

Press release: Seven years in jail for bosses who recklessly risk pensions

A new criminal offence of 'wilful or reckless behaviour' in relation to pensions will be introduced under the proposals to crack down on abuse of final or average salary schemes.

Secretary of State for Work and Pensions Amber Rudd, said:

The vast majority of bosses take their responsibilities seriously and look after their workers' retirement funds.

However, for too long the reckless few playing fast and loose with people's futures have got away scot-free. Acts of astonishing arrogance and abandon punished only with fines, barely denting bosses' bank balances.

Meanwhile workers who have done the right thing and saved for retirement, confident their investments were safe, are left facing a leaner later life.

That cannot be right, which is why, for the first time, we're going to make wilful or reckless behaviour relating to pensions a criminal offence.

The move is designed to ensure company bosses who allow deficits to escalate to unsustainable levels, or who endanger their workers' savings through chronic mismanagement, face the full force of the law.

The intention to introduce a new criminal offence of wilful or reckless behaviour in relation to a pension scheme, and the recommended maximum sentence, is included in the [government's response to a consultation on enhancing The Pensions Regulator's powers](#).

It comes as latest figures revealed more than 10 million people have been brought into workplace pensions saving by automatic enrolment since 2012.

The milestone confirms the success of the government's flagship policy requiring employers to enrol eligible workers into a workplace pension scheme.

Secretary of State Amber Rudd, added:

Automatic enrolment is an extraordinary success story. Thanks to this revolutionary reform, 10 million people can look forward to a more secure future and a better retirement.

That is a remarkable achievement. Workplace pensions had fallen out of fashion and were seen as the preserve of older, wealthier people. Now saving is the norm across the UK, wherever you work.

As we reflect on this milestone, we will of course be considering how we can reach even more people – with our ambition to bring in younger workers and enable everyone, particularly part-time and lower earners and the self-employed, to save more.

Minimum contribution rates under automatic enrolment are due to rise from 5% to 8% in April, as part of the government's plans to help people save even more.

Attitudes towards workplace pension saving are positive and, thanks to automatic enrolment, pension saving is becoming normal. Saving behaviour is sticking: the first increase in minimum contributions which took place last year has not prompted people to stop saving.

The proportion stopping saving through automatic enrolment was just 0.7% in the three months following the April 2018 increase in contribution rates, compared to 0.6% for the 4 year period beforehand.

With record numbers investing in their retirement, the government is introducing a number of additional protections for savers, including a new authorisation regime to govern trusts administering pensions.

The Department for Work and Pensions has already unveiled pioneering proposals to facilitate industry to deliver 'pensions dashboards', providing all the facts and figures about someone's pension savings in one place online.

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