

# Intermediaries' understanding and activity relating to automatic enrolment and ongoing duties

April 2017



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# 1. Executive summary

## 1.1. Introduction

This report summarises the results from a survey conducted among intermediaries by Jigsaw Research, an independent market research agency, on behalf of The Pensions Regulator (TPR). Although designed as a standalone survey, some questions from the discontinued Intermediary Tracker report (2011 to 2016) were included as a basis for comparison in this survey. The objectives of the research were:

- To measure and track intermediaries' awareness, knowledge, actions and intended actions in relation to the employers' ongoing duties under automatic enrolment, including re-enrolment and how the policy applies to employers established after October 2017.
- To determine intermediaries' knowledge of the increases in the minimum pension contributions being introduced in April 2018 and April 2019 (known as 'phasing').
- Unlike in previous surveys in this series there was less focus on intermediaries' awareness and activities in relation to employers going through the automatic enrolment staging process. Intermediaries' understanding relating to the staging process was measured as close to universal in the spring 2016 survey and it was decided for this reason, combined with the fact that the majority of employers had already staged, to place greater focus on intermediaries' awareness and behaviours related to employers' ongoing duties.

The survey was carried out with intermediaries who advised or informed micro and small employers (with between 1 and 50 staff) about automatic enrolment. A total of 452 interviews were conducted between November and December 2016. The survey respondents comprised 102 accountants, 100 Independent Financial Advisers (IFAs), 100 bookkeepers, 100 payroll administrators and 50 HR professionals. The majority of the survey questions were asked of those intermediaries who planned to support small businesses with automatic enrolment in the future. The sample sizes for these questions comprised 95 accountants, 89 Independent Financial Advisers (IFAs), 86 bookkeepers, 98 payroll administrators and 26 HR professionals. The survey results for HR professionals need to be treated with caution due to the low base size.

There is a Technical Report to support this document, also produced by Jigsaw Research, which includes a full list of survey questions and responses.

## 1.2. Key findings

### 1.2.1 Around three-quarters of all intermediary types were aware of employers' ongoing duties in relation to automatic enrolment.

Awareness of three of the four aspects linked to ongoing duties was close to universal (ie at least 92%). Awareness of all four aspects ranged between 73% and 83% across the five intermediary groups. It was only in relation to the requirement for employers to keep records of automatic enrolment activities for six years, and opt-out notices for four years, for which awareness was lower than 90% (ranging between 73% and 91%).

**Awareness and knowledge of re-enrolment was varied, with knowledge lower regarding the six month window period and the need to submit a re-declaration of compliance after completing re-enrolment.**

Awareness of re-enrolment was almost universal among IFAs (96%) and payroll administrators (93%), reasonably high among HR professionals (85%) but lower among accountants (77%) and bookkeepers (72%).

Knowledge about specific aspects related to re-enrolment varied by aspect and intermediary type. Knowledge levels about the need to write to staff about re-enrolment, and that certain staff will need to be assessed and potentially put back into the scheme, ranged between 88% to 99% across all intermediary types for both

aspects, with one exception: 77% of HR professionals were aware that certain staff need to be assessed and potentially put back in to the scheme.

The majority of all intermediaries were aware that certain staff must be put back into a pension scheme. HR professionals (73%) had the lowest level of awareness, but knowledge of this aspect was higher among the other intermediary types (between 81% and 87%).

Knowledge levels were lower on the issue of employers needing to submit a re-declaration of compliance after completing re-enrolment. Around three quarters of IFAs, two thirds of payroll administrators and bookkeepers, and half of accountants and HR professionals knew about this requirement.

The aspect of re-enrolment that had the lowest level of knowledge was awareness of the six month window, with 65% of IFAs aware, but lower among the other intermediary types (ranging between 27% and 45%).

### **1.2.2 Awareness of planned increases to minimum contribution levels was almost universal amongst intermediaries, but knowledge of the specific dates and amounts was varied, particularly for the increases due to take place in April 2019.**

Intermediaries' awareness of an increase in contributions in 2018 was almost universal (ranging between 92% and 100%). Awareness that there will be a further increase in 2019 was almost universal for IFAs, HR professionals and payroll administrators, but lower among accountants (80%) and bookkeepers (85%).

A similar pattern, albeit at lower levels, was true when it came to a more detailed knowledge about the dates and amounts of the contribution increases in both 2018 and 2019. IFAs demonstrated the highest levels of knowledge about the date and amount for both years, while accountants and bookkeepers had lower levels of knowledge.

### **1.2.3 The majority of intermediaries were aware that new employers will need to enrol eligible staff into a workplace pension immediately from October 2017.**

Knowledge of new employer duties was 65% for IFAs, and ranged between 50% and 58% of the remaining four intermediary types.

### **1.2.4 Awareness of postponement remained similar to spring 2016 levels, and varied by intermediary type.**

The majority of intermediaries, with awareness ranging between 80% and 99%, had heard of postponement. However, fewer than half of IFAs and between around a fifth and a third of other types (the range was 21% to 37%) of intermediaries understood the specific details of using postponement. Bookkeepers were the least knowledgeable about postponement (21%) while around a third of accountants, payroll administrators and HR professionals were knowledgeable about this issue. These lower levels of knowledge were driven primarily by many intermediaries incorrectly believing that employee requests to opt in were assessed after the postponement period.

### **1.2.5 Most intermediaries had previously supported small business clients with automatic enrolment, but this varied by intermediary type.**

Around 90% of IFAs, accountants and payroll administrators reported that they were supporting clients with automatic enrolment (ranged from 89% to 97% by intermediary type). However, a lower proportion of

bookkeepers (79%) had supported clients<sup>1</sup>. Half of HR professionals had supported clients with automatic enrolment.

### 1.2.6 Most intermediaries either had faced, or expected to face, challenges when responding to clients and offering automatic enrolment services.

The most common challenge reported by each intermediary type was that they (the intermediary) thought it was too complicated; across all intermediary types, between 48% and 65% believed this was a challenge. The proportion of IFAs, accountants and bookkeepers who cited this as a challenge increased compared to spring in 2016. The second most cited challenge was that clients were “unwilling to pay what was required for their services”. This was a particular issue among IFAs, where 67% reported clients’ unwillingness to pay what was required, but was less of an issue among HR professionals (27%) and bookkeepers (37%).

### 1.2.7 There were differences in the specific types of services offered by intermediary types, as found in previous surveys.

IFAs (44%) and, in particular, HR consultants (73%), were much more likely than other intermediary types to be offering an advice-only or simple awareness-raising service to small employers. Accountants, payroll administrators and bookkeepers played a far more active role, with 42% of accountants, 30% of payroll administrators and 33% of bookkeepers acting on behalf of their clients, and a further 37% of accountants, 42% of payroll administrators and 41% of bookkeepers providing their clients with ongoing support.

### 1.2.8 Intermediaries expected their clients to rely on them for automatic enrolment compliance and they reported carrying out a wider range of activities on their clients’ behalf than previously.

The level of reliance that intermediaries expected from clients was similar to previous waves, with many intermediaries expecting clients to rely on them completely. IFAs and HR consultants were less likely to expect complete reliance (28% and 12% respectively) than accountants (57%), payroll administrators (64%) and bookkeepers (57%).

A majority of all intermediary types had engaged in automatic enrolment activities: checking their client’s staging date was the most commonly reported service (ranging between 76% and 95% across the different intermediary types). More than half of accountants (57%), payroll administrators (74%) and bookkeepers (51%) had provided or configured software for their clients.

There were a number of increases in the proportion of each intermediary type carrying out tasks relating to AE on behalf of their clients, in particular providing data to the pension provider, choosing a pension scheme and completing the declaration of compliance.

### 1.2.9 Accountants, payroll administrators and bookkeepers planned to play a more supportive role than IFAs and HR consultants for employers at re-enrolment and when the minimum contribution levels increased in 2018 and 2019.

75% of accountants, 89% of payroll administrators and 76% of bookkeepers would both make their clients aware and help with the process of re-enrolment (compared with 47% of IFAs and 34% of HR consultants).

With regards to the contribution increases, 63% of accountants, 84% of payroll administrators and 66% of bookkeepers would make their clients aware and be heavily involved in the process (compared with 6% of IFAs and 12% of HR consultants). IFAs (91%) and HR professionals (77%) were far more likely to agree that the

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<sup>1</sup> This apparent decline is very likely to be due to the fact that for previous survey waves TPR provided the sample for bookkeepers from its database which bookkeepers had effectively registered onto, meaning that bookkeepers interviewed in the previous waves were more likely to be involved in automatic enrolment.

increase in contribution levels was a good idea than accountants (57%), payroll administrators (56%) and bookkeepers (44%).

## 2. Introduction

### 2.1. Workplace pension reforms

The workplace pension reforms, set out in the Pensions Act 2008, require employers in the UK to automatically enrol certain members of their staff into a workplace pension scheme and contribute towards it, unless the worker is already a member of a qualifying pension scheme. These reforms are also referred to as 'automatic enrolment'.

To be eligible for automatic enrolment (and be classified as an eligible jobholder), staff must be:

- aged at least 22 but under State Pension Age;
- working or ordinarily working in the UK; and
- earning more than £10,000 a year.

Eligible jobholders can choose to opt out of pension scheme membership. Depending on their level of earnings and age, other members of an employer's workforce will be able to opt in to an automatic enrolment pension scheme and, if they do, they will also receive employer contributions. Other workers can join a pension scheme but the employer is not required to contribute towards it.

The reforms have been rolled out in a phased approach since October 2012 so that larger employers have had their staging date – which is the date from which an employer's legal duties begin – before smaller employers.

Businesses with over 250 employees (large employers) staged between 1 October 2012 and 1 February 2014. Those with 50 to 249 employees (medium employers) staged between 1 April 2014 and 1 April 2015, and small and micro employers began to be subject to their duties from June 2015. New businesses that started up after October 2012 were given a staging date from 1 May 2017. Employers that start up from October 2017 onwards will be required to enrol eligible workers into a pension scheme straightaway; that is from the first day of employment of their first worker.

Employers must submit a declaration of compliance to TPR within five months of their staging date to confirm that they have complied with their duties.

Following declaration, employers have a number of ongoing duties under the reforms. These include:

- Assessing workers every time they are paid to ensure that if they reach the eligibility criteria they are enrolled into the pension scheme
- Calculating and paying correct pension contributions for every worker enrolled in the pension scheme
- Keeping accurate records related to administering the pension scheme
- Re-enrolling those eligible staff not in the pension scheme every three years and re-declaring their compliance once again with TPR.

### 2.2. Communications activities

The primary focus of the intermediary study was awareness and knowledge with regards to employers' ongoing duties. The study also briefly focused on intermediaries' awareness of TPR's campaign but, because this campaign was focussed on employers yet to stage, the focus was much less than has been the case in previous surveys among intermediaries.

TPR supports employer compliance through an integrated communications strategy based on direct engagement with employers and through their intermediaries. TPR seeks to inform employers about their duties, encourage them to prepare for automatic enrolment and maximise compliance with the reforms.



The communications approach consists of writing to employers to inform them what to do at key intervals on the approach to their staging date and to their declaration of compliance deadline.

Awareness messaging is reinforced through an integrated multi-channel advertising campaign, which aims to maintain and to raise levels of awareness of the workplace pensions reforms among the small and micro employer audience, in order to drive action.

