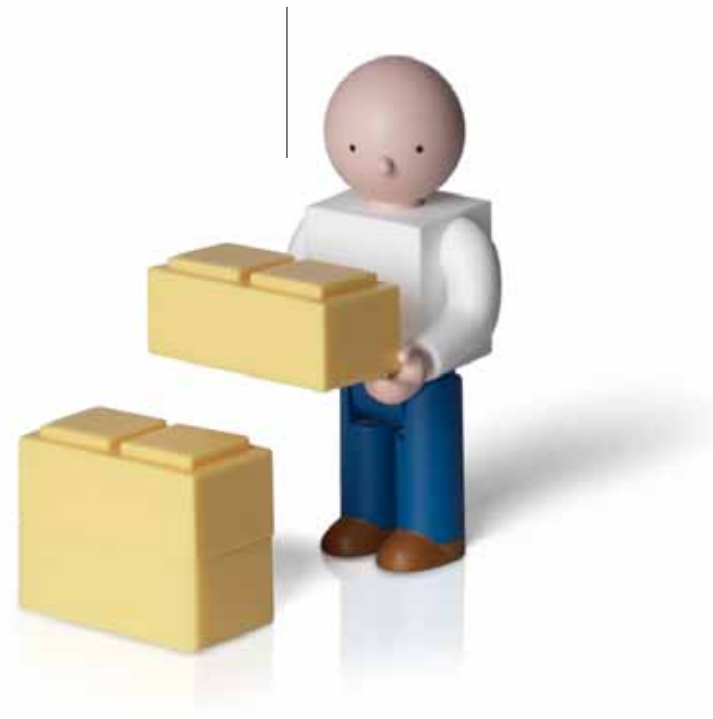


Automatic enrolment and pensions language guide

Version 1 – July 2011 (updated April 2012)

Build a better future



As automatic enrolment approaches there's a big opportunity for us to work together to help people engage with pensions. We know that people find pensions too complicated to understand and that the jargon we are all guilty of using puts them off saving. I am calling on the industry to work with us to make pensions jargon-free and easy to understand – so that people don't turn away from pension saving at the first hurdle.

We are issuing this guide to help provide simple, consistent language about a very complex subject. It builds on work undertaken by NEST, the Pensions Regulator, the Association of British Insurers, The Pensions Advisory Service and the Money Advice Service, to help people understand pensions. We will be adding to the guide in the future to incorporate more terms.

We would like to thank all those who have worked on this with us, and welcome your feedback and suggestions for any terms that you feel should be explained in subsequent versions.



Steve Webb MP
Minister of State for Pensions

This tells me about
pensions in a way that
I can understand



How the guide works

The language guide consists of two parts:

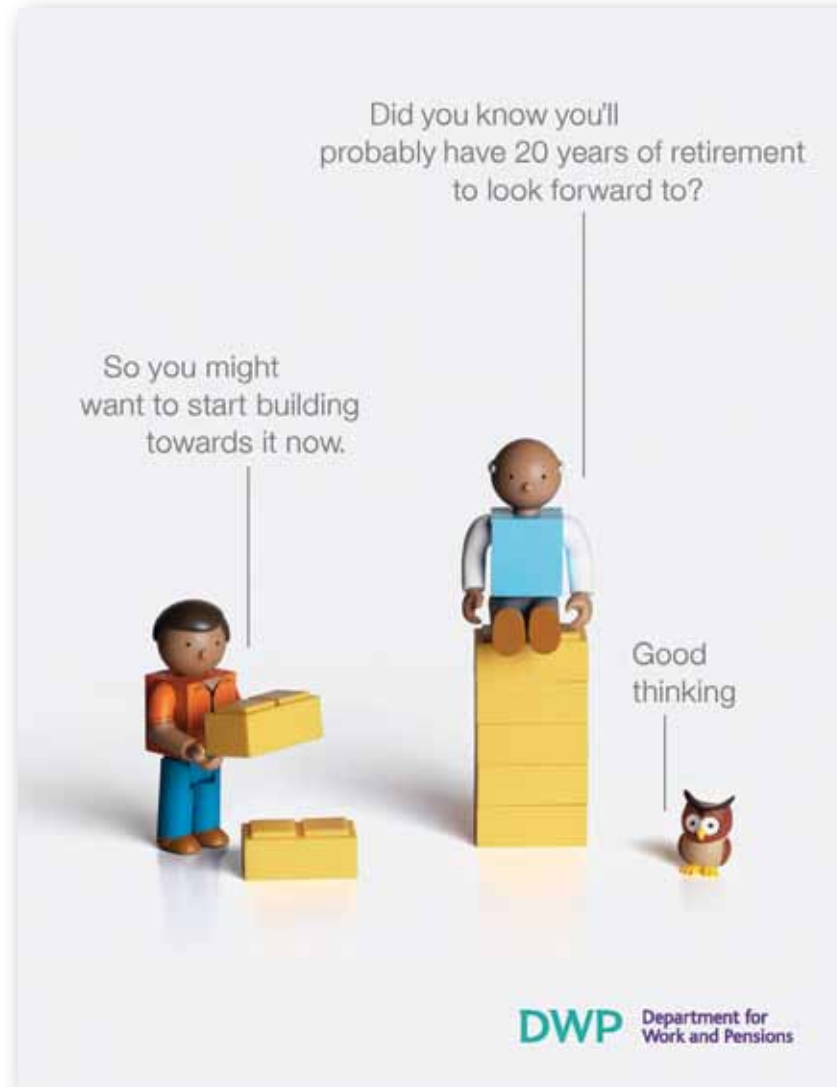
Part 1: Automatic enrolment terms, which draws on findings from research into automatic enrolment information for workers commissioned by DWP¹.

