CIPP PAYSLIP STATISTICS COMPARISON 2008 – 2019

Compiled and edited by
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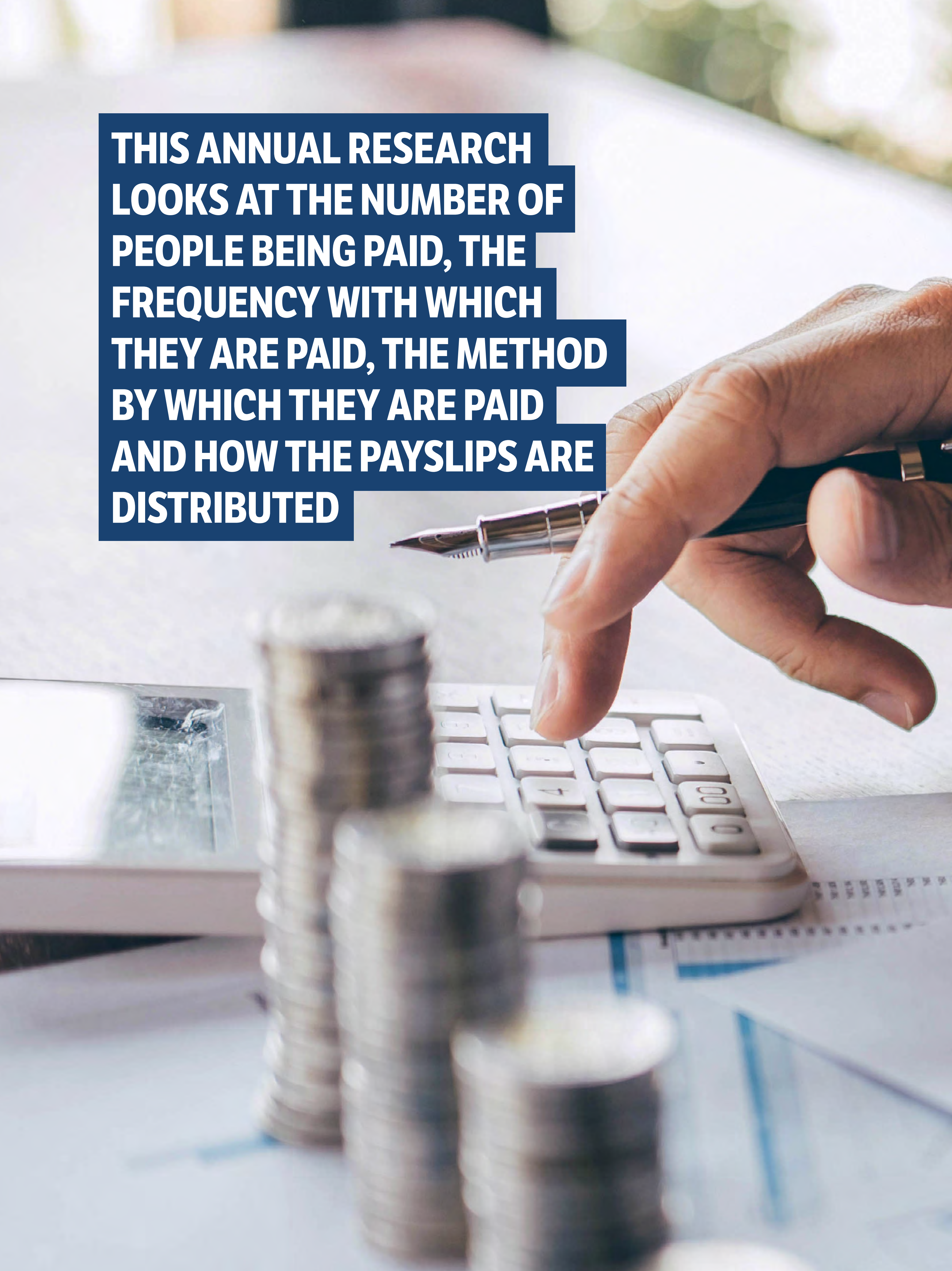
40 YEARS OF LEADING THE PROFESSION

THIS ANNUAL RESEARCH LOOKS AT THE NUMBER OF PEOPLE BEING PAID, THE FREQUENCY WITH WHICH THEY ARE PAID, THE METHOD BY WHICH THEY ARE PAID AND HOW THE PAYSLIPS ARE DISTRIBUTED



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Datagraphic foreword

GLYN KING
GROUP MANAGING DIRECTOR
DATAGRAPHIC

Datagraphic

Datagraphic is happy to support the Chartered Institute of Payroll Professionals (CIPP) Payslip Statistics Comparison Report. We've been an advocate of the CIPP and their research on payroll, and specifically payslip distribution, for many years.

Over the last 12 months – and right now – UK organisations have faced a number of challenges in unprecedented times. But payroll teams have shown once again, their resilience and ability to manage change. This report confirms that, and shows no matter what, our payroll teams continue to pay people accurately and on time.

Reading this report, it was not a surprise to see 'monthly' remains the most common pay frequency: with more than 96% of respondents operating a monthly payroll. What was interesting however, was that 7% of respondents received requests from employees to be 'paid on demand'. Is this a growing trend or a reflection of the economic uncertainty around in the last 12 months? We'll have to see in next year's report, if daily payments increase in response to changing demands.

Payslip distribution is still a key task for payroll teams and it's no surprise to see online being the most common method for distributing payslips. At Datagraphic, we're a leading supplier of epayslips and so widely promote and support this switch to online. But, we also know how important it is to cater for different employee preferences, even if only a small number of the workforce prefer to receive paper payslips. Our moto at Datagraphic, is think 'digital-first' not 'digitally-exclusive'.

It still shocks me to see 32% of respondents email payslips to employees. With GDPR responsibilities, you would expect this figure to be 0%. I guess the question we should be asking is why is this figure still so high? Is this because organisations are willing to risk using email with limited security (even if password protected/encrypted)? Or is it because their current system doesn't support another online delivery method?

A key finding in the report, that stood out for me, is the number of complaints regarding the method of distributing payslips (paper to online). A fall of almost 20% in the last year. This is encouraging to see, and most likely stems from people having more confidence in receiving information online.

The future of payslip distribution – especially with more of the workforce now working from home – is creating a multi-channel approach to distribution. Organisations have made progress in their digital efforts, but now it's time to look at how to effectively and efficiently deliver payslips through multiple channels: print and online. And to be able to easily switch between delivery channels depending on circumstances.

To the CIPP and all those who contributed to this report, thank you. I hope you find it thought provoking.

Executive summary

The CIPP has been conducting research into the long-term trends affecting payroll and payslips since 2008. The Policy and Research team would like to thank all those who responded, as we would not be able to undertake this research each year without the support and input from our members and the profession.

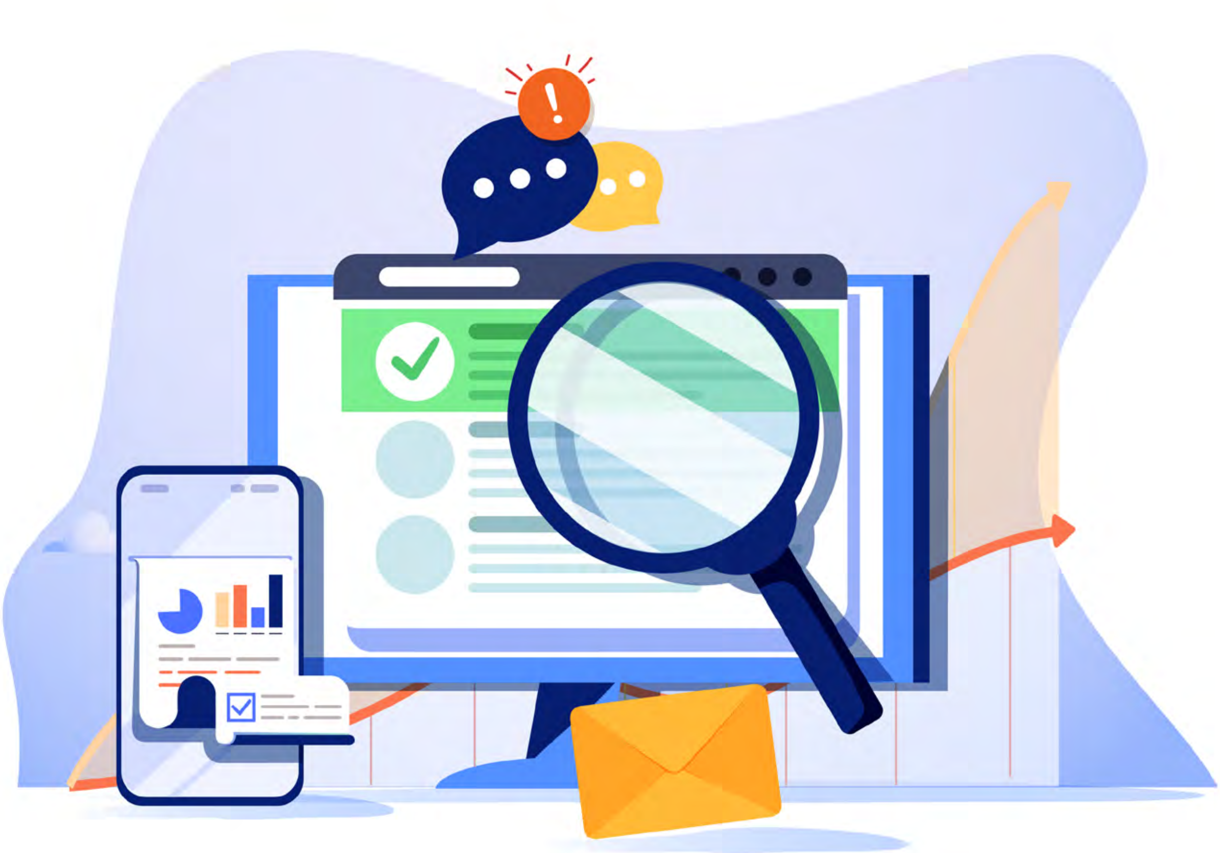
This annual research looks at the number of people being paid, the frequency with which they are paid, the method by which they are paid and how the payslips are distributed.