This advertising and the direct communications encourages employers to use TPR's website which, in alignment with the Government's Digital by Default strategy, provides an online platform through which they can find information and make use of web tools to help them meet their duties.

The online pages aimed at intermediaries ('step by step guide for business advisers') were also refreshed to reflect the amendments that had been made to employer-facing content and to provide intermediaries with detailed information and guidance to support their clients.

As levels of awareness and understanding have increased, the demand for face to face meetings with TPR has declined. Consequently, more recently TPR has focused activity on running some live events, webinars and online Q&A sessions instead of face-to-face meetings. In addition, TPR continues to send out a monthly email newsletter tailored to the needs of intermediaries.

TPR has also established a programme of communications partnerships with professional and employer bodies, business networks and trade associations to whom we provide targeted, regular and relevant messaging to be communicated to employers and their intermediaries through communications partners' own channels.

## 2.3. Research objectives

The objectives of the research were:

- To identify and track intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to the employers' ongoing duties under automatic enrolment, including how the policy applies to employers created after October 2017.
- To determine intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to re-enrolment, to include the extent to which they expect to assist their clients with re-enrolment.
- To determine intermediaries' knowledge of the increases in the minimum pension contributions being introduced in April 2018 and April 2019 (known as 'phasing'). Survey methodology.

The survey population was defined as intermediaries who personally work with small and micro employers (defined as those with 1-29 staff) by advising and informing them about workplace pensions.

Quota sampling was used with quotas set for intermediary type and IFA type.

Sample for the survey was purchased from a number of different sample providers: Experian, Dun and Bradstreet and Yellow Pages.

Critical Research (a specialist fieldwork provider working with Jigsaw Research) interviewed 452 intermediaries by telephone, using Computer Assisted Telephone Interviewing (CATI), between November and December 2016. The average interview length was 20 minutes.

As with previous waves of this survey, the data was not weighted. Table 1 presents the total number of interviews achieved for each quota.

**Table 1: Achieved interviews**

Intermediary type	N	%
<b>IFA</b>	<b>100</b>	<b>22%</b>
National firms	34	8%
With network	15	3%



Intermediary type	N	%
Small independents	51	11%
<b>Accountant</b>	<b>102</b>	<b>23%</b>
<b>Payroll administrator</b>	<b>100</b>	<b>22%</b>
<b>Bookkeeper</b>	<b>100</b>	<b>22%</b>
<b>HR consultant</b>	<b>50</b>	<b>11%</b>
<b>Total</b>	<b>452</b>	<b>100%</b>

The majority of the survey questions were asked of those intermediaries who planned to support small businesses with automatic enrolment in the future. The sample sizes for these questions comprised 95 accountants, 89 Independent Financial Advisers (IFAs), 86 bookkeepers, 98 payroll administrators and 26 HR professionals. The survey results for HR professionals need to be treated with caution due to the low base size.

## 2.4. Reporting conventions

When interpreting the data presented in this report, please note that:

- Results may not sum to 100% due to rounding and/or due to participants being able to select more than one answer to a question.
- Data presented in this report are from a sample of intermediaries rather than the total population. This means the results are subject to sampling error. Differences between sub-groups and between different waves of the research are commented on in the text only if they are statistically significant at the 95 per cent confidence level. This means there is no more than a 5 per cent chance that any reported differences are not real but a consequence of sampling error<sup>2</sup>.
- Results in each section of this report are presented for autumn 2016 in the first instance, and then comparisons are made with previous waves to establish what has/has not changed over time.
- A significant difference is marked with an arrow. Arrows coloured green show a significant increase, while red denotes a significant decrease.
- For many of the specific results, the base size for HR professionals was low (n=26) and the results in these instances need to be treated with caution. Where this occurs, the findings are caveated with a reminder of the low base size.

## 2.5. Technical report

This report is a summary of findings; it does not provide responses to all questions for all sub-groups. It is, therefore, accompanied by a Technical report, which details all the questions asked in the survey and all the responses at a total and sub-group level. The Technical report was also produced by Jigsaw Research.

<sup>2</sup> Strictly speaking, calculations of statistical significance apply only to samples that have been selected using probability sampling methods. However, in practice it is reasonable to assume that these calculations provide a good indication of significant differences in quota surveys like this one.

## 3. Awareness and understanding of automatic enrolment

### 3.1. Introduction

In comparison to the previous Intermediary Tracker Survey, this 2016 survey was designed to focus more on intermediaries' awareness, understanding, knowledge, attitudes, actions and intended actions in relation to the employers' ongoing duties under automatic enrolment, including how the policy applies to employers created after October 2017 awareness and understanding of the different aspects of automatic enrolment after staging including ongoing duties, the increases in the minimum contribution levels ('phasing') and re-enrolment.:

Therefore, many questions in this section were asked for the first time in autumn 2016 and so there are no comparisons with the previous intermediary tracker surveys.

### 3.2. Understanding of ongoing duties

**Around three-quarters of all intermediary types were aware of employers' ongoing duties in relation to automatic enrolment.**

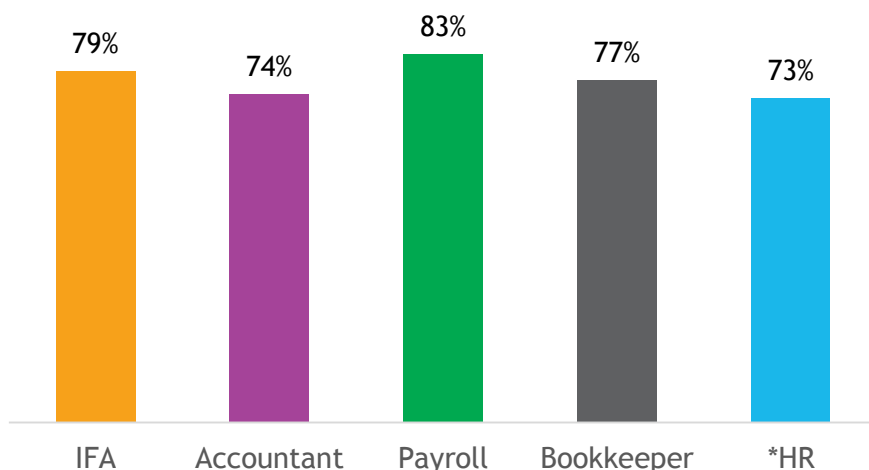
Understanding of ongoing duties was determined by assessing whether intermediaries could correctly identify four true statements about the specifics of ongoing duties. The true statements intermediaries were tested on were:

- Employers need to keep records of their automatic enrolment activities for six years and opt-out notices for four years.
- Employers need to monitor the ages and earnings of their new and existing staff and check their automatic enrolment eligibility every month for existing and new staff. As staff become eligible they will need to be enrolled.
- Employers need to enrol staff and write to them to let them know how automatic enrolment applies to them as they become eligible.
- Employers must continue to pay contributions to their staffs' pensions. An employer can postpone automatic enrolment for up to three months.

To have 'understanding' of this aspect of automatic enrolment, intermediaries had to correctly identify all four correct statements about ongoing duties.

Figure 1 shows that around three quarters for all intermediary types demonstrated this understanding, being highest among payroll administrators (83%) and lowest among accountants (74%) and HR professionals (73%).

**Figure 1: Proportion of intermediaries correctly identifying all four true statements about ongoing duties, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*

Table 2 shows that three of the four aspects linked to ongoing duties had close to universal awareness among intermediaries.

It was only on the issue of record keeping of automatic enrolment activities for six years and opt-out notices for four years where awareness was lower than 90% for accountants (81%), payroll administrators (85%), bookkeepers (85%) and HR professionals (73%).

**Table 2: Proportion of intermediaries correctly identifying the specific true statements about ongoing duties, autumn 2016**

	IFA	Accountant	Payroll	Bookkeeper	*HR
Employers need to keep records of their automatic enrolment activities for six years and opt-out notices for four years	91%	81%	85%	85%	73%
Employers need to monitor the ages and earnings of their new and existing staff and check their automatic enrolment eligibility every month for existing and new staff. As staff become eligible they will need to be enrolled	98%	95%	97%	95%	92%
Employers need to enrol staff and write to them to let them know how automatic enrolment applies to them as they become eligible	96%	98%	98%	99%	100%
Employers must continue to pay contributions to their staffs'	90%	94%	97%	94%	92%

	IFA	Accountant	Payroll	Bookkeeper	*HR
pensions					

\* Caution low base size for HR professionals (n=26)

### 3.3. Awareness and understanding of re-enrolment

Awareness and knowledge of re-enrolment was varied, with the requirements regarding the six month window period and the need to submit a re-declaration of compliance after completing re-enrolment being least well known.

Understanding of re-enrolment was determined by assessing whether intermediaries could correctly identify five true statements about the specifics of re-enrolment. The statements intermediaries were tested on were:

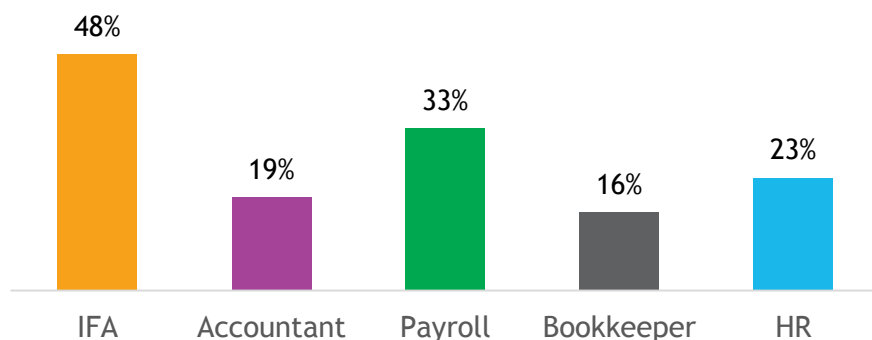
- Every three years an employer must put certain staff back into a pension scheme.
- Employers can choose their re-enrolment date from within a six-month window, which starts three months before the third anniversary of their automatic enrolment staging date and ends three months after it.
- Employers will need to assess certain staff to work out if they need to put them back into their pension scheme.
- Employers will need to write to those staff that are being re-enrolled to tell them what is happening.
- Employers will need to submit a re-declaration of compliance to TPR after completing re-enrolment.

To have 'understanding' of this aspect of automatic enrolment, intermediaries had to correctly identify all five correct statements.

The majority of intermediaries had heard of re-enrolment but recall levels varied by intermediary type. Awareness of re-enrolment was highest among IFAs (96%), payroll administrators (93%) and HR professionals (85%), but lower among accountants (77%) and bookkeepers (72%).

All intermediary types had lower levels of more detailed understanding of this aspect of automatic enrolment, with 16% to 48% of intermediaries able to correctly identify all five correct statements as true (Figure 2).

**Figure 2: Proportion of intermediaries correctly identifying all true statements about re-enrolment, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*

Table 3 sets out these knowledge levels in more detail. Knowledge about the need to write to staff about re-enrolment and that certain staff will need to be assessed and potentially put back into the scheme were both ranged between 88% to 99% across all intermediary types for both aspects, with one exception: 77% of HR professionals were aware that certain staff need to be assessed and potentially put back in to the scheme.

Knowledge that certain staff must be put back into a pension scheme differed by intermediary type. Most HR professionals (73%) knew about this but knowledge of this aspect was higher among the other intermediary types (between 81% and 87%).

