out in the Pensions Act 2008, require employers in the UK to automatically enrol certain members of their staff into a workplace pension scheme and contribute towards it, unless the worker is already a member of a qualifying pension scheme. These reforms are also referred to as automatic enrolment.

To be eligible for automatic enrolment (and be classified as an eligible jobholder), staff must be:

- aged at least 22 but under State Pension Age
- working or ordinarily working in the UK, and
- earning more than £10,000 a year.

Eligible jobholders can choose to opt out of pension scheme membership. Depending on their level of earnings and age, other members of an employer's workforce will be able to opt in to an automatic enrolment pension scheme and, if they do, they will also receive employer contributions. Other workers can join a pension scheme but the employer is not required to contribute towards it.

The reforms have been rolled out in a phased approach since October 2012 so that larger employers have had their staging date – which is the date from which an employer's legal duties begin – before smaller employers.

Businesses with over 250 employees (large employers) staged between 1 October 2012 and 1 February 2014. Those with 50 to 249 employees (medium employers) staged between 1 April 2014 and 1 April 2015, and small and micro employers staged between 1 June 2015 and 1 April 2017. New businesses that started up after April 2012 were given a staging date from 1 May 2017. New employers from October 2017 are required to enrol eligible workers into a pension scheme straightaway; that is from the first day of employment of their first worker.

Employers must submit a declaration of compliance to the regulator within five months of their staging date to confirm that they have complied with their duties.

Following declaration, employers have a number of ongoing duties under the reforms. These include:

- assessing workers every time they are paid to ensure that if they reach the eligibility criteria they are enrolled into the pension scheme
- calculating and paying correct pension contributions for every worker enrolled in the pension scheme
- keeping accurate records related to administering the pension scheme, and

- re-enrolling those eligible staff not in the pension scheme every three years and re-declaring their compliance once again with TPR.

2.2 Communications activities

TPR continues to support and maximise employer compliance with workplace pension reforms through an integrated multi-channel communications strategy. This includes direct engagement with employers, as well as with a broad range of intermediaries providing services related to automatic enrolment and ongoing duties. TPR seeks to inform employers about their duties, encourage them to prepare for automatic enrolment and maximise compliance with the reforms.

Through 2017, the emphasis of TPR's communication strategy with employers and intermediaries has been on raising awareness of automatic enrolment duties among micro employers and of new employers having instant duties from October 2017. This will continue in 2018.

The advertising and direct communications encourage employers to use TPR's website which, in alignment with the Government's Digital by Default strategy, provides an online platform through which they can find information and make use of web tools to help them meet their duties.

The online content aimed at intermediaries provides information about how to help clients to comply, including information about what is required of new employers and about the two increases in the minimum contribution rate.

As levels of awareness and understanding have increased, the demand for face to face meetings with TPR has declined. Consequently, TPR has focused increasingly on running live events, webinars and online Q&A sessions. In addition, TPR continues to send out a monthly email newsletter tailored to the needs of intermediaries.

TPR also has an established programme of communications partnerships with professional and employer bodies, business networks and trade associations providing targeted, regular and relevant messaging for the intermediaries to communicate to employers.

2.3 Research objectives

The objectives of the research were:

- to identify and track intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to employers' ongoing automatic enrolment duties and how the policy applies instantly to new employers from October 2017
- to determine intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to re-enrolment, including the extent to which they expect to assist their clients with re-enrolment

- to determine intermediaries' knowledge of the increases in the minimum pension contributions being introduced in April 2018 and April 2019 (known as "phasing").

2.4 Methodology

The survey population was defined as intermediaries who were working with small and micro employers (defined as those with 1-29 employees) by advising and informing them about workplace pensions. The sample for the survey was purchased from the sample provider Experian.

OMB Research interviewed 452 intermediaries by telephone, using Computer Assisted Telephone Interviewing (CATI), during August and September 2017. The average interview length was 22 minutes.

Quota sampling was used with quotas set for intermediary type and IFA type. Table 2.4.1 presents the total number of interviews achieved for each quota.

Table 2.4.1 - Achieved interview numbers

	N	%
IFA	101	22%
<i>National firms</i>	17	4%
<i>With network</i>	14	3%
<i>Small independent</i>	70	15%
Accountant	141	31%
Payroll administrator	110	24%
Bookkeeper	100	22%
Total	452	100%

2.5 Analysis and reporting conventions

Throughout the report results are shown by each of the four intermediary types (ie IFAs, accountants, payroll administrators and bookkeepers) rather than aggregated for the 'total sample'. As with previous waves of this survey, the data reported have not been weighted. Weighting was not required because a random sample was drawn for each intermediary type, and results have not been aggregated across these groups.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

Data presented in this report are from a sample of intermediaries rather than the total population. This means the results are subject to sampling error. Differences between sub-groups and different waves of the research are commented on in the text only if they are statistically significant at the 95%

confidence level. This means there is no more than a five per cent chance that any reported differences are not real but a consequence of sampling error².

Results in each section of this report are presented for summer 2017 in the first instance and, where possible, comparisons are made with the previous wave(s) to establish what has/has not changed over time. A statistically significant difference is marked with an arrow, with green arrows denoting a significant increase and red arrows denoting a significant decrease.

² Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

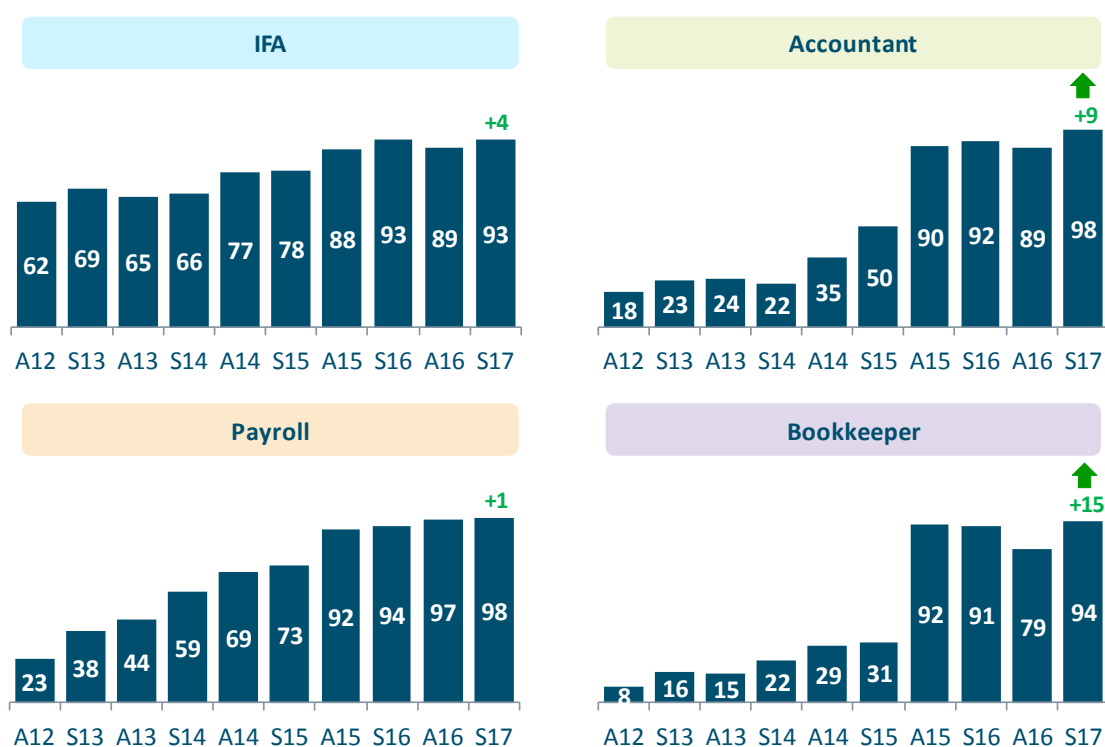
3. Supporting clients with automatic enrolment

3.1 Supporting clients with automatic enrolment

Similarly to autumn 2016, almost all IFAs (93%), accountants (98%), payroll administrators (98%) and bookkeepers (94%) reported that they were already supporting clients with automatic enrolment (Figure 3.1.1). The proportion of accountants reporting involvement with automatic enrolment increased by nine percentage points from 89% since autumn 2016.

