Pensions Client Directorate

Preparing for automatic enrolment

Regulatory differences between occupational and workplace personal pensions

A Call for Evidence

31January 2011

DWP Department for Work and Pensions

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1. Introduction

1. The workplace pension reforms, which introduce automatic enrolment, will change the pensions landscape. The Government wants to make sure that existing legislation governing workplace pension provision remains appropriate following the introduction of automatic enrolment and that it continues to support the pensions industry, employers and members – while also achieving the Government's goal of increasing individuals' retirement savings.

2. The legislative framework for pensions provides for different rules and legislation applying to occupational[1] and workplace personal pension schemes. These regulatory differences have evolved because workplace personal pension schemes and occupational pension schemes are different types of products with separate governance and design features.

3. From October 2012 around nine to ten million people will be automatically enrolled into workplace pension schemes, resulting in five to eight million new savers[2]. This call for evidence asks whether this scale of membership, together with current regulatory differences affecting workplace pensions, could influence behaviour in a way that might affect the success of the pension reforms.

4. In particular, the Government will not tolerate the exploitation of differences in the regulatory approach in a way that means individuals do not build pension savings.

5. One concern highlighted by the Making Automatic Enrolment Work Review team was that regulatory differences, particularly in relation to short service refunds and trivial commutation rules, could create regulatory arbitrage.[3] The review team recommended that:

   "Government should review as a matter of urgency the scope for regulatory arbitrage between the trust and contract based regulatory environment."

6. The use of short service refund rules is an area where we will take action if it appears that the rules risk the success of the workplace pension reforms. We are also interested in looking across the whole pensions landscape, to make sure the legislative framework is appropriate.

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[1] Throughout this documents references to occupational pension schemes includes both defined contribution and defined benefit schemes

[2] Newly saving or saving more – Source: DWP Pension Bill 2011, Impact Assessment of the Workplace Pension Reforms, http://www.dwp.gov.uk/policy/pensions-reform/

[3] Making automatic enrolment work: a review for the Department for Work and Pensions (Johnson, Yeandle and Boulding) October 2010

7. In this call for evidence we want to gather evidence and views on:

    a) whether regulatory differences could influence behaviour in a way which may jeopardise the workplace pension reforms' objectives of increasing persistent saving for retirement; and
    b) for each issue identified in this document and by respondents, what the possible **solutions** could be to help ensure automatic enrolment is successful and that the pensions industry is supported by an appropriate legislative framework.

8. Any solutions will be considered against our key objective of increasing persistent pension savings and ensure high quality workplace pension provision. We will also consider the following criteria:

    a) That any changes should not add undue complexity or place disproportionate burdens on employers, providers or schemes, including defined benefit (DB) schemes, in line with the Government's commitment to simplify the rules and regulations relating to pensions.
    b) That any changes should be affordable, sustainable and not create excessive costs for the Exchequer.

9. This call for evidence will build on the research evidence we have to date (see **Annex A** for a list of existing research) and will help us to decide on what actions, if any, should be taken. In taking any actions Government will consider carefully the benefits of retaining existing rules and regulations against the potential costs to providers, employers and our policy aims of maximising individuals' savings.

10. This call for evidence is not intended to consider the merits of one type of workplace pension scheme over another. Rather it is intended to stimulate an objective and open examination of whether the existing legislative regime for pensions and the different treatment of occupational and workplace pension schemes remains appropriate once automatic enrolment is introduced.

Related work

11. The Financial Services Authority (FSA) is currently consulting on changes to the FSA Handbook following the Government's confirmation of the workplace pension reforms. This consultation is intended to ensure that consumers remain adequately protected and that interactions between FSA and DWP rules do not create unnecessary barriers within the workplace pension market. The call for evidence has been developed in the context of this consultation which finishes on the 9 February.

    FSA consultation: Pension reform – Conduct of business changes (PDF)

12. The Pensions Regulator (TPR) has also published a discussion paper on its approach to the DC pension market and this call for evidence should be read in conjunction with this call for evidence. The document is available on the TPR consultations page.

    The Pensions Regulator consultations

13. We will publish a formal response to this call for evidence setting out any proposals we intend to take forward later in the year, along with subsequent consultations where action is considered appropriate.

About this call for evidence

Who is the call for evidence aimed at?

