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Automatic saving:
Changing workplace pensions

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Ministerial Foreword

Automatic saving: Changing workplace pensions

Life expectancy in the UK continues to increase: it is projected that one in four children born today will live to be 100.

This is an achievement worth celebrating. It also means people are likely to be in retirement for a greater proportion of their lives, with fewer people of working age to support them.

Our strategy since 1997 has been to target help towards the poorest pensioners while providing a solid foundation of support for all. Nevertheless, to achieve the standard of living they want, many people will need to supplement their State Pension with private saving, and we know it is all too easy to delay crucial decisions about saving for retirement. The result, as pointed out by the independent Pensions Commission, is that millions of people are at risk of failing to achieve their retirement aspirations.

This challenge can only be met through a new partnership between employers, individuals and the State. The Pensions Act 2008 laid the foundations for fundamental reform of private pensions, by establishing rules that will require employers to automatically enrol their workers into a pension scheme, and contribute to their pensions. In addition, to ensure all employers will be able to provide a pension for their workers, we are setting up a new pension scheme – currently referred to as personal accounts – which is expected to have millions of members.

These landmark reforms, which we plan to start implementing from 2012, will see up to 9 million people newly saving or saving more for their retirement. They will be supported by the delivery of a State Pension that is fairer, more generous and more widely available.

We are grateful to the many organisations and individuals who have contributed to these reforms to date, including by responding to our recent consultations about arrangements for automatic enrolment and the rules governing the personal accounts scheme. We will continue to be guided by the need to minimise extra costs on employers, and to support pension schemes that are already meeting the needs of many workers.

If we are to realise the potential of these reforms, we will all need to play our part. This document explains in more detail why change is needed, what the reforms will do, and where you can find out more. We look forward to working with you through implementation and beyond, to help millions of people achieve a more prosperous retirement.

A handwritten signature in blue ink, reading "Angela Eagle". The signature is written in a cursive style with a light blue background behind it.

ANGELA EAGLE MP
MINISTER OF STATE FOR PENSIONS & THE AGEING SOCIETY

Addressing the pensions challenge

1. We all want a decent income in retirement. Since 1997 the Government has tackled pensioner poverty through measures such as increasing the rate of basic State Pension, and the introduction of Pension Credit and Winter Fuel Payments. But these changes are just the starting point in helping people meet their retirement aspirations.
2. In 2002 the Government established an independent Pensions Commission to consider the long-term challenges facing the UK pension system. The Commission found that¹:
 - The proportion of the population aged 65 or over is rising rapidly, given increasing life expectancy alongside lower fertility rates;
 - Millions of people were not saving enough to deliver the income they are likely to want or expect in retirement;
 - The State Pension system was unfair, particularly to women and carers;
 - The complexity of the pension system stopped people from making informed decisions about whether, when and how much to save.
3. The Government is committed to a programme of reform to address these challenges. The Pensions Act 2007 enabled the introduction of a fairer and more generous State Pension system, funded by a gradual increase in the State Pension age. Implementation of these changes, which will begin in April 2010, will help tackle the historic inequalities in the state system – especially for women – and ensure people have a solid foundation on which to save for their retirement.
4. On its own, however, the State Pension system will not provide the retirement income that many people want. The Pensions Commission used the concept of a **replacement rate** to measure adequate retirement income. A person on median earnings² should be aiming for at least a 45 per cent replacement rate: that is, to retire on 45 per cent of what they earned during their working life. As a result of the 2007 Act, a median earner retiring in 2055 can expect to achieve a replacement rate of 32

¹ Department for Work and Pensions (DWP), *Pensions Bill – Impact Assessment*, 24 April 2008, pp.13-14

² In 2007/08, a person earning £23,400. Source: Annual Survey of Hours and Earnings. For statistics in this section see DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.16

per cent from the state. Relying on state provision alone would mean a retirement income that fell far short of many people's expectations.