Knowledge levels were lower on the issue of employers needing to submit a re-declaration of compliance after completing re-enrolment, with 75% of IFAs, 68% of payroll administrators and bookkeepers and around half of accountants (53%) and HR professionals (55%) knew about this requirement.


The aspect of re-enrolment that had the lowest levels of knowledge was awareness of the six month window, with 65% of IFAs aware but lower among the other intermediary types (ranging between 27% and 45%).

**Table 3: Proportion of intermediaries correctly identifying the true statements about re-enrolment, autumn 2016**

CORRECTLY IDENTIFIED AS TRUE	IFA	Accountant	Payroll	Bookkeeper	*HR
Every three years an employer must put certain staff back into a pension scheme	86%	81%	87%	81%	73%
Employers can choose their re-enrolment date from within a six-month window, which starts three months before the third anniversary of their automatic enrolment staging date and ends three months after it	65%	30%	45%	27%	36%
Employers will need to assess certain staff to work out if they need to put them back into their pension scheme	93%	88%	89%	90%	77%
Employers will need to write to those staff that are being re-enrolled to tell them what is happening	96%	93%	96%	97%	100%
Employers will need to renew their declaration of compliance with TPR	75%	53%	68%	68%	55%

\* Caution low base size for HR professionals (n=26)

 Significantly higher than Total Sample

 Significantly lower than Total Sample

### 3.4. Awareness and understanding of planned increases to minimum contribution levels

Awareness of planned increases to minimum contribution levels was almost universal amongst intermediaries, but knowledge of the specific dates and amounts was varied, particularly for the increases due to take place in April 2019. Understanding in respect of the planned increases was determined by telling each respondent, for each contribution increase year, the correct details in terms of:

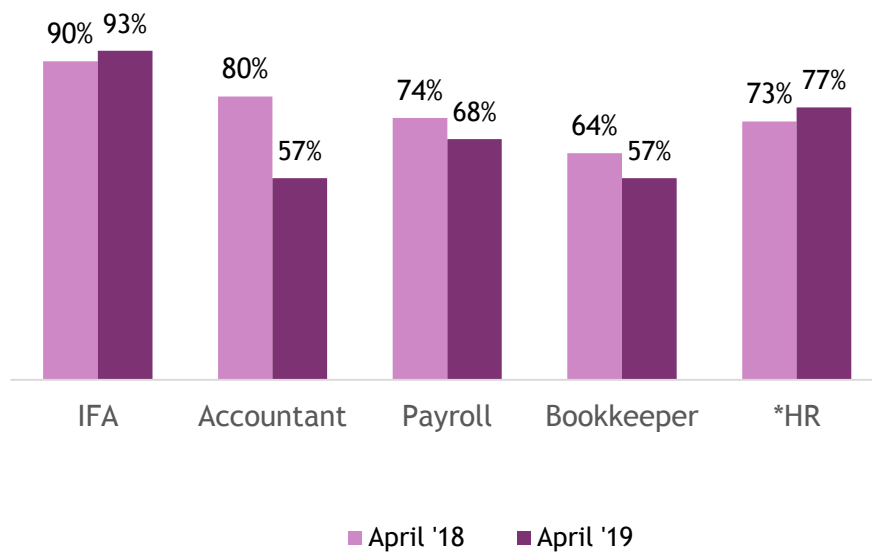
- The date by which each increase would need to occur
- The new contribution levels that would need to be applied at both at an overall level and specifically for employers

Respondents were then asked, for each contribution increase year, whether they were aware of the change happening in that year and, if so, whether they were aware of both of these facts, the date but not the amounts, the amounts but not the date, or neither. Those that said they were aware of both the date and amounts were judged to 'understand' phasing for that specific year. Those that said they were aware of the contribution increases generally in that year were judged to be 'aware' of the increases occurring in that specific year.

Intermediaries' levels of awareness of there being a planned increase in contributions in April 2018 was almost universal (ranging from 92% for HR professionals to 100% for IFAs). Awareness that there will be a further increase in April 2019 was almost universal for IFAs, HR professionals and payroll administrators (ranging between 93% and 100%) but lower among accountants (80%) and bookkeepers (85%).

A similar pattern, albeit at lower levels, was seen when it came to a more detailed knowledge about the dates and amounts of the contribution increases in both 2018 and 2019. IFAs had the highest levels of knowledge about the date (and amount for both years, whereas accountants and bookkeepers had lower levels of knowledge. Accountants' knowledge levels of the 2018 increases (80%) were higher than for the 2019 increases (57%) (Figure 3).

**Figure 3: Proportion of intermediaries who said they knew both the date and the amounts in relation to the increase in the minimum contribution levels, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*

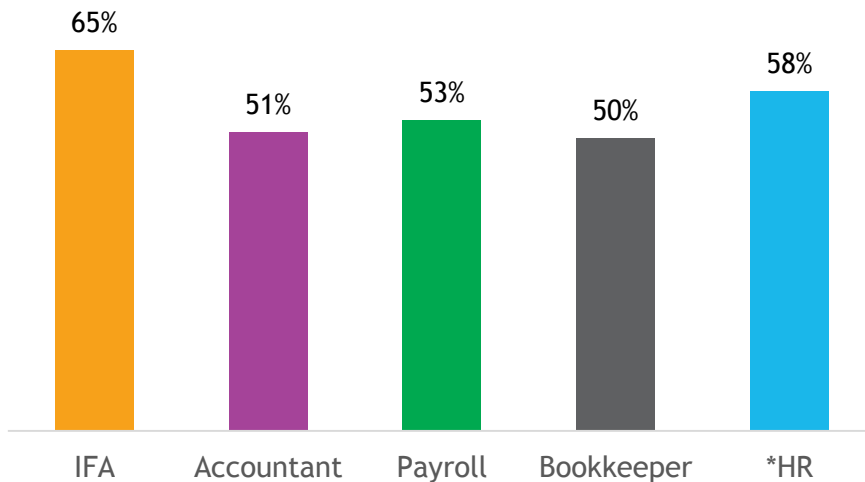
### 3.5. Awareness that new employers will be required to enrol eligible workers into a pension scheme immediately from October 2017

**Over 50% of all intermediary types were aware that new employers will need to enrol their workers into a pension scheme immediately.**

65% of IFAs and between 50% and 58% of the remaining four intermediary types were aware that new employers will be required to enrol eligible workers into a pension scheme immediately from October 2017.(Figure 4).



**Figure 4: Proportion of intermediaries who said that they were aware that employers formed from October 2017 onwards will be required to enrol straightaway, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*

### 3.6. Awareness and understanding of postponement

**Awareness of postponement remained was similar to spring 2016 levels, and varied by intermediary type.**

Understanding of postponement was determined by assessing whether intermediaries could correctly identify two true and one false statement about the specifics of postponement. The true statements intermediaries were tested on were:

- An employer can postpone automatic enrolment for up to three months,
- The employer needs to write to all postponed staff to tell them that they are using postponement.

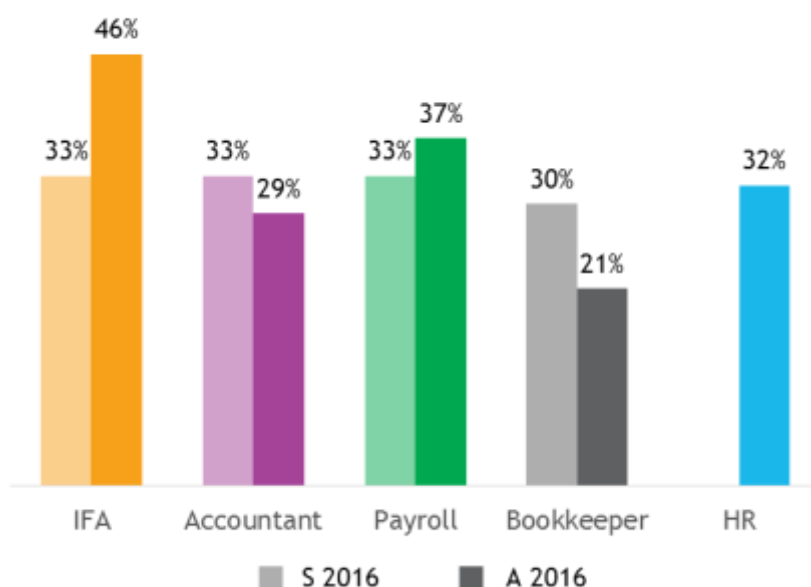
The false statement about postponement was:

- During postponement, any employee requests to opt in or join a pension scheme are assessed after the postponement period is finished.

To have 'understanding' of this aspect of automatic enrolment, intermediaries had to correctly identify the two correct statements and one incorrect statement about postponement.

The majority of intermediaries were aware of postponement, with a ranging from 80% to 99% across intermediary types. As in spring 2016, there was a lack of clarity around the details of postponement among all intermediaries, with 21% to 46% of intermediaries able to correctly identify the two correct statements and one incorrect statement (Figure 5).

**Figure 5: Proportion of intermediaries correctly identifying the true and false statements about postponement**



The majority of all intermediary types correctly identified the two true statements; that an employer can postpone automatic enrolment for up to three months and that employers need to communicate to staff about postponement. However, there was a decrease since spring 2016 in the proportion of accountants (from 33% to 29%) and bookkeepers (from 30% to 21%) aware that an employer can postpone automatic enrolment for up to three months.

As seen in Table 4, around half to two thirds (48% to 67%) of all intermediary types correctly identified the following as a false statement: “employee requests to opt in or join a pension scheme are assessed after the postponement period is finished.” There was an increase since spring 2016 in the proportion of IFAs aware that this statement is incorrect.

Where there was a statistically significant difference compared to spring 2016, the finding from the last wave is shown; and a green or red arrow shows whether the change was higher or lower than the previous survey wave.

