



Department
for Work &
Pensions

Laura Trott MBE MP
Minister for Pensions

Sir Stephen Timms
Chair, Work and Pensions Committee
House of Commons
SW1A 0AA

6th February 2023

Dear Sir Stephen,

Work and Pensions Select Committee Report: Saving for Later Life

Thank you for your letter dated 31 January 2023 on the government's response to the Committee's report on Saving for Later Life and for requesting a debate on the Committee's findings.

2017 review of Automatic Enrolment

This is an absolute priority for me and the Department. As I set out in my recent speech on 30th January at the PLSA, adequacy of retirement income will be central to my strategy for pensions reform.

The government has been clear that we intend to implement the recommendations of the 2017 review of Automatic Enrolment (AE) in the mid-2020s and will bring forward legislation when parliamentary time allows. We remain committed to carrying out a consultation on the implementation of the review to ensure this works effectively for all parties.

Stronger Nudge

I want to ensure that as people approach retirement, they are able to access the quality services and the timely guidance they need in order to plan their finances in later life. The Department will be continually monitoring the take up of Pension Wise and we will take action to encourage appropriate use of the service.

It would not be practical to try to accurately isolate the impact of Stronger Nudge. The key is not whether someone attended an appointment but the decisions they took off the back of it. However, we will monitor a variety of metrics along with other sources of feedback on effectiveness of Stronger Nudge and other efforts to increase appropriate use of Pension Wise. This will include working closely with MaPS who are undertaking a review of the experience of those who have been 'nudged' to its services. This will

identify possible improvements to the delivery of the Stronger Nudge. I will of course ask MaPS to share the results of this work and any proposed solutions with the Committee.

Gender pension gap and pension sharing on divorce

Together with stakeholders across government, we are working to better understand the scale and challenge of the gender pension gap. Our aim is to find a suitable definition of the gender pension gap, which enables the development of a metric for measuring progress on reducing the gap. I am working with officials within the Department and across government to settle on an agreed definition. I am also looking at the possibility of regular reporting on the gender pension gap by DWP in order to better highlight the issue publicly.

On pension sharing on divorce, my department have already begun to engage with the Ministry of Justice and His Majesty's Courts and Tribunal Service, who are responsible for pension sharing order statistics. I am seeking to understand the barriers to producing regular statistics on this issue and raising awareness of what can be a complex process.

Self-employed

On starting in my role as Minister for Pensions I was concerned by the lack of pension saving amongst the self-employed in the UK.

The Department is currently working with software providers and HMRC to explore the opportunities presented by Making Tax Digital to support self-employed people save for their retirement. The aim here is to incorporate pension saving within services that the self-employed already use to manage their money making it simpler and more accessible.

I look forward to the debate scheduled for 7 February on these important issues.



Laura Trott MBE MP
Minister for Pensions



Work and Pensions Committee

31 January 2023

Laura Trott MBE MP
Minister for Pensions
Department for Work and Pensions
(By e-mail only)

Dear Laura,

The Work and Pensions Committee is grateful for the Government Response to our Report, [*Protecting pension savers—five years from the pension freedoms: Saving for later life.*](#)

We have considered the Response and would be grateful if you could provide the timescales for DWP action outlines in the Response, specifically:

- When you intend to introduce legislation to implement the recommendations from the 2017 review of auto-enrolment;
- The Government did not accept the Committee's recommendation to conduct an evaluation of the Stronger Nudge in the terms we proposed by July of this year. The Response set out some metrics the Government is collecting to monitor impact of the Stronger Nudge, but acknowledges that increased take-up of Pension Wise appointments cannot be fully attributed to the Stronger Nudge. When does the Government plan to complete an evaluation of the Stronger Nudge and whether it is specifically having the desired effect of increasing people seeking guidance from Pension Wise; and
- When the department plans to speak to HM Courts and Tribunal Service on the barriers to collecting and collating statistics on pension sharing orders, and when the department hopes the first set of statistics will be published.

- When you expect to have completed further work on how best to incentivise long-term saving for self-employed people and on how best to integrate the benefits of such mechanisms into default solutions based around touchpoints that reach most self-employed people, such as the tax system.
- By when you expect to have established a suitable definition of the gender pension gap.

It would be helpful if you could provide a reply to this letter by lunchtime on Monday 6 February, ahead of the Westminster Hall debate on the Report and the Government Response on Tuesday 7 February at 9.30am.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Committee