Department for Work & Pensions		Impact Assessment (Bill Final)
Title of measure		Amendments to The Pension Regulator's Contribution Notice regime
Lead Department/Agency		DWP
Planned coming into force /implementation date		TBC
Origin (Domestic/EU/Regulator)		Domestic
Policy lead		Charlotte Farrow
Lead analyst		Eleanor King
Departmental Assessment		Self-certified
Total Net Present Social Value (over 10year period) (In 2016/17 prices) £-1.5m	**Equivalent Annual Net Direct Cost to Business (EANDCB)(In 2016/17 prices) (over 10 year period: £0.2m**	**Business Impact Status:** Non-Qualifying Regulatory Provision

Summary - Intervention and Impacts

Policy Background – Issue – Rationale for Intervention – Intended Effects

The Pensions Regulator(TPR) is responsible for: protecting occupational pension scheme members' savings, improving the way that occupational pension schemes are run, and reducing the risk of occupational pension schemes ending up in the Pensions Protection Fund (PPF).

In order to safeguard Defined Benefit (DB) pension scheme members' benefits, and to minimise the risk of a call on the PPF, TPR has a suite of powers, including the power to issue Contribution Notices (CNs) to recover any losses caused to a defined benefit pension scheme as a result of avoidance behaviours.

TPR's CN[1] regime is generally fit for purpose. However, following a small number of CN cases, it has become apparent that changes to the current regime is necessary to ensure that the regime is sufficient in its protection of DB scheme members' savings. Following consultation with TPR and the pensions industry, it is clear that the existing CN regime is at times unclear and leads to situations in which parts of the existing regime does not sufficiently deter wrongdoing, which is putting scheme members' savings at risk. Therefore, intervention is necessary to amend the CN regime.

Amendments to the CN regime will tighten the rules against abuse within the pensions industry by providing greater clarity around the meaning of current legislation and by supporting TPR with their ambition to be a "clearer, quicker, tougher" regulator. This will also enhance the security of DB scheme members' pension savings.

Brief Description of Viable Policy Options Considered (Including Alternatives to Regulation)

Option 1: Do Nothing:

The current CN legislation would still be applicable. There would be no improvements: the appropriate application of legislation would still be unclear; the application of TPR's CN powers would continue to inadequately protect DB scheme members' savings.

Option 2: Non-Legislative Options:

Non-legislative options, such as guidance and codes of practice, wouldn't address the problems in the legislation that have been identified. This includes ensuring that the cap[2] on the amount that can be specified in a CN does not inappropriately curtail the amount that can be recovered by a scheme. The proposed changes to enhance the CN regime can only be made through amendments to the existing Primary Legislation.

Option 3: Legislation (Preferred option):

[1] A CN is a fault-based mechanism by which TPR issue a demand to a target to pay a set amount of money for a pension scheme.

[2] The amount that can be specified in a CN is subject to a cap. This cap represents the maximum amount that can be specified under a CN. Currently, the cap is the value of the scheme's Section 75 deficit as calculated at the point of the act, or failure to act, in question.

Clarifying and strengthening the existing legislation will ensure that TPR's CN power is up-to-date and fit for the future, that TPR is able to appropriately protect scheme members' pension savings, and will enable the Government to fulfil its objective to enhance the security of DB scheme members' pension savings. Engagement with the pensions industry through consultation and roundtable discussions also demonstrated support for enhancements to the existing CN legislation.

Preferred option: Summary of Assessment of Impact on Business and Other Main Affected Groups

Businesses
All 14,000 DB sponsoring employers[3] and the 5,524 private sector funded DB schemes[4] will be required to familiarise with the changes in the CN legislation. This incurs a one-off cost of approximately £1.7 million.

The changes to the CN framework may result in a different value of a CN being issued. This is because the cap (the maximum value at which a CN can be set) may be determined at a later date than in the current framework. This could result in a higher/lower cap being set, which in turn may alter the value of the CN issued and incur a change in costs to business compared to the counterfactual. The CN is a fault based mechanism, and for the purposes of this assessment, the figure specified in a CN is assessed similarly to a fine and considered to incur no direct cost to business.

Other Main Affected Groups
The impact on members of occupational DB pension schemes is assessed to be positive, as members may benefit from an increased security of their pension benefits and reassurance that the pension promise will be met, however this is disproportionate to quantify. Additionally, we expect both TPR and the Pension Protection Fund (PPF) to experience both costs and savings as a result of these changes.