While there was also a statistically significant increase in the proportion of bookkeepers assisting clients with automatic enrolment, this was largely due to a statistically significant decrease in the previous wave. The figure reported for summer 2017 is therefore consistent with those reported in autumn 2015 and spring 2016.

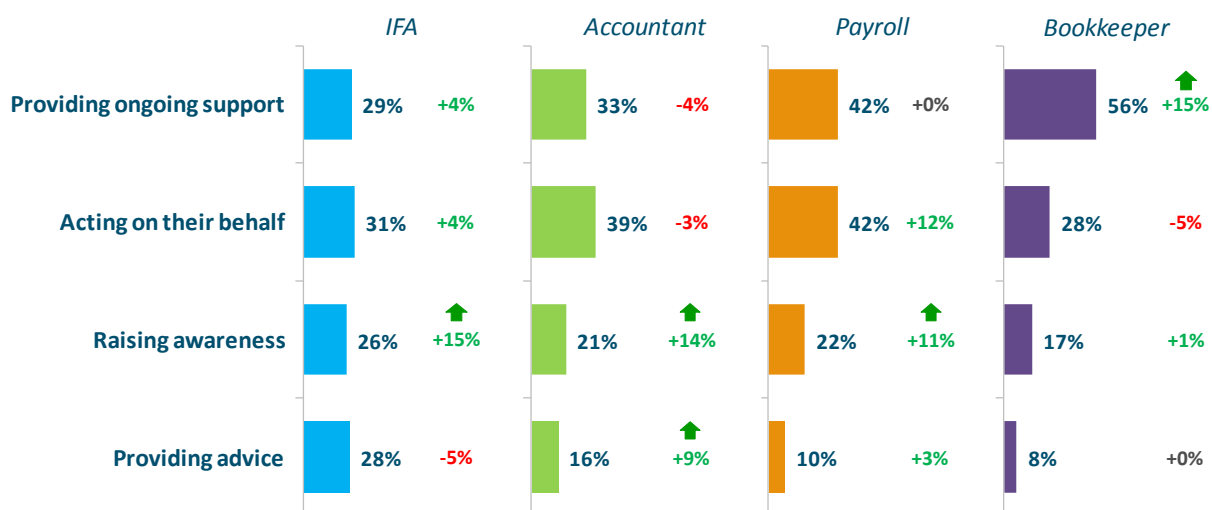
Figure 3.1.1 - Proportion of intermediaries supporting clients with automatic enrolment (over time)



Base: All respondents (Base, Plan to, Don't plan to, Don't know)
 IFA (101, 0%, 6%, 1%), Accountant (141, 1%, 0%, 1%), Payroll (110, 0%, 2%, 0%), Bookkeeper (100, 1%, 4%, 1%)

The main forms of support with automatic enrolment that intermediaries expected to provide were acting on their clients' behalf or providing ongoing support. There was however an increase in the proportion of IFAs, accountants and payroll administrators who said that their main service would be raising awareness of automatic enrolment duties, compared to the autumn 2016 survey (Figure 3.1.2).

Figure 3.1.2 – Main service provided by intermediaries to small business clients regarding automatic enrolment³



Base: All that support/plan to support with AE (Base, Something else, Don't know)
 IFA (94, 2%, 0%), Accountant (140, 1%, 1%), Payroll (108, 0%, 0%), Bookkeeper (95, 0%, 0%)

3.2 Sources of information on automatic enrolment

The TPR website was described as the primary source of information about automatic enrolment by all four intermediary types (Table 3.2.1). Other favoured sources were the Gov.uk website, email newsletters, HMRC, webinars and the websites of professional bodies.

IFAs were more likely to say that they obtained information from events, face to face meetings and the Department for Work and Pensions (DWP) than the other three intermediary types.

³ Although respondents were asked to select the main service they provide, some felt that several applied equally and so appear in multiple codes.

Table 3.2.1 – Sources of intermediaries’ information on automatic enrolment

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	94	140	108	95
TPR website	91%	94%	96%	95%
The Gov.uk website	60%	62%	70%	76%
Email newsletters	65%	58%	67%	65%
HMRC	57%	43%	58%	64%
Webinars	50%	52%	58%	55%
Professional body website	57%	52%	48%	56%
Events	62%	36%	30%	33%
Face to face meetings	61%	34%	33%	34%
Other advisors	30%	46%	44%	33%
DWP	49%	26%	27%	33%
Pension providers	13%	4%	7%	8%
Other	9%	3%	5%	4%
None of these	1%	1%	0%	0%
Don't know	0%	1%	0%	0%

The 15 intermediaries who did not plan to support clients with automatic enrolment said that, if asked, they would be most likely to refer clients to another intermediary.

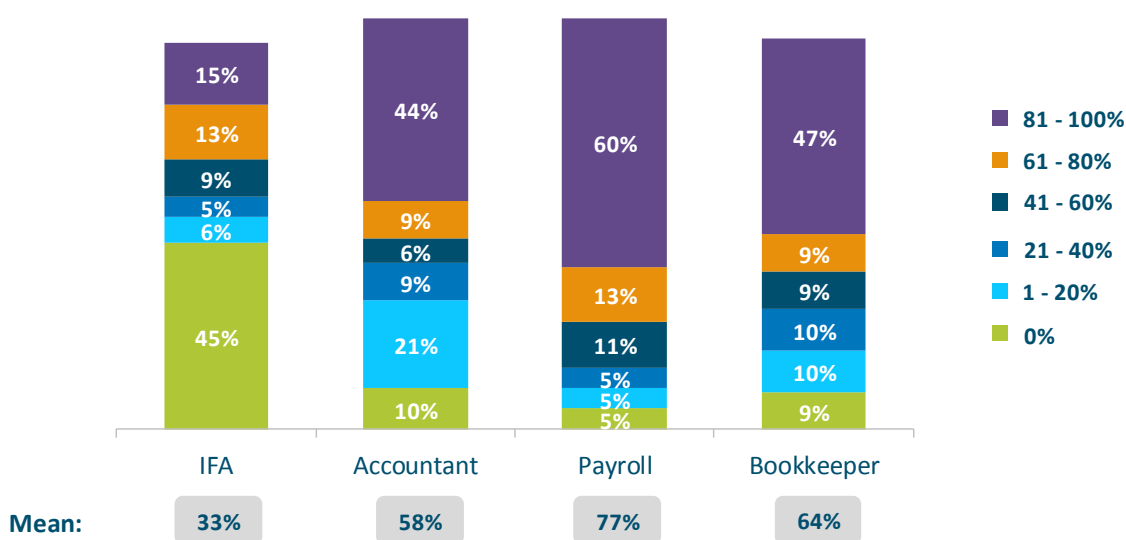
3.3 Approach to assisting clients with ongoing duties

As part of automatic enrolment, employers are required to complete certain ongoing duties. These include:

- Keeping records of all automatic enrolment activities;
- Monitoring the ages and earnings of new and existing staff every time they pay them to check whether they are eligible to join the pension scheme;
- Enrolling staff and writing to them to let them know this has been done as they become eligible to join the pension scheme;
- Managing requests to join or leave their pension scheme; and
- Paying contributions into their employees’ pension scheme.

Accountants, payroll administrators and bookkeepers expected to help, on average, around two-thirds to three-quarters of their clients with ongoing automatic enrolment duties. This was lower for IFAs however, who expected to help a third of their clients with ongoing duties (Figure 3.3.1).

