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## **Aegon warns 'complicated' auto-enrolment regulations risk alienating target market**

**By Jenna Towler**

Proposed auto-enrolment regulations are too bureaucratic and risk alienating small employers who are "pensions novices", Aegon warns.

The department for work and pensions consultation on the pensions automatic enrolment regulations 2009 closed on June 3.

Aegon head of pensions development Rachel Vahey said: "The problem is automatic enrolment and opting out is complicated and the DWP has suggested a very purist set of rules to cover instantaneous joining, immediate opt out and split second handling of contributions and refunds.

"If engaged employers are honestly telling us they can't work with the new rules, PADA may hit trouble convincing its target

market of employers who are pensions novices."

EEF head of employment policy David Yeandle agreed. He said: "We consider that the proposed administrative procedure for auto-enrolment and refunding jobholder/employer pension contributions is too complex for both large and small employers."

He said the EEF's pensions policy working group felt strongly on the issue and would be working with DWP officials in the coming months.

First Actuarial raised concerns that employers would shoulder most of the "significant" cost burden of managing opt out arrangements.

Director Alan Smith said: "It is not surprising that the personal account charge can be kept

low as a large part of the administrative burden is being placed on employers.

"While we support the aim of improving work based pension

provision we believe this can be achieved in a much more efficient manner than proposed in these draft regulations."

The firm proposed two steps to make the process simpler.

It suggested the DWP allow employers to provide opt out forms to employees and drop the requirement for an employer to auto-enrol an employee for a second or subsequent time if the employee concerned has already gone through the procedure once.

Hamish Wilson senior consultant Gary Tansley said rigid time limits are "simply unfeasible" for most small organisations and recommended a more reasonable period, which took employers' resources into account.



Vahey: rules 'purist'