**Table 4: Proportion correctly identifying the specific true and false statements about postponement, autumn 2016**

CORRECTLY IDENTIFIED AS TRUE	IFA	Accountant	Payroll	Bookkeeper	*HR
An employer can postpone automatic enrolment for up to 3 months	89%	80% ↓ (92% in Spring 2016)	88% ↓ (100% in Spring 2016)	80%	81%
The employer needs to write to all postponed staff to tell them that they are using postponement	88%	80%	90%	80%	83%
CORRECTLY IDENTIFIED AS FALSE	IFA	Accountant	Payroll	Bookkeeper	*HR

CORRECTLY IDENTIFIED AS TRUE FALSE	IFA	Accountant	Payroll	Bookkeeper	*HR
During postponement, any employee requests to opt in or join a pension scheme are assessed after the postponement period is finished	67% ↑ (45% in Spring 2016)	48%	52%	50%	64%

\* Caution low base size for HR professionals (n=26)

↑ Significantly higher than Spring 2016

↓ Significantly lower than Spring 2016

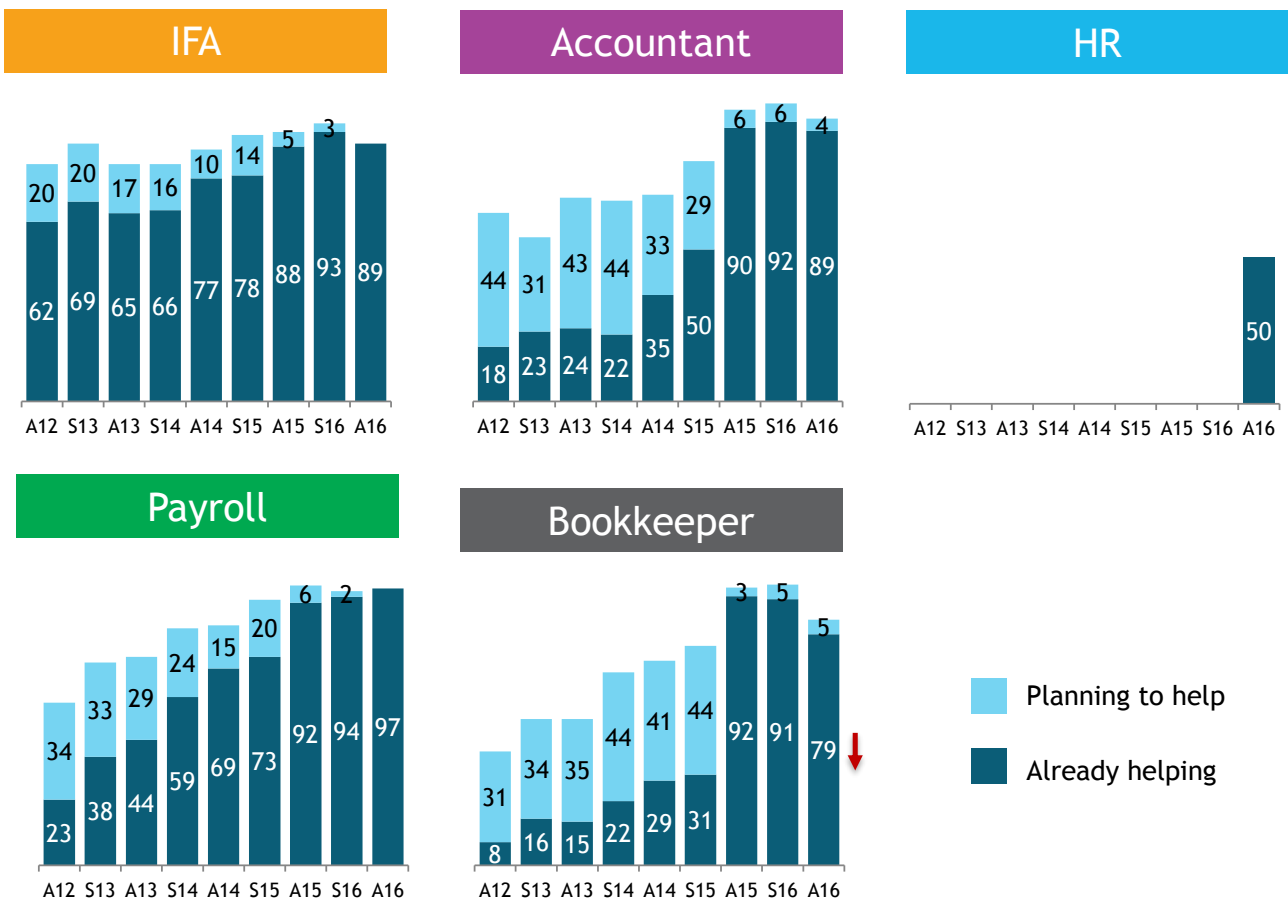
## 4. Supporting clients with automatic enrolment

### 4.1. Supporting clients with automatic enrolment

**Most intermediaries had previously supported small business clients with automatic enrolment but this varied by intermediary type.**

Figure 6 shows that, similar to spring 2016, almost all IFAs (89%), accountants (89%) and payroll administrators (97%) reported that they were already supporting clients with automatic enrolment. However, a smaller proportion of bookkeepers interviewed in the survey said they had helped employers (79% versus 91% in spring 2016)<sup>3</sup>.

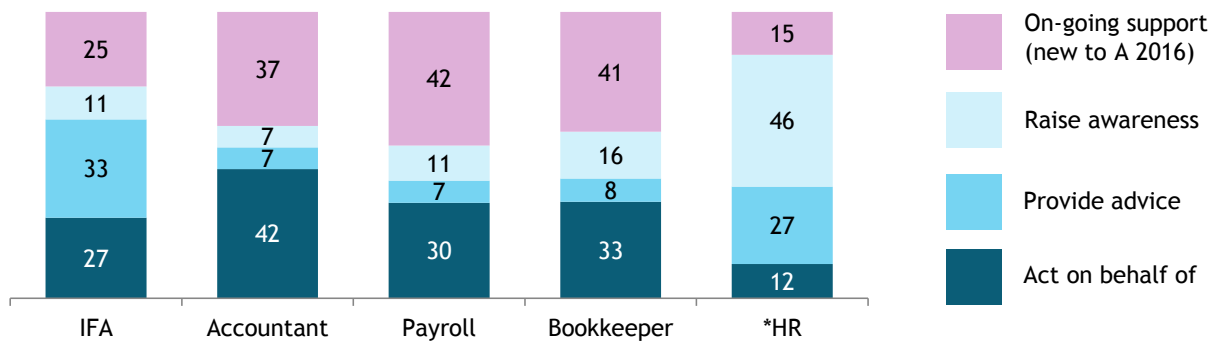
**Figure 6: Proportion (%) of intermediaries supporting, or planning to support, clients with automatic enrolment, over time**



There were differences in the types of services that had been offered by different intermediary types, as illustrated in Figure 7. IFAs and HR professionals were less likely than accountants, payroll administrators and bookkeepers to be providing ongoing support (25% and 15% compared to 37%, 42% and 41% respectively), and were more likely to be providing advice to their clients (33% and 27% compared to 7%, 7% and 8% respectively).

<sup>3</sup> This apparent decline is very likely to due to the fact that for previous survey waves TPR provided the sample for bookkeepers from its database which bookkeepers had effectively registered onto, meaning that bookkeepers interviewed in the previous waves were more likely to be involved in automatic enrolment.

**Figure 7: The nature of the main service intermediaries offer/are likely to offer small business clients regarding automatic enrolment, autumn 2016**

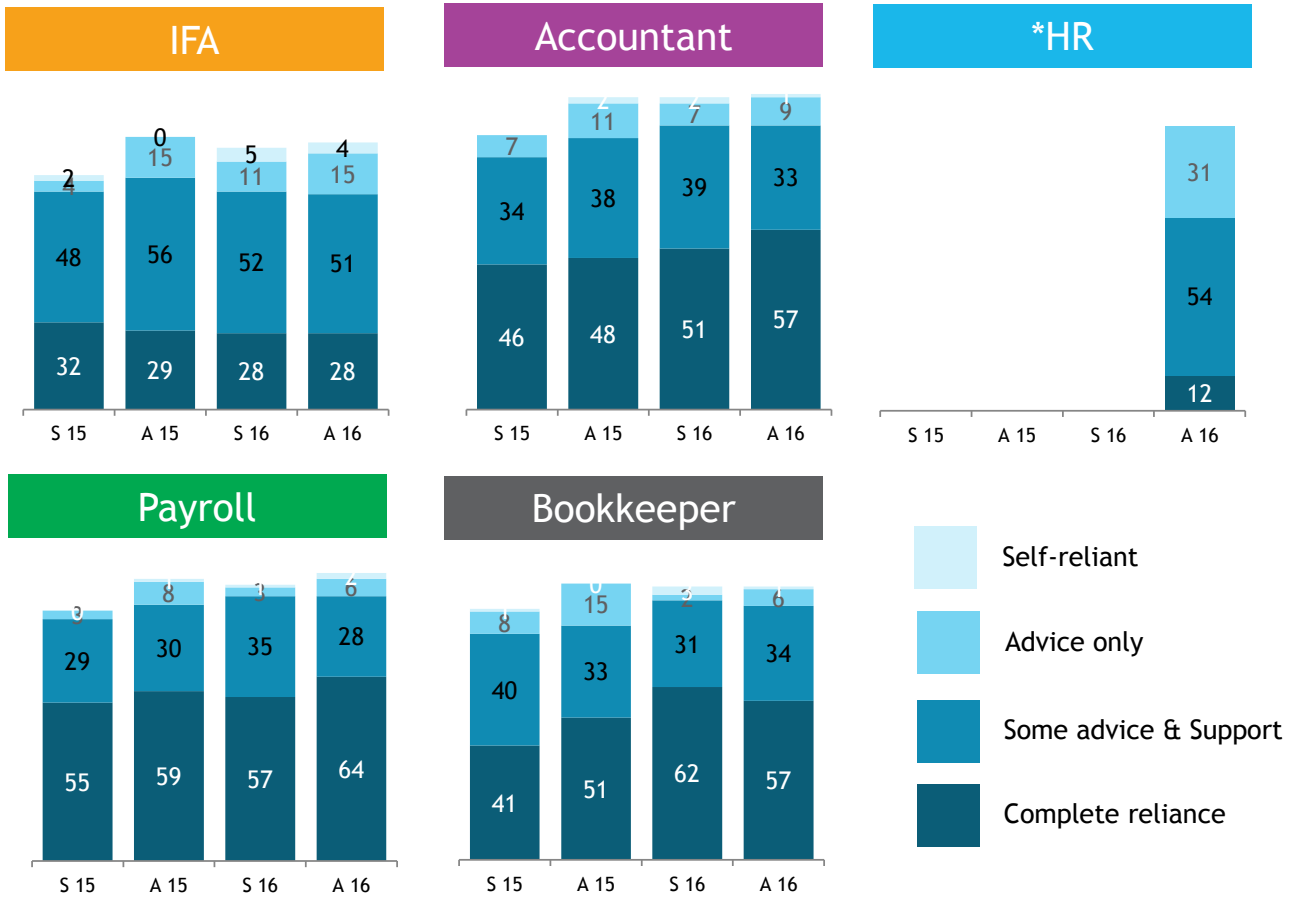


\* Caution low base size for HR professionals (n=26)

**Intermediaries continued to expect their clients to rely on them for automatic enrolment compliance.**

The high level of reliance that intermediaries expected from clients was similar to that found in the previous intermediary tracker survey, with many intermediaries expecting clients to rely on them completely (Figure 8). IFAs and HR consultants were less likely to expect complete reliance (28% and 12% respectively) than accountants (57%), payroll administrators (64%) and bookkeepers (57%).

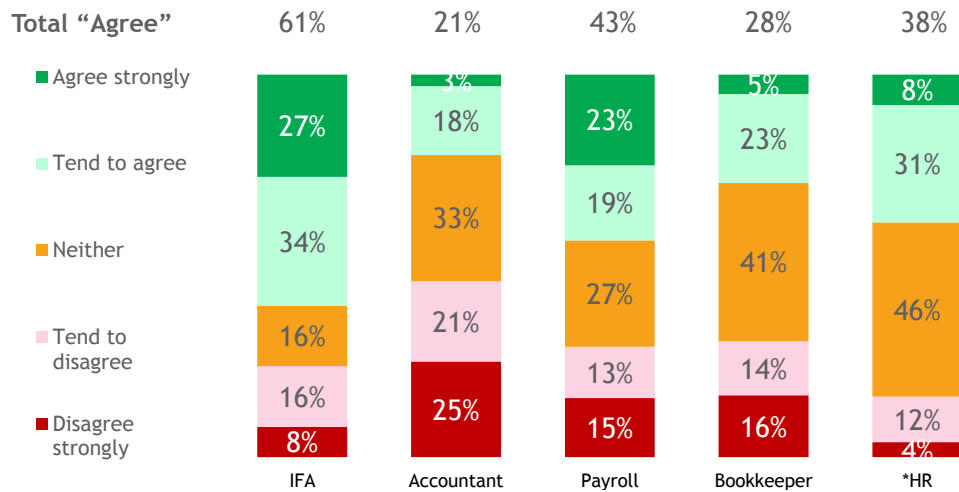
**Figure 8: Perceived reliance of small business clients on intermediary help them get through the process of automatic enrolment**



\* Caution low base size for HR professionals (n=26)

There were mixed opinions with regards to whether automatic enrolment had been a good business opportunity (Figure 9). IFAs were most likely to believe it had been (61% agreed it has been a good business opportunity), while accountants were the least likely (21% agreed and 46% disagreed). More bookkeepers disagreed (30%) than agreed (28%) that automatic enrolment had been a good business opportunity.