Figure 3.3.1 – Proportion of their small business clients that intermediaries anticipate assisting with ongoing duties



Base: All that support/plan to support with AE (Base, Don't know)
 IFA (95, 6%), Accountant (141, 2%), Payroll (108, 2%), Bookkeeper (96, 4%)

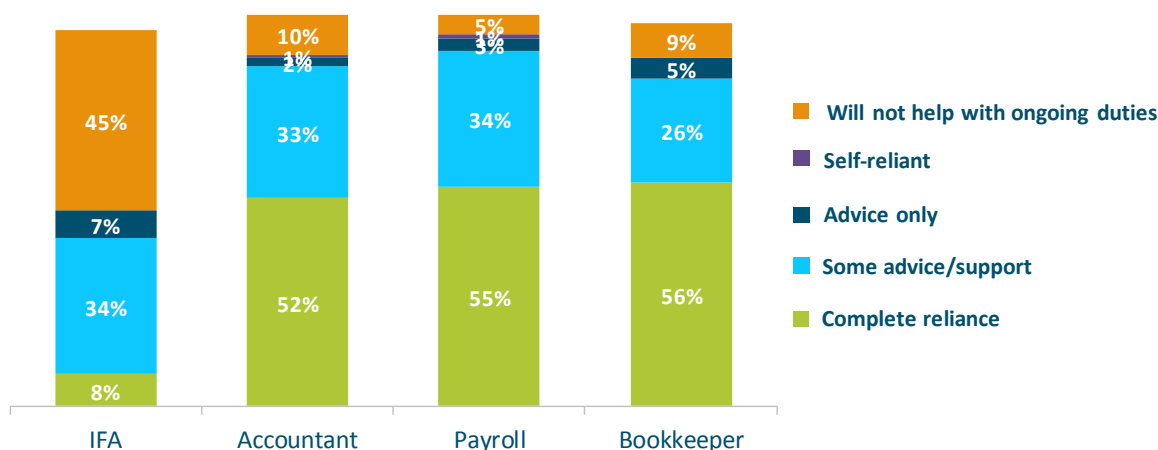
As detailed in Table 3.3.1, the majority of accountants, payroll administrators and bookkeepers anticipated helping clients with all aspects of their ongoing automatic enrolment duties, but IFAs expected to have more limited involvement.

Table 3.3.1 – Aspects of ongoing duties that intermediaries anticipate helping clients with

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	95	141	108	96
Monitoring the ages and earnings of their new and existing staff and checking their AE eligibility every time they are paid	24%	82%	94%	84%
Calculating and paying contributions to their staff's pensions	22%	81%	94%	84%
Keeping records of their AE activities for six years and opt-out notices for four years	23%	79%	85%	77%
Enrolling staff and writing to them to let them know how AE applies to them as they become eligible	31%	70%	83%	74%
Managing employee requests to join/leave a scheme	28%	67%	82%	78%
None of these	9%	1%	0%	1%
Will not help with ongoing duties	45%	10%	5%	9%
Don't know if will help with ongoing duties	2%	1%	0%	1%

More than half of accountants, payroll administrators and bookkeepers expected their clients to rely on them completely to fulfil their ongoing automatic enrolment duties (52%, 55% and 56% respectively). The proportion was much lower among IFAs: 8% expected their clients to rely on them completely.

Figure 3.3.2 – Anticipated reliance of clients on intermediaries to assist them with ongoing duties



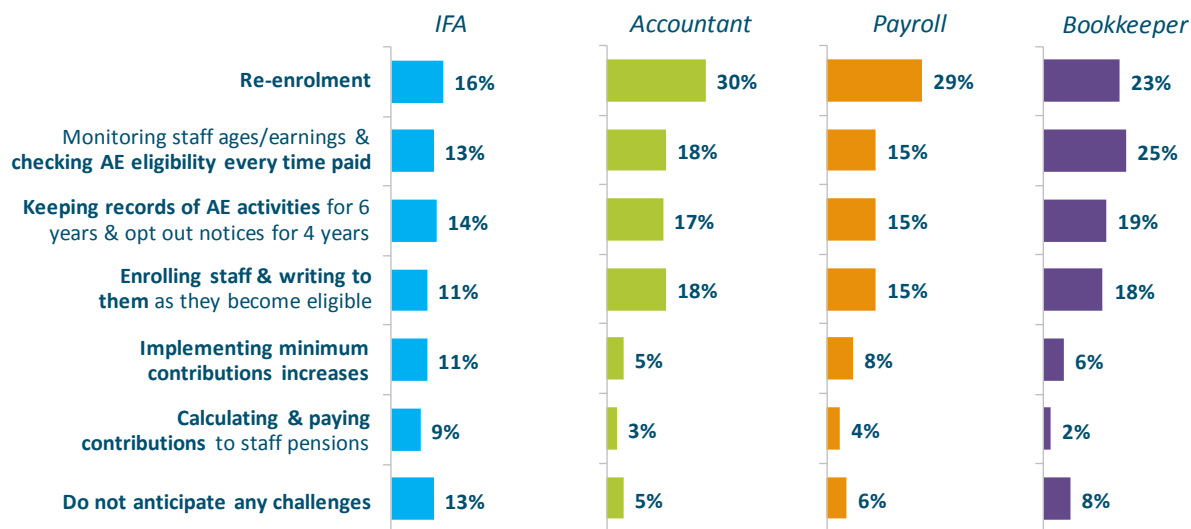
Base: All that support/plan to support with AE (Base, Don't know, Don't know if will help with ongoing duties)
 IFA (95, 3%, 2%), Accountant (141, 1%, 1%), Payroll (108, 3%, 0%), Bookkeeper (96, 2%, 1%)

3.4 Anticipated challenges of ongoing duties

Accountants and payroll administrators identified re-enrolment as the greatest challenge they anticipated when helping clients with ongoing automatic enrolment duties (30% and 29% respectively). As well as re-enrolment, bookkeepers and IFAs also mentioned monitoring staff ages and earnings to check eligibility (25% and 13% respectively) and IFAs additionally believed that record-keeping would pose a challenge (14%).

A minority of each intermediary type (between 5% and 13%) did not anticipate any challenges when supporting their clients with automatic enrolment.

Figure 3.4.1 – Intermediaries’ perception of the biggest challenge they will face when assisting clients with automatic enrolment

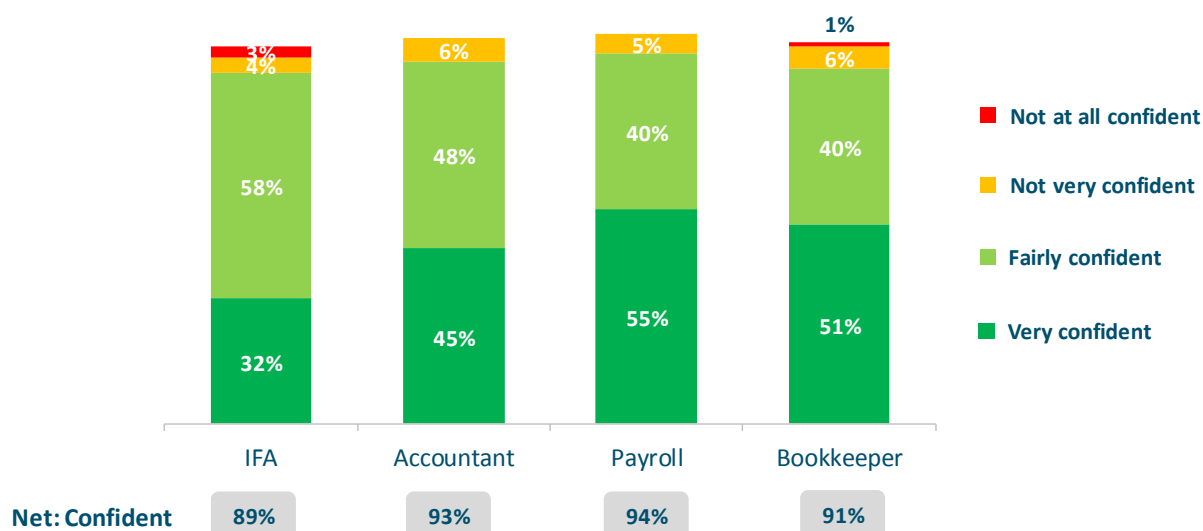


Base: All that support/plan to support with AE (Base, Other, Don't know)
 IFA (95, 4%, 14%), Accountant (141, 2%, 12%), Payroll (108, 6%, 12%), Bookkeeper (96, 2%, 13%)

3.5 Confidence in clients’ ability to comply with ongoing duties

Around nine in ten of all intermediaries were either very or fairly confident that their small business clients would be able to comply with their ongoing duties.