5. The gap between State Pension income and the income that individuals want in retirement may be filled in different ways. Many people will want to work for longer, and the Government wants to encourage and help those who choose to do so³. Some people may have substantial housing assets or non-pension savings, but the Pensions Commission concluded that this would not deliver an overall solution to the retirement income gap⁴. So people need to save more in private pensions.
6. Yet the extent of private pension saving is too low, and falling. Some 44 per cent of working-age employees and 51 per cent of those earning between £5,000 and £25,000 are not saving in a pension⁵. And whilst the proportion of people saving in occupational pension schemes continues to fall, this trend has not been offset by saving in personal pensions⁶.

Why we are not saving enough

7. The Department for Work and Pensions estimates that about 7 million people are undersaving for retirement. People on moderate to low incomes are less likely than others to be saving in a private pension. There are four main reasons for this undersaving⁷.
8. Firstly, **many people do not have a good understanding of pensions** or the benefits of saving for retirement. Only 5 per cent of people say they have a 'good' knowledge of pensions while two-thirds claim their knowledge is 'very patchy' or they know 'little or nothing'. And they may not know where to find reliable information to improve their understanding.
9. Secondly, even if people know they need to save, **they do not get around to it**. Pension saving involves complex decisions and is perceived as something that can be put off until later. Research shows that many people have access to a workplace pension but fail to join,

³ See HM Government, *Building a society for all ages*, July 2009

⁴ See The Pensions Commission, *A New Pension Settlement for the Twenty-First Century: The Second Report of the Pensions Commission*, November 2005, p.3 and *Pensions: Challenges and Choices: The First Report of the Pensions Commission*, October 2004, Chapter 5

⁵ DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.16

⁶ The proportion of the working-age population in Great Britain contributing to a private pension fell from around 45 per cent in 2002/03 to 42 per cent in 2005/06. DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.16

⁷ For this analysis see DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.17

even where it seems to be in their interest and they are given information about the value of doing so.

10. Thirdly, **provision of occupational pension schemes has declined**, as costs rise due to increased life expectancy and an end to the equity boom of the 1990s.
11. Fourthly, there is a **lack of suitable pension products** for people on low to moderate incomes or working for small firms. Pension providers find it difficult to recover the high upfront costs involved in selling pension products to people in these groups, and lack of demand works against improving services and reducing costs.

How we will increase pension saving

12. In its 2005 report, the Pensions Commission made two key recommendations to overcome these barriers to private pension saving, which were accepted by the Government:
 - A system of **automatic enrolment into workplace pensions**, with employers required to make a minimum contribution to their workers' pension funds;
 - A **new pension scheme**, designed to provide a simple and low-cost way of saving for low to moderate income earners.
13. Automatic enrolment means that workers who meet certain criteria will be placed automatically into a pension by their employer. A person who is automatically enrolled is free to stop saving at any time, but needs to make an active choice to do so. Inertia, combined with the incentive of an employer contribution, mean that most people could be expected to remain in pension saving. UK and international evidence is that automatic enrolment is an effective way of increasing membership in pension schemes, particularly for those whose participation is low⁸.
14. Alongside this, a new pension scheme will offer a new pension product to fill the current market gap. A large-scale scheme with limited fund choice can be run at a low cost to members, and make saving easier for people who lack financial knowledge.
15. In 2006 two White Papers were published⁹ setting out the framework for both automatic enrolment and the proposed new pension scheme, which is currently known as the **personal accounts** scheme.

⁸ See DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.44

⁹ *Security in retirement: towards a new pension system* (Cm 6841, May 2006), and *Personal accounts: a new way to save* (Cm 6975, December 2006)