14. This call for evidence is aimed at organisations representing employers, pension providers, pension scheme trustees and administrators, and consumer groups. Views and evidence from individuals, employers and members of these trade organisations are also welcome.

Scope of the call for evidence

15. This call for evidence applies to England, Wales, Scotland and Northern Ireland.

16. Pensions are a devolved matter under the Northern Ireland Act 1998 and are the responsibility of the Department for Social Development in Northern Ireland. However, in line with the long-standing policy of parity, the Department for Social Development will issue this call for evidence in Northern Ireland.

17. The Government will continue to work closely with the devolved administration in Northern Ireland to seek to maintain a single system of pensions across the United Kingdom.

Duration of the call for evidence

18. The call for evidence period begins on **31 January 2011** and runs for 12 weeks until **18 April 2011**.

How to respond to this call for evidence

19. Please send your responses or any queries about this document to:

    Email: regulatory.differences@dwp.gsi.gov.uk

    Jason Yianni
    7th Floor
    Caxton House
    Tothill Street
    London
    SW1H 9NA

20. Please ensure your response reaches us by **18 April 2011**.

21. When responding, please state whether you are doing so as an individual or representing an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled. We will acknowledge your response.

22. Please do share this document with, or tell us about, anyone you think will want to be involved in providing evidence or views on this topic.

2. Objectives of the workplace pension reforms

23. An ageing population combined with millions of people under-saving is one of the biggest long-term challenges facing the UK. Around seven million people are not saving enough to deliver the pension income they are likely to want, or expect, in retirement.[4] Around 44% of working age employees are not contributing to a private pension.[5]

24. The workplace pension reforms aim to overcome the decision-making inertia that characterises many individuals' attitudes to saving. Automatic enrolment and a minimum employer contribution will transform workplace pension saving. We estimate that between five and eight million people will be newly saving in a workplace pension scheme as a result of the reforms.[6]

25. The 2008 Pensions Act and associated regulations set out employer duties which include automatically enrolling all eligible workers into a qualifying workplace pension scheme. The 2011 Pensions Bill introduces powers including the introduction of an earnings trigger and a three month waiting period following the Making Automatic Enrolment Review.

26. Eligible jobholders are workers who are at least 22 years old, but not yet state pension age; working or ordinarily working in Great Britain and who earn more than around £7,500.[7]

27. Employers will need to enrol their eligible workers into a qualifying pension scheme. A qualifying money-purchase scheme is one with a total contribution of 8% or more of qualifying earnings, with the employer contributing 3% or more of qualifying earnings.[8]

28. The employer duties will be implemented over a four-year period between October 2012 and September 2016, with larger employers being subject to requirements before smaller employers. Pension contributions will be phased during implementation and rise to the full 8% from October 2017.

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[4] Department for Work and Pensions modelling using data from the English Longitudinal Study of Aging.

[5] Family Resources Survey 2005/06.

[6] DWP Pension Bill 2011, Impact Assessment of the Workplace Pension Reforms, http://www.dwp.gov.uk/policy/pensions-reform/

[7] Following the Making Automatic Enrolment Work Review, Clause 5 of the 2011 Pensions Bill introduces an earnings trigger for automatic enrolment and re-enrolment of £7,475. The 2008 Pensions Act required employers to automatically enrol workers who earned over £5,035 a year (2006/07 prices).

[8] DB schemes need to pass a benchmark test of overall quality.

29. We recognise that many employers are already making a significant contribution to workplace pension saving and employers will continue to play a vital role in the success of these reforms. That is why, based on the outcomes of the Making Automatic Enrolment Review, the 2011 Pensions Bill introduces a legislative framework that minimises burdens on business and will make sure that automatic enrolment is introduced in a stable and workable way.

30. We want to make sure that any further policy change is based on sound and robust evidence. That is why we are making this call for evidence.

3. Regulatory differences

31. From the member's point of view, occupational and workplace personal pensions may appear to be similar products since they perform a similar function. However, they have developed separately to serve the diverse needs of employers and individuals. As such, occupational and workplace personal pensions have very distinct design features, such as governance and responsibilities of employers. Separate regulatory regimes have emerged to address the unique benefits and risks of each type of scheme.

32. For example, the majority of large **occupational schemes** have historically been set up by employers as part of a remuneration package designed to meet their recruitment and retention needs. They are generally required to be established under trust law to set the scheme at arm's length from the employer. This means there is a body of people legally separate from the employer with a legal duty to look after the interests of the scheme members.

