

**In 2012 the government will make dramatic changes to UK pensions. Jane Pickard explores what the reforms will mean for business, while Sarah Campbell visits Watford to gauge employer opinion**

Publication date: 18 June 2009

Source:

**People Management magazine**

Page: 24

Not many people know this, but in about three years' time, virtually all companies, from the humble chip shop to the largest multinational, will be required to offer a pension scheme to their employees and contribute to it. And it is likely that millions more people will join these schemes than the six million or so currently saving in private-sector workplace pensions.

The changes are contained in the 2008 Pensions Act, which received royal assent last autumn. They mean that people will be automatically enrolled into their company's pension scheme or a new national scheme called Personal Accounts. Once enrolled, they will be able to opt out. If they stay in the scheme, they and their employer must make total contributions of 8 per cent, of which 3 per cent must come from the employer.