



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Sir Stephen Timms MP
Work and Pensions Committee
House of Commons
London
SW1A 0AA

17th June 2022

Dear Sir Stephen,

Thank you for your letter of 25 May asking for further information relating to your "Saving for Later Life" inquiry and inviting me to give oral evidence to the Work and Pensions Committee.

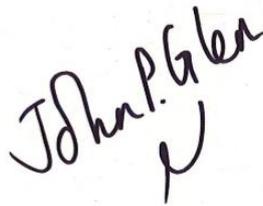
You asked about HMRC efforts to support self-employed individuals to save for their later life. This work has been led by DWP, which remains committed to developing effective durable retirement solutions for the self-employed and continue to build the evidence base to find ways to make retirement saving easier for self-employed individuals. DWP are working with HMRC to explore the opportunities presented through Making Tax Digital and software suppliers. In advance of this, DWP and HMRC have undertaken a trial with MaPS which was run between October 2021 and February 2022 involving the existing self-assessment tax system. In addition, DWP are working with Nest Insight and a range of partners, to test a range of approaches and interventions aimed at improving retirement saving for the self-employed. DWP launched the next stage of these trials in December 2021 using financial digital platforms and money management apps to test the role of technology-based nudges and the value of flexible saving mechanisms. Analysis and evaluation of the HMRC trial and technology-based trials is expected in Summer 2022.

Second, you ask for information regarding the issue of multiple jobholders who do not earn above the £10,000 earnings trigger for automatic enrolment from one employment, but have total earnings above the trigger. As you will know, automatic enrolment legislation does not require an individual with multiple earnings which cumulatively exceed this threshold to be enrolled into a pension scheme. HMRC systems would not currently be capable of achieving this and the practical implications of doing so are not insignificant. In addition, it would present an ethical challenge by, for example, requiring HMRC to disclose information about an individual's total employment income to each employer, challenging the important principle of taxpayer confidentiality.

I am very grateful for the hard work the Committee have put into this inquiry, exploring how the Government can support people to plan and save for

retirement. I was honoured to give evidence to the inquiry in November 2021 to explain the role of the Treasury in this vital policy area. Although I cannot join to give evidence again on this occasion, I understand that my colleague the Minister for Pensions and Financial Inclusion is able to attend and he will be able to discuss the Government's continued commitment to helping people to save for later life.

Your continued engagement on these important issues is greatly appreciated.

A handwritten signature in black ink that reads "John P. Glen" with a stylized flourish underneath.

JOHN GLEN



Work and Pensions Committee

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John Glen MP
Economic Secretary to the Treasury
HM Treasury

25 May 2022

Dear John

Saving for Later Life

I wrote to you on 9 February requesting the Treasury to submit evidence to our inquiry on [Saving for Later Life](#). We were grateful to receive a [joint submission with DWP](#) on 30 March.

We would be grateful for a further submission addressing the following areas, where evidence suggests that HMRC may have a crucial role to play in delivering a solution to long-standing issues:

- We have heard concerns about low levels of pension saving among self-employed people and the challenges in addressing this, given that it is not a homogeneous group.¹ The written evidence you submitted with DWP said that HMRC were trialling activities to identify the most effective way to make retirement saving easier for self-employed people.² Could you update on what you have trialled and the findings to date?
- We also heard that there may be an HMRC-driven solution to the issue of people with multiple jobs below the £10,000 earnings trigger, who may exceed it if earnings are combined. For example, it was suggested that HMRC could notify employers when a particular individual's earnings were above a particular threshold, which could be a trigger for that employer to auto-enrol that employee.³ Could you give us an update on any work underway to find a solution to this issue?

In addition, the Committee would like to invite you to give oral evidence with Mr Opperman on Weds 6 July, 9.15 am.

Yours sincerely,

Rt Hon Stephen Timms MP

¹ [23 February 2022 Q31](#) [Chris Curry]; [27 April 2022 Q92](#) [Philip Brown]

² [PSL0047](#), para 61-2

³ [23 February 2022 Q38](#) [Nigel Peaple]; [27 April 2022 Q117](#) [Colin Clarke]

Chair, Work and Pensions Committee