

# Changes to Workplace Pensions

The government has made changes to workplace pensions which will affect you  
This guide explains what will happen



# What is Workers Pension, part of Cushon Master Trust?

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Workers Pension, part of Cushon Master Trust, herein referred to as ‘Workers Pension’ is a workplace pension scheme, available to all employees. The Scheme Administrator has successfully delivered pensions since 1982.

## What is a workplace pension?

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A workplace pension is an easy way to save for later life and the earlier you start, the more you’re likely to have when you retire as your money has time to grow.

Saving through a workplace pension such as Workers Pension is easy and, if you are eligible, you don’t have to do anything because your employer will automatically enrol you. Every employer is required to auto-enrol eligible workers into a pension scheme if they are not already in one.

## What does auto-enrolment mean for you?

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Auto-enrolment means that, rather than having to actively choose to join a pension scheme, staff are automatically put into one by their employer, if they meet certain criteria. When you pay in, your employer pays in too.

Workers Pension operates a net pay arrangement for tax relief meaning that, if you are eligible for tax relief, your employer deducts your contributions from your pay before they deduct tax, giving immediate tax relief. (The tax you’d normally pay is invested in your pension instead.)

If your earnings are below the starting rate for income tax (£12,570 2024/25) you do not benefit from the tax relief. However, this doesn’t affect the amount that is paid into your pension and you will continue to benefit from the money that your employer pays in.

The table below shows the minimum contributions:

Date	Employer Minimum Contribution	Employee Contribution	Total Minimum Contribution
Current rate: 6 April 2019 onwards	3%	5%	8%
Previous rate: 6 April 2018 to 5 April 2019	2%	3%	5%

Pension contributions are normally deducted on qualifying earnings i.e. all earnings between £520 and £4,189 per month (2024/25).

## Is everyone being automatically enrolled?

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If you are not already in your employer's pension scheme, you will be automatically enrolled as long as:

- ✓ You are at least 22 years old
- ✓ You are under State pension age
- ✓ You earn more than £10,000 a year
- ✓ You usually work in the UK

If you earn less than the minimum amount or if you are younger or older than the minimum and maximum age, you can still join a scheme. You will need to let your employer know that you want to.

Your employer will let you know when contributions are due to begin.

## Do you have a choice?

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Yes you do.

Auto-enrolment is designed to make it easier for everyone to save for their retirement.

Once you have been automatically enrolled you can decide to:

- ✓ Stay in and build a pension pot to save for your retirement  
The best thing about auto-enrolment is that you will be able to save for your retirement and benefit from employer contributions
- ✓ 'Opt out' if you'd prefer not to save for now

You don't have to be part of your workplace pension if you don't want to be. If you opt out you will not be required to make contributions and neither will your employer. Think carefully before opting out as you will be giving up your employer contribution and tax relief, which may affect how much money you have when you retire.

## What are the benefits of your Workers Pension pension?

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- ✓ It's a simple way to save for your retirement
- ✓ You will receive tax relief on your contributions
- ✓ 25% of your fund can be paid as a tax free lump sum, on retirement
- ✓ Transfers permitted
- ✓ Secure online portal with 24/7 access to your account

## What about the things you've heard about pensions?

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You won't receive a State pension if you have your own pension

You will receive a State pension as normal. Your Workers Pension pension is in addition to your State pension.

Pensions aren't safe

Money invested in Workers Pension is held in trust, which means that it is safe if your employer goes out of business.

You will lose your savings if you change jobs or die before you retire

With Workers Pension you can take your pension with you to your next employer. You can choose who to leave your savings to should you die before you retire.

Our local team is here to help

**0345 475 0555**

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