Why the reforms are needed

16. The Pensions Commission built a compelling case for pension reform, based on evidence about individuals' saving behaviour and long-term trends in pension provision. Since the 2006 White Papers we have experienced a significant financial crisis and economic downturn. We recognise the concerns that employers and workers may have about meeting the cost of pension contributions and the performance of pension funds in this light.
17. We will continue to reassess the case for pension reform in the light of research and evidence, as well as the economic climate. But the Government is clear that the reforms remain the best course of action:
- **The challenges of demographic change and falling pension saving have not gone away.** Failure to increase saving now would mean that millions of future pensioners would be worse off than those of today, or could force a more costly solution at a later point¹⁰. Evidence is that automatic enrolment will be an effective way to achieve the necessary increase in pension saving. There is no indication that individuals would prefer to meet the cost of pensions through tax rises rather than saving;
 - The Government is **continuing to take steps to ensure people have confidence in the pension system:**
 - The Pension Protection Fund provides a safety net, protecting the benefits of millions of members of defined benefit schemes in the event that employers become insolvent;
 - The Financial Assistance Scheme provides assistance for certain individuals whose pensions failed prior to the introduction of the Pension Protection Fund;
 - The Pensions Regulator will continue its work to protect scheme members' benefits, and encourage high standards and good practice in running pension schemes;
 - Pensions enable individuals to build up returns **over the long term**, and benefit from tax relief and employer contributions to pensions. Many members of defined contribution schemes will

¹⁰ See DWP, *Pensions Bill – Impact Assessment*, 24 April 2008, p.18

have access to lifestyling options that offer some protection against short-term fluctuations¹¹.

18. The reforms will impose new costs on employers. Whilst the cost of pension contributions will be fixed, **we are aiming to keep the cost of administering the reforms to a minimum**. Estimated costs will be refined as the proposals develop, and we will keep under review employers' responses to the reforms through to implementation and beyond. We are committed to introducing contribution requirements in stages to allow employers time to adjust and **current projections are that the economy will be growing again by the time employers need to start paying pension contributions**¹².
19. We also recognise concerns that people who need extra support from the state in retirement may not gain from saving in a private pension, if it reduces their benefit entitlement. However, analysis¹³ by the Department for Work and Pensions estimates that, once the reforms are in place:
 - **Over 95 per cent of those saving in a pension can expect to get back more than they contributed**. There is no readily identifiable group amongst people of working age who cannot, on average, expect to get back more than they put in;
 - **Some 70 per cent of those saving in a defined contribution scheme can expect to more than double their savings**, even after taking inflation into account.
20. Workers who are automatically enrolled can choose to stop saving at any time but given that we expect the vast majority to gain, the Government believes that automatic enrolment is the right approach.

¹¹ Lifestyling matches risk and return to the investor's stage of life, so investments are switched to lower-risk assets as individuals near retirement. See The Pensions Commission, *Second Report*, p.432

¹² DWP, *Impact Assessment of Workplace Pension Reform (Completing the Picture) Regulations 2010*, September 2009

¹³ Using standard assumptions. DWP Research Report No 558, *Saving for retirement: Implications of pensions reforms on financial incentives to save for retirement*, 2009, <http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep558.pdf>

Automatic saving and the personal accounts scheme

21. Since the publication of the White Papers, we have continued to develop a package of reforms that will aim to **increase retirement saving**. This work has been guided by three key principles:
 - **Protection for individuals:** Ensuring that workers can access the pension saving to which they are entitled;
 - **Fairness to employers:** Implementing the reforms in a way that minimises additional costs for employers, particularly those who are doing everything required of them;
 - **Support for existing pension provision:** Ensuring that the reforms strengthen the pensions market and build on good pension provision that is already in place.

22. The Government always intended that employers would be able to use **any** pension scheme for automatic enrolment, provided the scheme meets certain standards. **Personal accounts will not be a 'default' pension scheme, but simply one of the schemes that will accept workers for automatic enrolment.** This means that the reforms have three distinct, but complementary elements:
 - **A system of automatic saving** in a workplace pension. This will be achieved by placing **obligations on employers to automatically enrol their workers** into a suitable pension scheme, which includes paying a minimum contribution;
 - A strategy to **ensure that employers meet their obligations**, in order to protect workers' access to automatic enrolment into a pension. This will be achieved through information and support, and proportionate enforcement action where needed;
 - The **personal accounts scheme**, which will be a large multi-employer occupational pension scheme. Employers may choose to automatically enrol their workers into the personal accounts scheme, or they may choose another scheme that meets the criteria. Self-employed people will not be automatically enrolled into a pension, but may choose to save in the personal accounts scheme if they want to.

23. We need to ensure that all employers will be able to meet their obligation to automatically enrol their workers into a pension. So **the personal accounts scheme will accept any employer who wishes to use it**. But it is up to employers to decide which scheme they want to choose.