This is discussed in more detail in the additional detail sections below.

Departmental Policy Signoff (SCS): Joanne Gibson	Date: 07/03/2019
Economist Signoff (Senior Analyst): Rhys Cockerell	Date: 13/03/2019
Better Regulation Unit Signoff: Prabhavati Mistry	Date: 12/03/2019

Additional Detail – Policy, Analysis, and Impacts

1. Proposed Legislative Changes

TPR's CN powers are a useful tool for TPR to use to take action where an act or failure to act has occurred which is detrimental to the DB scheme, and where losses need to be recovered.

A CN is a fault-based mechanism by which TPR issue a demand to pay a set amount of money where a person was party to an act, or failure to act, which had a particular main purpose to avoid a liability to the scheme or which was materially detrimental to scheme members. This can be the total amount, or partial amount, of the actual or hypothetical S75 debt[5] due to the scheme at the time the 'act' or 'failure to act' occurred. Targets of CNs, including the sponsoring employer, or person(s) connected or associated with the employer, are required to pay a prescribed sum to a

[3] Protecting Defined Benefit Pension Schemes (White Paper- March 2018), page 3. Link
[4] The Purple Book 2018- page 10 Link
[5] Section 75 debt – the debt owed by an employer to the trustees of the scheme, calculated in accordance with S75 of the 1995 Pensions Act.

scheme or, in some circumstances, to the Pension Protection Fund (PPF). To issue a CN TPR must consider, amongst other things, that it is reasonable for the target to pay the sum specified in the CN. TPR can start the procedure seeking a CN up to six years after an act, or failure, took place.

Four amendments to the CN regime are being pursued to clarify and strengthen the legislation. Amendments to the CN regime will help TPR and the pensions industry as the legislation will be clarified to ensure that safeguards are improved.

The proposed legislative changes are outlined in full in Annex A.

Primary legislation will also set out:

- The penalty for failure to comply with a Contribution Notice.
- The criminal offence for failure to comply with a Contribution Notice.

It is already expected that targets comply with CNs in the baseline. The impact of applying the above is assessed within the summary bill impact assessment[6].

2. Baseline Scenario

TPR's CN regime was legislated for in the 2004 Pensions Act[7]. TPR have been using their CN powers since then, but have identified potential improvements to their current powers which would benefit the industry, PPF and TPR themselves.

Since 2004, there has been one CN issued and the value was for £382,000. However, TPR have issued a number of Warning Notices for higher amounts, often several million, where cases have settled prior to a CN being issued. Therefore, this one CN that has been issued is not necessarily reflective of the impact that TPR's CN powers have due to the high proportion of settlements.

The table below shows the number of current open CN and Financial Support Direction[8] (FSD) cases as at 31 December 2017.

Table 1: Current Open CN and FSD Cases as at 31 December 2017[9].

Case Stage	Number of Cases
Pre- Investigation	12
Investigation	10 (5 are Contribution Notice case with approx.12 separate targets)
Warning Notice	1 (Contribution Notice case with 9 separate targets)
Determination Panel (DP) or Upper Tribunal	2 (1 is a Contribution Notice case- BHS – with 2 separate targets)
Other action/closing	4 (1 x no action, 1 x clearance provided, 2 x settled)
Total	29 (7 identified Contribution Notice cases)

The figures in table 1 above are spot-in-time figures. However, CN and FSD cases can last several months and even several years. Having discussed these figures with TPR, we believe that they give a good, possibly prudent, proxy for their annual average caseload. However, this refers to caseloads where they are considering whether to issue a CN or an FSD, and does not refer to the number of cases where they have issued a CN or FSD.

6 The impact of the civil penalty and criminal offence is assessed in the summary bill IA.

7 Link

8 A FSD, unlike the CN, is a no-fault based mechanism by which TPR can issue a notice to a target requiring them to put in place financial support for a pension scheme.

9 Source: TPR management information.

3. Scope

Defined Benefit pension schemes are an important part of the UK pension system. There are approximately 10.4 million members of 5,524 DB schemes[10], with approximately 14,000[11] sponsoring employers and an estimated £1.5 trillion in assets[12]. Changes to the CN legislation could have an impact on all DB schemes, however the changes will only have a direct impact on those who are issued with either a CN.