Part 2: Wider pensions terms, which builds on NEST's phrasebook and existing best practice.

Our recommendations for using terms in communications to individuals are broken down into the following categories:

- Use term as it is, without change or explanation.
- Use a new term, and our recommended replacement term is provided.
- Term can be used but requires a definition on first use within a piece of communication. Our recommended definition is provided.
- Some terms should be avoided and an alternative approach is provided.

For automatic enrolment terms, we have provided guidance on use of the terms and some practical examples, including definitions for use in communications to employers.



Key principles for developing information

Automatic enrolment information can have an important legacy, establishing confidence and strong roots to encourage people to plan and save for their future. Through our research¹ we have developed seven key principles for developing and presenting information on automatic enrolment, as summarised below:

Principle and desired worker response	Information checklist
<p>1. Feeling in control</p> <p><i>“This is being done to help me, but I can make choices if I want to.”</i></p>	<ul style="list-style-type: none"> • You have choices – you can opt out now or in the future. • You will have your own pension pot and can make choices about it if you want to (but you don’t have to).
<p>2. What’s in it for me?</p> <p><i>“I have a clear idea of why it’s worth doing this.”</i></p>	<ul style="list-style-type: none"> • You are not the only one paying in – your employer contributes and you get tax relief. • Easy for you to get started and begin saving for your retirement. • Personalised contribution information from the start. • Pension estimates and calculator tools from the start.
<p>3. Make it relevant</p> <p><i>“This is for me.”</i></p>	<ul style="list-style-type: none"> • The full basic State Pension is £107.45 a week. You probably want more. • For most people, doing something is better than nothing. • It’s seldom too early or too late. • Build peace of mind for the future.
<p>4. Clarity of roles</p> <p><i>“I know who to go to for what information. I know where my questions will be answered.”</i></p>	<ul style="list-style-type: none"> • Minimum number of players and hand offs. • It’s a government change and every employer is doing it. • There is a government hub which is easily accessible for basic information and help. • The journey between players is smooth and manageable.

Principle and desired worker response

Information checklist

5. Overcome contextual barriers

"I had questions and anxieties about this, but they have been answered and I feel reassured."

- Pensions are a long term investment – they usually produce better returns than savings accounts.
- Having a pension doesn't rule out other ways of saving.
- Pensions are now better protected in a number of ways.
- This does not replace or affect entitlement to the State Pension.
- The money is not lost if you move jobs or die before retirement.

6. Accessible presentation

"This feels manageable. I can find the information I need and skip what's not relevant to me."

- Information tiered to meet needs.
- Text in manageable chunks.
- Use of diagrams, case studies, FAQs, tools, images.
- Clear navigation.

7. Establish baseline knowledge and confidence

"I understand the basic concepts and language."

- Use a factual tone.
- Establish basic concepts before detail.
- Simple straightforward language, consistent use of key terms across all touch-points.
- Use technical terminology only where essential.

A consistent illustration

In research, individuals responded well to consistent use of diagrams to help them grasp the concept of workplace pensions quickly, such as the illustration below.