**Figure 9: Whether introduction of automatic enrolment has been a good business opportunity, autumn 2016**



\* Caution low base size for HR professionals (n=26)

## 4.2. Challenges that intermediaries expected employers to encounter

**Almost all intermediaries, regardless of type, expected clients to face, or had already had clients face, challenges with automatic enrolment. Intermediaries continued to experience a high level of reliance upon them from clients.**

The hierarchy of employer challenges mentioned by intermediaries were similar to those in spring 2016 (Table 5).

The most frequently mentioned challenge for all intermediary types continued to be that clients did not know what they were meant to do (ranging from 73% to 83% by intermediary type).

The second most cited challenge was that clients didn't have time to engage with automatic enrolment (ranging from 62% to 77% by intermediary type).

Clients not being able to afford it was the third most mentioned challenge (ranging from 60% to 69% by intermediary type).

One change from spring 2016 was the decrease in the proportion of intermediaries who said that 'employers think it is too far into the future to think about'. It ranked as a lower concern in this survey wave and, in particular, the proportion of IFAs (42% down from 58%), accountants (45% down from 61%) and payroll administrators (57% down from 71%) who cited this as a challenge had decreased since spring 2016.

**Table 5: The challenges experienced by clients / expected clients to experience, autumn 2016**

	IFA	Accountant	Payroll	Bookkeeper	*HR
Clients don't know what they're meant to do	83%	76%	79%	78%	73%
Clients don't have time to engage with it	64%	77%	72%	71%	62%
Clients say they can't afford it	62%	62%	68%	60%	69%
Clients don't engage with it	54%	63%	59%	50%	58%
Clients are putting it off	57%	54%	54%	53%	58%



	IFA	Accountant	Payroll	Bookkeeper	*HR
It's too far into the future for clients to think about	42%	45%	57%	51%	54%
Clients don't know where to go for help	48%	36%	47%	41%	50%
Clients don't realise it applies to them	37%	39%	55%	34%	35%
Other challenge	15%	9%	13%	8%	12%

\* Caution low base size for HR professionals (n=26)

The majority of intermediaries remained confident that clients would be ready for automatic enrolment, as shown in Figure 10. There were no changes between spring and autumn 2016.

**Figure 10: Intermediaries' confidence in their clients' readiness for automatic enrolment**



\* Caution low base size for HR professionals (n=26)

### 4.3. Challenges that intermediaries faced or expected to face when supporting employers

**Most intermediaries either had faced, or expected to face, challenges when responding to clients and offering automatic enrolment services.**

The most common challenge reported by each intermediary type was that they (the intermediary) thought it was too complicated (Table 6). This has increased as a challenge since Spring 2016 among IFAs, accountants and bookkeepers. Across all intermediary types between 48% and 65% believed this was a challenge. The second most cited challenge was that clients were “unwilling to pay what was required for their services”. This was a particular issue among IFAs where 67% reported clients’ unwillingness to pay what was required, but was less of an issue among HR professionals (27%) and bookkeepers (37%). Another common challenge intermediaries had faced, or expected to face was employers “putting it off”, with between a third and half of intermediaries saying this was a challenge.

**Table 6: The challenges intermediaries had faced / expected to face in relation to offering automatic enrolment services to their clients, autumn 2016**

	IFA	Accountant	Payroll	Bookkeeper	*HR
We (intermediary) think it's too complicated	54%	65%	50%	48%	50%
Clients aren't prepared to pay us what is required	67%	41%	48%	37%	27%
Our clients are all putting it off	36%	49%	44%	37%	50%
Other challenges	24%	26%	28%	20%	27%
None	11%	13%	14%	24%	12%

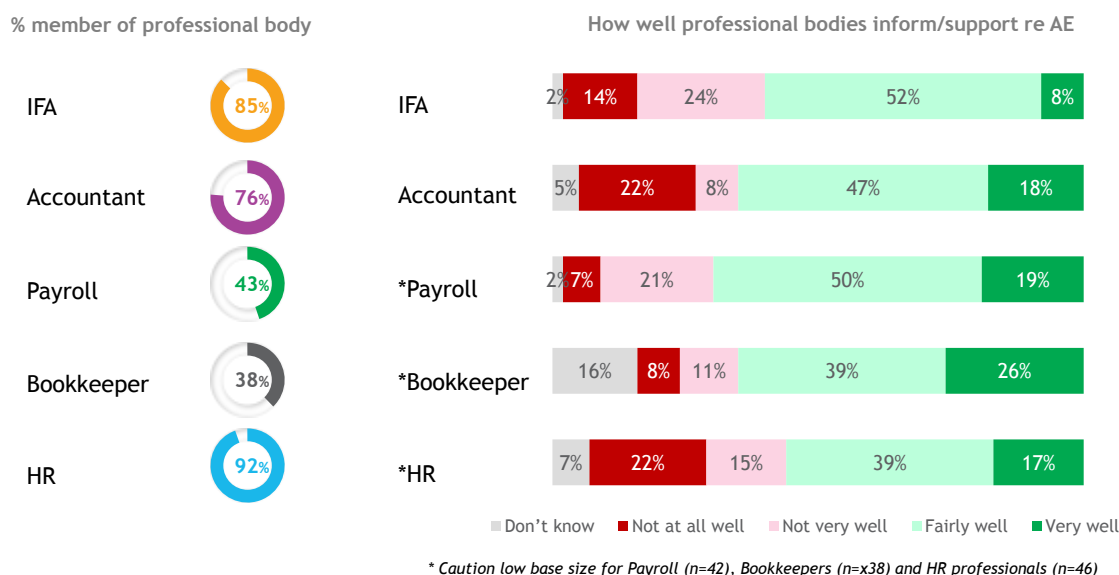
\* Caution low base size for HR professionals (n=26)

**The majority of intermediaries believed their professional bodies were performing well at supporting or informing their members in relation to automatic enrolment.**

As seen in Figure 11, the majority of IFAs (85%) and HR professionals (92%) were members of professional bodies. Just over three quarters of accountants (76%) were members, while the proportion was lower for payroll administrators (43%) and bookkeepers (38%).

Of those that were members, the majority felt that their professional bodies were doing well at supporting or informing their members. However, a minority felt their professional bodies were not doing well on this aspect. Dissatisfaction was highest among IFAs (38% felt their professional bodies were not doing well) and HR professionals (37%). Thirty per cent of accountants and payroll administrators were dissatisfied, while it was lower among bookkeepers (19%).

**Figure 11: Intermediaries' membership of and perceived support from professional bodies in relation to automatic enrolment, autumn 2016**



## 4.4. Current automatic enrolment activities

Intermediaries generally reported carrying out a wider range of activities on their clients' behalf than previously.

There were a number of increases in the proportion of each intermediary type carrying out tasks relating to AE on behalf of their clients (Table 7). Except for the activity of providing or configuring software for their clients, IFAs were more likely to have completed all the different activities listed than was the case in spring 2016. Similarly, payroll administrators and bookkeepers were also more likely to have completed nearly all of the individual activities asked about. Accountants also saw a number of rises (five of the nine activities listed had increased in terms of completion).

In the table below, changes between spring 2016 and autumn 2016 are shown with arrows and the past wave data is provided in brackets.

**Table 7: Activities undertaken by intermediaries on behalf of clients, autumn 2016**

	IFA	Accountant	Payroll	Bookkeeper	*HR
Understanding how legislation applies to company	78% ↑ (60% in Spring 2016)	55% ↑ (40% in Spring 2016)	56%	66% ↑ (41% in Spring 2016)	68%
Finding out clients' staging date	91% ↑ (77% in Spring 2016)	89%	95%	90%	76%
Working out timetable to implement changes	71% ↑ (48% in Spring 2016)	43%	51% ↑ (31% in Spring 2016)	53% ↑ (36% in Spring 2016)	60%
Identifying eligible workers	66% ↑ (47% in Spring 2016)	44% ↑ (25% in Spring 2016)	46% ↑ (30% in Spring 2016)	44%	48%
Transferring data to pension provider	48% ↑ (29% in Spring 2016)	34% ↑ (11% in Spring 2016)	51% ↑ (16% in Spring 2016)	41% ↑ (20% in Spring 2016)	20%
Communicating changes to staff members	52% ↑ (29% in Spring 2016)	29%	45% ↑ (26% in Spring 2016)	49% ↑ (25% in Spring 2016)	36%

	IFA	Accountant	Payroll	Bookkeeper	*HR
Choosing a pension scheme	75% ↑ (55% in Spring 2016)	34% ↑ (21% in Spring 2016)	43% ↑ (21% in Spring 2016)	48% ↑ (30% in Spring 2016)	40%
Providing or configuring software for clients	37%	57%	74% ↑ (55% in Spring 2016)	51%	20%
Completing declaration of compliance	52% ↑ (29% in Spring 2016)	30% ↑ (18% in Spring 2016)	43% ↑ (17% in Spring 2016)	39% ↑ (22% in Spring 2016)	28%

\* Caution low base size for HR professionals (n=26)

↑ Significantly higher than spring 2016

↓ Significantly lower than spring 2016

## 4.5. Future activities in relation to automatic enrolment

There was little change since spring 2016 when it came to the activities that intermediaries planned to do in the future in relation to automatic enrolment (Table 8).

Almost all intermediaries planned to understand how the legislation applied to their clients' company (ranging between 88% and 94% by intermediary type). Similarly, the proportion who planned to find out their clients' staging dates was almost universal (81% for HR professionals but between 93% and 98% for the remaining four intermediary types).

There were two changes between spring 2016 and autumn 2016:

- Accountants were more likely to believe that they will recommend a pension scheme to their clients in the future (51% up from 37% in spring 2016)
- IFAs and bookkeepers were more likely to believe that they will complete the declaration of compliance on behalf of clients in the future (IFAs: 75% up from 58%; bookkeepers: 90% up from 78%).

In the table, changes between spring 2016 and autumn 2016 are shown with arrows and the past wave data is provided in brackets.