If we were to assume that there is only one case per scheme, table 1 shows that 0.5% of schemes were involved in open avoidance cases as at 31st March 2017. Therefore, it is clear that the outlined changes to the CN regime are likely to affect only a very small proportion of schemes and their sponsoring employers. In fact, since TPR were established in 2004, they have only issued 1 CN, though they have settled in a number of cases prior to having to issue a CN.

4. Evidence Behind Rationale

4.1 Rationale for Changing the CN Regime

TPR reported that the legislation as it currently stands is not clear and leads to situations in which the application of TPR's CN powers does not properly help to protect member benefits. This has resulted in very few numbers of CNs being issued: as stated above only 1 CN has been issued.

As a result, TPR engaged with DWP to highlight some of the improvements that could be made to the existing regime in order for them to adequately protect pension scheme members. Following ongoing dialogue with TPR, DWP published a White Paper in March 2018[13] which proposed a review of TPR's Anti-Avoidance powers, and, if needed, legislation to improve these powers. This was also reflected in the 2017 Conservative Party's Manifesto[14] commitment to tighten the rules against abuse of pension schemes.

In June 2018, DWP published the consultation: 'Protecting Defined Benefit Pension Schemes - A Stronger Pensions Regulator', which set out the DWP's proposals to amend and improve TPR's existing powers. During consultation, a number of pensions industry experts and professionals provided their views on, and support for, the majority of the proposals. The Government took into account consultation responses, and outlined in the Government Response which proposals would be taken forward[15].

4.2 The CN Framework

The proposed changes to the CN framework, as outlined in Annex A, will allow TPR to ensure that the CN amount requested reflects the value of the deficit resulting from the act as at the point of the determination, and will ensure that the weakening of the employer covenant[16] is a valid circumstance in which TPR can issue a CN.

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[10] The Purple Book 2018: Page 10 Link

[11] Protecting Defined Benefit Pension Schemes- (White Paper, March 2018) Link

[12] The Purple Book 2018: Page 12 Link

[13] Protecting Defined Benefit Pension Schemes- (White Paper, March 2018) Link

[14] Link

[15] Government Response to the Consultation on Protecting Defined Benefit Pension Schemes- A Stronger Pensions Regulator. Link

[16] The covenant is the employer's legal obligation and financial ability to support their Defined Benefit (DB) scheme now and in the future- Link

Consultation respondents supported these changes, agreeing that they would help to clarify and strengthen the existing CN legislation, and that they would be a proportionate way to ensure the security of DB scheme members' savings.

- When considering the measures to ensure that the CN amount is reflective of the value of the deficit as at the point of the determination, consultation respondents noted that the proposed changes would provide greater certainty for targets, represented an improved deterrent, would discourage procrastination, and would be a flexible tool for scheme recovery.
- When considering the measure to ensure that the weakening of the employer covenant[17] is a valid circumstance in which TPR can issue a CN, consultation respondents noted that this would provide greater clarity for business as it is logical to recognise a weakening of the sponsoring employer's covenant as being a valid reason for the Material Detriment Test to be met.[18]

5. Costs to sponsoring businesses

5.1 Familiarisation Costs

Whilst CNs are only issued to a small number of DB schemes, it is assumed that all DB Schemes and sponsoring employers will familiarise themselves with any changes to the CN legislation. At this stage, we do not know the length of these regulations (i.e. how many pages). However, given that the proposed measures are for small adjustments to the existing CN framework, we expect familiarisation to be reasonably straightforward. We therefore arbitrarily assume that it will take two hours for each trustee to read through and 'absorb' the changes. Assuming that all trustees of all schemes and an employee from each sponsoring employer will have to familiarise themselves with the changes to the CN legislation, we assess that familiarisation costs could be:

<u>Schemes</u>

- 5,524 DB schemes, multiplied by
- 3.2 trustees per scheme on average[19], multiplied by
- 2 hours per trustee, and multiplied by
- the average hourly wage of a trustee of £28.50 per hour[20], gives
- A total familiarisation cost for schemes of just over £1 million[21].