Each month:



Feedback on this guide

If you have any queries or suggestions on this guide, please email: pensionslanguage@dwp.gsi.gov.uk

For more information about planning and saving for later life, please visit: www.direct.gov.uk/betterfuture

The figures in the illustration above are based on a monthly pensionable pay of £1000, a 3% contribution from the employer, a 4% contribution from the individual and 1% in tax relief.

Part 1: Automatic enrolment terms

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Automatic enrolment	✔	✘	➖	✔	<p>In research, auto-enrol did not test as well as the full term automatic enrolment. The use of automatic highlights the key benefit that people don't have to do anything. Enrolment was also found to have positive associations, for example people linked it with enrolling in a course or college.</p> <p>We use the noun automatic enrolment when communicating with employers or the financial sector, however we avoid using it when communicating to individuals. Instead we explain the concept (see copy below). This tested well in research.</p> <p><u>Definition:</u> <i>The government has introduced a new law designed to help people save more for their retirement. It requires all employers to enrol their workers into a workplace pension scheme if they are not already in one.</i></p> <div data-bbox="667 887 2188 991" style="background-color: #4a2c7a; color: white; padding: 10px; text-align: center;"> <p>Example: You are being automatically enrolled into a workplace pension scheme...</p> </div> <p>Another important consideration is ensuring that people feel they are in control of what is happening. Sometimes the term automatically enrolled can lead people to question what is 'being done to them'.</p> <p>To help people understand that they are in control, the term should only be used sparingly in communications to individuals.</p>

8 Part 1: Automatic enrolment terms

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Automatic enrolment date	✗	✗	–	✗	When communicating to individuals we avoid the term automatic enrolment date but explain the concept. Example: You become a member of the pension scheme on Monday 5 November.
Automatic enrolment scheme	✗	✗	–	✗	We don't use this term when communicating to individuals. Instead we refer to a workplace pension scheme or describe the scheme itself. Example: The workplace pension scheme is chosen by the employer for those workers that are being automatically enrolled.
Default fund	✗	✗	–	✗	We recommend that the term default fund is not used. It was not received well in research because people didn't understand it, were suspicious and thought it must be an inferior option. We have therefore drafted copy that does not use the term but explains the concept in a way that gives the reader the feeling that they have options. Example: If you want to, you can make a choice about how your money is invested. However, you don't have to make a choice. All providers are expected to offer a fund that meets the needs of most people and this is where your money will be automatically invested if you don't choose otherwise.

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Eligible worker	✗	✓	A worker eligible for automatic enrolment	✓	When communicating to individuals, we have avoided using eligible worker. Instead we explain who is going to be automatically enrolled. <u>Definition:</u> <i>Employers have to automatically enrol workers who:</i> <ul style="list-style-type: none"> • are not already in a workplace pension scheme; • are at least 22 years old; • are below State Pension age; • earn more than £7,475 a year; and • work or ordinarily work in the UK (under their contract).
Enrol you back in (Automatic re-enrolment)	✓	✗	⊖	✗	NEST research found people did not like the term re-enrolment, they preferred enrol you back in, which they found easier to understand. DWP research found that it's important to let people know they are able to opt out again if they are automatically enrolled back in. When this wasn't made clear it created a feeling that automatic enrolment is being done to them and people weren't in control. <div style="background-color: #4a2c7a; color: white; padding: 10px; text-align: center;"> <p>Example: Anyone who opts out, or stops making payments into their pension pot, will be automatically enrolled back in at regular intervals. They can then opt out again if they want to.</p> </div> <u>Definition</u> for use with employers: <i>Employers have to automatically enrol all workers who have opted out or have left the scheme (so long as they are eligible) every three years after the original staging date. The employer can choose a date three months either side of the anniversary of the staging date to carry out this duty.</i>
Free money	✗	✓	Tax relief	✗	Do not refer to either tax relief or the employer's contribution as free money. See Tax relief.