In addition, the survey this year explores awareness of the changes to the off-payroll working rules, and seeks to understand whether automatic enrolment, now considered to be business as usual, continues to bring additional burden.

KEY FINDINGS

- The proportion of payroll service providers or agents acting on behalf of their client base has risen significantly to 25%, from a relatively consistent 15-18% in previous years
- Possibly bucking the trend of recent years, the number of respondents from the retail sector has increased this year to 12% from an average of 4-5% between 2016-2018
- Monthly remains the most common pay frequency with more than 96% of respondents reporting they operate a monthly payroll
- 'Payment on demand' was included as an answer choice for the first time in 2019, and 0.7% of respondents indicated they used this option
- 7% of respondents stated that they had received requests from employees to be 'paid on demand' ie to be paid as they do the work rather than at the end of the week or month
- 8% of respondents reported that they had changed pay frequency, with the majority switching from either weekly or fortnightly payments to monthly
- 7% of respondents reported that they had received a request to change pay frequency, predominantly because of a need to manage finances
- 68% of respondents pay employees early at Christmas
- Friday continues to be the most common pay day for weekly, fortnightly and four weekly payrolls. Unsurprisingly, the last working day of the month remains the most common pay day for monthly payrolls
- 37% of respondents now include information about payrolled benefits, up from 20% in 2015-16 when payrolling of benefits was first introduced
- 35% of respondents outsource some payroll functions
- Online distribution is the most common way for employees to receive their payslips, with 60% of respondents providing an online self-service facility and 32% using email
- The number of complaints regarding the method of distributing payslips (paper to online) has fallen, down from 60% in 2018 to 41% in 2019

- Late payment for overtime and additional hours accounted for more than half (51%) of complaints received by the payroll department
- Bacs is consistently the most common payment method across all pay frequencies, as it has been for the duration of this research
- 3% of respondents have received requests to change the method of payment, however surprisingly in this digital age, the requests were to receive payment by cheque
- 99% of respondents were aware of the forthcoming changes to off-payroll working rules
- 63% of respondents believe they will be affected by these changes
- 61% of respondents agreed they had raised the possibility of additional costs brought about by these changes, however the anecdotal responses suggest that this message is not necessarily being heard within businesses
- 37% of respondents stated that they had members asking to leave the pension scheme following the increase to automatic enrolment minimum pension contributions
- 92% of respondents have been through cyclical re-enrolment, with 74% finding the process fairly or very easy
- 67% reported that the majority of employees who had previously opted out, opted out again when re-enrolled



Summary of results

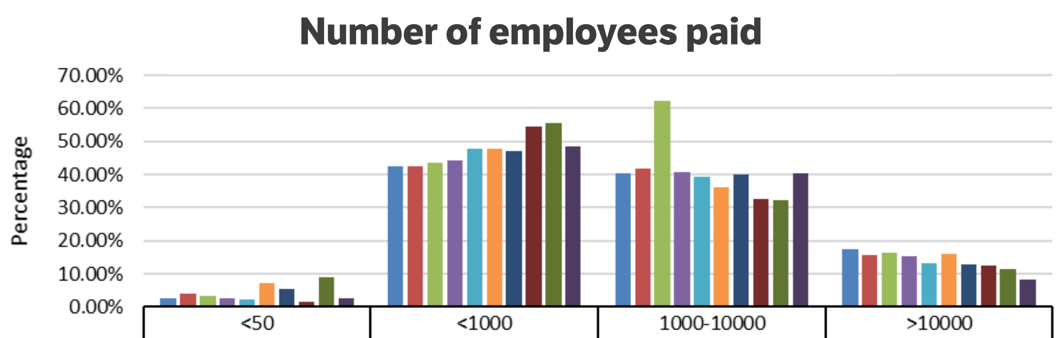
YEAR ON YEAR PAYSLIP TRENDS

Number of employees/pensioners paid

This question asks payroll service provider respondents to add up the number of employees across all their clients' payrolls and employers to add up the total number of people they pay across all the payrolls they operate.

After a change in trend between 2015 and 2018 which saw the number of businesses employing fewer than 1,000 workers increase, and the number of companies employing between 1,000 and 10,000 decrease, this trend has now reversed in 2019 with figures more in line with those seen between 2012 and 2014.

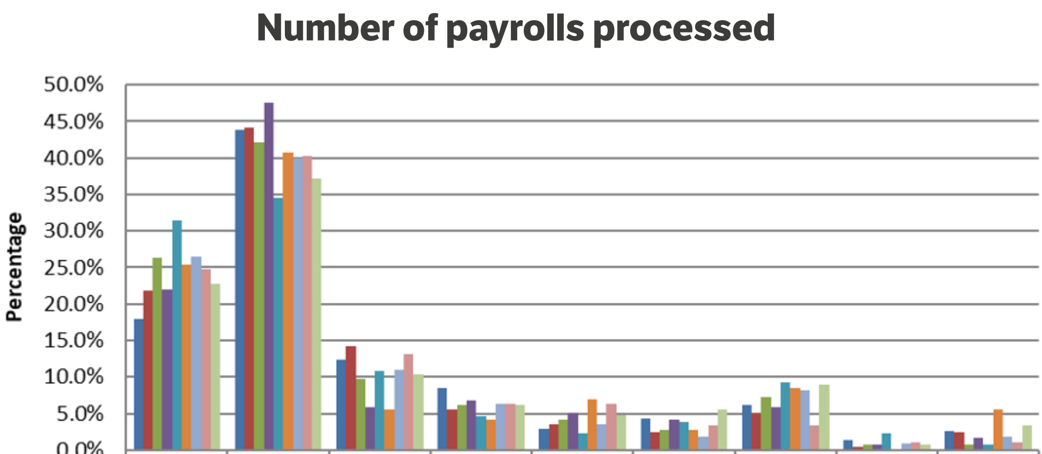
It will be interesting to view these results next year and see whether the trend for larger workforces continues.



	<50	<1000	1000-10000	>10000
2008	2.70%	42.40%	40.40%	17.60%
2009	4.10%	42.40%	41.90%	15.80%
2010	3.20%	43.60%	62.30%	16.50%
2011	2.50%	44.10%	40.60%	15.30%
2012/13	2.40%	47.80%	39.20%	13.10%
2013/14	7.10%	47.70%	36.20%	15.90%
2014/15	5.40%	47.20%	40.00%	12.70%
2015/2016	1.70%	54.50%	32.70%	12.60%
2018	8.97%	55.41%	32.18%	11.27%
2019	2.78%	48.61%	40.28%	8.33%

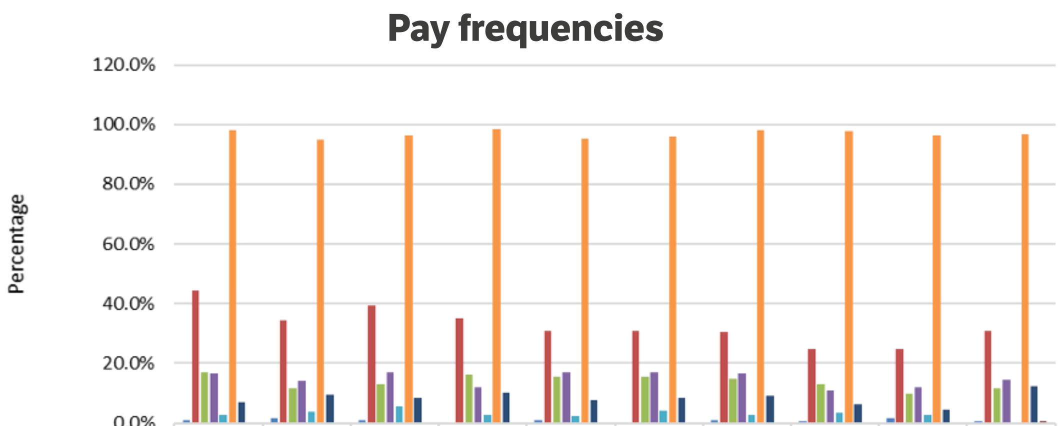
Number of payrolls processed

This question asks employers and payroll service providers to indicate the number of payrolls they process. It is more than a decade since this research began yet the results have remained remarkably consistent throughout this time with the majority of respondents processing between two and five payrolls.



