

What is The Future Book? The Future Book, commissioned by **Columbia Threadneedle Investments**, is an annual compendium of **Defined Contribution (DC) statistics**. It sets out available data on the DC landscape, projections of the future aggregate value of DC assets, and commentary and analysis of current trends.

The Future Book: 2015 Edition

unravelling workplace pensions

Today's DC world...

Automatic enrolment

By 31 August 2015:

- 57,900 employers had been through the automatic enrolment process
- 5.4 million workers had been automatically enrolled
- 5.2 million workers had been assessed ineligible
- The level of opt out has remained steady at 9%-10%

By 31 March 2015:

- 4.6 million workers were enrolled into DC trust or contract-based schemes
- 2.5 million workers were enrolled into master trust schemes

The Workplace DC Market

In 2010-2012 (Great Britain)

- around 16% of people aged over 16 were actively contributing to a DC pension scheme
- around 9% of people aged over 16 held some deferred DC entitlement
- around 23% of people aged over 16 held some DC entitlement
- The median DC pension pot size was around £15,000.

Member fund choice

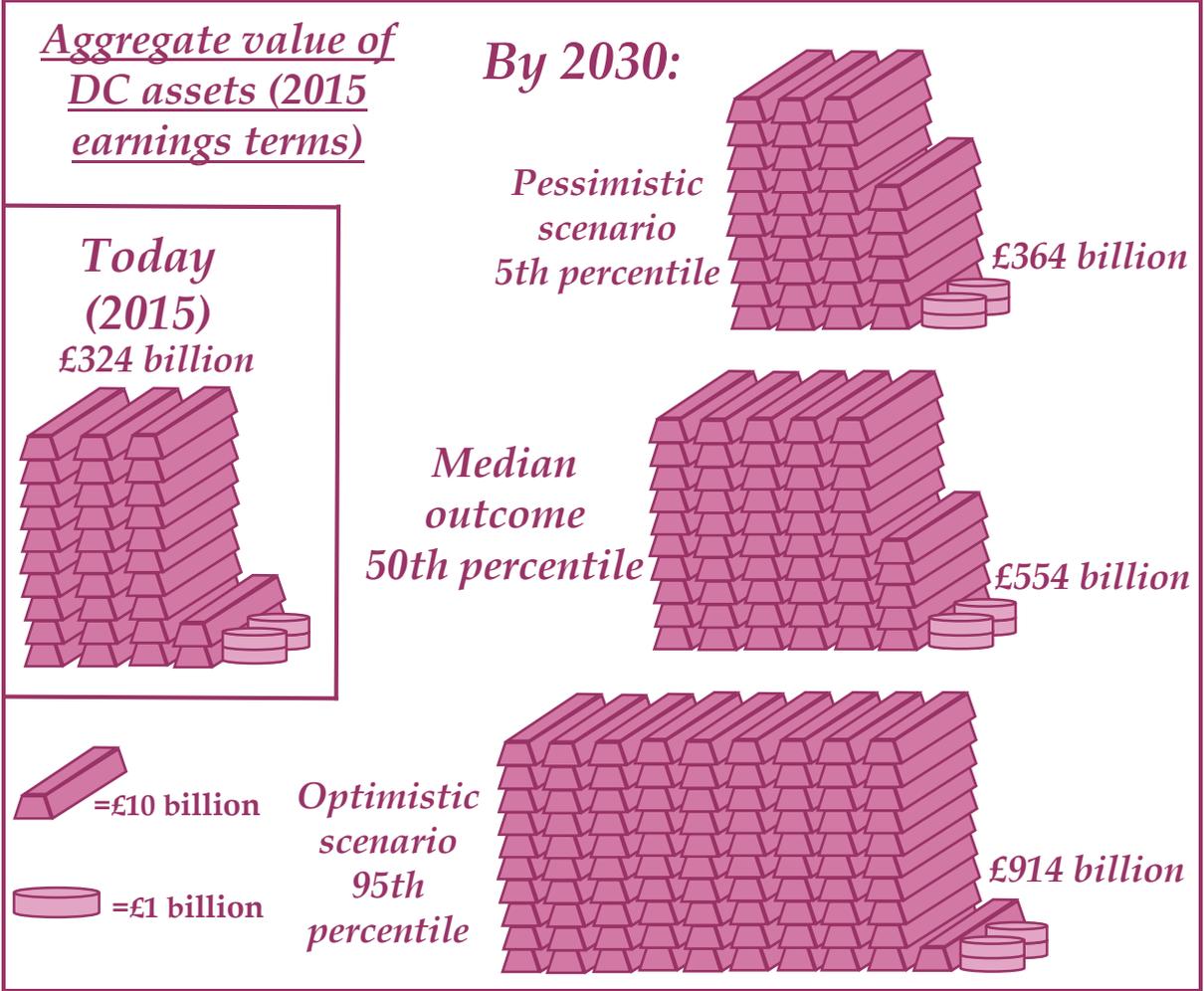
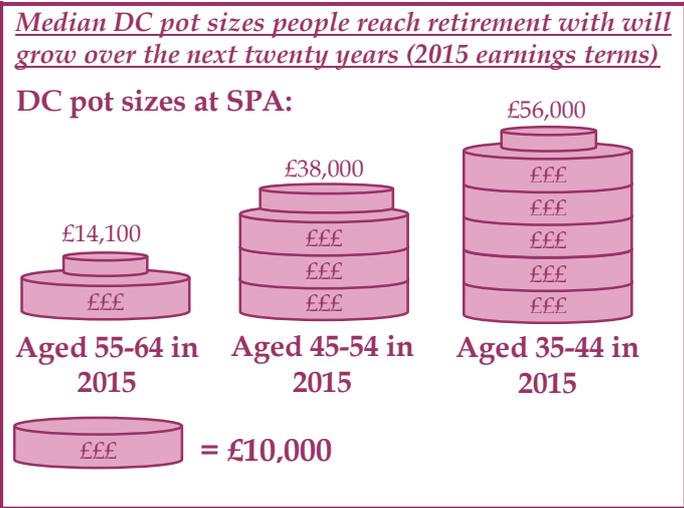
In 2015:

- 99% of master trust members are in the default fund compared to an average of around 85% of members of other workplace DC schemes.
- Fewer than 1% of master trust members and 7%-8% of other DC scheme members are in high-risk funds

Contributions into DC schemes

- Overall, the average employer contribution into a DC pension scheme (trust and contract-based) is below 4% of salary
- Overall, the average employee contribution into a DC pension scheme (trust and contract-based) is below 2% of salary
- The required level of contributions that employers and workers (who do not opt out) must jointly make into a pension will reach 8% minimum contributions on band earnings (£5,824 to £42,385 in 2015/16) by 2018
- A median earner might need to contribute 11% to 14% of band earnings to have a 2 in 3 chance of an adequate income if contributing between age 22 and SPA (minimum required under automatic enrolment and assuming state pension triple-lock)

Tomorrow's DC world...



Assets modelled stochastically using the PPIs Economic Scenario Generator (ESG)