

TWO FIFTHS OF SMALL BUSINESSES SAY AUTO ENROLMENT IS UNFAIR - BUT WON'T LET IT STOP EXPANSION

- **55 per cent small and micro firms think auto enrolment is a burden**
- **38 per cent say it's unfair**
- **72 per cent say it won't hold back growth plans**

More than half of all small and micro businesses feel auto enrolment will be a burden and two fifths say it's unfair, according to authoritative new research.

As an estimated 1.46m small businesses with employees comply with auto enrolment regulations, the Workplace Pensions – State of the Nation 2016 Report, undertaken by YouGov on behalf of leading workplace pension provider [Smart Pension](http://www.smartpension.com), found nearly a third (30 per cent) think contributing to their employees' pension pots might make them less likely to take on permanent staff - see all survey data at www.workplacepensions.com -

But despite more than half of them (53 per cent) citing on-going cost to the business of running a pension scheme as a major consideration in the process, the data found 72 per cent said it would make no difference to their long-term growth plans.

Far from it, over a fifth (22 per cent) stated that they would implement measures for the benefit of their employees as a result of auto enrolment, with 10 per cent intending to implement flexible working hours.

Smart Pension co-founder and MD Will Wynne said: "Auto enrolment was always going to be a challenge for smaller business founders who are often chief cook and bottle washer. They are busy people, they don't have the time to spend hours researching and implementing a pension scheme for their small workforce.

"But as staging dates approach and the inevitability is absorbed, it's clear they have realised it's not the disaster they imagined, with the majority choosing to carry on with growth plans regardless of their perception of the burden and unfairness.

"As saving for retirement once again becomes part of our culture, the hope is it will encourage employers of all sizes to naturally take more care and responsibility for their employees so it's interesting that this element is already being considered by the smallest firms."

According to The Pensions Regulator's (tPR) latest stats, 126,115 small and micro employers reached their staging date between April 2015 and March 2016.

Of those still to reach their staging date, tPR found that awareness of looming pensions responsibilities amongst small business founders was good at 95 per cent, with 79 per cent of micro firms understanding what's coming.

Since 2012 more than six million workers have been automatically enrolled into a workplace pension, which sees employers contribute a minimum of 1 per cent of employee salary, the Government at least 0.2 per cent – while employees only have to pay 0.8 per cent of their net pay into their scheme currently.

Almost two out of ten (19 per cent) employees say they have opted out of workplace schemes, or intend to do so, despite government figures indicating this is significantly lower

(c 10% opt out rate. Source The Pensions Regulator).

Will Wynne added: “It seems everyone, employers and their employees understand the need to save for their retirement.

“In a period when savings are being hammered by falling interest rates workplace pensions are an effective way of funding retirement.

“There is a £28bn pensions’ black hole in the UK and auto-enrolment is one of the ways people can save not only their own money, but build up a pension pot much more quickly with contributions from the Government as well as their employer.”

ENDS

For more details, please contact Liz Slee on 07540 060112 or email liz@lizziepin.com

All figures, unless otherwise stated, are from YouGov Plc. Survey of employers: total sample size was 553 senior decision makers in small businesses (excluding sole traders). Survey of employees: total sample size was 2,105 employees. Fieldwork was undertaken between 18th - 22nd July 2016. The surveys were carried out online. The figures have been weighted and are representative of all British business size.

ABOUT SMART PENSION:

Smart Pension is a MAF-accredited online auto enrolment provider. Its platform was built specifically to help thousands of small British businesses sign up their employees to a workplace pension scheme, as required by law. Smart Pension was co-founded in 2014 by Andrew Evans, CEO, and Will Wynne, Managing Director, and launched in May 2015. Its Master Trust is overseen by professional, independent trustees with decades of experience supervising large pension schemes. Smart Pension has partnered with Apex Fund Services, one of the world’s largest independent funds administrators, to securely and cost-effectively administer employees’ pensions. Smart Pension has a 5 star rating from Defaqto in the auto enrolment category. Smart Pension is the fastest auto enrolment platform on the market to sign up with and advisers and employers can use it for free - there are no upfront or ongoing charges for companies or their advisers. Smart Pension took over sponsorship of the GenLife Master Trust in September 2015.