	1	2-5	6-10	11-20	21-50	51-100	101-500	501-1000	Over 1000
2008	18.0%	43.8%	12.4%	8.5%	2.9%	4.2%	6.2%	1.3%	2.6%
2009	21.8%	44.2%	14.2%	5.6%	3.6%	2.5%	5.1%	0.5%	2.5%
2010	26.3%	42.1%	9.7%	6.2%	4.2%	2.7%	7.3%	0.8%	0.8%
2011	22.0%	47.5%	5.9%	6.8%	5.1%	4.2%	5.9%	0.8%	1.7%
2012/13	31.50%	34.60%	10.80%	4.60%	2.30%	3.80%	9.20%	2.30%	0.80%
2013/14	25.4%	40.8%	5.6%	4.2%	7.0%	2.8%	8.5%	0.0%	5.6%
2014/15	26.4%	40.0%	10.9%	6.4%	3.6%	1.8%	8.2%	0.9%	1.8%
2015/16	24.7%	40.2%	13.2%	6.3%	6.3%	3.4%	3.4%	1.1%	1.1%
2019	22.76%	37.24%	10.34%	6.21%	4.83%	5.52%	8.97%	0.69%	3.45%

Payroll frequencies operated



	2008	2009	2010	2011	2012/13	2013/14	2014/15	2015/16	2018	2019
Daily	1.0%	1.5%	0.8%	0%	0.80%	0.0%	0.9%	0.6%	1.57%	0.70%
Weekly	44.30%	34.5%	39.2%	35.0%	30.80%	31.0%	30.3%	24.6%	24.72%	31%
Fortnightly	17.1%	11.7%	13.1%	16.2%	15.40%	15.5%	14.7%	13.1%	9.89%	11.70%
4-weekly	16.5%	14.2%	16.9%	12.0%	16.90%	16.9%	16.5%	10.9%	12.13%	14.50%
Lunar	2.6%	3.6%	5.4%	2.6%	2.30%	4.2%	2.8%	3.4%	2.70%	0%
Monthly	98.1%	94.9%	96.5%	98.3%	95.40%	95.8%	98.2%	97.7%	96.18%	96.60%
Annually	7.1%	9.6%	8.5%	10.3%	7.70%	8.5%	9.2%	6.3%	4.49%	12.40%
Pay on demand										0.70%

To many it is perhaps reassuring that, as it has been since this research began in 2008, monthly remains the most common pay frequency with 96.5% of respondents choosing this option. However, reflecting the changing methods of payment, 'payment on demand' was included as an answer choice for the first time in 2019, and 0.7% of respondents indicated they used this option.

Pay on demand

This report has already identified the most common pay frequencies operated in UK payroll. However, pay on demand is another option for employers to consider. As the name suggests, pay on demand is a service which enables workers to ask for payment as and when they want it, rather than on their contractual pay day. Currently more prevalent in the US, it is likely that pay on demand has arisen as a result of the increase in the gig economy where workers are paid as they complete each gig, or short-term contract.

There are several companies now offering this service in the UK, most describing how their services meet the growing change in approach to work amongst some workers, and their changing views on pay; these businesses also claim to offer financial education, awareness and wellbeing to employees.

A true pay on demand arrangement would have a significant impact on payroll, which must meet the obligations placed upon it by legislation which requires a Full Payment Submission to HMRC on or before the date payment is made to the worker. This would render pay on demand unworkable for payroll without a legislation change. Add to that assessments for automatic enrolment and AEOs/DEOs along with NMW and salary sacrifice arrangements to name but a few, and pay on demand brings almost insurmountable challenges for payroll.

But, looking at some of the services in more detail, it appears that many of the organisations are actually offering a type of loan service, either to the employee or to the employer, and then the service becomes more like a benefit in kind rather than actual genuine payment on demand. This puts a different perspective on the subject and may indeed prove to become more common in the future. But as with all loans, they must be paid back and there is always a charge for such services, with some charging the employer to give employees the benefit of being paid on demand, and others charging the employee to withdraw their money early.

Change of pay frequency

Because of the recent emergence of options such as pay on demand, this year the survey included a question asking respondents if they had changed pay frequency within the last two years and if so, why. 8% of respondents reported that they had changed pay frequency, with the majority switching from either weekly or fortnightly payments to monthly, with several citing automatic enrolment as the reason for the change.

Respondents were then asked if any employees had requested a change of pay frequency. 7% reported that they had received such requests. The reasons given for those requests are shown in the table below. Whilst the requested pay frequencies are different, there is an underlying theme behind several of the requests which is the need to manage finances.

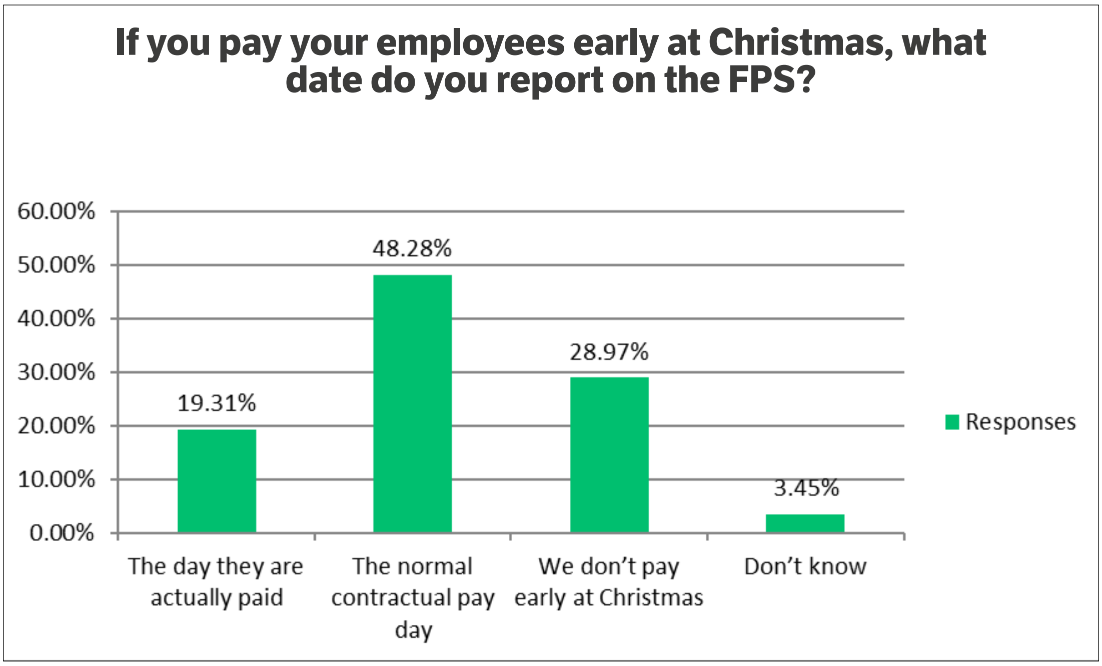
A further 7% of respondents stated that they had received requests from employees to be paid on demand i.e. to be paid as they do the work rather than at the end of the week or month.

Some employees have asked us not to pay early at Christmas time because they feel it impacts their budgeting.
A few would prefer monthly paid so that they receive their wages on the same day each month. As the majority of our workforce are hourly paid this would be hard to accommodate.
We have tried to change from weekly to monthly, however, all workers agreed to be paid weekly. This is due to the Homecare sector and all staff being on a zero hours contract.
Some employees have been promoted and changed from being paid hourly to salaried.
December pay date is always brought forward for payments to credit before Christmas Day – with payments usually made between 19th - 23rd. Some employees would prefer to be paid as usual on the last working day of the month.
We occasionally get requests for advances of pay.
Two employees requested monthly payments as this was what they were used to. One requested monthly payment to help organise his outgoings.
One requested weekly payments so he could track his irregular payments easier.
A lot of employees have asked to go back to weekly, the answer has been no
We've had employees request to change from weekly to monthly in order to budget their finances more efficiently

Anecdotal comments from respondents included the arrangements they make at Christmas, with one respondent explaining that they pay two working days before Christmas Day, and another saying that they always pay on the last banking day of the month, even in December.

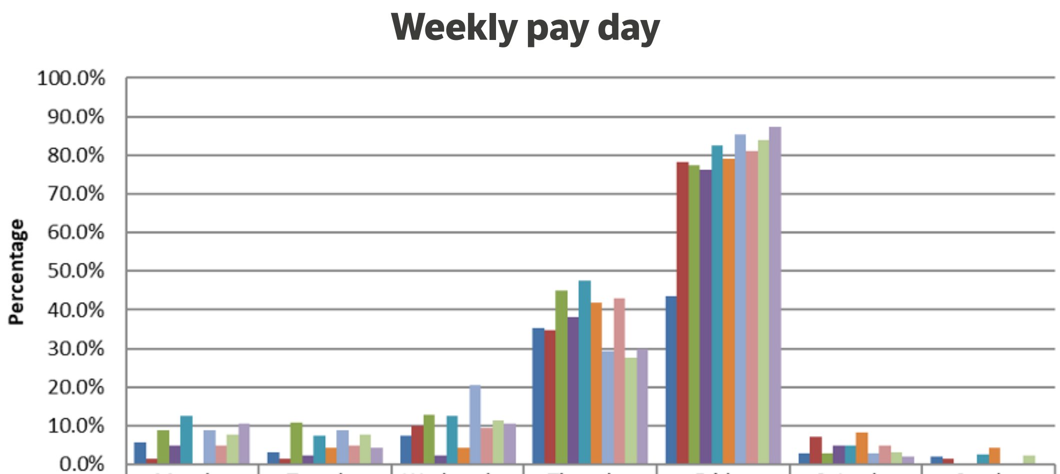
Employers often pay employees early in December, but the HMRC rules say that the normal (or contractual) payday must be reported to HMRC even if payment is made before this date. Whilst 68% of respondents pay employees early at Christmas, almost a fifth of respondents report the actual pay date to HMRC rather than the normal contractual pay date.

