



TUPE AND PENSIONS

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If your employer is taken over, merges with another company or your role is outsourced and you remain in employment, TUPE protects the pension you have already built up in a workplace pension.

The 'Transfer of Undertakings (Protection of Employment) Regulations 1981' (TUPE) might protect other parts of your contract.

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TUPE and pensions

TUPE pension protection

TUPE requires your new employer to provide a new pension scheme when certain employees are transferred. Employees that are eligible for a pension from the new employer are those:

- already in an occupational pension scheme with their current employer
- not in an occupational pension scheme but could join one with their current employer
- not in an occupational pension scheme but could join one after they had worked for their current employer for a longer period

What pension scheme should be provided?

Your new employer does not have to offer the same terms and conditions for their new pension scheme.

What they must offer depends on your old employer's pension arrangements.

Defined contributions pensions

If your new employer provides a defined contribution scheme it will match your contribution up to 6% of your basic pay. You decide how much to contribute, not your employer.

Defined benefit pensions

If your new employer provides a defined benefit scheme, the scheme must:

- Provide benefits worth at least 6% of your pensionable pay a year, plus the value of your contributions
- Require your employer to match your contribution up to 6% of your pensionable pay a year

You should be enrolled into your new pension as soon as you transfer employment. If you are not yet eligible to join the pension scheme, access does not have to start until you would have been able to join your old scheme.

Auto Enrolment

Automatic enrolment does not affect TUPE, but your new employer must enrol all eligible transferring employees.

Your new employer should put you in a pension scheme that meets automatic enrolment standards.

This reflects our understanding of current legislation and practice. You should talk to a financial or legal adviser if you need specific guidance or advice