

# Pension Reform in the UK: Achievements and Challenges

OECD/IOPS Global Forum

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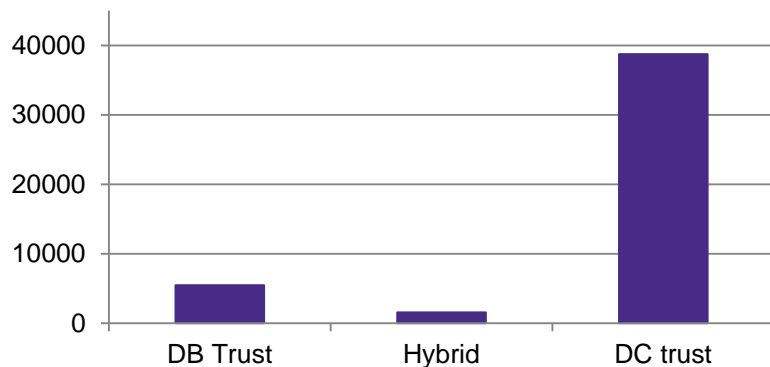
The Pensions  
Regulator

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# UK pensions landscape

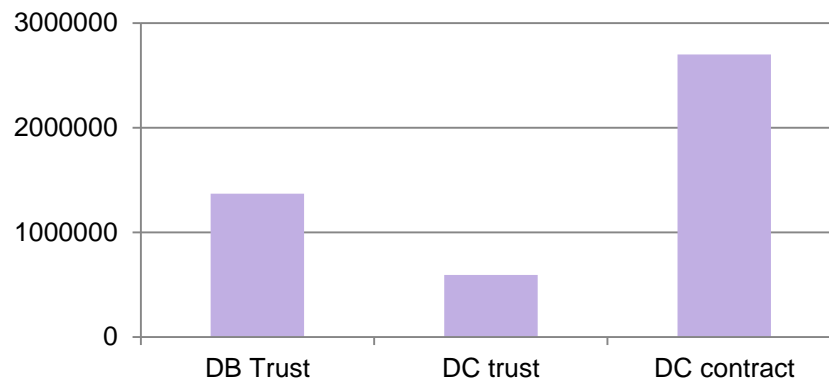
## Schemes



DB - £1.1 trillion AUM  
80% closed

DC - more than 30k schemes  
100 greater than 5k members

## Active Members



DB - 1.7 million active  
13 million total

DC - 3.1 million active  
4.5 million total

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# Pension reforms in the UK

	Change	Policy Intent
2001	Stakeholder pensions	<ul style="list-style-type: none"> <li>• Individual access</li> <li>• Inexpensive product</li> </ul>
2006	Turner Commission	<ul style="list-style-type: none"> <li>• Widen access</li> <li>• Automatic enrolment</li> </ul>
2012-2017	Introduction of Automatic Enrolment	<ul style="list-style-type: none"> <li>• Pension saving as default</li> <li>• Employer contributions</li> </ul>
2014	New flexibilities in retirement income	<ul style="list-style-type: none"> <li>• Freedom and choice</li> <li>• End compulsory annuitisation</li> </ul>
2015	Consultation on pensions tax relief	<ul style="list-style-type: none"> <li>• Improve incentives to save</li> <li>• Fiscal sustainability</li> </ul>
Future	??	? Transparency / education / simplification ?

# The Pensions Regulator's regulatory approach

Statutory  
Objectives

- member benefits
- good administration
- Sustainable growth of employer
- personal pensions benefits
- PPF
- Compliance with AE

Approach

EDUCATE

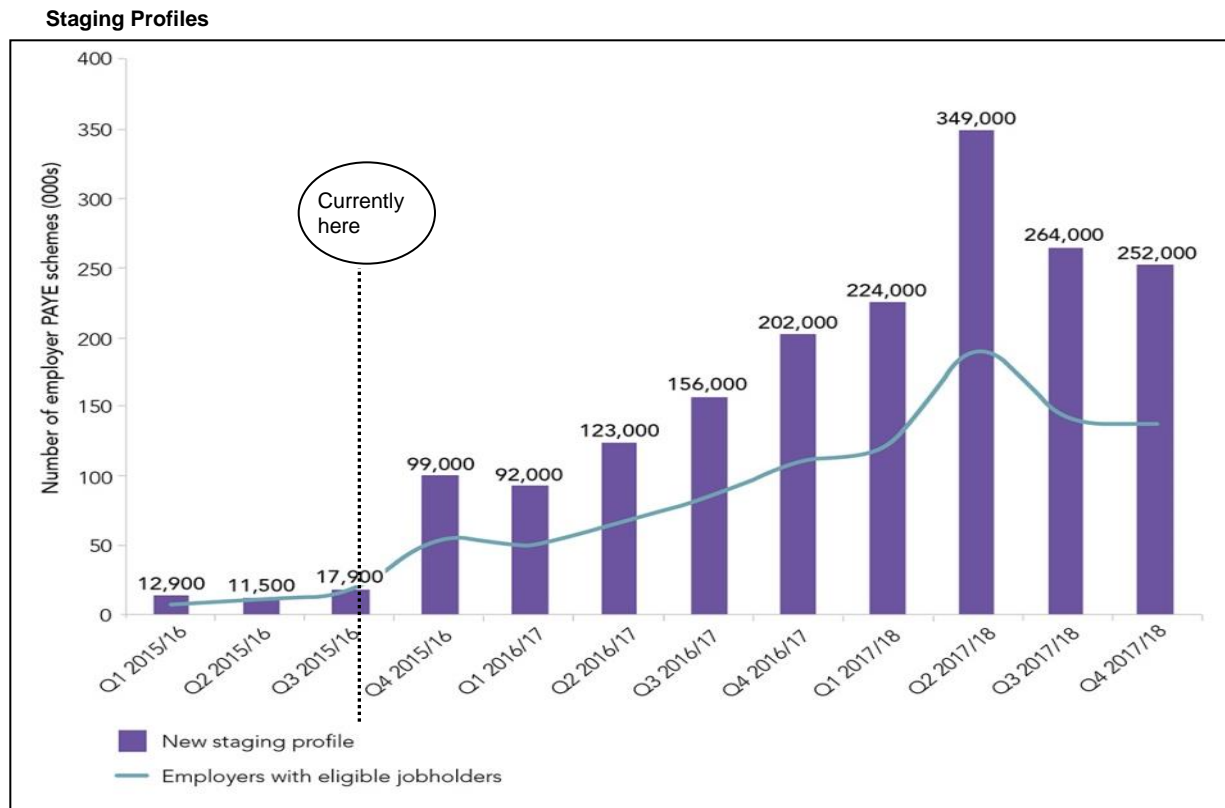
ENABLE

ENFORCE

Tools



# Auto enrolment - looking ahead



- 5.2 million employees enrolled by 2015
- 59% of employees in a workplace pension
- 141,000 employers staging in 2015
- 66% micro employers (1-4 employees)

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