

# New rules to protect value of small pension pots laid in Parliament



The rules, which come into force from April 2022, 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 flat fees, benefitting hundreds of thousands of savers across the country.

Minister for Pensions Guy Opperman said:

Automatic enrolment has truly revolutionised pension saving in the UK. More than 10 million people have been enrolled into a workplace pension, with an additional £28.4 billion per year being saved since 2012.

By removing flat fees on pension savings worth less than £100, we're protecting savers, particularly those who regularly take on short-term work or change jobs frequently, and helping them build for their financial futures.

2022 marks ten years since the introduction of Automatic Enrolment. Since its introduction, the percentage of eligible employees participating in workplace pensions as a whole has grown from 55% to 88% – an increase of 33%.

By November 2021, a record 10.6m eligible employees were enrolled in an Automatic Enrolment pension scheme.

Alongside the £100 threshold – known as the 'de minimis' – the government continues to engage with the pensions industry on wider consolidation initiatives to tackle the growth of small pots, including through the industry-led Small Pots Co-ordination Group.

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