

Workplace Pension Reforms Evaluation Strategy

Long-term Impact and Evaluation team

Millions of people in the UK are not saving enough for their retirement. The legislative changes set out in the Pensions Act 2008, the Workplace Pension Reform Regulations 2010, subsequent Pensions Bill 2011 and forthcoming regulations aim to address some of the key challenges and increase private pension saving in the UK. They form part of a wider pension reforms package designed to ensure that the UK has a pension system that enables individuals to save towards achieving the lifestyle they aspire to in retirement, whilst keeping the burden on employers and industry to a minimum.

The Workplace Pension Reforms consist of four key elements:

- employers will be required to automatically enrol their eligible jobholders into a qualifying workplace pension;
- minimum contributions of eight per cent on a band of earnings, of which at least three per cent must come from the employer;
- a compliance regime to ensure employers meet their obligations; and
- a low-cost pension scheme to provide a suitable savings vehicle for those moderate-to-low earners to whom the existing private pensions industry does not offer a suitable product.

The Evaluation Strategy provides a framework for evaluating the effects of the Workplace Pension Reforms. It builds on the Department's commitment to evaluate, as summarised in the Post Implementation Review (PIR) Plan set out in the Impact Assessments accompanying the legislation. The evaluation of the reforms will feed into the 2017 review of NEST (National Employment Savings Trust) as outlined in the Pensions Act 2008, and into any subsequent changes in regulations.

The Evaluation Strategy is structured around eight key Evaluation Questions which seek to understand the context and constraints under which success is delivered. To ensure the evaluation represents value for money to the taxpayer, the evaluation will draw on existing information sources as far as possible. Where appropriate, discrete research will be commissioned.

Outcomes will be measured at different stages to check that the regulations are operating as expected and to provide an indication of whether there are any unintended consequences for individuals, employers or industry.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 908523 00 6. Research Report 764. July 2011).

You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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