10 Part 1: Automatic enrolment terms

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Jobholder	✗	✓	Worker	✗	We use worker as a general term for people working for an employer. When explaining automatic enrolment we do not use the terms employee, jobholder or staff. This is because these terms have specific definitions in some contexts, which are not always applicable for automatic enrolment.
Joining window	✗	✗	–	✗	<p>We avoid joining window when communicating to individuals. We recommend explaining it when using it with employers and the financial sector.</p> <p><u>Definition</u> for employers: <i>A period of one month beginning on the date a worker becomes eligible for automatic enrolment. During this period the employer must enrol the worker into a qualifying pension scheme and provide information about the scheme, including how to opt out.</i></p> <p>Further information if required: <i>The joining window is triggered when a worker turns 22, earns over £7,475 a year, or when the employer's staging date is reached.</i></p>
Opt in	✓	✗	–	✗	<p>Some individuals who will not be automatically enrolled are able to opt in. Research shows people understand the term opt in.</p>

Example: Company A is enrolling workers into the workplace pension scheme in November 2012. As you will be under 22 years old in that month, you will not become a member of the scheme automatically. However, you have the right to join the pension scheme if you wish... If you would like to opt in to the scheme, please send...

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Opt out	✔	✘	⊖	✘	<p>Research has found people understand the term opt out.</p> <p>Research has also shown people want to know up front in communications that they are able to opt out if they wish. This helps them feel in control and prevents them from feeling they are being made to do something they don't want to.</p> <p>Example: You can choose to opt out of the scheme if you want to... If you want to opt out of the pension scheme, you must...</p>
Pension pot	✔	✘	⊖	✘	<p>Can be used instead of Retirement pot as long as the meaning of it is clear the first time it is used and it is used consistently. Using both pension pot and retirement pot in the same piece of communication could be confusing.</p> <p>During research we used pension pot to refer to the pension scheme the worker is being automatically enrolled into. The term was understood by workers.</p> <p>Example: If you stay in you will have your own pension pot which you open when you retire. Although you put in £31, the total contribution to your pension pot will be £82 a month.</p> <p>Example: You become a member on 5 February 2013. Your pension pot will start building from the end of February, when the first payments will be made.</p> <p>In research, people responded very well to the use of a diagram to illustrate this. See page 6.</p>

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Phasing	✘	✘	⊖	✘	<p>We avoid the term phasing when communicating to individuals, instead we explain the concept: <i>The government has set a minimum amount of money that has to be put into the pension by employers and workers, but this starts low and increases gradually over a number of years.</i></p> <p>Research found that giving too much detail, such as the exact percentages of phasing, caused confusion. People were interested to hear that there are minimums and wanted to know if their workplace pension scheme met or exceeded those minimums, but didn't find the actual percentages helpful.</p> <p>If it is necessary to explain the minimum percentages, we found that tables were the best way of doing this. The two sets of minimums should be explained separately and shown in different tables. When they were in one table some people misunderstood and started to add them up, not realising the employer contribution is part of the total contribution (see example below).</p> <p>When using the term phasing with employers it should be explained the first time it is used.</p>

Example: The government has set a minimum percentage that has to be contributed in total. That means your contribution, your employer's contribution and the tax relief, added together:

Timing	Minimum total percentage that has to go into your pension pot
Nov 2012 to Sept 2016	2%
Oct 2016 to Sept 2017	5%
Oct 2017 onwards	8%

Your workplace pension scheme contributions may exceed this minimum.

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples								
					<p>Example continued: Minimum that has to be contributed by your employer</p> <p>Within that total contribution, the government has also set a minimum percentage that has to be contributed by your employer:</p> <table border="1" data-bbox="667 528 2152 759"> <thead> <tr> <th data-bbox="667 528 1111 587">Timing</th> <th data-bbox="1111 528 2152 587">The minimum that has to be contributed by your employer</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 587 1111 646">Nov 2012 to Sept 2016</td> <td data-bbox="1111 587 2152 646">1%</td> </tr> <tr> <td data-bbox="667 646 1111 705">Oct 2016 to Sept 2017</td> <td data-bbox="1111 646 2152 705">2%</td> </tr> <tr> <td data-bbox="667 705 1111 759">Oct 2017 onwards</td> <td data-bbox="1111 705 2152 759">3%</td> </tr> </tbody> </table> <p>Your employer can choose to exceed this minimum.</p>	Timing	The minimum that has to be contributed by your employer	Nov 2012 to Sept 2016	1%	Oct 2016 to Sept 2017	2%	Oct 2017 onwards	3%
Timing	The minimum that has to be contributed by your employer												
Nov 2012 to Sept 2016	1%												
Oct 2016 to Sept 2017	2%												
Oct 2017 onwards	3%												
Qualifying earnings	✘	✘	-	✘	<p>We avoid the term qualifying earnings when communicating to individuals. Instead, we explain the concept.</p> <p>Example: The government has set a minimum percentage that has to be contributed by your employer, and a minimum percentage that has to be contributed in total.</p> <p>These percentages do not apply to all of your salary. They apply to what you earn over a minimum (currently £5,715), up to a maximum limit (currently £38,185). So for example, for someone who earns £18,000 a year, the minimum percentage is calculated on the difference between £18,000 and £5,715, which is £12,285.</p> <p><u>Definition</u> for use with employers: <i>Qualifying earnings are total earnings in a year between £5,715 and £38,185. Qualifying earnings, rather than total earnings, are used to calculate pension contributions.</i></p>								

