**STRICTLY EMBARGOED UNTIL 00:01 8 DECEMBER 2020**

**PEOPLE WITH DISABILITIES ARE LIKELY TO HAVE PENSION WEALTH JUST 9% OF THE UK AVERAGE**

* **The average private pension wealth for people with disabilities nearing or in retirement is £7,450 - just 9% of the UK average of £80,690**
* **There are 4 million disabled workers in the UK, but only 50% are saving into a private pension**
* **One third (32%) of disabled workers are in part-time employment, compared to 22% of the general working population**

New research commissioned by NOW: Pensions, the pension provider for 1.8 million people, has found that people with disabilities face huge barriers to pensions saving, resulting in a private pension pot just 9% of the UK average.

This research by the Pensions Policy Institute (PPI) published today reveals that of 14.1 million disabled people in the UK, just over 4 million are in work. Not only is there a high level of unemployment among the disabled –they are more than twice as likely to be unemployed as non-disabled people – but those who can work are often limited by the amount and type of work they can do and can be trapped in low paying or part-time jobs.

The high prevalence of part-time work means that many are excluded from automatic enrolment (AE). AE is only triggered once a worker earns over £10,000 a year in a single job. Even those that are earning more than the £10,000 threshold in a job and are enrolled still miss out on potentially significant contributions from each of their employments due to the Lower Earnings Limit.[[1]](#footnote-2) The lower limit is set at £6,240 meaning that only earnings over that amount are pensionable. Instead of saving 8% into a pension, those earning £10,000 are only contributing 3.8% of that total figure.

**Disabled people who are eligible for auto enrolment have marginally higher participation rates than non-disabled employees.**

83% of eligible disabled workers participate in auto enrolment schemes, compared to 80% of non-disabled eligible employees. However, because they’re less likely to meet the qualifying criteria (approximately 21%, or 800,000, disabled people in work don’t qualify) as a group they still benefit less overall from automatic enrolment compared to non-disabled people.

However, people with disabilities is the only group for whom the average income from State Pension and benefits tops up private pension savings to a level equal to that of the baseline population.

**NOW: Pensions policy proposals**

1. **Removal of the £10,000 auto-enrolment trigger to get more saving into workplace pensions**

By removing the £10,000 AE trigger, we would get a further 660,000 people saving into a workplace pension

**2. Auto enrolment contributions on every pound of earnings**

If we were to start pension contributions from the very first pound of earnings, we would increase pension wealth by 36% at retirement.

**Fazilet Hadi, Disability Rights UK’s Head of Policy said:** *“This research is yet more evidence that far too many disabled people are unemployed, in low paid jobs and living in poverty. Even though the finding that disabled people only have 9% of the average amount of private pension wealth is not surprising, it is still deeply shocking. It shows that not only will disabled people of working age be poor, but they will continue to be poor in older age.*

*“The government needs to take steps in its forthcoming Disability Strategy to increase employment rates, introduce mandatory disability pay gap monitoring and review the benefits system to truly meet the additional costs of disability.”*

**Ends**

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**Notes to editors**

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The report by the Pensions Policy Institute and commissioned by NOW: Pensions is available here. The results are modelled on 2018 UK data.

**About NOW: Pensions**

NOW: Pensions is leading UK workplace pension provider. We look after the pension savings of tens of thousands of employers and millions of members from a wide range of industry sectors.

We have a clear mission - to help everyone save for a more financially secure future. This means achieving the best financial outcomes for our own members, while fighting for a fair pension system to enable all pension savers to enjoy the retirement they deserve. We do this by highlighting pension inequalities and campaigning for change.

1. The first £6,240 is deducted from any pension contribution in auto enrolment, meaning that that their total contributions (employer and employee) are 8% of the remaining £3,860. [↑](#footnote-ref-2)