Given the widely reported concerns about the impact on Universal Credits of changing the payment date, this subject will be explored further in 2020.

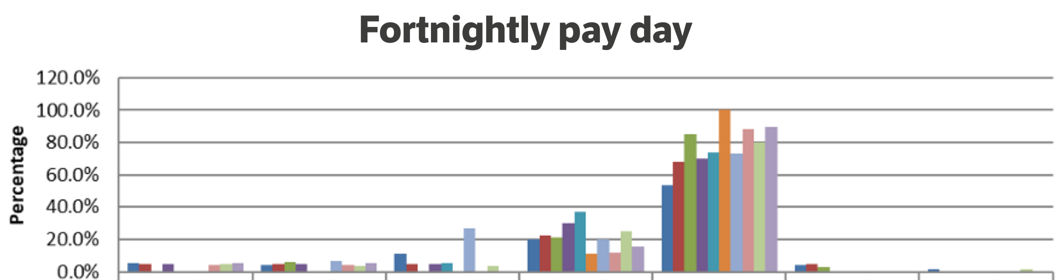


Most popular pay days/dates

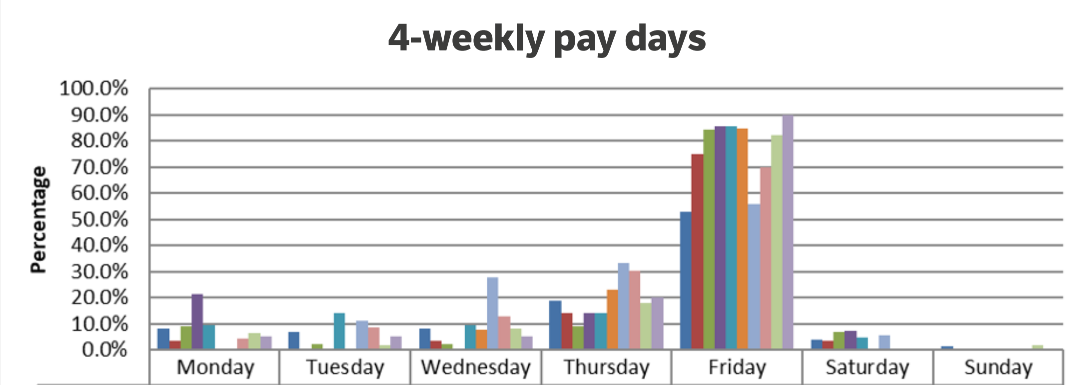
Friday is yet again the most popular pay day for weekly (87%), fortnightly (89%) and 4-weekly (90%) payrolls. If they operated more than one payroll respondents were asked to select all the days that they paid on.



	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
2008	5.7%	3.3%	7.5%	35.4%	43.4%	2.8%	1.9%
2009	1.4%	1.4%	10.1%	34.8%	78.3%	7.2%	1.4%
2010	8.8%	10.8%	12.7%	45.1%	77.5%	2.9%	0.0%
2011	4.8%	2.4%	2.4%	38.1%	76.2%	4.8%	0.0%
2012/13	12.50%	7.50%	12.50%	47.50%	82.50%	5.00%	2.50%
2013/14	0.0%	4.2%	4.2%	41.7%	79.2%	8.3%	4.2%
2014/15	8.8%	8.8%	20.6%	29.4%	85.3%	2.9%	0.0%
2015/16	4.8%	4.8%	9.5%	42.9%	81.0%	4.8%	0.0%
2018	7.69%	7.69%	11.54%	27.69%	83.85%	3.08%	2.31%
2019	10.64%	4.26%	10.64%	29.79%	87.23%	2.13%	0.00%

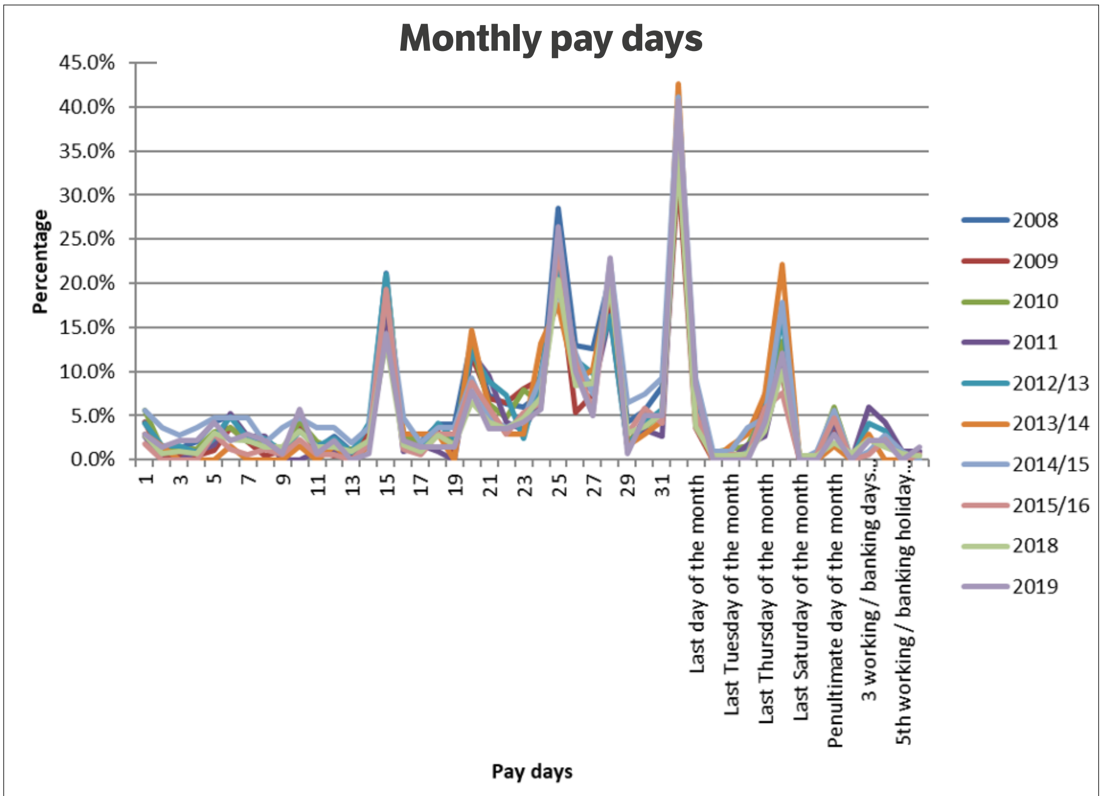


	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
2008	5.6%	4.2%	11.3%	19.7%	53.5%	4.2%	1.5%
2009	4.5%	4.5%	4.5%	22.7%	68.2%	4.5%	0.0%
2010	0.0%	6.1%	0.0%	21.2%	84.8%	3.0%	0.0%
2011	5.0%	5.0%	5.0%	30.0%	70.0%	0.0%	0.0%
2012/13	0.0%	0.0%	5.3%	36.8%	73.7%	0.0%	0.0%
2013/14	0.0%	0.0%	0.0%	11.1%	100.0%	0.0%	0.0%
2014/15	0.0%	6.7%	26.7%	20.0%	73.3%	0.0%	0.0%
2015/16	4.0%	4.0%	0.0%	12.0%	88.0%	0.0%	0.0%
2018	5.0%	3.3%	3.3%	25.0%	80.0%	0.0%	1.7%
2019	5.26%	5.26%	0.00%	15.79%	89.47%	0.00%	0.00%



