

## **TISA response to DWP's Workplace Pension Participation and Savings Trends of Eligible Employees Official Statistics: 2009 to 2019**

**Renny Biggins, Retirement Policy Manager, TISA, commented:** *“It is fantastic to see there is a growing number of employees participating in a workplace pension, with the number reaching 88% of those eligible in 2019. It is evidence of the success that Auto Enrolment has had in bringing more employees of all ages and job sectors into pension saving. But, to really run a world-class workplace pension system, we must now turn attention to contributions levels and how we can ensure more people are eligible for Auto Enrolment, as many workers are currently locked out because of the criteria around age and salary.*”

*“The proposal contained within the 2017 Auto Enrolment review of reducing the minimum age limit to 18 and removing the lower earnings limit is a good, simple starting point. Secondly, those enrolled need to save more if they are to reach a comfortable retirement income. Based on TISA modelling, we have evidenced that we need to be aiming for a contribution rate of 12% of salary to enable a median earning household achieve a target level of retirement income of £29,000 net when factoring in life events and full state pensions.*”

*“TISA is also championing financial guidance crucial to help individuals and households understand the impact that personal circumstances can have on their retirement savings, through accumulation and when approaching and going through retirement. This will help ensure that households tailor their savings to their anticipated income targets.*”

*“Given the time to deliver change and the need to raise contributions to a level that provides the target replacement rates of income, TISA is calling for the DWP to conduct a review of AE in 2020/21 and begin the process of consultation, design and implementation.*”

*“However, we do recognise that COVID-19 has placed unprecedented strains on the finances of employers and employees and need to be mindful of that when constructing a phasing timetable to reach those next milestones.”*