Delivering the reforms

24. Delivering the reforms is a substantial undertaking. We will need to help in excess of 1 million employers comply with their obligations to enrol up to 11 million workers¹⁴. And we will be establishing a pension scheme that is expected to have millions of members.
25. The Department for Work and Pensions has set up a programme of work to oversee and deliver the reforms. The Department will continue to take responsibility for delivering the reforms overall, including setting up the legislation to enable the reforms to happen. The Department will also **communicate with individuals** about the context for the changes and the things to consider when they are enrolled in a pension scheme.
26. There will also be a key role for other organisations. The Pensions Regulator will deliver the compliance regime, and will give employers and their advisers information about how employers can comply. The Personal Accounts Delivery Authority, and subsequently a trustee corporation, will set up and deliver the personal accounts scheme and communicate with people who may be using the scheme.

Helping employers to comply

27. We expect that most employers will meet their new obligations, and there will be a focus on providing information and support to help them comply. But where they do not, it will be important to be able to take action so that workers do not miss out on pension saving, and a non-compliant minority of employers do not gain an advantage over the rest. The December 2006 White Paper therefore set out the case for an **employer compliance** regime based on **educating, enabling and enforcing** to ensure employers meet their obligations¹⁵.
28. The Government considered carefully who should take on the role of ensuring employer compliance and, following an analysis of options, concluded that the Pensions Regulator should deliver this work.
29. The Pensions Regulator was set up in 2005 as the UK regulator of work-based pension schemes, a role it will continue to have after these

¹⁴ DWP, *Pensions Bill – Impact Assessment*, 24 April 2008

¹⁵ DWP, *Personal accounts: a new way to save*, December 2006, pp.125-6

reforms are implemented. As an effective regulator in the pensions environment with close links to the Department for Work and Pensions, it is well-placed to take on the role.

30. Working closely with the Department, the Regulator is developing an **effective and proportionate** approach to tackling non-compliance. This means:

- Giving employers, and their advisers, information and support about how to comply;
- Contacting non-compliant employers where possible, to help them put things right;
- Taking enforcement action, for example charging employers proportionate financial penalties, where they still do not comply.

31. The Government has decided that the Pensions Regulator will be able to contract out some of its compliance activities to other organisations, in order to deliver the most effective compliance approach and achieve value for money. The Regulator will still be accountable for all activities and decisions even where they are carried out by suppliers.

The personal accounts scheme

32. In the 2006 White Paper ***Personal accounts: a new way to save***, we set out our view that an occupational pension scheme should be delivered outside government. The scheme will be set up by a time-limited non-departmental public body, the Personal Accounts Delivery Authority, which will then hand over running of the scheme to trustees.

33. The Authority has continued its work to set up the personal accounts scheme. This includes identifying the systems and processes that will be needed to deliver the scheme, and launching a procurement process to identify the right supplier to deliver them. Discussions with prospective suppliers will continue into 2010.

34. Prior to implementation the Authority will hand over running of the scheme to a trustee corporation, which will act in the best interests of its members. The trustee corporation will also be a non-departmental public body, accountable to Parliament for its activities.

The Pensions Act 2008

35. The Pensions Act 2008 became law in November 2008. It sets out in legislation the key elements of the reforms, including:
- Who needs to be automatically enrolled, and who is eligible for an employer contribution into their pension;
 - Broadly, what pension schemes will need to look like to be used by employers to meet their obligations;
 - What the Pensions Regulator can do if employers do not meet their obligations, for example issue warning notices and penalties;
 - The role of the Personal Accounts Delivery Authority in setting up the personal accounts scheme.
36. The main elements of the reforms are summarised on the next page.