Figure 3.5.1 – Intermediaries’ confidence that their small business clients will be able to comply with ongoing duties



Base: All that support/plan to support with AE (Base, Don't know)
 IFA (95, 3%), Accountant (141, 1%), Payroll (108, 1%), Bookkeeper (96, 2%)

4. Instant automatic enrolment duties

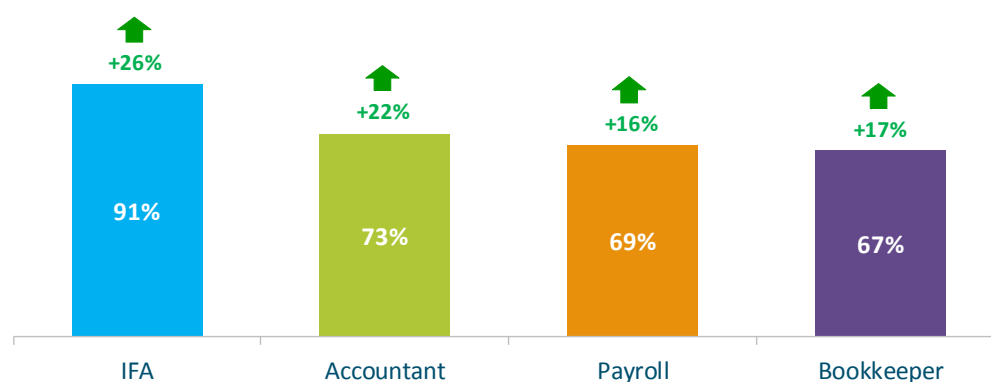
4.1 Awareness of instant duties

Intermediaries were asked if they were aware that from October 2017 new employers would be required to immediately enrol eligible workers into a workplace pension scheme. New employers were defined in the survey as newly formed businesses immediately taking on at least one employee or established businesses employing someone for the first time, or after a lapse in employment.

Awareness of instant duties had increased among all of the intermediary types since the autumn 2016 survey (Figure 4.1.1). Awareness was highest among IFAs (91%) who, conversely, were least likely to provide assistance to newly established businesses (Figure 4.2.1).

The intermediaries not aware of instant duties were more likely to be very small businesses themselves; 15% did not have any employees (compared to 8% of the intermediaries that were aware).

Figure 4.1.1 – Proportion of intermediaries aware that instant duties begin in October 2017



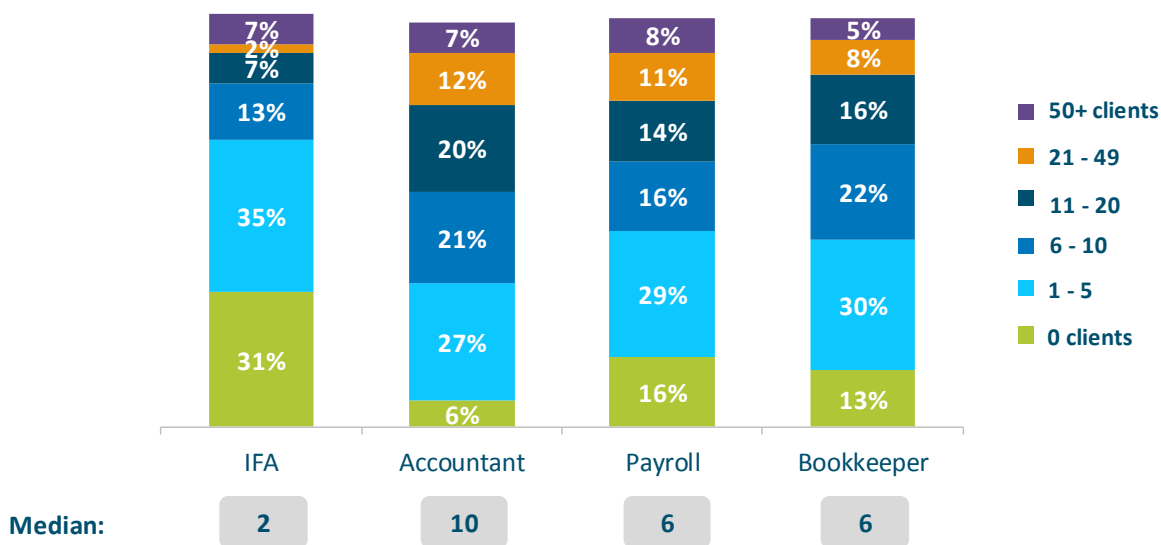
Base: All that support/plan to support with AE (Base, Don't know)
 IFA (94, 2%), Accountant (140, 1%), Payroll (108, 0%), Bookkeeper (95, 1%)

4.2 Assistance provided to new businesses

Accountants were most likely to be involved in establishing new businesses (94% reported assisting at least one a year), followed by bookkeepers and payroll administrators (88% and 84% respectively). A third (31%) of IFAs did not assist any new businesses (Figure 4.2.1).

Accountants also tended to help establish a higher number of new businesses each year: 10 on average compared to six for each of payroll administrators and bookkeepers and two for IFAs.

Figure 4.2.1 – Number of new businesses intermediaries help to establish in a typical year

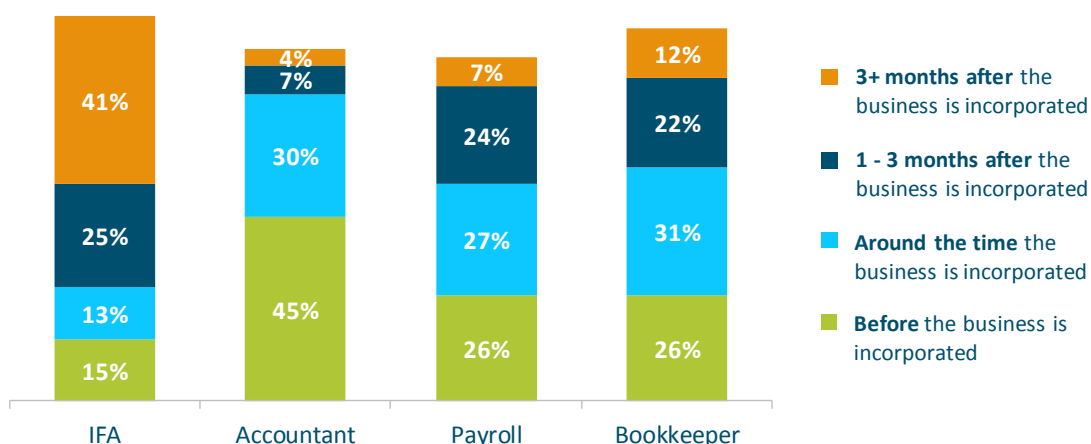


Base: All that support/plan to support with AE (Base, Don't know, Refused)
 IFA (95, 4%, 1%), Accountant (141, 4%, 4%), Payroll (108, 6%, 1%), Bookkeeper (96, 5%, 1%)

Between a third and half of the new businesses that the intermediaries helped to establish had at least one employee (as opposed to having an owner or director only) so would potentially be required to comply with automatic enrolment duties (IFAs 51%, accountants 32%, payroll administrators 46%, bookkeepers 33%).

Intermediaries were asked at what stage of the new business lifecycle they tended to become involved. Accountants were most likely to report that they provided assistance before the business was incorporated (45%), whereas IFAs reported that they do not typically get involved until after incorporation (66%).

Figure 4.2.2 – When intermediaries typically become involved with new businesses



Base: All who help new businesses (except those that do not plan to support with AE) (Base, Don't know)
 IFA (61, 7%), Accountant (123, 15%), Payroll (84, 15%), Bookkeeper (78, 10%)

Intermediaries expected to undertake a variety of tasks for new business clients, including providing advice (both general and specific to automatic enrolment), setting up payroll and acting as an agent for HMRC. Furthermore, a high proportion also said that they would act as an agent for automatic enrolment duties or undertake these duties on the behalf of their new business clients (IFAs 62%, accountants 86%, payroll administrators 88%, bookkeepers 85%).