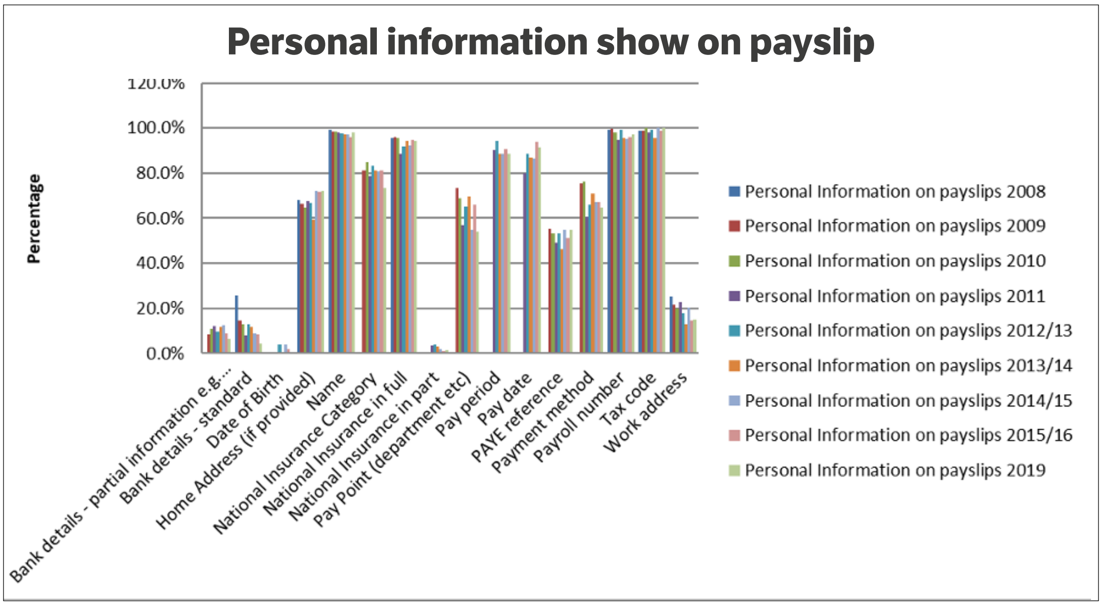
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
2008	8.0%	6.8%	8.0%	18.9%	52.7%	4.1%	1.5%
2009	3.6%	0.0%	3.6%	14.3%	75.0%	3.6%	0.0%
2010	9.1%	2.3%	2.3%	9.1%	84.1%	6.8%	0.0%
2011	21.4%	0.0%	0.0%	14.3%	85.7%	7.1%	0.0%
2012/13	9.5%	14.3%	9.5%	14.3%	85.7%	4.8%	0.0%
2013/14	0.0%	0.0%	7.7%	23.1%	84.6%	0.0%	0.0%
2014/15	0.0%	11.1%	27.8%	33.3%	55.6%	5.6%	0.0%
2015/16	4.3%	8.7%	13.0%	30.4%	69.6%	0.0%	0.0%
2018	6.6%	1.6%	8.2%	18.0%	82.0%	0.0%	1.6%
2019	5.00%	5.00%	5.00%	20.00%	90.00%	0.00%	0.00%

Throughout every year of this research, the last working day of the month has been the most common pay day for monthly paid staff and this year is no different with 41% of respondents in 2019 paying on this date, followed by 26% who pay on the 25th of the month, 23% on the 28th of the month, 14% on the 15th of the month and 12% on the last Friday of the month.



Personal Information included on payslips

Once again, the personal information included on payslips appears consistent throughout the duration of this research and does not appear to have been affected by any fears over GDPR. All respondents include the tax code although less than three quarters include the National Insurance category, and less than 98% include the worker's name.



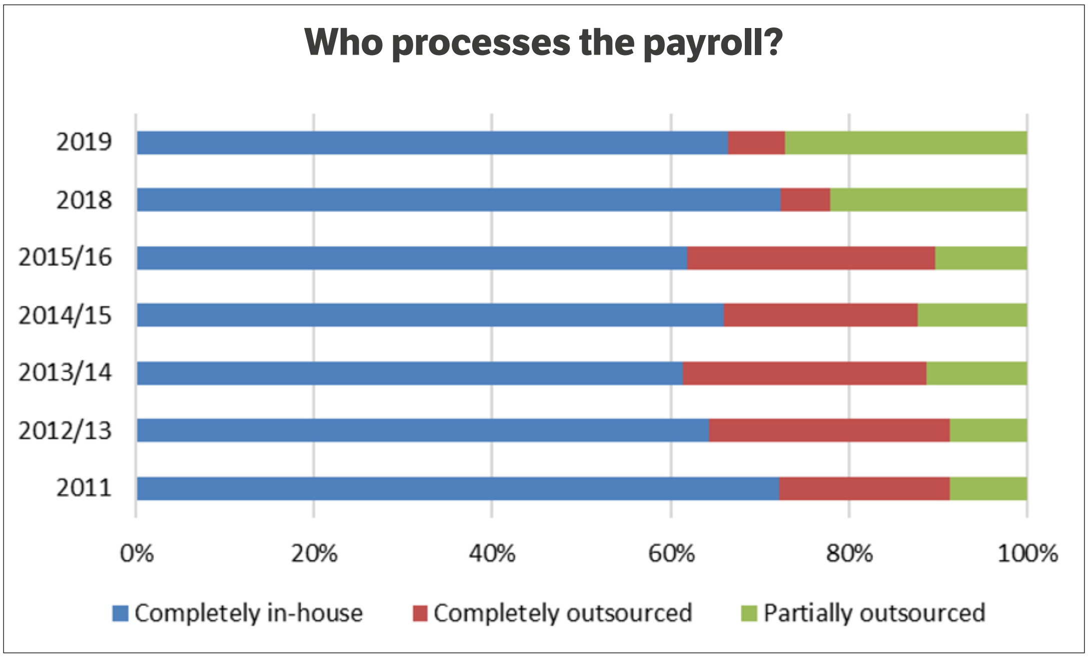
ADDITIONAL INFORMATION SHOWN ON PAYSLIP

Since the previous report in 2015-16, the roll-out of automatic enrolment has been completed and this is reflected in the number of respondents now including employer pension contributions on the payslip, up from 66% to 74%. This is a significant increase on the results prior to the roll-out of automatic enrolment when, possibly reflecting the number of employers offering workplace pension schemes, fewer than half of employers included information about employer pension contributions on the payslip.

In a further reflection of the change brought about by new practices, almost 40% of respondents now include information about payrolled benefits, up from 20% in 2015-16 when payrolling of benefits was first introduced.

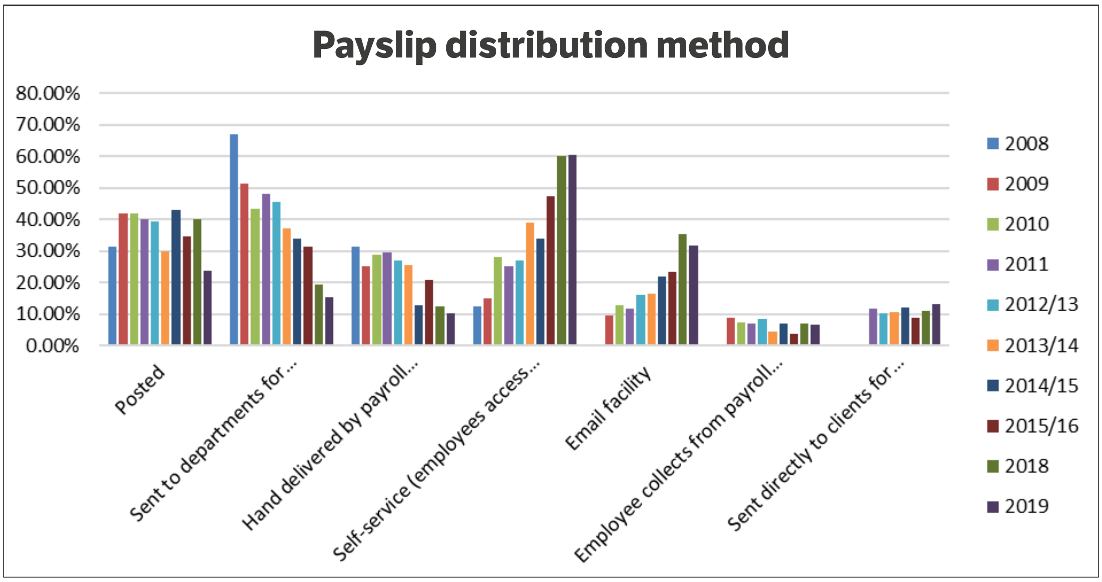
Responsibility for processing payroll

Whilst there has been an increase in the number of respondents processing payroll completely in-house since the last report, up to 85% from 72% in 2018, over the duration of the report, this is within the range of previous results. However, there is a significant increase in the number of respondents stating they partially outsource their payroll, up to 35% from 22% in 2018. When the research began in 2008 only 10% of respondents partially outsourced payroll processes and this figure remained relatively constant until 2018 when the sharp increase began.



