

New rules put savers' interests first



Hundreds of thousands of people will benefit from the new rules outlined by the Department for Work and Pensions (DWP) yesterday (Tuesday 9 November 2021), which will introduce a threshold at which pensions providers will no longer be able to charge a flat fee to savers.

In a bid to protect hard-earned savings, the rules mean pension savings invested in the default funds of schemes used for Automatic Enrolment with a value of £100 or less will be exempt from paying flat fees from April next year.

Minister for Pensions, Guy Opperman said:

We all know what a success Automatic Enrolment has been in getting more people saving into private pensions – with over 10 million employees paying into a workplace pension since 2012.

But for some, particularly those who regularly take on short-term work and change jobs frequently, there is a greater chance that they will be automatically enrolled into new workplace pensions a number of times, building up a collection of deferred small pots.

Removing flat fees on pension savings worth less than £100 will provide a boost to hundreds of thousands of people and help them enjoy the retirement they deserve.

The introduction of the threshold – known as the 'de minimis' – will complement plans to introduce pensions dashboards, which will allow individuals to keep track of their small pension pots more easily, helping them to better plan for retirement.

Additional information

- The new rules implementing the de minimis will come into force from

April 2022.

- The [consultation response](#) is available on gov.uk.
- The consultation also included a call for evidence on standardisation of permitted charges. The department is considering the evidence gathered on this proposal and will publish their findings and next steps in due course.

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