Table 4.2.1 – Services that intermediaries provide to new businesses

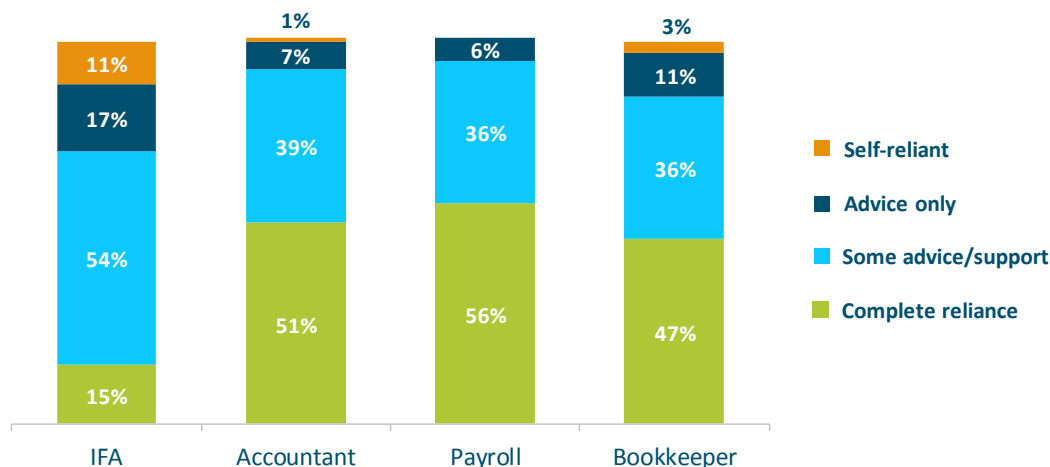
	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All who help new businesses</i>	61	123	84	78
General advice	93%	98%	88%	97%
Providing advice on AE	97%	91%	86%	88%
Setting up payroll	21%	97%	100%	97%
Acting as agent for AE/undertaking AE	62%	86%	88%	85%
Acting as agent for HMRC	11%	97%	96%	95%
Incorporation with Companies House	15%	93%	55%	79%
Other	0%	1%	2%	1%
Don't know	0%	1%	0%	0%

4.3 Automatic enrolment assistance provided to new employers

While the previous section of this report specifically focused on newly established businesses, this section relates to new employers (ie newly formed businesses taking on at least one employee immediately or established businesses employing someone for the first time or after a lapse in employment).

Around half of accountants, payroll administrators and bookkeepers expected new employers to rely on them completely to help them with the process of automatic enrolment. IFAs were more likely to envisage providing some, rather than complete, support (Figure 4.3.1).

Figure 4.3.1 – Anticipated reliance of new employers on intermediaries to assist them with automatic enrolment

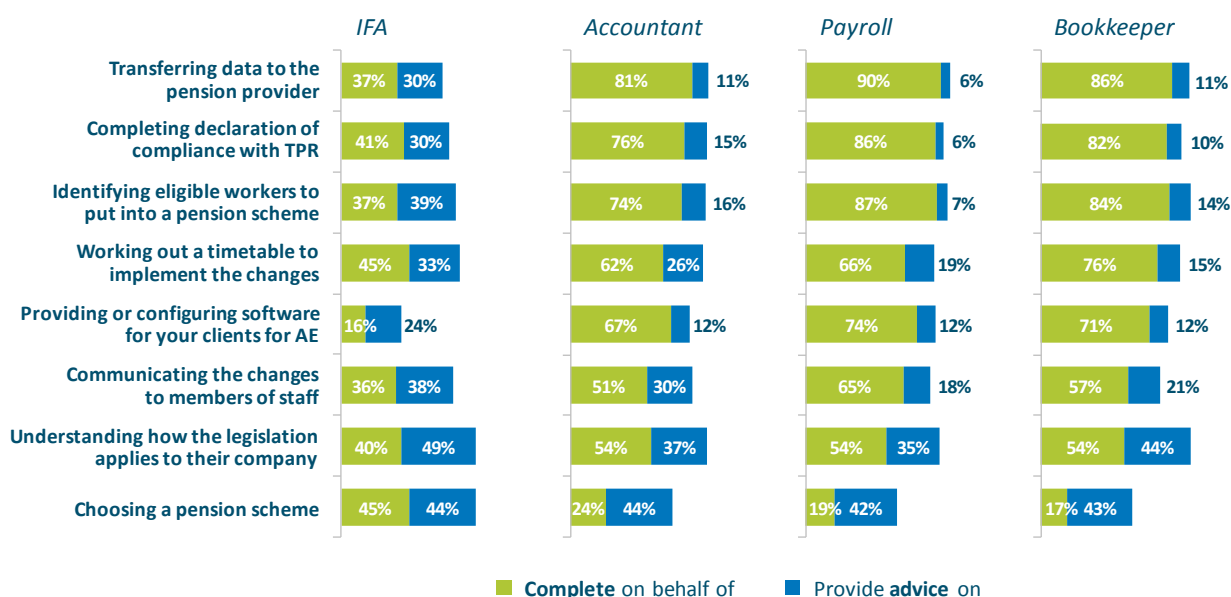


Base: All that support/plan to support with AE (Base, Do not support new employers, Don't know)
 IFA (94, 0%, 3%), Accountant (140, 0%, 2%), Payroll (108, 0%, 3%), Bookkeeper (95, 1%, 2%)

Accountants, payroll administrators and bookkeepers expected to be heavily involved in a wide range of activities relating to automatic enrolment, typically completing these tasks on their clients' behalf.

With the exception of choosing a pension scheme, IFAs were less likely than the other intermediary types to complete these activities on behalf of new employers. They were instead more likely to act in an advisory capacity.

Figure 4.3.2 – Extent of intermediary involvement with new employers' automatic enrolment activities



Base: All that support/plan to support with AE (Base)
 IFA (94), Accountant (140), Payroll (108), Bookkeeper (94)

4.4 Challenges intermediaries expect new employers to face

Nearly all of the intermediaries expected new employers to face challenges in relation to automatic enrolment (3% or fewer did not expect employers to face any challenges). The two most highly anticipated challenges were that new employers will not know what they are meant to do and that they will have other priorities.

Table 4.4.1 – Challenges intermediaries expect new employers to face in relation to automatic enrolment

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	94	140	108	94
Won't know what they are meant to do	85%	81%	85%	82%
Will have other priorities	87%	79%	72%	79%
Will put it off	74%	69%	65%	70%
Won't realise it applies to them	57%	67%	58%	59%
Won't have time to engage with it	66%	56%	58%	56%
Will say they won't be able to afford it	61%	51%	51%	56%
Won't know where to go for help	60%	47%	51%	55%
Won't have enough time to do it by their deadline	52%	49%	41%	50%
Won't engage with it	48%	44%	49%	50%
Other challenges	3%	2%	1%	1%
None/don't expect new employers to face challenges	0%	1%	3%	3%
Don't know	1%	1%	1%	0%

4.5 Challenges intermediaries expect to face

When assessing the challenges that they would face when providing automatic enrolment services to new employers, the intermediaries mainly identified challenges that related to client behaviour, including employers not realising the implications of non-compliance, putting off their duties or not being prepared to pay the intermediary for assistance.

In addition to the client-related challenges, around two in five intermediaries felt that automatic enrolment was too complicated (Table 4.5.1).

