

Occupational and Group Pensions - UK - June 2014

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“So far, auto-enrolment has proved a success, but the true test is still ahead. The insurer-administered occupational and group pension sectors are primed for significant expansion, as small and medium-sized employers become subject to new pension duties and millions of new savers are added to the (largely DC) pension pool.”
 – Sarah Hitchcock, Senior Analyst – Financial Services

This report looks at the following areas:

- So far auto-enrolment proves a success – but there are no guarantees when it comes to retirement outcomes
- Develop simplified and self-service solutions to avoid a ‘capacity crunch’
- Online tools help to foster member engagement and understanding

The UK occupational and group pensions market is undergoing a period of rapid transformation and rejuvenation, as a result of the continued roll-out of workplace pension auto-enrolment. So far, the new legislation has proved a success, with participation levels among employees of large firms running at around 90%.

Pension providers are now gearing up to receive increased new business from small and medium-sized employers, as more of them become liable to new pension duties or choose to make arrangements in advance of their staging dates. While some of these employers will opt for the trust-based DC scheme run by the NEST Corporation, large numbers will look to traditional pension providers for alternative and cost-efficient solutions, such as group personal pensions. In addition, many product providers have launched their own low-cost multi-employer trust-based schemes to compete with NEST and others using the master trust model.

Mintel's report examines the impact of pension auto-enrolment on new business inflows, in both the trust-based insurer-administered occupational sector and the contract-based group sector. Mintel's market analysis is complemented by the results of an independently commissioned consumer survey, which assesses pension ownership and participation levels among the UK workforce, along with member awareness and engagement, and general attitudes toward retirement saving.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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