33. The employer based nature of these schemes has led to a legislative framework which focuses on ensuring the scheme is appropriately protected from misuse by the employer through, for example, segregation of assets, restrictions on employer-related investments and member-nominated trustees.

34. Regulation is also designed so that, where possible, occupational pension schemes are adequately funded to enable promised pension payments to be made. In DB schemes trustees are therefore responsible for setting a prudent funding strategy for their scheme and, among other things, must generally seek the agreement of the sponsoring employer before making any of the key decisions affecting the funding of their scheme.

35. In contrast, the majority of **workplace personal pensions** have developed from personal pension products which are set up under contract directly between the member and the pension provider. In work based personal pensions the obligation of the employer is limited to making direct contributions to the pension provider on behalf of the member.

36. Consequently, much of the regulation of these products is focused on protecting consumers, with the regulatory requirements falling onto the pension provider. For example, at the point of sale of workplace pension products, specific information must be provided at the time the contract is set up and members must be given a 30 day cooling off period in which to change their mind. Additionally, financial regulation seeks to ensure that guaranteed payments are made by requiring provider firms to hold a solvency margin.

37. The governance arrangements for occupational and personal pensions are also, for the most part, quite different. Occupational pension schemes are generally required to be set up under trust.

38. There are some areas of the legislative framework where personal and occupational pensions are treated in a similar way, usually after membership is established. For example, late payments of contributions and disclosure of information.

39. Also, both occupational and non-occupational pension schemes can register with Her Majesty's Revenue and Customs (HMRC) for tax purposes but some provisions apply specifically to either occupational or non-occupational schemes. For example, as described below, the rules on trivial commutation and short service refund lump sums only apply to occupational pension schemes.

40. It is also worth noting that workplace pensions are regulated by two bodies; occupational pensions are regulated mainly by The Pensions Regulator (TPR), and personal pensions are regulated mainly by the Financial Services Authority (FSA). More information on the role of the regulators is included in **Annex B**.

4. Key areas of regulatory difference that could impact automatic enrolment

41. Although there are very good reasons for the distinct legislative regimes that have developed to oversee occupational and workplace pension schemes, we are concerned that existing differences in legislation could have the potential to influence the pensions market in a way which is inconsistent with the aims of automatic enrolment.

42. The Making Automatic Enrolment Work Review highlighted in particular the differences in rules in relation to early leavers, through **short service refund rules,** and **trivial commutation rules**.[9] Further to these, we have identified **disclosure of information requirements** as a broad area which we also intend to consider.

Short service refunds

43. Legislation requires occupational pension schemes to offer a refund of contributions or a cash transfer if the member leaves after three months and before two years of service but has not accrued any right to future benefits under the scheme.[10] There is no equivalent requirement for workplace personal pension schemes. This refund is of the member's contributions only, with the employer contributions remaining within the scheme to be used in accordance with scheme rules. This recycling can be used to cover future employer contributions, scheme administration costs or one-off scheme costs. A refund can be set as the default if the member does not choose between a refund of contributions or cash transfer to another pension scheme.[11]

44. Workplace personal pensions alternatively have a 30 day cancellation period, after which the member has an option to transfer their pension pot to another scheme or keep their pension within the pension plan.

45. Forthcoming DWP research[12] shows that short service refunds are considered important for the largest occupational pension schemes or those with high member turnover as a way of managing costs. Particularly, short service refunds

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[9] Making automatic enrolment work: a review for the Department for Work and Pensions (Johnson, Yeandle and Boulding) October 2010

[10] See section 101 of the Pensions Schemes Act 1993

[11] See section 101AH of the Pension Schemes Act 1993

[12] The use of vesting rules and default options in occupational pension schemes. Research report 725 (Wood et al). This research is due to be published on the week commencing 28 February 2011. A summary of the findings is available at http://research.dwp.gov.uk/asd/asd5/summ_index_2011_2012.asp

remove the administrative burdens associated with small pension rights and schemes often use the remaining employer contribution to cover ongoing admin costs.

46. These rules also help employers by reducing some of the costs associated with the scheme, as they can be covered by the remaining employer contribution. This research also shows that only a minority of pension providers and intermediaries predict that these rules could influence employer behaviour.

