<Insert Date>

<Insert Employee Name and Address>

**<Insert name of employer>'s pension scheme - A change in the law that affects you**

Dear <Insert Employee Name>

To help people save more for their retirement, all employers are now required by law to provide a workplace pension scheme for certain staff and pay money into it.

We therefore enrolled you or will enrol you on <insert date> into our pension scheme in this pay period because you met all of the following criteria:

* You earn over £192 per week (or £833 per month)
* You are aged 22 or over and
* You are under state pension age.

Both you and the company will pay contributions into it every pay period, and the government will also contribute through tax relief. You will pay in <insert percentage> % and we will also pay in <insert percentage> % of your qualifying earnings each pay period. This will be taken directly from your pay and will include tax relief from the government.

You can opt out of the pension scheme if you want to, but if you stay in you will have your own personal pension when you retire. Your pension will belong to you, even if you leave us in the future.

The enclosed information will tell you everything you need to know about automatic enrolment. You will also receive a Welcome Letter and a Statement each year from Workers Pension, part of Cushon Master Trust showing how much money has gone into your pension pot and how it's doing. Further details are available in the Scheme Booklet which can be found on [www.workerspensiontrust.co.uk](http://www.workerspensiontrust.co.uk).

Yours sincerely

<insert name of signatory>

**Your workplace pension questions answered**

**Why have I been automatically enrolled?**

* All employers now have to put their workers into a pension scheme if they earn over £10,000 per year, are aged 22 or over and are under state pension age. This is the law, because the government wants to get more people to have another income in addition to the state pension when they retire.

**What if I don’t want to join the scheme?**

* If you don’t want to join the scheme, you need to ‘opt out’. You can opt out in the one month period starting on either the date of this letter or the date you were put into the pension scheme, whichever is the latest.
* You can opt out by contacting Workers Pension, part of Cushon Master Trust on 0345 475 0555 to get an Opt-Out form. Once you have completed the form, return it to your employer.
* You will need to sign the form, or if you send it electronically it will need to include confirmation that you are submitting it personally.
* The pension provider will also be able to tell you when the one month opt-out period started, if you aren’t sure.
* If you opt out during this period any contributions to your pension you have already made will be refunded and you will not have become a member of the scheme on this occasion.
* If you want to stop making contributions after the end of this one month period you can. The contributions you have made already may be refunded but this will depend on how long you have been contributing.

**What if I opt out of the scheme but then change my mind?**

* You can ask to rejoin the scheme by sending us a letter which has to be signed by you. Or if you send it electronically, it has to contain the phrase, ‘I confirm I personally submitted this notice to join a workplace pension scheme.’
* If you earn more than £120 a week (£520 a month) we will pay contributions into the pension scheme as well.
* You can only re-join once in any 12 month period.

**If I opt out, what happens after that?**

* Anyone who opts out or stops making contributions will be automatically enrolled back into a pension scheme at a later date (usually every three years if they meet certain criteria). This is because your circumstances may have changed and it may be the right time for you to start saving. We will contact you when this happens and you can opt out again if it’s still not right for you.

**If I want to stay in the scheme do I have to pay in?**

* You will pay in 5% of your qualifying earnings each pay period. This will be taken directly from your pay and may include tax relief from the government. We will also pay in 3% of your qualifying earnings each pay period. Therefore, the total contribution to your pension pot will be 8% of your qualifying earnings. Qualifying earnings is a reference to earnings of between £6,240 and £50,270 (2023/24) made up of all pay components.

**Will this amount change?**

* As your contribution is a percentage of your pay, the amounts will automatically go up or down if your earnings do.

**What if I want to pay more into my pension pot?**

* If you are interested in increasing the amount you pay into your pension, download and complete the Contribution Change Form found on the Workers Pension, part of Cushon Master Trust website and pass to your employer.

**What is tax relief?**

* When paying into a pension scheme, you may receive tax relief on contributions. This means that money that would have gone to the government as tax goes into your pension instead. Workers Pension, part of Cushon Master Trust operates a net pay arrangement for tax relief. This means that pension contributions are deducted from pay before tax is calculated.
* If you are eligible for tax relief, your employer deducts your contributions from your pay before they deduct tax, giving immediate tax relief. If your earnings are below the starting rate for income tax (£12,570 2023/24) you do not benefit from the tax relief that a taxpayer would receive. 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.