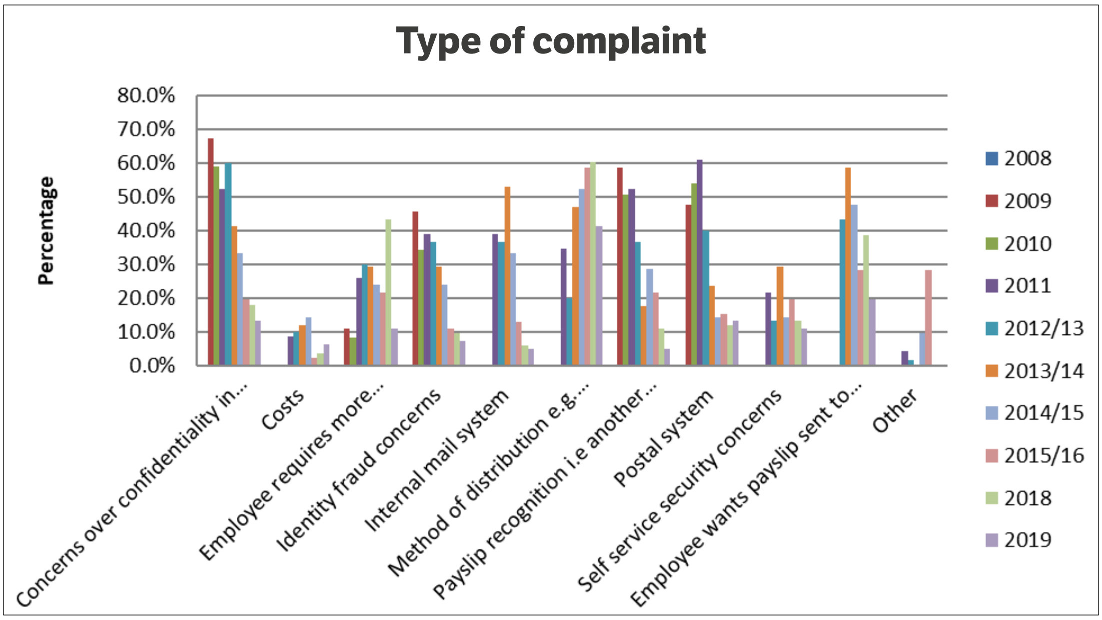
Method of distributing payslips

Once again, online distribution is the most common way for employees to receive their payslips, with 60% of respondents providing an online self-service facility and 32% using email. This is a significant shift in behaviour from 2008 when this research began when 67% of respondents sent paper payslips directly to the department for distribution and only 12% used online self-service with no figures available for those using email, but in 2009, 10% used email to distribute payslips.



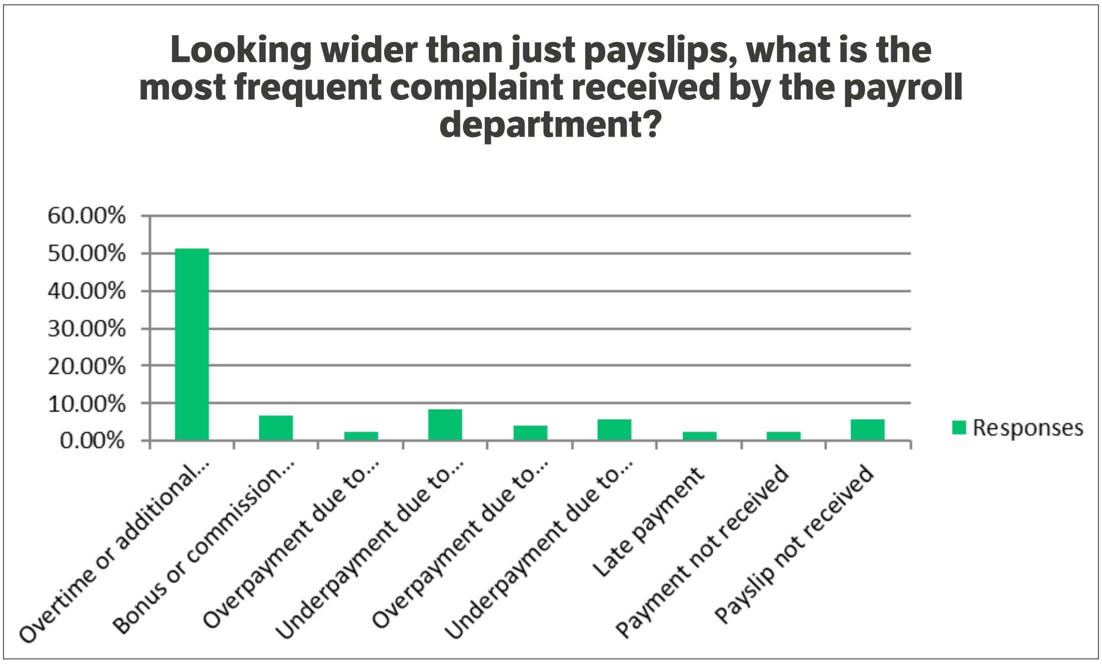
Complaints regarding the distribution of payslips

For the first time since 2012-13, the number of complaints regarding the method of distributing payslips has fallen, down from 60% in 2018 to 41% in 2019 perhaps reflecting the nation's increasing acceptance of sending and receiving information online. In fact, the number of complaints regarding all areas of payslip distribution have reduced in 2019, with the number complaining that they would prefer their payslip posted to home halving to 19%.

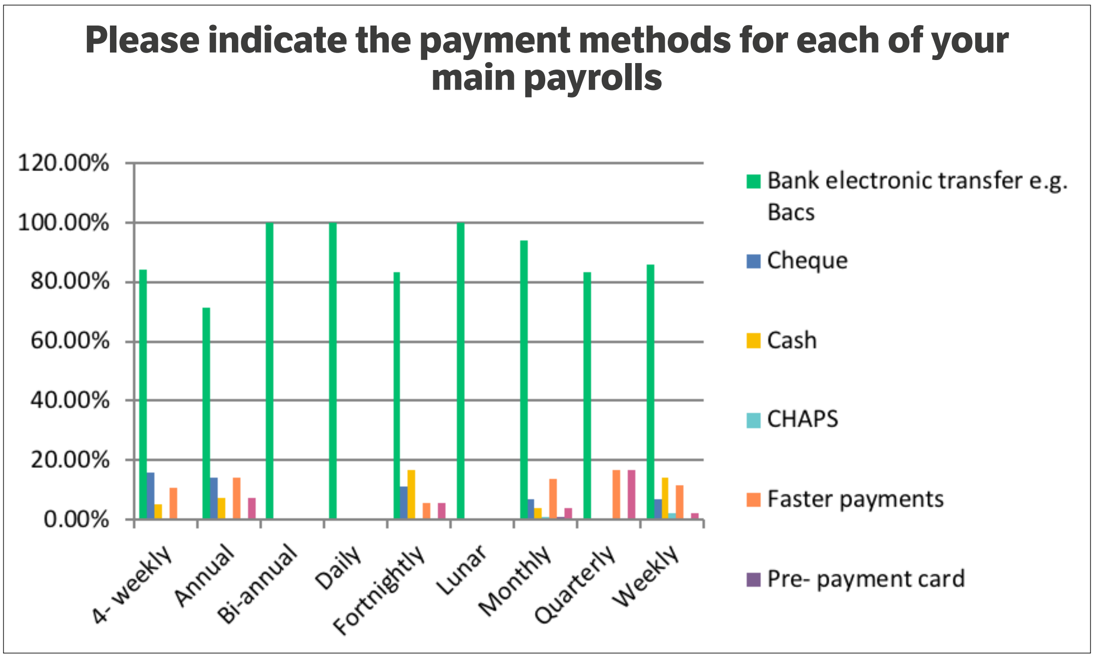


Other complaints

Late payment for overtime and additional hours accounted for more than half (51%) of complaints received by the payroll department. However, respondents report that a significant number of these were due to information not being provided to payroll in time. Other causes of complaint included: underpayment due to incorrect tax code (8%), underpayment for another reason (6%), bonus or commission not paid (7%).



Payment methods



Once again Bacs is consistently the most common payment method across all pay frequencies, as it has been for the duration of this research. With the digital age presenting alternative methods of payment, the research this year explored whether employees had requested a different payment method.

No respondents had changed their primary payment method in the last two years, although 3% confirmed that their employees had requested a change in payment method, with one requesting their payment be made directly to a charity and the remainder stating their employees had requested payment by cheque.

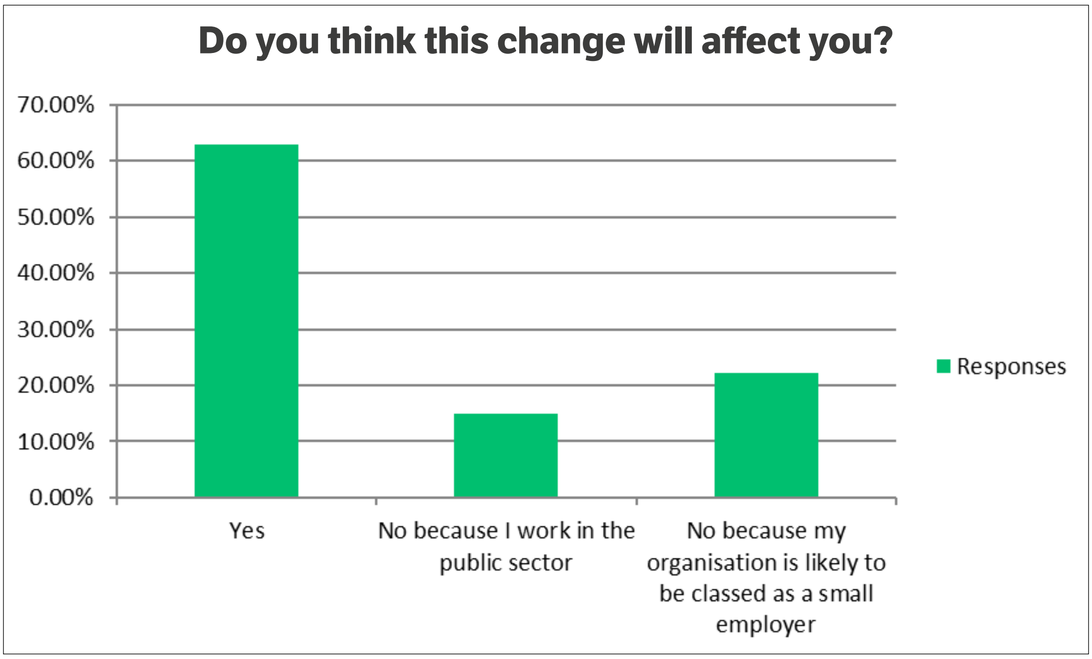
New for 2019

CHANGES TO THE OFF-PAYROLL WORKING RULES

Awareness of changes to the rules in the private sector

When this research was undertaken the government still intended that off-payroll working rules would extend to the private sector in April 2020, this has since been delayed until April 2021 due to the COVID-19 pandemic.