Table 4.5.1 – Challenges intermediaries expect to face when providing automatic enrolment services to new employers

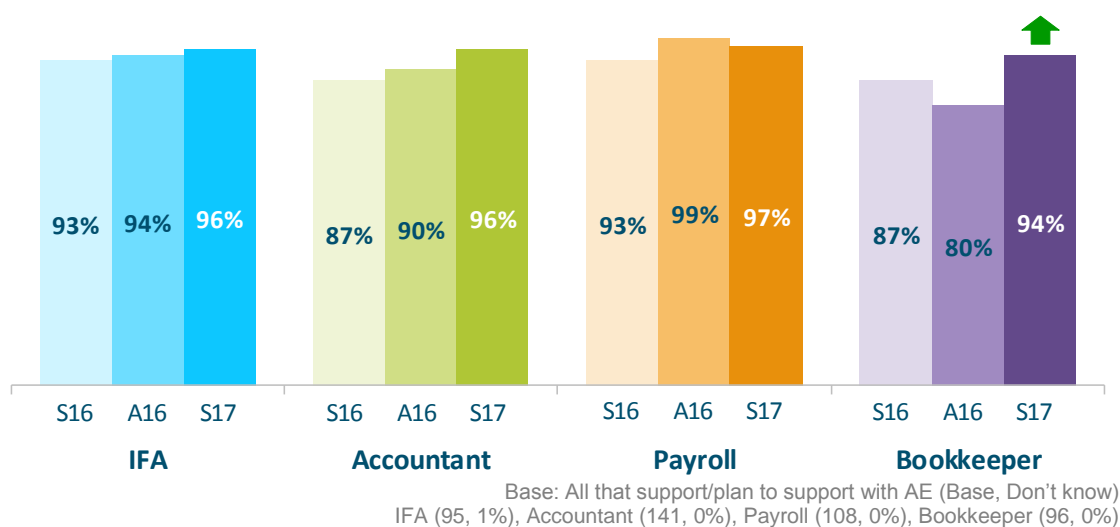
	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	94	140	108	94
Clients won't realise the implications of non-compliance	76%	80%	75%	73%
Clients will all put it off	66%	60%	57%	64%
Clients won't be prepared to pay us what is required for services relating to AE	61%	59%	49%	55%
We think it's too complicated	45%	42%	38%	44%
Communicating to clients/employers (raising interest)	4%	4%	4%	2%
Complexities of administration/systems	0%	2%	1%	6%
Tight timescales	0%	2%	2%	2%
Net: Other challenges	3%	1%	0%	3%
Do not anticipate any challenges	9%	4%	7%	9%

5. Postponement

5.1 Awareness of postponement

Awareness of postponement – whereby an employer can choose to delay enrolling one, some or all of their staff for up to three months - among intermediaries has risen over time and is now near-universal, ranging from 94% of bookkeepers to 97% of payroll administrators.

Figure 5.1.1 – Proportion of intermediaries aware of postponement (over time)



5.2 Understanding of postponement

Intermediaries' understanding of postponement was determined by assessing whether they could correctly identify three true and one false statement. The true statements were:

- An employer can postpone automatic enrolment for up to three months
- The employer needs to write to all postponed staff to tell them that they are using postponement
- A new employer can use postponement on their duties start date

The false statement was:

- During postponement, any employee requests to opt in or join a pension scheme are assessed after the postponement period is finished

At an overall level, payroll administrators were most knowledgeable (48% correctly identifying all of the true and false statements), followed by IFAs (36%), bookkeepers (33%) and accountants (25%).

Although there were no statistically significant changes over time in overall understanding of postponement, there was some indication that it had fallen since autumn 2016 for IFAs (from 46% to 36%) and accountants (from 29% to

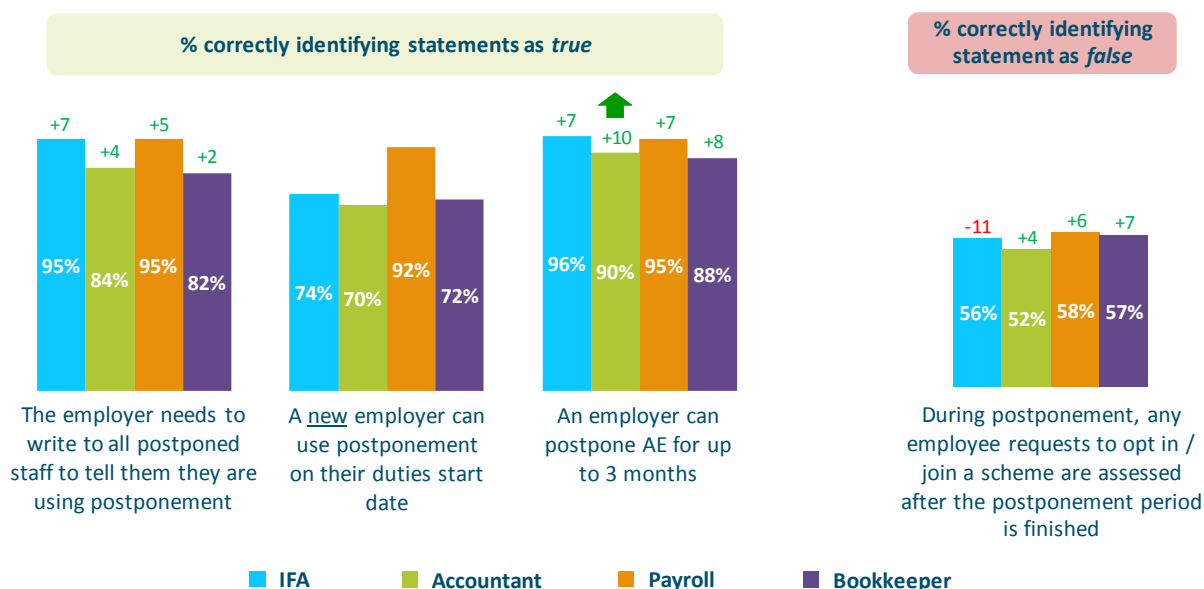
25%), but risen for payroll administrators (from 37% to 48%) and bookkeepers (from 21% to 33%). However, the statement that ‘a new employer can use postponement on their duties start date’ was not included in earlier waves as automatic enrolment instant duties had not yet come into force. It was therefore more challenging for intermediaries to demonstrate full understanding in the summer 2017 wave (as they had to correctly identify four, rather than three, statements as true or false).

At a detailed level, the intermediaries tended to correctly identify that an employer can postpone automatic enrolment for up to three months (between 88% and 96%) and that employers need to write to inform all affected staff (between 82% and 95%). Awareness of the latter had increased among accountants by 10% compared with autumn 2016 (Figure 5.2.1).

Awareness that new employers can use postponement on their duties start date was highest among payroll administrators (92%), with approaching three-quarters of IFAs, accountants and bookkeepers correctly identifying this.

Over half of each intermediary type (between 52% and 57%) correctly identified the false statement; that employee requests to opt in or join a pension scheme are assessed after the postponement period is finished.

Figure 5.2.1 – Proportion of intermediaries correctly identifying each individual true and false statement about postponement



Base: All aware of postponement (Base, Don't know)
 IFA (91, 1%), Accountant (135, 7%), Payroll (105, 0%), Bookkeeper (90, 8%)

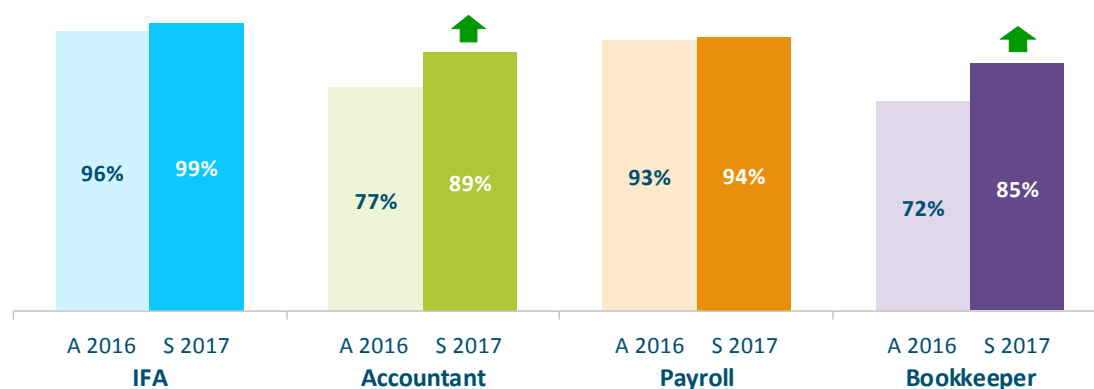
Intermediaries were also asked whether they were aware that postponement could be used by new employers as well as by existing employers. Awareness of this was highest among payroll administrators (90%), followed by IFAs (86%), accountants (80%) and bookkeepers (79%).

