

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.

Media enquiries for this press release – 0115 965 8781

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Published 10 November 2021

Last updated 10 November 2021 [+ show all updates](#)

1. 10 November 2021

First published.