Key elements of the reforms*

Automatic enrolment

- Workers in Great Britain who are aged **at least 22 and under State Pension age** and **earn over £5,035 a year**[†] will need to be automatically enrolled into a pension scheme by their employer
- Workers who are automatically enrolled will:
 - get a pension contribution from their employer equivalent to at least 3 per cent of their earnings;
 - pay a contribution equivalent to 4 per cent of their earnings;
 - get UK tax relief, generally of about 1 per cent of their earnings, on contributions they make
- Contributions and tax relief will be paid only on earnings between £5,035 and £33,540[†] a year
- Workers who are automatically enrolled can stop pension saving at any time. If they do so in the first month they will get a refund of any contributions they have already made
- Workers who stop saving and still meet the criteria for automatic enrolment will be re-enrolled into the pension scheme periodically
- Workers who leave their job and start a new one, and still meet the criteria, will be automatically enrolled by their new employer

Choosing to join a pension scheme

- Workers in Great Britain who are aged **at least 16 and under 22, or at least State Pension age but under 75**, and **earn over £5,035 a year**[†] will be able to join their employer's pension scheme if they wish. Their employer will have to pay a contribution into their pension
- **Workers earning less** than this can join their employer's pension if they wish. Their employer does not have to pay a contribution

* Minimum contributions and tax relief apply to defined contribution pension schemes. Contributions will be introduced gradually over time. Employers may also use defined benefit schemes (based on the worker's final salary) for automatic enrolment.

[†] These figures will increase in line with earnings before the reforms are implemented

- People who are **self-employed** will not be automatically enrolled but they can make their own pension arrangements. They can join the personal accounts scheme if they want to

Ensuring employers comply

- Employers will have to automatically enrol workers who meet the criteria, enrol other workers who want to join the pension, and make a contribution where required
- It will be against the law for employers to try to force people to stop saving in the pension, or offer them benefits to do so
- If employers do not comply, the Pensions Regulator will be able to issue warning notices and penalties. In the most serious cases, they may choose to prosecute

Pension schemes and automatic enrolment

- Pension schemes will need to meet specific criteria in order to be used for automatic enrolment and workers' pension saving
- These criteria will be explained in regulations and guidance, and we are aiming to make them as simple as possible
- It will be possible to automatically enrol workers into workplace personal pension schemes once the reforms are implemented

The personal accounts scheme

- The personal accounts scheme will offer a simple and low-cost way of saving for retirement
- Employers can choose which pension scheme they want to use for their workers – personal accounts is just one option
- The personal accounts scheme will have to accept all employers who want to use it for their workers

Completing the legal framework

37. Working with employers, the pensions industry and consumer groups, we have made good progress on the reforms. But there is still much more to do. The changes in the 2008 Act need to be underpinned by regulations, which will set out how the reforms will work in practice. In preparing these regulations we will continue to be guided by the key principles of **protection for individuals, fairness to employers, and support for existing pension provision.**
38. In **March 2009** we consulted on regulations covering the automatic enrolment process. Respondents broadly supported the idea of automatic enrolment, though some told us that they thought workers should be able to opt out of pension saving before they were automatically enrolled. But this simply amounts to giving people an opportunity to join a pension scheme – an opportunity that evidence tells us too few people take up. The benefits of reform will only be seen if eligible workers are automatically enrolled into pension saving before being given the opportunity to opt out.
39. We are committed to making automatic enrolment as simple as possible. The message from respondents was clear that we should not impose tight timescales or overly prescriptive processes for achieving automatic enrolment. So we are proposing more flexible arrangements that we think will achieve automatic enrolment into pension saving for workers in a way that minimises administrative burdens for employers.
40. In **April 2009** we consulted on the rules for the personal accounts scheme. We want to ensure that the scheme meets a gap in the market – rather than replacing or replicating existing pension schemes – and that it meets the needs of people on low to moderate incomes. So there will be a limit to the amount of contributions that workers and employers can pay into the personal accounts scheme each year, and it will not be possible to transfer funds in or out of the scheme except in limited circumstances.
41. In **September 2009**, we consulted on remaining regulations to implement and enforce the reforms. These include:
 - How the reforms will be implemented;
 - Details of some of the powers that the Pensions Regulator can use to enforce compliance (for example, the level of penalties that they may charge for non-compliance);

- Details of how employers, or others acting on their behalf, will be able to check whether a pension scheme is suitable for automatic enrolment or ongoing pension saving;
 - How, and how often, workers who have been automatically enrolled but have subsequently stopped pension saving will need to be automatically re-enrolled by their employer.
42. The reforms will not succeed unless they provide for simple, workable arrangements that draw on existing practices wherever possible. We are grateful for the continued involvement of employer, pensions industry and consumer organisations in developing these proposals.