All trustees need to familiarise themselves with the changes to the CN legislation. We do not have a definitive figure for the total number of trustees that will be impacted so need to estimate this. For simplicity, we multiply the average number of trustees per scheme by the number of schemes to calculate the total number of trustees. The average number of trustees per DB scheme is 3.2, multiplying this by the number of DB schemes may produce an overestimate of the total number of trustees of DB schemes. This is because of the different type of trustees that there are, (lay and professional,) with many professional trustees offering their services to more than one scheme. Therefore, where the individual is a trustee for multiple schemes they would only be required to familiarise once with the proposed changes rather than for every scheme they are a trustee for. Therefore, this methodology will over-estimate the number of trustees who need to familiarise themselves with the changes. However, the pensions landscape is complex and there are other people in the pensions system who will also need to familiarise with new regulation, such as consultants and legal advisers, and so this higher figure captures other affected people. It would be

[17] The covenant is the employer's legal obligation and financial ability to support their Defined Benefit (DB) scheme now and in the future- Link

[18] Government Response to the Consultation on Protecting Defined Benefit Pension Schemes- A Stronger Pensions Regulator. Link

[19] Trustee Landscape Quantitative Research 2015. Figure 3.2.3 Number of trustees by benefit type, page 14. Link

[20] The median hourly wage for a corporate manager or director is £22.44 in the Annual Survey of Hours and Earnings 2017 revised, Table 2.5 Link. This is uplifted by 27% for overheads from the previous version of the Green Book no updated figure was available.

[21] = 5524*3.2*2*28.4988 = 1,007,535.

a disproportionate cost to estimate this in more depth. Therefore, throughout this impact assessment if we refer to trustees we are including other impacted parties as well.

Sponsoring Employers

Sponsoring employers may also choose to familiarise themselves with the proposed changes as they themselves could be targets under the CN regime. For this we assume that there is one employee whose responsibility it is to read and transpose the legislation changes within the company.

- 14,000[22] DB sponsoring employers, multiplied by
- 1 employee to read through and familiarise, multiplied by
- 2 hours per employee, and multiplied by
- The average hourly wage of a professional of £25.40[23] per hour, gives
- A total of approx. £0.7 million[24].

For this estimate of familiarisation costs, we have assumed that both sponsoring employers and scheme trustees will familiarise with these changes. This is on the basis that both scheme trustees, sponsoring employers and those connected to sponsoring employers may be impacted by the proposed changes- as they may be 'targets'. Our total estimation for costs incurred by businesses during familiarisation is approximately £1.7 million.

5.2 Ongoing Costs

As discussed above the changes to the CN regime will be applicable to all DB sponsoring employers; however, they will only have an impact on a subset of DB schemes which are deemed to be in scope and where it is reasonable for TPR to take regulatory action.

5.2.1 Ongoing costs with changes to the CN Framework

The proposed changes will have an impact on business if they result in:

a) A change in the volume of CNs or
b) A change in the average value of a CN.

Change in volume of CNs

CNs are only issued in a small number of cases, as evidenced by the fact that since 2004, when TPR was established, only 1 CN has been issued. There have been a number of cases where TPR has settled prior to issuing a CN. We do not believe that these changes will result in an increased number of CNs.

Change in average value of CNs

The amount that TPR can stipulate in a CN is limited by a cap. This cap amount is the value of the scheme's S75 deficit as calculated at the point of the act. The proposal to change the cap calculation date, so that the cap is calculated closer to the date of final determination may result in a different amount being requested under a CN. At the moment, the cap is calculated at the point of the act or failure to act, but the changes proposed here would mean that the cap is calculated closer to the point of determination. During this time the level of the deficit attributed to the act may increase or decrease and in turn could lead to a change in the cap on the amount that can be specified in a CN.

It is not yet known whether these changes will increase or reduce the amount of money that can be requested under a CN as the amount specified in a CN is dependent on each individual case. Whilst

[22] White paper- Page 3 Link

[23] The median hourly wage for a professional is £20.00 in the Annual Survey of Hours and Earnings 2017 Revised. Table 2.5 link. This is uprated by 27% for overheads per the previous version of the Green Book- no updated estimate is available.

[24] = 14,000*1*2*25.40 = 711,200

the cap might increase or decrease the maximum amount that can be specified in a CN, this cap is not necessarily the same as the amount specified in the CN, as TPR have to prove that it is reasonable to issue a CN for a specific sum depending on the circumstances of the case in question. However, the CN regime is a fault based mechanism, where the target has decided to act/failed to act knowing that it could have material detriment to the pension scheme. A CN is only issued in this case of wrongdoing and therefore any change in the value or volume of a CN would be treated like a fine and not a cost to business.

