

3.6 Opt-Outs and Suspension

- Auto-enrolment will be a voluntary system but will operate on an 'opt-out' rather than an 'opt-in' basis.
- Two opt-out options plus a savings suspension facility will ensure flexibility and participant choice, without undermining the purpose of the system as a whole.
- Participants who have opted-out or suspended **will be automatically re-enrolled after two years**. From six months after re-enrolment, they may exercise the above opt-out and suspension options again.

Two opt-out options plus a savings suspension facility are envisaged to ensure flexibility and member choice as follows:

- Participants may, during a two-month period, opt-out six months after enrolment (i.e. within months 7-8). Where a participant does opt-out in this way, they will be refunded their own contributions since enrolment, but all employer and State contributions to that date will remain in the participant's pension pot.
- Participants may, during a two-month period, opt-out six months after a contribution rate change (i.e. within months 7-8). Where a participant does opt-out in this way, they will be refunded the additional contribution they personally have made since the rate change (i.e. the difference between the original rate and the new rate for the period covering the new rate until the date they opt-out), but all their contributions at the preceding rate of contribution will remain in their pension pot. In addition, all employer and State contributions at all rates will stay in

the participant's pension pot.

This option will only be available in the first 10 years of the AE system when the rate of contribution will increase on a phased basis from an initial 1.5% to an eventual 6%.

- Participants may suspend their participation at any other time outside of these defined periods. The participant will not, however, receive a refund of any contributions up to the date of suspension. Instead, their contributions will stay in their pension pot, as will all the employer and State contributions up to the date of suspension.

It is important to note that where a participant opts-out or suspends their contributions, **they will be automatically re-enrolled after two years**, after which they may opt-out or suspend again in accordance with these options above.

It is also important to note that when a participant opts-out or suspends, that their employer's contribution and the State top-up will also stop until they are re-enrolled.