

Changes to workplace pensions

Starting from 2012, everyone employed in Great Britain will be enrolled automatically into a pension, provided they:

- are aged at least 22 years old
- have not yet reached State Pension age
- earn more than £7,475 a year
- are not already in a suitable pension scheme

All earnings figures on this page are in 2011/12 terms and need the approval of Parliament.

Other people will be able to opt into a pension. These include:

- employees aged between 16 and 22 who are earning more than £7,475 will be able to opt in and will get employer contributions if they do
- employees aged between State Pension age and 75 who are earning more than £7,475 will be able to opt in and will get employer contributions if they do
- people earning below £7,475 a year may opt in – their employer will not be required to make a contribution, but may choose to do so.

The enrolment process will be simple and you may choose to opt out of the pension, if you wish. As long as you stay in, your employer will make a minimum contribution to the scheme. In most cases you will also need to contribute but your employer may pay your contribution for you. You will also get tax relief from the government.

Current plans are to introduce these changes gradually, starting from 2012 with large employers, followed by medium-sized and then small employers. To help employers and employees adjust gradually, the plan is to phase in the minimum contribution levels.

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