The rules will mean that employers classed as medium or large must assess the status of all their contractors to determine if they need to deduct PAYE and NIC. Reassuringly, 99% of respondents were aware of this change.



63% of respondents believe they will be affected by the changes. The CIPP is advising payroll practitioners to begin preparing for the changes early. At the time this research was undertaken in December 2019 63% of respondents said they had already begun to make plans to assess their existing contractors and communicate this change in responsibilities to them.

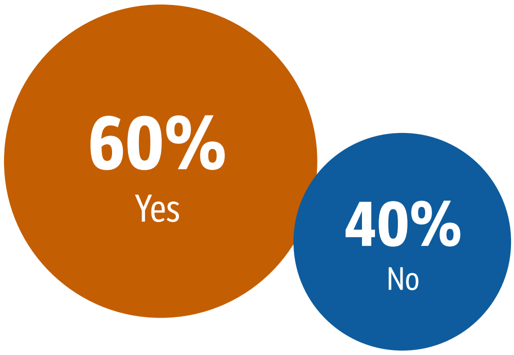
The anecdotal responses outlining the plans being made include

All off-payroll workers have been written to regarding the changes.
We do not have any contractors.
Payroll isn't responsible for paying contractors in our company, but plans are being finalised as to how these will be handled from April going forwards.
Currently under review.
The occasional agency temp will need to be assessed and be sure the agency is deducting tax and NI.
Planning to start in the new year.
We do not have any contractors.
We set up a project team that was initially being led from our office in the US. After a number of meetings a UK project manager was assigned however we have now been through two project managers and still nothing has been decided.
As we are a public sector organisation we already have this in hand.
No plans have been made within payroll as another team are working on the project. I'm hoping to have some guidance from them soon! I'll look into it myself early 2020 to be on the safe side.
We only have a small number of OPWs that do occasional work.
We have a working group responsible for assessing the current state and build a working plan for BAU from April 2020 .
The departments who use contractors are contacting them directly.
Working party to review practice and policy.
This will be dealt with at corporate level.
We are reviewing all clients when their accounts are due.
Project started two months ago - working in conjunction with HR on this issue.
Already seeking advice and assessing the workforce now.
No as this will be the responsibility of our clients.
Lies with recruitment, however, company as a whole has looked to reduce number of "contractors" and bring them on PAYE.
Have no contractors on payroll.
We are in the process of identifying any contractors.
Awaiting manager...could be a long wait.
This is handled by our finance department, not Payroll.
So far we have no off-payroll workers but we are up to date with the new rules and will put them in place if necessary in the near future.
Internal reviews taking place for the contractors that we have (4-5 contractors).
HR manager is dealing with the few which are affected.
We have no current contractors but we are prepared for this to happen in the next 12 to 18 months.
We act for contractors, for their own PSCs - so none of the answers are applicable.
Have had a meeting with our employment advisors and sent out a communication to the Directors to make them aware of the potential impact and the work that needs to be carried out now, prior to April 2020.
HR is dealing with this.
Very time consuming to identify as do not normally come through payroll.
Only one contractor, checked and assessed as self-employed.
HR are dealing with this.
Communication to be sent to our clients in January.

Additional costs

61% of respondents agreed they had raised the possibility of additional costs, however the anecdotal responses suggest that this message is not necessarily being heard within businesses.

This change may bring with it additional cost for your business, both direct costs due to employer NICs and indirect costs due to the resource needed to assess and communicate with contractors; have you raised this as an issue?



Additional anecdotal responses when asked if the issue of possible additional costs had been raised with the business

Communication has been issued to the business regarding the changes with further guidance due to be issued early next year.
Additional cost i.e. NI but we will not require additional resources.
If anything this has reduced costs as it has made how much we were spending on contractors highly visible and thus we are reducing the numbers.
Most of the OPW are paid amounts lower than the NI thresholds.
We are aiming to reduce the number of contractors.
A training session is planned across the business.
Awaiting manager......could be a long wait.
Finance are aware of payroll's input.
It is being looked into at present.
Still at the data gathering stage.
A communication to the directors to make them aware of the potential impact and costs.
Not sure as HR is dealing with this.
We briefed in August so they could plan

Only 18% of respondents confirmed that they had already estimated the additional costs involved, with 80% commenting that this work is still ongoing.

Awareness of changes to the rules in the public sector

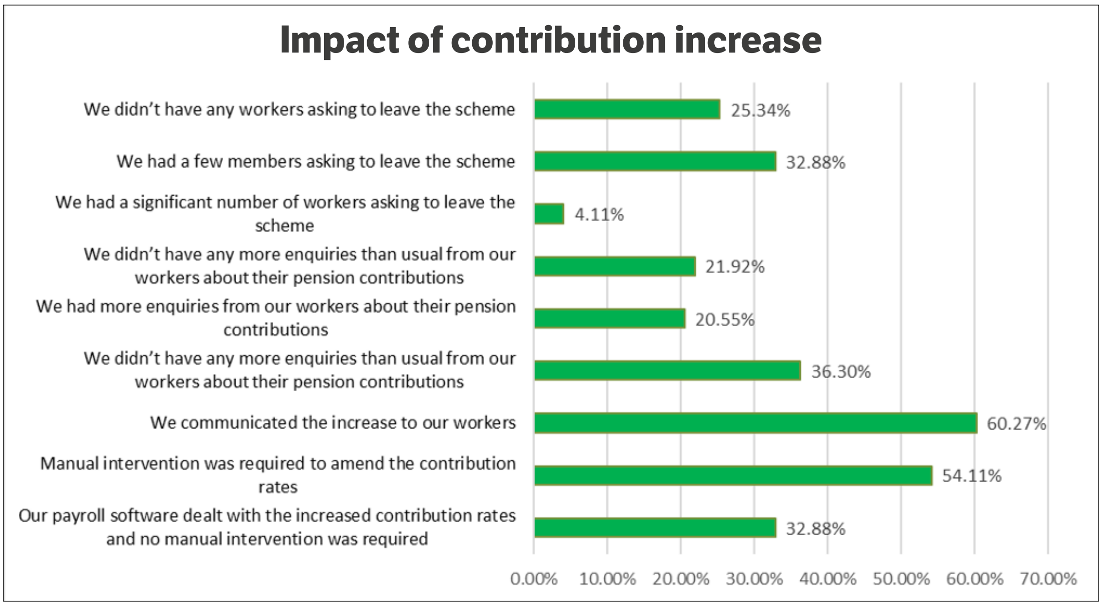
There is less awareness of the forthcoming changes to the off-payroll working rules in the public sector, with 42% of respondents unaware of the changes regarding information and liability which are being introduced in April 2020.

AUTOMATIC ENROLMENT

When the roll-out of automatic enrolment began back in 2012 it brought with it additional administrative burdens for employers. However, with all employers now automatically enrolling their workers into a pension scheme, and the phased increase of contributions complete, automatic enrolment is now considered to be business as usual. This research set out to understand whether automatic enrolment, now considered to be business as usual, continues to bring additional burden.

Impact of the minimum contribution increase

More than a third of respondents (37%) stated that they had members asking to leave the pension scheme following the increase to minimum contributions. The increase also brought additional work for 54% of respondents required to intervene to amend the contribution rates. Almost two thirds (60%) issued communications to their employees advising of the changes.



Recommendations in the DWP report - Automatic Enrolment Review 2017: Maintaining the Momentum

In December 2017 the DWP published a report called Automatic Enrolment Review 2017: Maintaining the Momentum, which discussed a range of possible options for increasing pension savings in the future. One of those options was to lower the age threshold from 22 to 18, respondents were asked for their views on the impact this would have on both employers and employees.