14 Part 1: Automatic enrolment terms

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Retirement pot	✔	✘	–	✘	Can be used instead of Pension pot as long as the meaning of it is clear the first time it is used and it is used consistently. Using both pension pot and retirement pot in the same piece of communication could be confusing.
Staging	✘	✘	–	✘	<p>We avoid the term staging when communicating with individuals and instead use:</p> <p>Employers need to enrol their staff into a workplace pension scheme between October 2012 and September 2016. This process will start with large employers, followed by smaller ones.</p>
<p>Example: The timing of when your employer will automatically enrol you depends upon their size. Very large employers are doing it first, in late 2012 and early 2013. Smaller employers will follow during 2013, 2014, 2015 and 2016. Your employer will give you the exact date nearer the time.</p>					
Staging date	✘	✘	–	✘	<p>As above for Staging, we avoid using the term staging date with individuals.</p> <p><u>Definition</u> for use with employers: <i>Employers need to enrol their staff into a workplace pension scheme between October 2012 and September 2016. The staging date is the specific date on which each employer will need to do this.</i></p>

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Tax relief	✔	✘	-	✔	<p>Our research shows that tax relief is not a well understood concept and it needs to be described.</p> <p><u>Definition:</u> <i>Tax relief means that some of the money that would have gone to the government in the form of tax now goes into your pension pot instead.</i></p> <p>Avoid referring to it as free money. NEST research shows people do not like tax relief or the employer's contribution being 'sold' to them as free money. It makes them suspicious – <i>'what's the catch? Is it really free money?'</i> Also for some people the fact that they are getting less money in their monthly pay, because they are paying into their pension pot, overcomes any feeling of getting free money.</p> <div data-bbox="633 767 2186 938" style="background-color: #4a2c7a; color: white; padding: 10px;"> <p>Example: The government takes tax from your earnings. You can see this on your payslip. Tax relief means that some of the money that would have gone to the government in the form of tax now goes into your pension pot instead.</p> </div> <p>We use sample figures to help us emphasise tax relief as one of the benefits of being in a workplace pension. Our research found that giving figures in succinct sentences made it clear to people they would not be the only one putting into their pension pot, and they could see the advantage of that for themselves.</p> <p>Our research also found that ideally, the figures should be the actual ones for that person, but if this is not possible then sample figures are an acceptable alternative.</p>

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
					<p>Example: Case study: Sally earns £18,000 a year.</p> <ul style="list-style-type: none"> • Her employer will pay in £31 a month. • She will pay in £41 a month. This will be taken directly from her monthly pay. • The government, in the form of tax relief on her payment, will pay in £10 a month. <p>Therefore, although she puts in £41, the total contribution to her pension pot will be £82 a month.</p> <p>While sample figures worked well in our research we also intend to explore further ways of describing tax relief including the two types of tax relief: net pay and relief at source.</p>
Waiting period	✓	✗	-	✓	<p>We explain the term waiting period when communicating to individuals. We also recommend defining it when using it with employers.</p> <p><u>Definition:</u> <i>Employers can choose to delay the automatic enrolment date of an individual for up to three months – this is called the waiting period. If your employer does this, you can join your workplace pension scheme during the waiting period if you wish.</i></p> <p>Further detail if needed for employers: <i>Employers can defer the automatic enrolment date of an individual for up three months. An employer can apply a waiting period from one of three dates:</i></p> <ul style="list-style-type: none"> • <i>the employer’s staging date,</i> • <i>the date a new employee joins the company, or</i> • <i>the date on which an existing employee satisfies the eligibility criteria for automatic enrolment (eg turns 22, earns more than £7,475 a year).</i>

Term	Use term	Use new term	New term	Define on first use	Guidance on use and examples
Worker	✔	✘	–	✘	We use worker as a general term for people working for an employer. When explaining automatic enrolment we do not use employee, jobholder or staff. This is because these terms have specific definitions in some contexts, which are not always applicable for automatic enrolment.
<p>Example: The government has introduced a new law designed to help people save more for their retirement. It requires all employers to enrol their workers into a workplace pension scheme if they are not already in one.</p>					
Workplace pension	✔	✘	–	✘	For consistency, we use workplace pension rather than occupational pension, company pension or work-based pension. In research the term workplace pension tested well. It was seen as simple and easy to understand.