6. Re-enrolment

6.1 Awareness of re-enrolment

Awareness of re-enrolment – whereby an employer must automatically re-enrol eligible employees who opted out every three years - among intermediaries was high. It remained highest among IFAs (99%) and payroll administrators (94%) although awareness had increased among accountants and bookkeepers (to 89% and 85% respectively).

Figure 6.1.1 – Proportion of intermediaries aware of re-enrolment (over time)



Base: All that support/plan to support with AE (Base, Don't know)
 IFA (95, 1%), Accountant (141, 1%), Payroll (108, 0%), Bookkeeper (96, 0%)

6.2 Approach to assisting clients with re-enrolment

Intermediaries were asked about their likely approach to assisting clients with re-enrolment (Table 6.2.1). Payroll administrators were most likely to both pre-warn clients and be heavily involved in running the payroll for them (85%), followed by bookkeepers (75%) and accountants (60%). IFAs were less likely to be involved in any re-enrolment processes; instead they typically intended to either act only to pre-warn clients (32%) or not get involved at all (23%).

Table 6.2.1 – Intermediaries’ approach to assisting clients with re-enrolment

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	95	141	108	96
Will pre-warn clients about re-enrolment and be heavily involved in running payroll	11%	60%	85%	75%
Will pre-warn clients and help in actual process of re-enrolment but won't run the payroll	24%	11%	2%	6%
Will pre-warn clients so they don't forget but won't be involved in actual process of re-enrolment	32%	8%	1%	4%
Won't get involved at all, all employer clients will handle re-enrolment themselves	23%	5%	3%	3%
Not sure what you need to do to help clients handle re-enrolment	5%	13%	8%	9%
Net: Expect to be involved/help with process	35%	71%	87%	81%

Intermediaries intending to assist clients with re-enrolment expected to help their clients with a range of tasks. Accountants, payroll administrators and bookkeepers were slightly more likely to say they would help by assessing which staff needed to be re-enrolled (96%, 99% and 96% respectively) than other tasks. IFAs however were slightly more likely to say they would help employers write to their staff about them being re-enrolled or complete a re-declaration of compliance.

Table 6.2.2 – Aspects of re-enrolment that intermediaries anticipate helping clients with

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that will be involved or help with re-enrolment</i>	33	99	92	77
Choosing their exact re-enrolment date	73%	89%	88%	78%
Assessing certain staff to work out if they need to put them back into their pension scheme	67%	96%	99%	96%
Helping employers in the process of writing to staff to tell them they have been put back into the scheme	76%	84%	96%	94%
Helping employers meet their legal duties for re-enrolment by completing a re-declaration of compliance	76%	91%	97%	96%

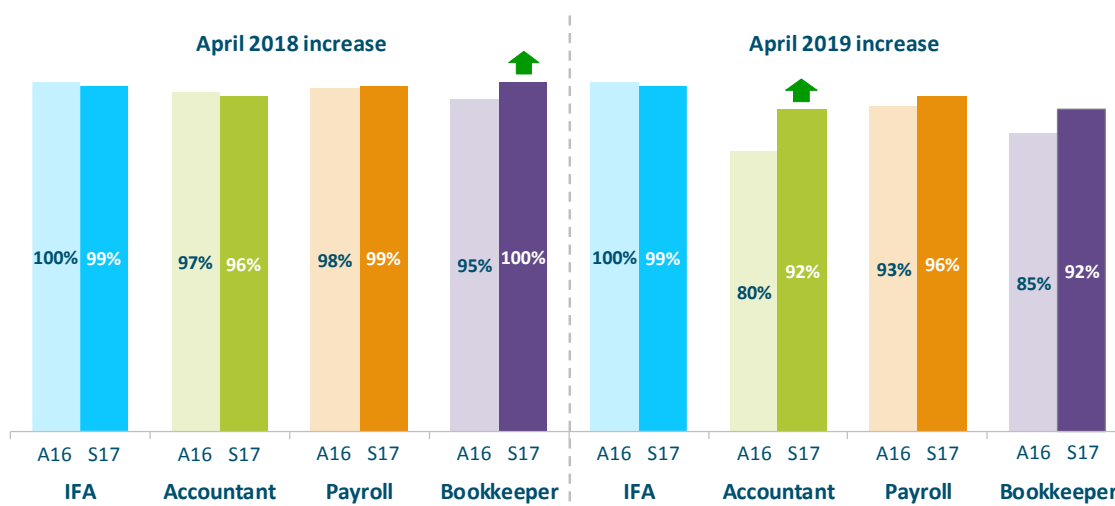
7. Increases to minimum pension contributions

7.1 Awareness of planned increases in minimum contributions levels

From April 2018 the minimum contributions that both employers and enrolled employees will make to workplace pensions will rise from two to five per cent, with a further increase to eight per cent in April 2019.

As in autumn 2016, intermediaries' awareness of the 2018 increase was near-universal, ranging from 96% to 100%. Awareness of the second increase in 2019 was also high: between 92% and 99%.

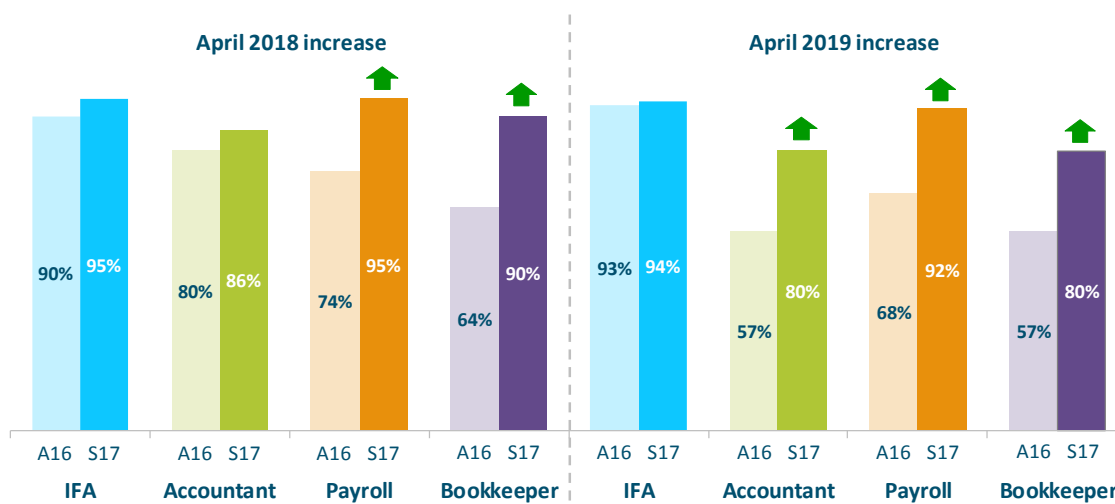
Figure 7.1.1 – Proportion aware that minimum contributions will increase in 2018 and 2019 (over time)



Base: All that support/plan to support with AE
IFA (95), Accountant (141), Payroll (108), Bookkeeper (96)

Detailed knowledge - awareness of both the dates and the amounts by which the contributions will increase - has steadily risen as the first date approaches (Figure 7.1.2). Knowledge of the 2018 contribution increase was higher than in autumn 2016 for payroll administrators and bookkeepers. Knowledge of the 2019 contribution increase had also risen among these two intermediary types, as had that of accountants.

Figure 7.1.2 – Proportion aware of both the date and amount of the increases to minimum contributions (over time)



Base: All that support/plan to support with AE
IFA (95), Accountant (141), Payroll (108), Bookkeeper (96)

More than nine in ten of the intermediaries knew that the increases to minimum contributions will apply to all employers at the same time regardless of their original staging date (95% for IFAs and payroll administrators, 93% for accountants, and 91% for bookkeepers). The proportion of bookkeepers aware of this had risen since autumn 2016 (up from 79%).