**Table 8: Activities intermediaries planned to undertake on behalf of their clients in the future, autumn 2016**

	IFA	Accountant	Payroll	Bookkeeper	*HR
Understanding how legislation applies to company	94%	92%	92%	90%	88%
Finding out clients' staging date	93%	95%	98%	94%	81%
Working out timetable to implement changes	87%	87%	93%	87%	77%
Identifying eligible workers	82%	89%	97%	88%	62%
Transferring data to pension provider	57%	93%	97%	90%	38%
Communicating changes to staff members	75%	77%	81%	81%	81%
Choosing a pension scheme	90%	51% ↑ (37% in Spring 2016)	45%	48%	19%
Providing or configuring	44%	80%	86%	79%	23%

	IFA	Accountant	Payroll	Bookkeeper	*HR
software for clients					
Completing declaration of compliance	75% ↑ (58% in Spring 2016)	83%	87%	90% ↑ (78% in Spring 2016)	35%

\* Caution low base size for HR professionals (n=26)

↑ Significantly higher than Spring 2016

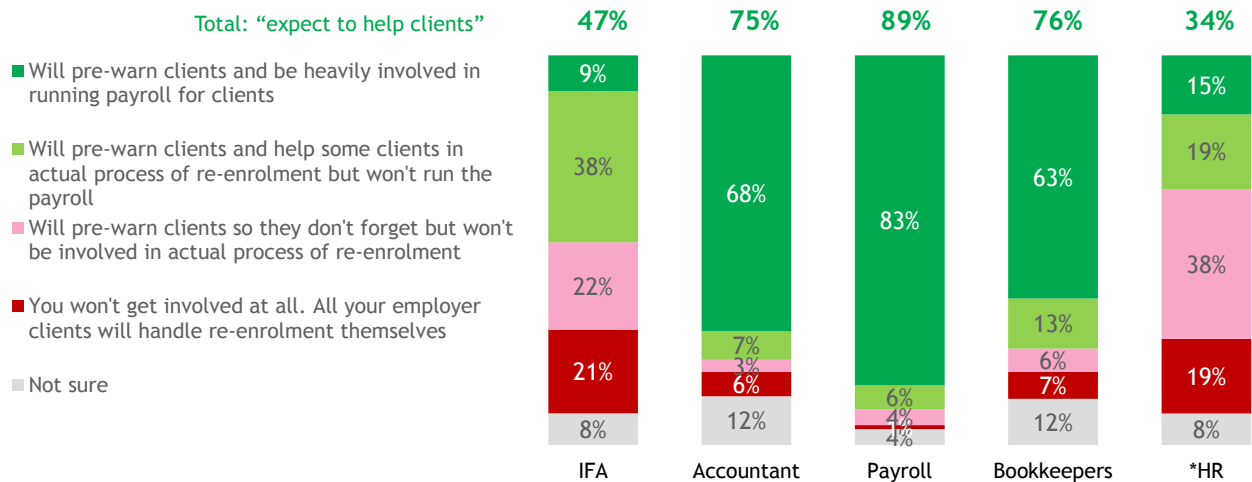
↓ Significantly lower than Spring 2016

## 4.6. Re-enrolment

### Accountants, payroll administrators and bookkeepers planned to play a more supportive role than IFAs and HR consultants for employers at re-enrolment

75% of accountants, 89% of payroll administrators and 76% of bookkeepers would both make their clients aware and help in the process of re-enrolment compared with 47% of IFAs and 34% of HR consultants (Figure 12).

Figure 12: Intermediaries' likely approach to re-enrolment, autumn 2016



\* Caution low base size for HR professionals (n=26)

Among those who expected to help their clients, most will be involved in all aspects of re-enrolment. The majority of IFAs (71%) planned to be involved but to a lesser degree than other intermediary types (Table 9).

Table 9: Elements of re-enrolment that intermediaries were likely to help clients with (among those helping with re-enrolment), autumn 2016

	IFA	Accountant	Payroll	Bookkeeper
Choosing their exact re-enrolment date	71%	85%	83%	83%
Assess staff to see if need to put back into scheme	76%	99%	98%	95%
Help writing to staff to say have put	79%	94%	93%	92%

	IFA	Accountant	Payroll	Bookkeeper
back into scheme				
Help meet legal duties via re-declaration of compliance	88%	96%	94%	94%

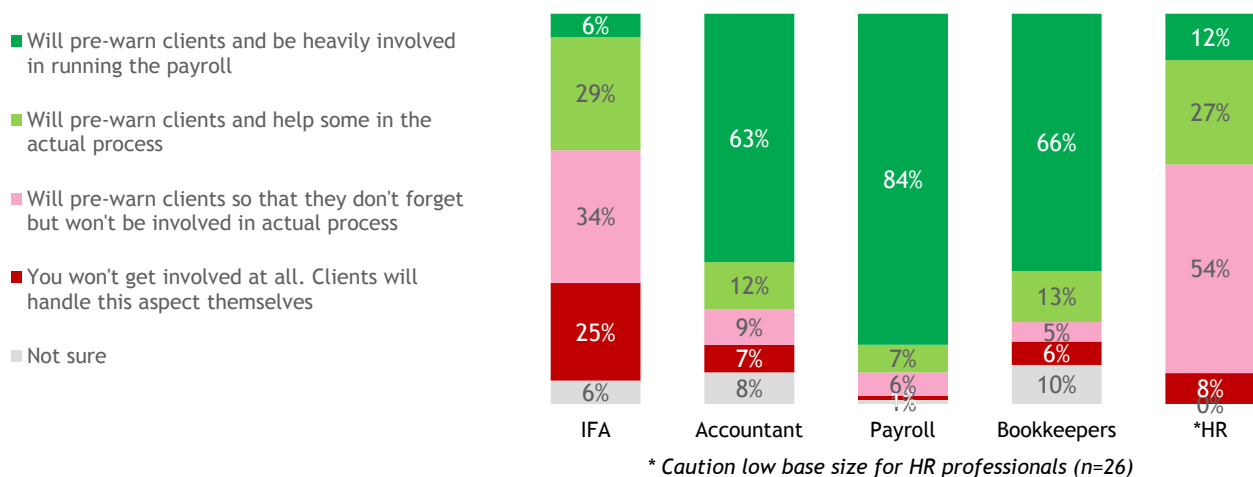
Base size for HR professionals too small for reporting on this question

### 4.7. Planned increases in minimum contribution levels

**Accountants, payroll administrators and bookkeepers planned to play a more supportive role than IFAs and HR consultants when contribution levels increase in 2018 and 2019.**

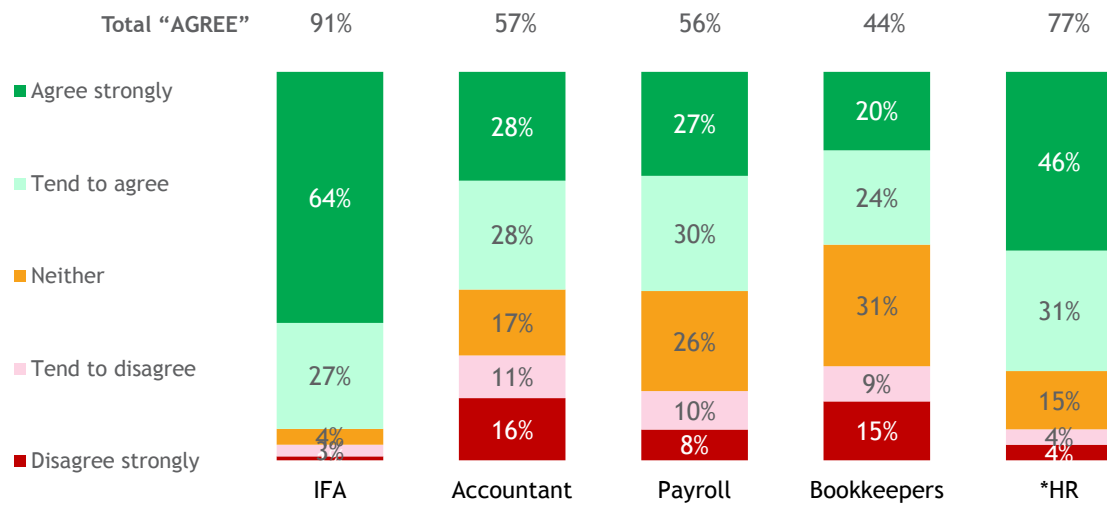
With regards to the planned contribution increases, 63% of accountants, 84% of payroll administrators and 66% of bookkeepers would make their clients aware and be heavily involved in the process compared with 6% of IFAs and 12% of HR consultants (Figure 13).

**Figure 13: Intermediaries' likely approach to helping clients with increases in contribution levels, autumn 2016**



As can be seen in Figure 14, IFAs (91%) and HR professionals (77%) were more likely to agree that increases in contributions were a good idea than accountants (57%), payroll administrators (56%) and bookkeepers (44%).

**Figure 14: Whether increases in contribution levels are a good idea, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*



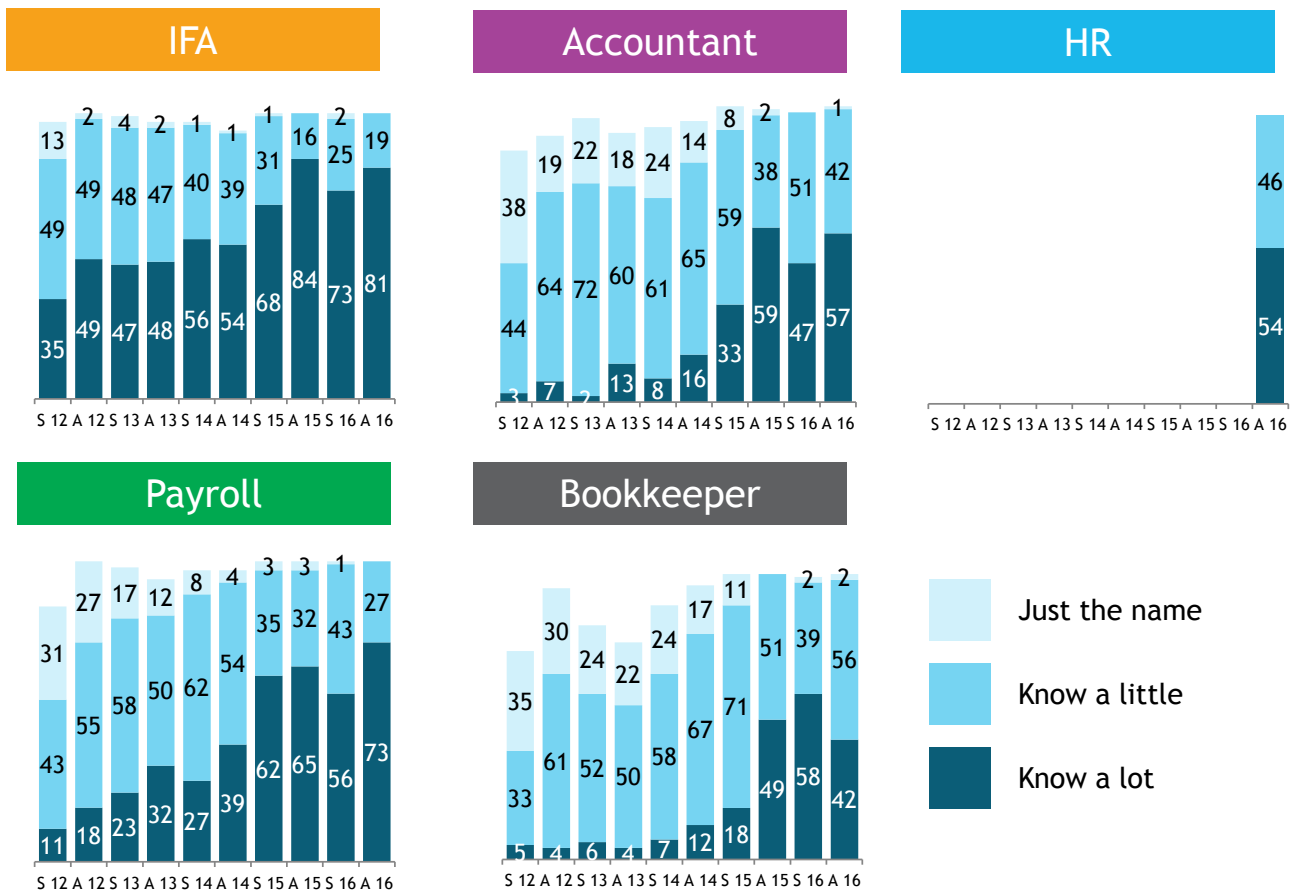
## 5. Familiarity and engagement with TPR

### 5.1. Familiarity with TPR

Familiarity with TPR followed a similar pattern to previous surveys, with almost all intermediaries knowing either a little or a lot about it.