Any change in the value or volume of CNs would largely result in an offsetting future impact to the business. In DB schemes, employers bear the investment and longevity risk, and are required to provide members with their promised benefits. In other words, the contribution to the scheme would have to be made- it is just being brought forward because of the CN. Therefore, this should be expected to reduce the counterfactual contributions they would need to pay into the scheme in the future by the same magnitude. Although there would still be a residual impact due to time preference, any net impact would be expected to be considerably smaller than the gross impact.

Furthermore, the actual amount requested under a CN is a direct transfer from the target to the scheme. According to the HMT's Green Book 'Transfers pass purchasing power from one person to another and do not involve the consumption of resources. Transfers benefit the recipient and are a cost to the donor and therefore do not make society as a whole better or worse off[25]'. The cost to the target here provides a benefit to the scheme, it does not involve any consumption of resources, and in turn is counted as a transfer. Therefore, this is excluded from the overall estimate of Net Present Social Value (NPSV).

6. Benefits to Business

We anticipate there could be a benefit to business arising from further clarity to the CN regime. We haven't quantified these benefits here as they will be case specific and dependent on a number of different factors required throughout the CN process.

7. Costs and Benefits to Government (Including TPR and PPF)

7.1 Costs and Benefits to TPR

We anticipate there to be both costs and savings to TPR resulting from the changes to the CN power. On the one hand TPR's staff will need to familiarise themselves with the changes. Additionally, following the changes to the CN regime, should there be an increase in the number of cases; this will also affect staff and time. However, TPR are also expected to benefit from the changes to the CN powers. It is expected that, due to the changes enabling increased efficiency and clarity of the CN regime, TPR are likely to experience fewer cases where they have to issue a CN as the pensions industry will have an increased understanding of the parameters of the legislation. This could also lead to fewer appeals, which again will increase TPR's efficiency. We broadly assess the impact on TPR to be neutral. It is also important to note that TPR is funded by the General levy placed on pension schemes. The Levy is excluded from business costs for the purposes of the Equivalent Annual Net Direct Cost to Business (EANDCB) or Business Impact Target (BIT).

7.2 Costs and Benefits to the PPF

[25] HMT's Green Book 2018- page 40 Link

We anticipate that there will be limited impact to the PPF as a result of these changes. However, it is expected that any impact will be marginal, given the small number of cases, and the fact that an insolvency event would have to occur for the PPF to be involved in the scheme.

8. Costs and Benefits to Members

There are no costs incurred by members as a result of these changes as the CN regime is not designed to cause action for scheme members.

However, as a result of clarifying and strengthening the existing CN regime, members may benefit from an increased security of their pension benefits and reassurance that the pension promise will be met. There are a number of factors which may contribute to the security of members benefits and as such, it is difficult to isolate how the proposed changes will have an impact in the future. It is therefore considered disproportionate to quantify the benefits here.

9. Wider Economic/Societal Impacts

As set out above, this measure is designed and anticipated to contribute to improving the security of DB scheme members' pension savings. This improved security may also improve public attitudes towards the pensions industry more generally, which may in turn act as an additional incentive to save. We haven't quantified these impacts because there are a number of factors which can/may influence public attitudes towards the pensions industry and as such it would be difficult to isolate the impact of these proposed changes.

10. Small and Micro Business Assessment (SaMBA)

The costs to business fall on pension schemes and providers. Small and micro business who sponsor DB schemes may be affected. However, accurately assessing the impact of the proposed changes on this group is difficult, as the size of pension scheme does not correspond to the size of the employer.

There is information in the Annual Survey of Hours and Earnings (ASHE) data set on the size of DB sponsoring employers with active members, which helps to provide an indication of the size of DB sponsoring employers. The table below shows the proportion of private sector and not for profit active DB members by employer size.

Table 2: Proportion of active DB members, by employer size[26]

Size of Employers	Proportion of DB members[27]
0	0%
1-9	2%
10-49	10%
50-99	4%
100-499	14%
500-999	9%
1000+	61%
All sizes	**100%**

The above evidence shows that the majority of active DB members work in businesses with more than 50 employees. It is also important to note that this information only includes those who are contributing to a DB pension, so will exclude members who are in schemes closed for future

[26] Source: DWP estimates derived from ONS Annual Survey of Hours and Earnings (GB)
[27] Figures are rounded to the nearest 1%

accrual. There is no evidence around the size of DB sponsoring employers where schemes do not have active members.

