10,000 Jumbo Jets Fly Towards Better Retirement With Automatic Enrolment

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Four million people have now been automatically enrolled in workplace pensions – an increase of over 1 million this year or over 6,000 a day on average.

This is the equivalent of enough people to fill 10,000 jumbo jets.

Automatic enrolment began in October 2012, requiring all businesses to enrol eligible staff into a workplace pension and start paying contributions, beginning with the largest employers first.

The next stage of automatic enrolment will see small firms begin to enrol their workers into workplace pensions, with all employers due to be included in the scheme by 2018.

The government's action to introduce automatic enrolment into workplace pensions was in response to the problem of millions of people in Britain not saving enough for retirement.

Pensions Minister Steve Webb said:

"Automatic enrolment is a tremendous success with 4 million people now automatically enrolled into workplace pensions – enough to fill 10,000 jumbo jets.

"This policy is helping build a fairer society as millions of workers who didn't have the chance to save in a workplace pension before are now on track for a more comfortable retirement.

"And while people have the choice to opt out of workplace pension saving the overwhelming majority are staying in, ensuring a better future for themselves and helping reverse the savings slump in Britain."

Charles Counsell, Executive Director of automatic enrolment at The Pensions Regulator said:

"A seaside hotel, a scrapyard, hi-tech factories, colleges, care providers, hairdressers and a designer all featured amongst the wide range of employers completing their duties this month.

"It is a mix which illustrates just how automatic enrolment is gradually becoming part of the fabric of running every type of workplace."

DWP analysis this month found 11.9 million people in the UK are undersaving for retirement.

The key factors leading to the prospect of a poor retirement income included:

- not having a full work history
- not contributing to a pension while in work
- not contributing enough to generate a large enough retirement income

Automatic enrolment is now helping to turn the tide.

Employers can check The Pensions Regulator's website to check when they are due to enrol their staff so they can plan ahead to avoid unnecessary complexity and cost.

Small businesses (those with fewer than 50 workers) don't have to enrol their staff into workplace pensions until June 2015.

- Ends -

More Information:

Read the latest automatic enrolment registration figures

Employers have to automatically enrol workers who:

- are not already in a qualifying workplace pension scheme

- are at least 22 years old and below State Pension age
- earn more than £10,000 (2014/15) a year
- work or ordinarily work in the UK (under their contract)

Automatic enrolment began on 1 October 2012. All employers will have enrolled their staff by February 2018.

Read DWP's report on undersaving – Scenario analysis of future pension income

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