47. However, while current evidence suggests this is not a problem at present, there is a risk that the difference in rules could influence employer behaviour and act as an incentive for employers to set up occupational pension schemes specifically to take advantage of the short service refund rules. That, in turn, may undermine the policy intention of encouraging individuals to save more for their retirement as:

    - large employers with a high staff turnover may put workers into schemes which offer short service refunds as a way to reduce future pension contributions costs. This could increase the chance that participation in pension savings fails to reach expected levels.
    - access to a contribution refund within two years could mean that employees who leave employment frequently or often may not build up a pension and this could undermine the Government objective to increase persistent participation in workplace pension saving.

48. We have already seen evidence in the pensions market of specific products, such as multi-employer Master Trusts, being developed and promoted to employers to take advantage of the short service refund rules. While we do recognise that the rules offer an attractive administrative easement for pension schemes and employers, our concern is that this may lead to large numbers of individuals missing out on building their pension savings.

49. We are therefore examining the role short service refund rules could play following the introduction of automatic enrolment. Particularly, we would like to hear views and see any evidence on the possible impact the rules could have on occupational pensions and workplace personal pension schemes respectively.

50. Should this call for evidence indicate a high risk to individuals' savings we would take action to end the current provision for refunds.

51. We recognise that changes to short service refund rules could increase the administrative burdens on schemes. This has been explored in previous consultation papers.[13] Therefore we are also seeking your views on possible solutions to help schemes manage early leavers, such as ways to improve

[13] Green paper - Simplicity, security and choice: Working and saving for retirement, (DWP) December 2002, Cm 5677.

pension transfers, which could address the concerns around administrative costs associated with small pension rights.

52. Lastly, we recognise that any concerns about DB schemes may be different from those affecting DC schemes. Given the nature of DB schemes, we would also like to understand whether there are specific considerations which we should take into account when making future policy decisions on short service refunds.

Question 1: How are uses of short service refunds likely to change once automatic enrolment is introduced?

Question 2: What would the impact be of changing short service refund rules? We would particularly be interested in evidence on the potential administrative burden of doing this.

Question 3: If the government were to keep short service refunds, what changes to existing rules could resolve the incentives these rules could create when automatic enrolment is introduced?

Question 4: What other options are there for addressing the cost concerns associated with small pension rights?

Question 5: Are there specific considerations for DB schemes that we should consider?

Trivial commutation rules

53. At present, an individual aged 60 or above with total pensions savings of less than £18,000 is able to withdraw their pension savings as a lump sum ("trivial commutation ").

54. In addition to the general triviality limit, small occupational pension pots under £2,000 can be taken as a lump sum, even where individuals have other pension savings in excess of the aggregate limit. This flexibility can benefit individuals with pension pots too small to annuitise to have access to their savings. However, when introduced in 2008, this flexibility was not extended to personal pensions because of the opportunity this would present to design products to gain tax advantages by purposefully fragmenting funds.

55. HM Treasury recently published a call for evidence on early access to pension savings, which asked for views on whether there was a case for introducing further flexibility into the trivial commutation rules. The HMT call for evidence made clear that any proposals for change should be affordable and sustainable; should not open up opportunities for tax avoidance; and should not add undue

complexity or place disproportionate burdens on individuals, providers, schemes, or HMRC.

56. The HM Treasury call for evidence closes on **25 February**, and further details can be found at:

Early access to pension savings (PDF)

Disclosure of information

57. A public consultation exercise took place in 2009 on a possible approach to simplifying the requirements on pension schemes to disclose information to members and others. This included considering the feasibility of consolidating the existing requirements into one statutory instrument.

58. Work on consolidation is continuing. We are also considering whether harmonisation of any of the existing requirements is feasible, whilst taking account of the rationale for some of the differing principles – for example that workplace personal pensions represent an individual contract with a pension provider, whereas trust based occupational pension schemes have trustees who have a fiduciary duty to act in members' best interests.

59. As part of this call for evidence, we would be interested to hear whether any of the requirements to disclose information to individuals are likely to cause difficulties (for schemes, employers or individuals) under automatic enrolment.

60. We would be interested to hear views and see evidence on the impact of these differences; which differences are problematic and what the solutions may be. All solutions would need to take account of any existing EU legislative requirements.

Question 6: Are specific areas of the disclosure requirements likely to cause difficulties under automatic enrolment? Are the existing differences appropriate due to the nature of the scheme?