A vast range of comments and opinions were provided by respondents, with the following being a representative sample:

We have mostly an older workforce so there would be minimal impact for us.
I do think that businesses would welcome the change as this would make it easier when trying to work out if employees are eligible.
From a process point of view it makes no difference. Obviously, increased employer contributions will have a significant impact.
Increase cost to employers reducing profit. We would need to inform all current non eligible workers if implemented and update payroll software.
I think this would be beneficial for staff as the sooner they start paying into a scheme, the quicker they get used to it.
Generally we don't have that many under 22's working for us so the impact would be minimal, but it is a good idea to reduce the age threshold

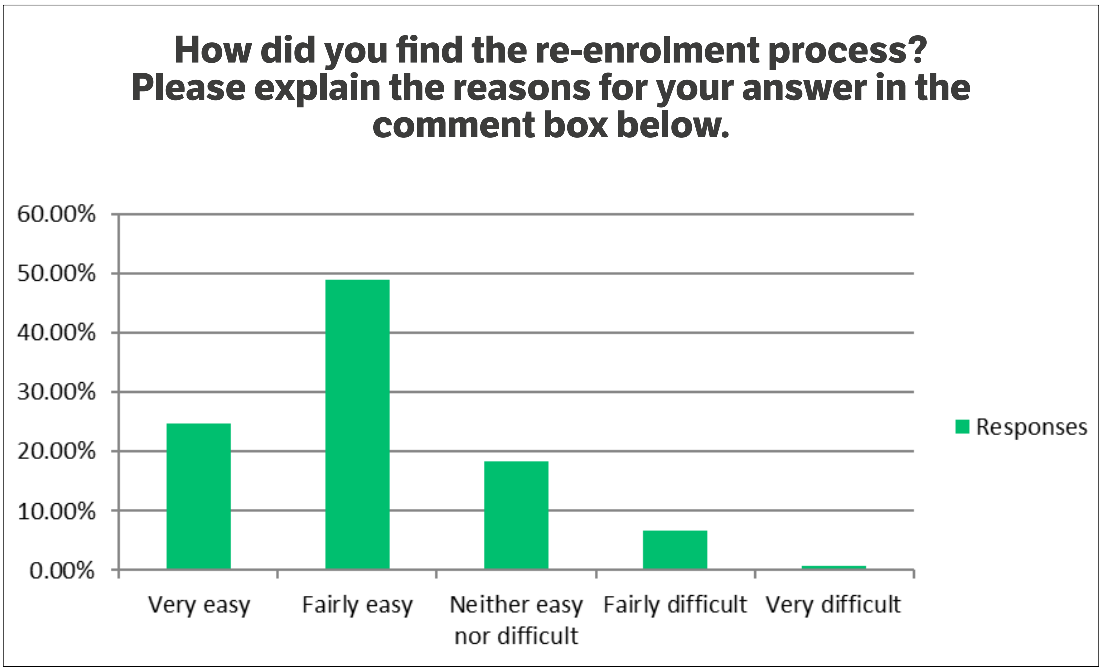
Higher cost to both sides, however better opportunity for employees to save for their pension.
For the demographic of my employees I believe it would increase the number of opt-outs as the majority are paid NMW/NLW and have no real interest in pensions at this age
More eligible workers and a higher cost to employers
I would welcome it. Our employees under 22 have opted in themselves.
Yes, agree this should be in place and it needs education alongside it on the importance of saving towards later life.
For employers an increased cost. The employees at that age will be on low salaries so they may not want to be in. But there is also the level of salary would mean they would not go in automatically as their earnings are too low.
Obviously it would be more costly to the employer but great for younger people to benefit.
The impact would be essentially good for the employee, but costly for the employer.
It would increase the workload for employers, having more people to enrol, but would be a benefit for employees because they can begin to save into a pension scheme sooner.
Increased costs but inevitable - pension saving should be mandatory for all, but highly regulated with regards to administrative charges and easy access to modelling/forecast tools. Mandating it for all would remove the ongoing administrative burden from employers with re-enrolment, postponement etc. and employers would know the cost.
It would make low skilled workers more expensive to employ.
I think this it the right way to go. As a nation we do not have enough people of working age contributing towards the National Insurance figures and the State Pension will disappear. We need to encourage people of working age to contribute towards their own pension in readiness for retirement. Employers will not be happy and may try to keep salaries below any threshold so they do not need to make contributions and Employees of this age may not understand the importance of paying into a pension from such a young age.
Personally I think it is fabulous. However employees do not seem to understand that this will benefit them in retirement, lots of work for employers

The report also suggests removing the link to the Lower Earnings Limit so that contributions are calculated from the first pound earned. Once again a huge number of comments and opinions were received which are represented by the following:

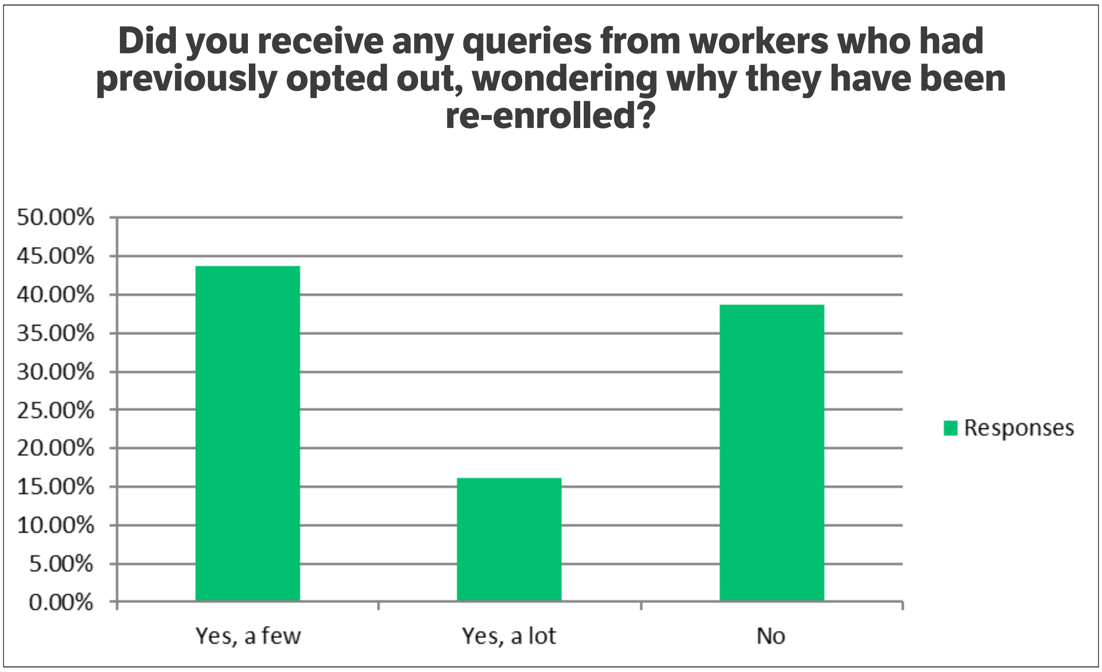
I think this is more transparent - if after banded earnings contributions are 4% I think this should be made clear to employees, most employees will believe they are contributing 5% when in reality they aren't.
Increased employer costs and potentially higher opt out rates due to higher employee contributions.
As an employer we would budget accordingly. Employees on low wages may not wish or be able to save for pensions so opt-out.
Greater hardship for lower paid employees and SMEs
Both employers and employees will not like this change initially but the cost to both will not be that bad. Employees will start to see the benefit once they receive annual pension statements.
Apart from the obvious on costs to employers, we feel that the opt outs would increase again.
There have been comments that the government are giving them a living wage in one hand and reducing the impact on the net pay due to auto enrolment.
Again, this would prove costly for us as an employer, but I feel it’s fair on employees, and would hopefully get more people saving for their future

Cyclical re-enrolment

Three years after staging for automatic enrolment, employers must re-enrol eligible jobholders who aren't currently a member of the pension scheme. 92% of respondents have been through re-enrolment, with 74% finding the process fairly or very easy.



One respondent commented that the most difficult part was explaining the situation to employees and that is reflected in the responses to the next question, in which 60% of respondents stated that they had received questions from workers who had previously opted out, wondering why they had been re-enrolled. Several respondents commented that their workers were unhappy at being re-enrolled and blamed their employers rather than the legislation.

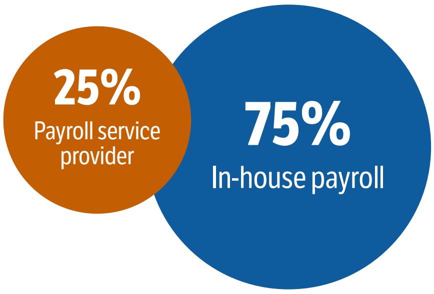


Two thirds (67%) reported that the majority of employees who had previously opted out, opted out again when re-enrolled.

Core demographics

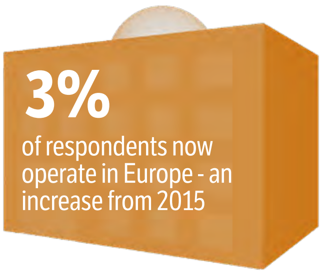
In-house versus payroll service provider

After remaining at a relatively constant 15-18% for many years, in 2019 the proportion of respondents reporting that they were a payroll service provider or agent acting on behalf of their client base has risen significantly to 25% with only 75% responding as an employer with an in-house payroll.



Industry sector

Apparently bucking the trend of recent years, the number of respondents from the retail sector has increased this year to 12% from an average of 4-5% between 2016-2018. This figure will be monitored in next year's research to identify whether this is a trend or simply an anomaly in 2019. The manufacturing industry has maintained its steady growth over recent years, this year hitting a peak of 15.8%. Responses from the construction industry continue a downward trend with only 4% of respondents.



Main business location

Whilst the number of businesses with locations throughout the UK remains relatively consistent with previous years at 35%, and of those with a smaller operating area, the South East of England retains top spot with almost 13% of respondents, it is those respondents operating in Europe which show the biggest change in 2019. Perhaps in response to Brexit, 3% of respondents now state they operate in Europe compared with a previous high of 1.9% back in 2015.