Making it happen

43. **We plan to start implementing these reforms in 2012.** In considering how they will be implemented, the Government is aiming to strike a balance between fairness to employers and ensuring people can access automatic enrolment and pension saving as quickly as possible. Introducing the reforms all at once would not give employers time to adjust to the costs of contributions.
44. Given the large scale of the reforms, we also need to ensure that the implementation plan is feasible for pension schemes, and especially the personal accounts scheme. Personal accounts will not be able to turn away any employer who wishes to use it. So if a large number of employers choose to set up with the personal accounts scheme at the same time, it could be difficult for the scheme to process enrolments promptly.
45. We are therefore proposing to **split employers into groups based on their size, and assign each group a date from which they will need to start automatic enrolment.** Generally, the dates will be assigned to employers according to their size, starting with the largest through to the smallest. This reflects that larger employers are more likely to be paying pension contributions already and to have the infrastructure, resources and economies of scale to manage the reforms more quickly. The Pensions Regulator will contact employers in advance to let them know when they will need to start automatic enrolment.

What the changes mean if you are an employer*

Getting started

- We currently plan to start rolling out automatic enrolment in 2012
- The Pensions Regulator will contact you before you need to start automatic enrolment, and will be able to help if you have any questions

Choosing a pension scheme

- You will need to choose a pension scheme, or you can continue using a scheme you already have if it meets the standard for automatic enrolment. The Pensions Regulator will produce guidance to help you check
- The personal accounts scheme will accept you if you wish to use it, but you are free to choose any scheme that meets the standard
- If you are setting up a new pension scheme, ensure you contact the scheme well in advance, so you can make automatic enrolment arrangements on time

Automatic enrolment

If you have workers in Great Britain who are aged at least 22 and under State Pension age, earn over £5,035 a year[†], and are not already in your workplace pension, you will need to:

- Enrol them into your pension scheme, and deduct and pay their contributions to the scheme
- Contribute to their pension fund an amount equivalent to at least 3 per cent of their earnings, once the changes are fully implemented
- Tell the pension scheme, and stop deductions and contributions, where workers notify you they don't want to stay in the scheme
- Refund contributions to workers who stop saving in the first month after they have been automatically enrolled

* Minimum contributions and tax relief apply to defined contribution pension schemes, and are only paid on earnings between £5,035 and £33,540 a year (these figures will increase in line with earnings before the reforms are implemented). Employers may also use defined benefit schemes (based on the worker's final salary) for automatic enrolment.

[†] This figure will increase in line with earnings before the reforms are implemented

- Tell the Pensions Regulator how you are complying, and let them know if you need any help or information

Other workers

- Where workers are not covered by automatic enrolment, you will need to let them join the scheme if they want to
- If they want to join, are 16 to 21 or at least State Pension age but under 75, and earn over £5,035 a year[†], you will need to contribute an amount equivalent to at least 3 per cent of their earnings
- Workers already in your workplace pension must be able to stay in pension saving that meets the right standard

On an ongoing basis

You will need to:

- Automatically enrol new workers who meet the criteria, or existing workers who turn 22 or start earning over £5,035 a year
- Stop deductions and payments if a worker wants to stop saving in the pension
- At regular intervals, automatically re-enrol workers who still qualify for automatic enrolment but stopped saving in the pension scheme more than a year ago

*What the changes mean if you are a worker**

Working in Great Britain, aged at least 22 and under State Pension age, and earning over £5,035 a year[†] in a single job

- You will be automatically enrolled by your employer into a pension scheme. This is currently planned for sometime in or after 2012
- Your employer must contribute to your pension fund an amount equivalent to at least 3 per cent of your earnings between £5,035

* Minimum contributions and tax relief apply to defined contribution pension schemes, and are only paid on earnings between £5,035 and £33,540 a year (these figures will increase in line with earnings before the reforms are implemented). Employers may also use defined benefit schemes (based on the worker's final salary) for automatic enrolment.