As illustrated in Figure 15, since 2012 there has been a continual increase in the proportion of intermediaries who claimed to 'know a lot' about TPR. Autumn 2015 reported increases in the proportion of IFAs, accountants and bookkeepers who had claimed to 'know a lot'. There has been no change in this level of familiarity since autumn 2015 among IFAs, accountants and payroll administrators. Familiarity among bookkeepers increased to a great extent in autumn 2015 and has remained at a similar level since then.

Figure 15: Intermediary familiarity with TPR, (%) over time



\* Caution low base size for HR professionals (n=26)

### 5.2. Use of TPR's website

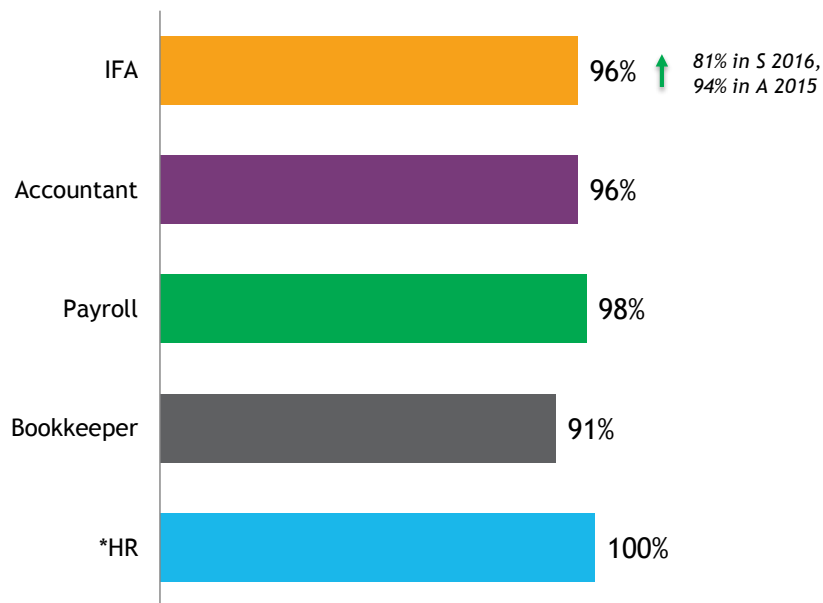
TPR's website remained an extremely popular source of information about automatic enrolment, with usage levels above 90% for all intermediary types.

Use of TPR's website continued to be high, with between 91% and 100% of intermediaries having used it (Figure 16). Website use among IFAs reduced between autumn 2015 and spring 2016, falling from 94% to 81%.

However, in the latest wave of interviewing, usage among IFAs was at 96%, an increase since spring 2016 and back to autumn 2015 levels.

Among other intermediary types, website use remained at similar levels to spring 2016 with 96% of accountants, 98% of payroll administrators and 91% of bookkeepers having used the website to find information about automatic enrolment 100% of HR professionals reported having used the website.

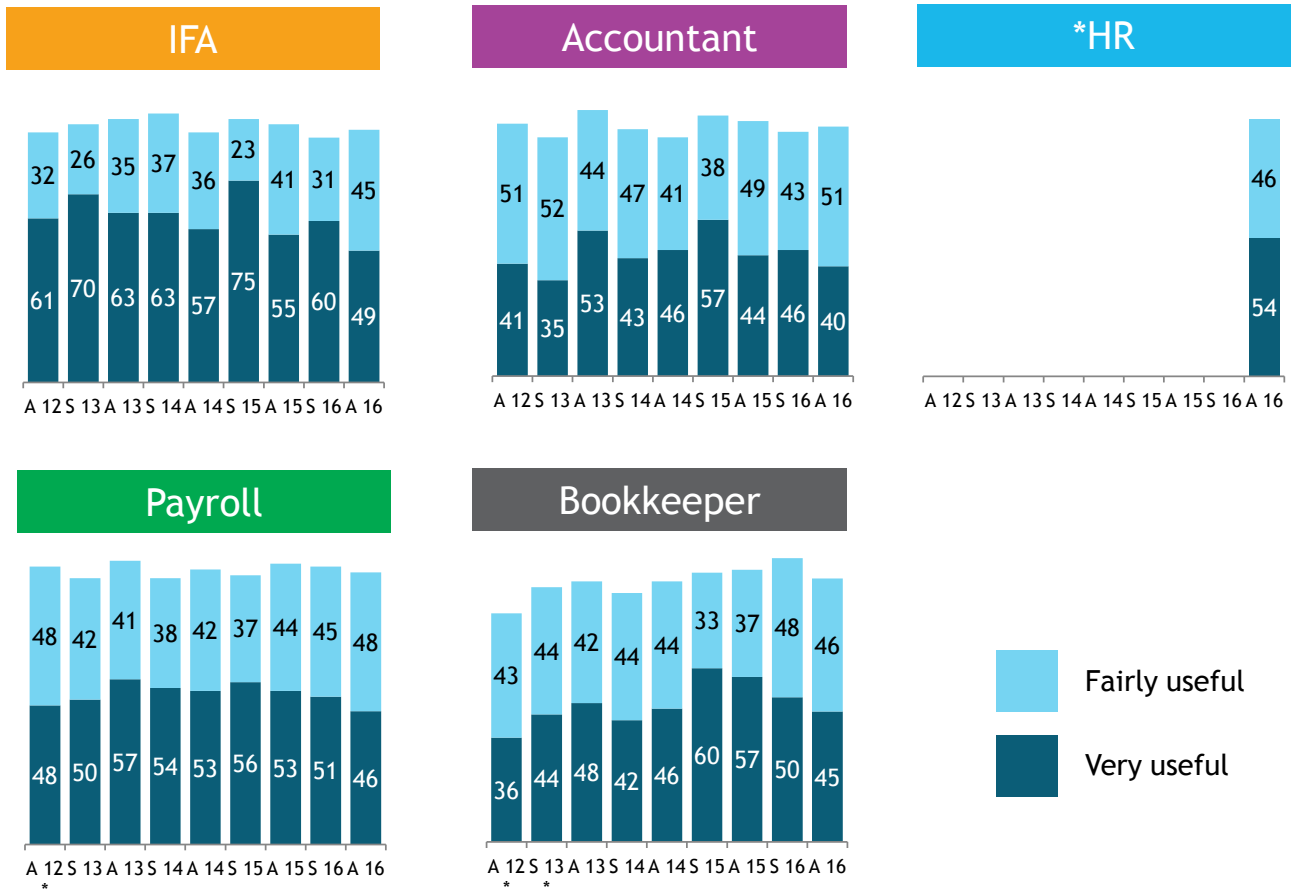
**Figure 16: Proportion of intermediaries using TPR's website, autumn 2016**



*\* Caution low base size for HR professionals (n=26)*

Since 2012, perceptions on the usefulness of TPR's website remained high across all intermediary types, as shown in Figure 17.

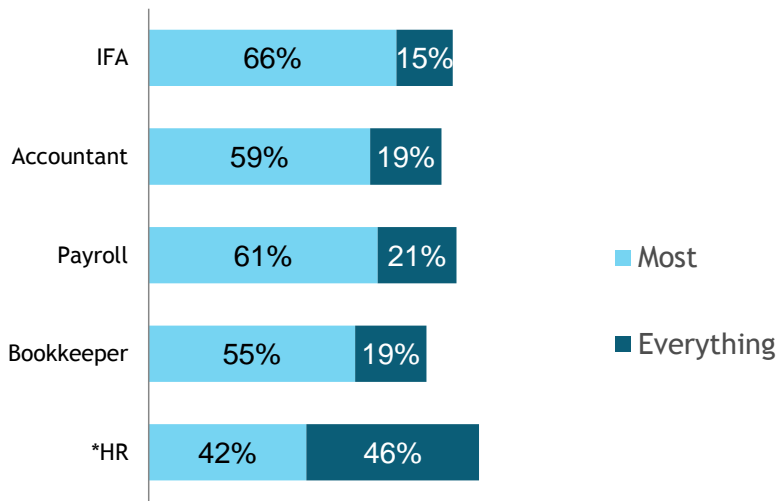
Figure 17: Perceptions of the usefulness of TPR's website, (%) over time



\* Caution low base size for HR professionals (n=26)

The majority of all intermediary types continued to find either 'most' or 'everything' they wanted when visiting the website (Figure 18). HR professionals had the highest levels of success when looking for information (46% found everything they wanted and a further 42% found most of what they were looking for). Across the other four intermediary types, between 15% and 21% found everything and between 55% and 66% found most of what they wanted.

**Figure 18: Perceptions of whether intermediaries found everything or most of what they wanted when visiting website, autumn 2016**



\* Caution low base size for HR professionals (n=26)

### 5.3. Meetings and events with TPR

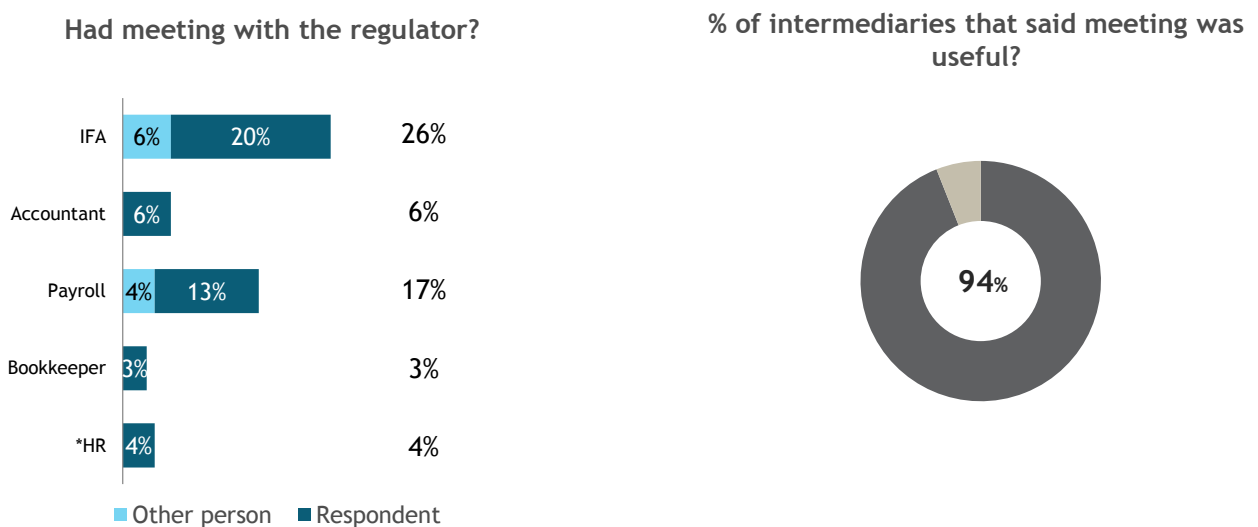
A minority of intermediaries reported that they had experienced face-to-face meetings with TPR, and of those who attended, the meetings were perceived to be useful.