Question 7: Do you have any suggestions for resolving any of the problems identified?

Other regulatory differences

61. The three areas highlighted are those we believe could have the most significant influence on behaviour and impact on the success of the workplace pension reforms. There may be other areas where differences between occupational and workplace personal pension schemes could influence employer behaviour or affect the workplace pension reform objectives of increasing persistent pension

savings. Therefore, we are keen to hear from stakeholders about what these areas may be and what solutions could address these concerns.

Question 8: Once automatic enrolment is introduced, what other regulatory differences exist between workplace personal pensions and occupational pension schemes could influence behaviour or affect the workplace pension reform objectives of increasing persistent pension savings?

Question 9: Do you have suggestions for resolving any of the issues you have identified?

Annex A - Current DWP Research Evidence

Title	Description	Status
Current practices in the workplace personal pension market: Qualitative research with pension providers and intermediaries (PDF)	In depth interviews with providers and intermediaries to explore current practices with regard to charge structures and levels and investment options, including default funds.	Published July 2009
Pensions Industry responses to the workplace pension reforms: Qualitative research with pension providers and intermediaries (PDF)	In depth interviews with providers and intermediaries to explore their likely behaviour in response to the workplace pension reforms.	Published July 2009
Testing industry response scenarios and the impact on market share (PDF)	Project exploring the profitability of the WPP market under various pre and post 2012 scenarios. The core part is the development of a standalone profitability model based on ASHE, EPP and LFS data. Also based on admin cost estimations obtained from five provider interviews.	Published December 2009
Exploring the nature of default funds in workplace personal pensions (PDF)	In depth research to explore how default funds are currently designed and used. This informed policy drafting of guidance around default funds in WPPs that are to be used as qualifying schemes	Published January 2010
Charge levels in occupational and contract based pension schemes (PDF)	A nationally representative survey of charge structure and levels across the UK money-purchase pensions market.	Published March 2010
The use of vesting rules and default options in occupational pension schemes (PDF) – these are the initial findings	Qualitative in depth research to explore how vesting rules and default options are currently used in occupational schemes. This informed policy drafting of guidance around default options in occupational pension schemes.	To be published on the week commencing 28 February 2011

Annex B - Roles of the regulators

Workplace pensions are regulated by the following bodies:

The Financial Services Authority (FSA)

The Financial Services Authority is an independent non-governmental body, given statutory powers by the Financial Services and Markets Act 2000. It regulates the financial services industry in the UK and is funded by the firms it regulates.

The FSA has four statutory objectives:

- to maintain market confidence;
- to provide the appropriate degree of consumer protection;
- to contribute to the protection and enhancement of stability of the UK financial system; and
- to reduce financial crime.

The FSA regulates firms that provide, promote, market, advise on or sell personal (including stakeholder) pensions and annuities. Work place contract-based schemes fall under the remit of both the FSA and TPR. However, their primary stakeholder groups are different: the FSA focus is on providers and advisers whereas TPR's main focus is on the trustee, sponsor employer and the administration of the pension scheme.

The FSA's functions include:

- regulating firms that provide, promote, market, advise on or sell personal, including stakeholder, pensions and annuities – occupational pension schemes are specifically excluded from its remit;
- regulating the establishment, operation and winding-up of personal pension schemes;
- regulating the prudential risks of firms who provide personal, including stakeholder, pensions and annuities; and
- an indirect interest in occupational pension schemes because it regulates firms which provide investments and investment services to occupational pension schemes (e.g. investment managers, insurers selling insurance-based pension products, advice given to scheme trustees on investments).

The Pensions Regulator (TPR)

The Pensions Regulator is the regulatory body for work-based pension schemes, established under the Pensions Act 2004. It commenced operations from 6 April 2005. It is an executive non-departmental public body, accountable to the Secretary of State for Work and Pensions and funded by a levy on each registrable occupational and personal pension scheme.

The Regulator’s main statutory objectives, set out in the Pensions Act 2004, are to:

- protect the benefits of members of work-based pension schemes;
- promote the good administration of work-based pension schemes;
- reduce the risk of situations arising that may lead to claims for compensation from the PPF.

The Pensions Act 2008 introduced new duties on employers and gave the Regulator a new objective to maximise compliance with the duties and the safeguards that protect employees.