Part 2: Wider pensions terms

Term	Use term	Use new term	New term	Define on first use	Definition
Accumulation	✗	✓	Adding to your pension pot	✗	
Additional State Pension	✓	✗	–	✓	The additional State Pension is the earnings related element of the State Pension. The amount you get depends on your earnings and National Insurance contributions paid during the whole of your working life.
Administration	✓	✗	–	✗	
Annual allowance	✓	✗	–	✓	The annual allowance is the limit set by government for how much tax free money can be paid into a pension pot in any one year.
Annual benefit statement (benefit statement)	✗	✓	Annual statement	✗	
Annuity	✗	✓	Retirement income	✗	
Assessing options	✗	✓	Shopping around	✗	
Asset classes	✗	✓	Different types of investment	✗	
Assumptions	✓	✗	–	✗	
Certify	✓	✗	–	✗	

Term	Use term	Use new term	New term	Define on first use	Definition
Company pension	✗	✓	Workplace pension	✗	
Consumer Price Index	✓	✗	–	✓	A measure used to work out how much prices increase each year. It measures the change in the cost of a basket of products and services, including energy, food and transportation. The Consumer Price Index (CPI) includes rent and regular maintenance but does not include all housing costs.
Contracted out	✓	✗	–	✓	Some workers pay reduced rate National Insurance contributions because they are contracted out of the additional State Pension. In these cases they should receive a retirement income from their workplace pension equivalent to the additional State Pension they would have received if they had paid full rate National Insurance contributions.
Contribution rate	✗	✓	The amount/percentage you contribute	✗	
Contribution structures	✗	✓	Different ways you can make payments	✗	
Criteria	✓	✗	–	✗	
Decumulation	✗	✓	Opening your pension pot	✗	
Deferred pension	✓	✗	–	✓	A pension in a scheme you have left, which you can claim at retirement.
Defined benefit or Salary related pension	✗	✓	Defined benefit pension scheme	✓	A type of workplace pension where the amount you get at retirement is based on your earnings and years of membership in your pension scheme.

Term	Use term	Use new term	New term	Define on first use	Definition
Defined contribution or Money purchase pension scheme	✗	✓	Defined contribution pension scheme	✓	A pension scheme that provides a pension pot based on the amount of money paid in and the investment growth of this money. At retirement you can shop around to choose how your regular income will be provided from the scheme. All personal pension schemes, including stakeholder schemes, are defined contribution schemes.
Diversification	✗	✓	The spread of your money across a range of different investments	✗	
Employee	✗	✓	Worker	✗	
Escalating pension	✗	✓	Increasing retirement income	✓	Your retirement income increases each year by an agreed percentage.
Estate	✓	✗	–	✗	Your estate is all of your possessions and savings after your death including your pension pot.
Estimate	✓	✗	–	✗	
Fiduciary responsibility	✗	✓	Legal duty to act in members' interests	✗	
Final salary pension	✗	✓	Defined benefit pension (scheme)	✓	See definition for Defined benefit pension .
Financial product	✓	✗	–	✗	
Group Personal Pensions	✓	✗	–	✓	A type of personal pension scheme set up by an employer on behalf of its workers. Although arranged by the employer, who can also make contributions, each pension contract is between the pension provider and the worker.

Term	Use term	Use new term	New term	Define on first use	Definition
Income drawdown or Income withdrawal	✓	✗	–	✓	There is an option available from some defined contribution pension schemes, which allows you to take an income directly from your pension fund rather than using it to buy a regular retirement income. Your pension fund remains invested so its value can go up and down. The amount of income you can take is subject to minimum and maximum limits set by government and is reviewed regularly. The income you receive is taxable.
Independent	✓	✗	–	✗	
Investment	✓	✗	–	✓	Where and how you try to grow your money. The aim of investing is that the value of your contributions could increase more than putting your money into a savings account or doing nothing.
Joint annuity	✗	✓	Joint retirement income	✓	Choose to add a retirement income for your husband, wife, partner or civil partner after your death.
Legal duties	✓	✗	–	✗	
Level pension	✗	✓	Fixed retirement income	✓	Your retirement income stays the same each year for the rest of your life but inflation will mean that it decreases in real terms over time.
Lifestyling	✓	✗	–	✓	As you near retirement, the money invested for your pension pot is moved gradually to investments that have less chance of reducing in value in the short term. For example, from shares into cash.
Low cost	✓	✗	–	✗	