The number of intermediaries who had attended a face-to-face meeting with TPR had not changed since spring 2016.

Over a quarter of IFAs (26%) had attended a face-to-face meeting in autumn 2016. There were no differences in levels of attending among other intermediary types (ranges from 4% to 17%, as shown in Figure 19).

Of those intermediaries who had attended a face-to-face meeting, the vast majority (94%) perceived it to be 'useful'.

**Figure 19: Proportion of intermediaries who had attended, or had a colleague attend, a meeting with TPR and whether it was useful, autumn 2016**



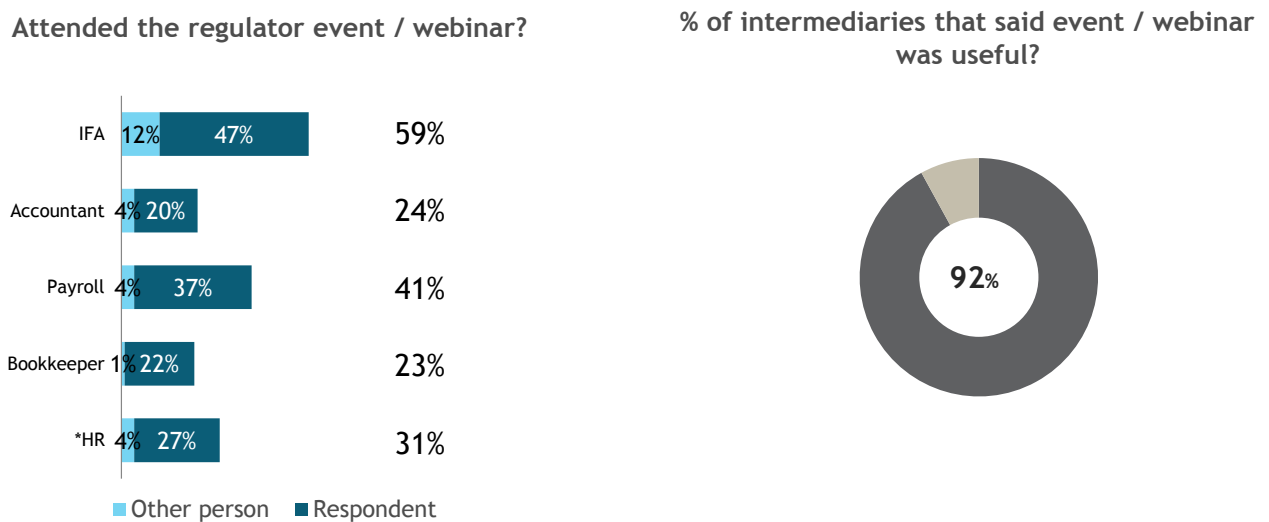
\* Caution low base size for HR professionals (n=26)

**More intermediaries reported having attended events or webinars hosted by TPR, and of those who attended, the events / webinars were seen as useful.**

Figure 20 shows that over half of IFAs (59%) and over two fifths of payroll administrators had attended events or webinars hosted by TPR. A third of HR professionals (31%) and a quarter of accountants (24%) and bookkeepers (23%) had attended.

Of those intermediaries who had attended events or webinars hosted by TPR, the vast majority (92%) perceived them to be 'useful'.

**Figure 20: Proportion of intermediaries who had attended, or had a colleague attend, events or webinars hosted by TPR and whether it was useful, autumn 2016**



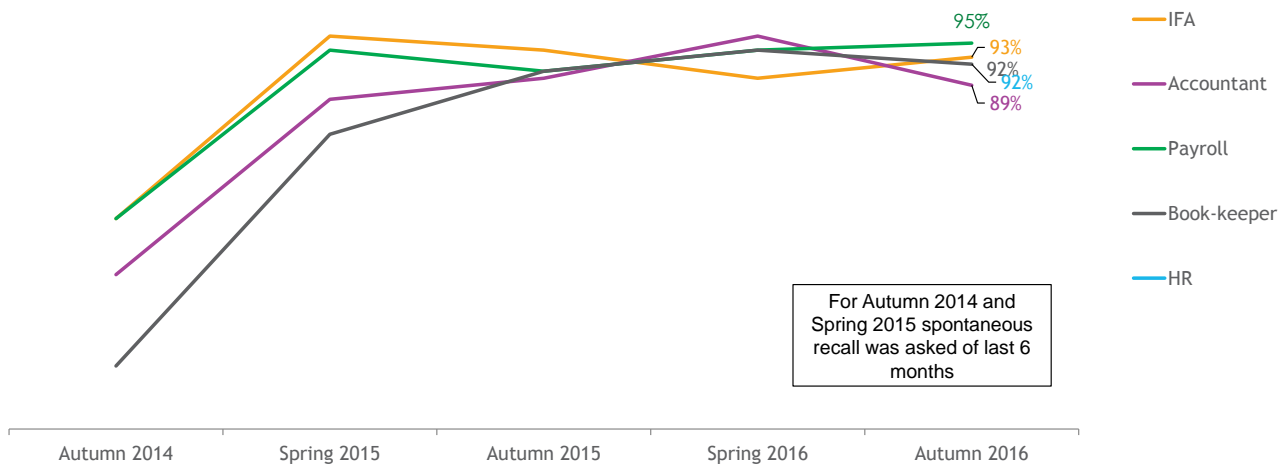
\* Caution low base size for HR professionals (n=26)

## 6. Awareness of the advertising campaign

As in spring 2016, there was almost universal spontaneous recall of workplace pensions advertising.

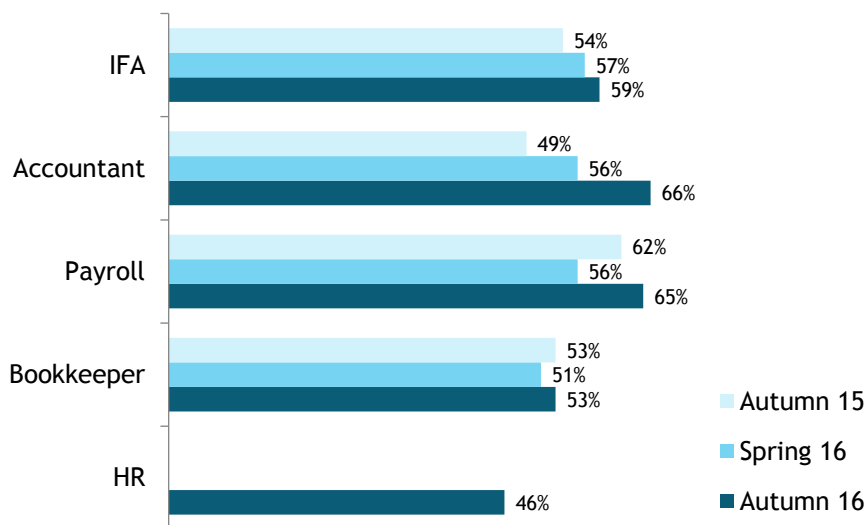
As can be seen in Figure 21, levels of spontaneous recall of workplace pensions advertising were between 89% and 95% across the intermediary types and consistent with those reported in spring 2016 (when recall was between 90% and 96%).

**Figure 21: Spontaneous recall of any automatic enrolment advertising seen or heard within the previous three months, over time**



Among those spontaneously recalling any advertising, around three fifths overall believed TPR was the sponsor of the advertising, which was consistent with spring 2016. In autumn 2016, 59% of IFAs, 66% of accountants, 65% of payroll administrators, 53% of bookkeepers and 46% of HR consultants cited TPR as the sponsor of the advertising, as shown in Figure 22.

**Figure 22: Spontaneous recognition of TPR as the advertising sponsor**

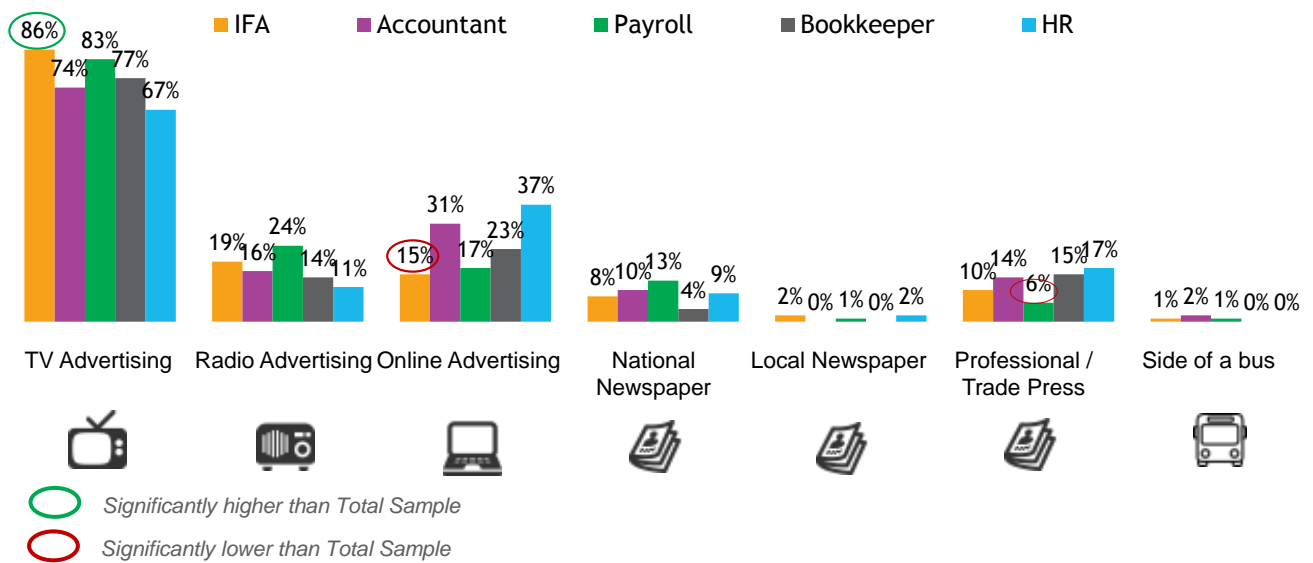


Television remained the most frequently cited channel for spontaneous recall of any automatic enrolment advertising in the last three months (Figure 23); mentioned by between 67% and 86% of intermediary types who were aware of any advertising. IFAs (86%) were more likely than average to recall TV advertising.

Spontaneous recall of online advertising varied between 15% among IFAs to 37% among HR professionals. IFAs were less likely than average to recall this channel.

Radio, professional/trade press and national press had lower levels of recall.

**Figure 23: Spontaneous awareness of advertising across different channels by intermediary type, autumn 2016**





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