TPRs functions include:

- regulating occupational pension schemes, including their funding, governance and administration;
- regulating, in respect of stakeholder pensions, registration, designation, and compliance with the charge cap, as well as the other duties imposed on employers, trustees and managers in relation to all workplace pensions e.g. timely payment of contributions;
- regulating certain aspects, including administration, of workplace personal pension schemes; and
- providing information, education and assistance in relation to workplace pension schemes to:
    - those involved in the administration of workplace pensions;
    - those who advise trustees and managers on the operation of workplace pensions; and
    - employers who sponsor workplace schemes and those who advise them.

Annex C – Glossary

Automatic enrolment	Employers will be required to make arrangements by which eligible jobholders become active members of an automatic enrolment scheme with effect from the automatic enrolment date. Automatic enrolment is not applicable if the jobholder is an active member of a qualifying scheme on that date.
Cash equivalent transfer value	A transfer from an occupational pension scheme which is taken during the short service refund period. This is the cash equivalent of the benefits when the worker's membership ends.
Contract-based pension scheme.	In this call for evidence contract-based pensions are synonymous with **workplace personal pensions**.
Defined benefit (DB) scheme	An **occupational pension** scheme that provides benefits based on a formula involving how much a person is paid at retirement (or how much a person has been paid on average during their membership of the scheme) and the length of time they have been in the pension scheme.
Defined contribution (DC) scheme	A pension scheme that provides pension scheme benefits based on the contributions invested, the returns received on that investment (minus any charges incurred) and the rate at which the final pension fund is annuitised. These can be an occupational pension or workplace personal The Pensions Regulator **pension** schemes. They are some times referred to as a money purchase scheme.
Disclosure of information	Information which is disclosed by occupational or personal pension schemes to members, prospective members and others (e.g. Trades Unions) in accordance with legislation.
Eligible Jobholder	A jobholder aged between 22 and State Pension Age, eligible for automatic enrolment if they are not already a member of a qualifying scheme.
Group personal pension (GPP)	An arrangement made for the employees of a particular employer, or for a group of self-employed individuals, to participate in a **personal pension** scheme on a grouped basis.

Group Self-Invested Personal Pension (GSIPP)	A group personal pension where the contracts are SIPPs rather than personal pensions. (See SIPP definition).
Group stakeholder pension (GSHP)	A **personal pension** that must meet certain legislative conditions including **annual management charges** of no more than 1.5 per cent for the first 10 years, then 1.5 per cent subsequently. Employers with five or more employees who do not already offer a pension scheme must currently offer a group stakeholder pension scheme. These employers do not have to contribute to a group stakeholder pension but they must allow employees access to the scheme. SHPs will cease to be mandatory after the **workplace pension reforms** are introduced.
Immediate vesting	Denotes that the worker has a right to a pension under the scheme as soon as they become a member.
Master Trust	A multi-employer **trust-based pension** scheme for non-associated employers, which enables investors to combine their assets for greater leverage.
Occupational Pension Scheme	A pension scheme taking the form of a trust arrangement, which means that a board of **trustees** is set up to govern the scheme. Benefits can be either **defined contribution** or **defined benefit.**
Pensions Regulator (TPR)	UK regulator of workplace pension schemes.
Regulatory arbitrage	Making use of regulatory differences that could favour one type of scheme over another.
Self-Invested Personal Pension (SIPP)	An arrangement that forms all or part of a personal pension scheme, which gives the member the power to direct specifically how some or all of the member's contributions are invested (as opposed to simply choosing a fund or funds).
Short service refund	In an **occupational pension scheme**, the member's right, after 3 months and up to 2 years of service, to a refund of their contributions or a **cash equivalent transfer** when they leave the pension scheme.

Trust-based pension scheme	In this call for evidence trust-based pensions are synonymous with **occupational pension scheme**.
Trivial commutation	Tax rules that allow individuals with pension savings of less than £18,000 to withdraw their pension savings as a lump sum.
Workplace pension	A pension scheme which is: • an occupational pension scheme; • a personal pension scheme where direct payment arrangements exist in respect of the members of the scheme who are employees; and • a stakeholder pension scheme.
Workplace personal pension	A **defined contribution** pension scheme purchased by an individual, either through their employer or individually, from a pension **provider**. It is owned entirely by the individual with the contract existing between the individual and the pension provider. Includes Group Personal Pensions, Group Stakeholder Pensions and Group Self-Invested Personal Pensions.