22 Part 2: Wider pensions terms

Term	Use term	Use new term	New term	Define on first use	Definition
NEST (pension scheme)	✔	✘	—	✔	A trust-based workplace pension scheme developed to meet the needs of most people. NEST is available to all employers who want to use it and has been designed to complement existing pension provision.
Nominated beneficiary	✔	✘	—	✔	The person or people you want to get your pension pot if you die before taking your retirement income.
Occupational pension	✘	✔	Workplace pension	✘	
Pension commencement lump sum or tax free cash or tax free lump sum	✘	✔	Cash lump sum	✘	Definition if required: When you first open your pot to get a retirement income you can receive up to 25 per cent as a tax free cash lump sum.
Pension	✔	✘	—	✔	The regular income you receive when you open your pension pot.
Pension fund	✔	✘	—	✔	A pension fund is usually made up of shares and other financial products.
Pension provider	✔	✘	—	✘	
Pensionable pay	✔	✘	—	✔	Pay that counts for the purpose of calculating your pension and pension contributions.
Projection	✘	✔	Estimate	✘	

Term	Use term	Use new term	New term	Define on first use	Definition
Quote guarantee period	✗	✓	The length of time a quote for your retirement income is valid	✗	
Register	✓	✗	–	✗	
Retail Price Index	✓	✗	–	✓	A measure used to work out how much prices increase each year. It measures the retail price of a basket of goods and services including energy, food, petrol and housing.
Retirement age	✓	✗	–	✓	The age you open your pension pot. (Not to be used when referring to the State Pension – For this use State Pension age . See definition).
Retirement income	✓	✗	–	✗	
Rights	✓	✗	–	✗	
Risk (risk and return)	✓	✗	–	✓	The more risk you are prepared to take, the higher the potential reward and the greater the potential loss. Investing in the stock market is generally considered to give better opportunities of growing your money and making sure your pension pot keeps up with inflation. There is a higher chance of losing some or all of what you invest.
Salary sacrifice	✓	✗	–	✓	An arrangement between you and your employer where you give up part of your pay for a corresponding employer contribution to your pension. You might know this as salary sacrifice or salary exchange.

24 Part 2: Wider pensions terms

Term	Use term	Use new term	New term	Define on first use	Definition
Scheme	✓	✗	–	✗	
Shares	✓	✗	–	✓	A stake or share in a company.
Staff	✗	✓	Worker	✗	
State Pension age	✓	✗	–	✓	The earliest you can get your State Pension. It is based on your date of birth.
Tax relief	✓	✗	–	✓	Tax relief means that some of the money that would have gone to the government in the form of tax now goes into your pension pot instead.
Today's prices	✓	✗	–	✓	The amount of money you would get if you were receiving your pension now. The value of the pension is protected so that it will buy roughly the same amount of goods and services in the future as it does today.
Transfer value	✓	✗	–	✓	The amount you get if you move the money in your pension pot from one scheme to another.
Trivial commutation	✗	✓	Taking your pension pot as cash	✗	Definition if required: If your total retirement savings are less than a minimum amount set by the government, you might be able to choose to take this money as a cash lump sum instead of buying a retirement income.
Trust-based scheme	✓	✗	–	✓	A scheme governed by a Board of Trustees which is run in the interest of its members, who are the people saving for their retirement with the scheme.
Vesting or vesting period	✓	✗	–	✓	A vesting period sets how long you need to remain in a scheme before you can claim a pension from the scheme at retirement. If you leave during the vesting period, you won't get a pension but you can get your contributions refunded as cash or transfer both your contributions and those of your employer to another scheme. Not all schemes have vesting periods.

Term	Use term	Use new term	New term	Define on first use	Definition
Work-based Pension	✗	✓	Workplace pension	✗	
Workplace pension	✓	✗	—	✗	

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For more information on planning and saving for later life: www.direct.gov.uk/betterfuture

ISBN: 978-1-84947-689-8

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