CNs can be issued to targets, even if members are no longer actively contributing. However, considering that:

- the majority of active DB members work in businesses with more than 50 employees,
- the number of CNs that are likely to be issued by TPR is small, and,
- that we expect the familiarisation cost for the proposed measures will be small,

we do not believe that the proposed changes will have a disproportionate impact on small and micro businesses.

11. Monitoring and Evaluation

The Government will work with TPR and the industry in order to understand and review the impact of the revised legislation post-implementation.

TPR's implementation of the CN regime can take a number of years. Therefore, given that TPR will have some cases under the old regime, and some under the new regime once the legislation is commenced, it is anticipated that it might take a few years before the impact of the revised legislation materialises.

Additionally, the CN power works in conjunction with the Scheme Funding powers, and with the proposed new Sanctions. Therefore, monitoring and evaluation of the changes to the CN will also need to take into consideration behavioural changes as a result of changes to TPRs Scheme Funding and Sanctions powers. It will also be important to consider the impact of any external factors, such as economic downturns and other market forces, on the impact of the revised legislation.

Annex A: Proposed CN Measures

The Existing Legislation	The Problem	The Proposed Change	Impact on business
Pensions legislation outlines a number of factors that TPR can consider when determining whether it is reasonable to issue a CN.	The current factors for assessing whether the imposition of the CN, of a particular amount, is reasonable do not specify that: 1. The action or failure of a person in respect of notices and accompanying statements under section 69A of the Pension Act 2004 is one of the matters TPR can consider; or, 2. The actual or potential impact of the act or failure to act on the value of the scheme's assets or liabilities is one of the matters TPR can consider.	Amending the Reasonableness Test (S38(7)) to reflect that: 1. The action or failure of a person in respect of notices and accompanying statements under section 69A of the Pension Act 2004 is one of the matters TPR can consider; and, 2. The actual or potential impact of the act or failure to act on the value of the scheme's assets or liabilities is one of the matters TPR can consider.	Yes- the factor relating to the actual or potential impact of the act or failure to act could increase/decrease the value of the CN.
Pensions Legislation outlines the circumstances TPR must take into account of when determining if a scheme has been detrimentally affected in a material way, meaning that pensioners are less likely to receive their full pensions.	The current circumstances for considering whether a scheme has been detrimentally affected do not reference the weakening of the employer covenant as being a valid circumstance for the Material Detriment Test to be met.	Adding two additional tests to work alongside the Material Detriment test in order to outline that the weakening of the employer covenant is a valid circumstance under which TPR can issue a CN.	N/A- adds to existing legislation and is not expected to incur any additional costs to business other than familiarisation.
Pensions Legislation outlines that the shortfall sum in relation to a scheme is to be estimated at the time of the act. This means that the Cap amount of a CN is to be set, or calculated, at the time of the act. This is referred to as the Cap Calculation Date.	Setting the Cap Calculation Date at the time of the act has proved problematic as deficits change over time. This means that, in cases where the CN process has extended over a number of years, for instance due to the appeals process, the deficit at the time of a CN being awarded may be substantially more or less than the deficit at the time of the act.	Changing the Cap Calculation Date so that it is closer to the date of the final determination.	Yes- will potentially increase or decrease the cap (maximum amount) that can be specified in a CN.

Pensions Legislation does not currently outline a time-frame for compliance with a CN.	With the introduction of the new Criminal Fine and Civil Penalty, a timeframe for compliance needs to be specified in the CN legislation.	Taking a power in legislation to require the Determination Panel (DP) to set a timeframe for compliance in the CN.	N/A- would expect CNs to be paid, if not schemes could come within the timeframe and be in scope of the proposed new Sanction regime.

Estimated direct costs to business

	Volumes	Cost[28]	How often?	Assumptions
Scheme familiarisation	5,524 DB schemes	1,010,000	One-off	All trustees have to familiarise. It takes two hours to familiarise. Trustee hourly wage is £28.50.
Employer familiarisation	14,000 DB sponsoring employers	710,000	One-off	One employee familiarises. It takes two hours to familiarise. Hourly wage of an employee is £25.40
Total Familiarisation		**1,720,000**		

[28] Rounded to the nearest 10,000.