

21st December 2011

The Pensions Regulator

Supporting the UK's employers with automatic enrolment

As a provider of employer software solutions you will be aware that the law on workplace pensions is changing next year. We're very close to the implementation of new employer duties for the largest UK businesses, so I want to take this opportunity to recognise the widespread and active engagement we have had so far from software firms.

Compliance with the new duties impacts numerous parts of employers' businesses both internally and across supply chains. From our contact with large businesses we know that they are currently looking to their suppliers and the wider pensions market for appropriate support. Many employers currently feel they have insufficient information from software suppliers to make informed decisions.

In the last twelve months we have had frequent and constructive contact with product development teams across the software industry to explain the new legislative requirements. We are encouraged to see that payroll systems appear to be under development to perform the new pay and pensions calculations, and that additional functions are being prepared to support employers in complying on time with the wider administrative elements of the duties.

The first wave of employers – those with more than 3,000 employees – will be required to comply with automatic enrolment between October 2012 and July 2013, and it's these companies that are most in need of your support at the moment.

The software products that your firms provide are vital to ensure that employers can comply with the new law. Where you haven't done so already, I would urge your organisation to share with your customers your planned product offerings and delivery timescales.

The success of workplace pensions reform is dependent on your support and engagement.

Yours sincerely

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