7.2 Attitudes to increases in minimum contributions

Intermediaries were asked the extent to which they agreed or disagreed with four statements relating to the planned minimum contribution increases. IFAs were more likely than the other intermediary types to say that the planned increases were a good idea (88% compared with 67%–69%) and were also more positive about the affordability of the increases for their clients and their clients' employees (Table 7.2.1).

Approaching two thirds of each intermediary type believed that the proposed increases would be likely to cause more employees to opt out of their workplace pension schemes.

Table 7.2.1 – Intermediaries’ attitudes to increased contributions

		IFA	Accountant	Payroll	Book-keeper
<i>Base: All that support/plan to support with AE</i>		95	141	108	96
The future increases in contribution rates are a good idea	Agree	88%	69%	69%	67%
	Disagree	3%	18%	18%	20%
Your clients will find it difficult to afford the minimum employer contributions	Agree	26%	62%	58%	52%
	Disagree	58%	26%	28%	25%
Your clients’ employees will find it difficult to afford the minimum employee contributions	Agree	46%	59%	60%	51%
	Disagree	39%	28%	22%	27%
The proposed increases to contributions are likely to lead to more employees opting-out of their pension	Agree	62%	65%	62%	64%
	Disagree	24%	21%	24%	19%

7.3 Approach to assisting clients with increases in minimum contributions

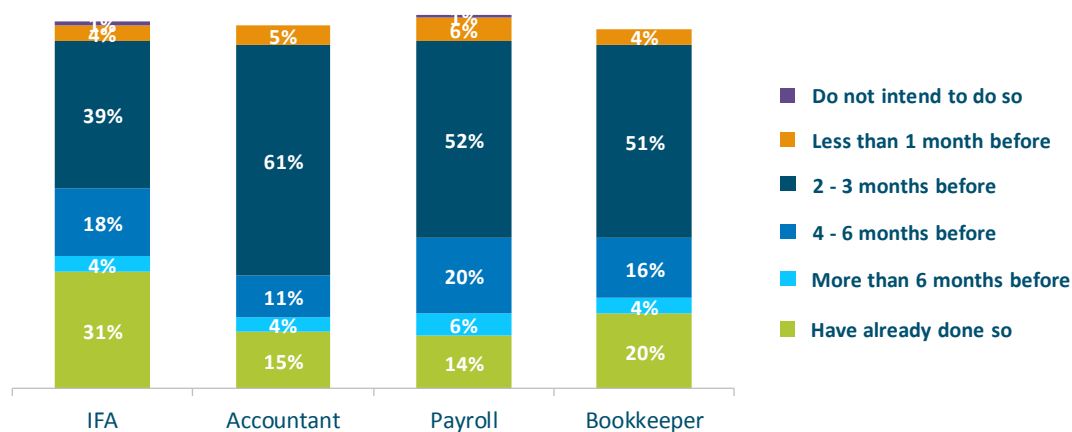
As seen with their approach to assisting clients with re-enrolment (section 6.2), the majority of accountants (65%), payroll administrators (89%) and bookkeepers (70%) reported that they planned to be heavily involved in the processes around the minimum contribution increases (Table 7.3.1). Again, IFAs were comparatively more likely to act only to pre-warn clients (39%) or not get involved at all (18%).

Table 7.3.1 – Intermediaries’ approach to assisting clients with increased contributions

	IFA	Accountant	Payroll	Bookkeeper
<i>Base: All that support/plan to support with AE</i>	95	141	108	96
Will pre-warn clients about increasing contribution levels and be heavily involved in running payroll	8%	65%	89%	70%
Will pre-warn clients and help in the actual process	27%	14%	5%	15%
Will pre-warn clients so they don't forget but won't be involved in actual process	39%	11%	1%	8%
Won't get involved at all, all employer clients will handle this themselves	18%	4%	1%	2%
Not sure what you need to do to help clients handle this aspect	6%	5%	5%	5%
Net: Expect to be involved/help with process	36%	79%	94%	84%

7.4 Communication to clients about increases in minimum contributions

Over 90% of intermediaries reported that they planned to communicate the 2018 increase in minimum contributions to their clients at least two to three months beforehand, or had already done so. Nearly a third (31%) of IFAs had already informed their clients of the increase, compared with 20% of bookkeepers, and 15% and 14% of accountants and payroll administrators respectively.

Figure 7.4.1 – Intermediaries’ approach to communicating April 2018 contributions increase to clients

Base: All except those that will not get involved in phasing (Base, Don't know)

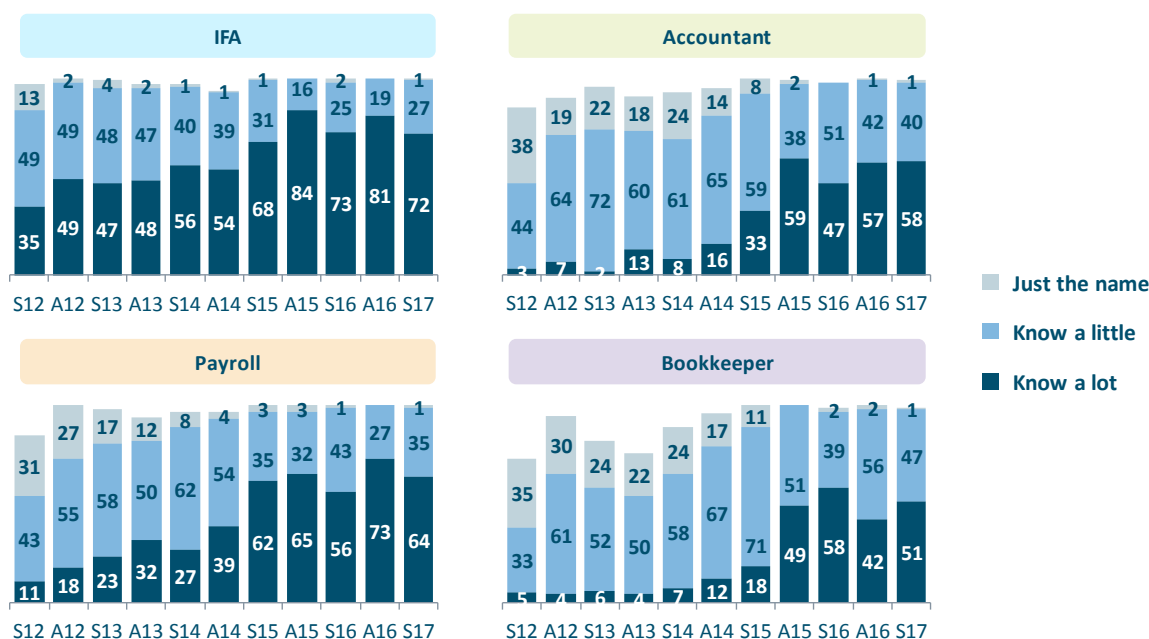
IFA (77, 3%), Accountant (135, 3%), Payroll (107, 2%), Bookkeeper (94, 4%)

8. Familiarity and engagement with TPR

8.1 Familiarity with TPR

As in previous waves of the survey, familiarity with TPR was high: 98% or more of each intermediary type claimed they knew ‘a little’ or ‘a lot’ about TPR (Figure 8.1.1).

Figure 8.1.1 – Intermediary familiarity with TPR (over time)



Base: All respondents (Base, Don't know)
 IFA (101, 0%), Accountant (141, 1%), Payroll (110, 0%), Bookkeeper (100, 1%)

8.2 Use of TPR’s website

As in autumn 2016, use of TPR’s website among intermediaries was near-universal, with 97% of payroll administrators, 93% of IFAs and accountants, and 92% of bookkeepers having used it to find information about automatic enrolment. This is in line with the proportion identifying TPR’s website as a key source of information on automatic enrolment (Section 3.2).

8.3 Awareness of workplace pensions or automatic enrolment advertising

89% of payroll administrators, 88% of IFAs, 86% of bookkeepers and 84% of accountants had seen or heard advertising about workplace pensions or automatic enrolment in the previous three months. These figures were slightly lower than those seen in the autumn 2016 survey (though the differences are not statistically significant).