[†] This figure will increase in line with earnings before the reforms are implemented

and £33,540, and you will pay 4 per cent on these earnings. Contributions will reach this level over the course of a few years

- Your employer will convert these to weekly or monthly figures, depending on how often you are paid, to work out your pension contributions
- The pension scheme will be chosen by your employer. It may be personal accounts or another suitable pension scheme. You will get information about the scheme when you are enrolled
- You can stop contributing to the scheme at any time. If you want to stop straight away or within a month, you will get all your money back. After that, if the money is not refunded it will be managed in line with the rules of the pension scheme
- If you stop saving in the pension, you will be automatically re-enrolled periodically as long as you stay with that employer
- If you change employer, you will be automatically enrolled into your new employer's pension scheme
- It is against the law for your employer not to automatically enrol you or pay contributions if you are eligible, or to try to force or encourage you to stop saving in the pension scheme. If your employer is not meeting the requirements, you will be able to contact the Pensions Regulator

Other workers

- If you want to join your employer's pension scheme, let your employer know. Your employer will arrange for you to become a member, and deduct your contributions from your pay
- If you are earning over £5,035 a year[†] in a single job, your employer will also contribute an amount of at least 3 per cent of your earnings to your pension fund

Working in more than one job

- For every job in which you meet the criteria, you will be automatically enrolled into that employer's pension scheme, get a contribution from them and pay a contribution from your earnings
- You can stop saving in any or all of the pension schemes into which you have been automatically enrolled if you want to

Temping, doing agency work, or paid weekly or monthly

- You will be automatically enrolled into your employer's pension scheme if you are at least 22 and under State Pension age, and you earn over £5,035[†] per year in a single job
- Your employer must contribute to your pension fund an amount equivalent to at least 3 per cent of your earnings, and you will pay in the equivalent of 4 per cent
- Your employer will convert these to weekly or monthly figures, depending on how often you are paid, to work out your pension contributions

Already saving in your employer's workplace pension

- Your employer will check to make sure the pension scheme meets the right standard
- Your employer must not stop you from being a member of their pension scheme

Already saving in a non-work pension arrangement

- Your non-work pension arrangements will not be affected
- If you are aged at least 22 and under State Pension age and earning over £5,035 per year[†] in a single job, you will be automatically enrolled into your employer's pension scheme
- When you are in your employer's scheme, your employer must pay into your pension fund an amount equivalent to at least 3 per cent of your earnings. You will pay in the equivalent of 4 per cent
- You can stop saving in your employer's pension scheme if you choose, but your employer does not have to pay into your non-work pension arrangement

Self-employed or not in work

- You will not be automatically enrolled into a pension scheme
- You can make your own pension arrangements if you wish
- If you are self-employed, you can join the personal accounts scheme if you want to

Where next

46. In September 2009 we published:
- The Government's response to the consultation on automatic enrolment regulations. This explains how we have taken on board the views of employers, individuals and the pensions industry in making automatic enrolment work;
 - A consultation document that seeks your views on the rest of the regulations that are needed to implement and enforce the reforms;
 - Consultation on guidance relating to personal pensions and automatic enrolment;
 - An impact assessment, which estimates the costs to employers of the regulations that form part of this consultation, and the benefits of the reforms overall. We will publish a full impact assessment for the package of reforms when the regulations enter Parliament.
47. The Government intends to finalise these regulations by Spring 2010, subject to the Parliamentary timetable. This will help employers, their advisers, and the pensions industry to prepare for the reforms. It will also clarify exactly what suppliers need to deliver to make the reforms happen. This will help minimise costs at a later stage.
48. Looking beyond implementation, we want to ensure that the reforms achieve the goal of increasing retirement savings. So we will undertake a comprehensive evaluation of the reforms and how they are delivered. The evaluation will be conducted by experts inside and outside the Department for Work and Pensions.
49. If you would like to find out more about the reforms, please visit www.dwp.gov.uk/policy/pensions-reform or contact the Department for Work and Pensions at adelphi.ersp-enquiries@dwp.gsi.gov.uk.

