



**From: The Minister**

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Date: 6 November 2024

Ms Emer Boyle  
Communities Committee Clerk  
Room 430  
Parliament Buildings  
Ballymiscaw  
Stormont  
Belfast  
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Dear Emer,

## **WORKPLACE PENSIONS**

Thank you for your correspondence dated 1 October in which you ask, on behalf of the Committee for Communities, what work is being undertaken or planned to be undertaken by my Department to encourage the self-employed to enrol in a pension scheme.

In July 2024, there were an estimated 110,000 self-employed people in Northern Ireland, an increase of 17,000 (+18.4%) on a year ago. It is recognised that the self-employed are a growing population, and participation in pension saving amongst the self-employed has fallen over time.

Whilst pension participation figures are not available for this cohort, the latest pension participation rate for the self-employed in Great Britain is 18%. The rate in Northern Ireland is likely to be similar.

Automatic enrolment into pensions doesn't apply to the self-employed and that has been the case since the introduction of automatic enrolment in 2012. Research has shown that the approach to pensions that worked for employees generally wasn't suitable for the self-employed. The self-employed have fluctuating, often lower incomes, therefore saving a set amount each month often wasn't realistic. The self-employed also need access to their money to invest in their business and for unexpected bills.

However, the self-employed can arrange their own pensions provision including:

- National Employment Savings Trust (NEST); a UK Government-backed workplace pension scheme which is also available to self-employed individuals. A person who is self-employed can set up a NEST pension and contribute as often as they like, as long as they pay at least £10 each time.
- Personal pension; an individual, retirement-savings plan, with choices on offer for contribution levels and investment.
- Self-Invested Personal Pension (SIPP); similar to a personal pension but a SIPP offers a wider range of investment options which is managed by the saver.
- Stakeholder pension; a personal pension provided by a bank, building society or insurance company. It offers flexibility and low charges.

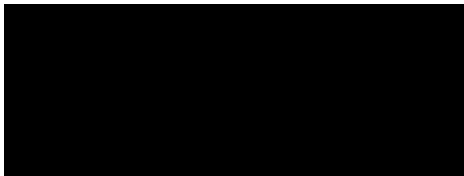
While the self-employed have comparable total assets to employees, a greater proportion of their assets are in property rather than pensions. Finding effective,

durable, retirement savings solutions for self-employed individuals is a long-term challenge not just nationally but globally.

The Department for Work and Pensions (DWP) is exploring the feasibility of retirement savings solutions for the self-employed. My officials are liaising with DWP officials on this, however it should be noted that this work is long term and at an early stage.

I hope you find this information helpful.

Yours sincerely,



**Gordon Lyons MLA**  
**Minister for Communities**