

The new Gibraltar Private Sector Pensions Regime

What you need to know

It is important that you read this leaflet as it sets out key information about your rights under the Private Sector Pensions Act 2019, which came into force in August 2021

In August 2021, a new workplace pension regime commenced in Gibraltar. Starting with the largest employers, over the next six years every employer in the private sector will be required by law to provide employees with access to a pension scheme.

What does the Act do?

The Act makes it compulsory for all employers in Gibraltar, starting with those that employ the most people, to provide access for all eligible employees to a pension scheme in addition to the existing State Pension. Should you choose to join the pension scheme, the Act also makes it compulsory for both your employer and you to contribute a *minimum* amount each week or month (depending on how you are paid) to your pension fund.

Am I eligible?

On the date your employer becomes obliged under the Act to provide you with access to a pension scheme, you will be immediately eligible if you:

- are over the age of 15;
- have worked for your employer for one year or more; and
- have gross earnings from that employment of £10,000 or more per year.

If not eligible immediately, you will become eligible as and when you meet these three requirements.

By what date does my employer have to provide a pension scheme?

All employers in Gibraltar will be required to provide access to a pension scheme by 1st July 2027. However, the obligation starts earlier for larger employers. The table opposite sets out the dates on which employers, according to size based on number of employees, are required to comply.

Do I have to contribute?

Yes, a *minimum* of 2% of your gross earnings. However, some employers, although under no obligation to under the Act, may choose to pay this on their employee's behalf.

Why is a pension important?

You may be eligible for a State Pension – that will provide a certain level of income in retirement– but this may not provide you with enough money to live on. A pension scheme is a method of putting additional money aside for retirement, often with the assistance of an employer. Retirement can potentially last for 20 years plus, so it is important to save money, for example via a pension scheme, so that you are able to maintain the standard of living you expect in later life.

Dates applicable

Number of employees	Date *
251+	1 August 2021
101 - 250	1 July 2022
51 - 100	1 July 2025
15 - 50	1 July 2026
14 or less	1 July 2027

* Start date – for employer to comply with requirements

Your employer should...

- ✓ offer you access to a pension scheme
- ✓ allow you to opt-out
- ✓ contribute a minimum of 2%
- ✓ allow you to opt-in at a later date

Do I have to join my employer's pension scheme?

No. Whilst it is generally advisable to join a pension scheme, you may opt-out, for example if you are already saving for your retirement in another way. If you wish to opt-out, either your employer or the administrator of the pension scheme will provide you with the form needed to do this.

My employer already provides a pension scheme. Will this change?

Probably not. If your employer already has a pension scheme in place, so long as it *at least* meets the minimum requirements under the Act, then nothing should change.



Where can I find more information?

The Gibraltar Financial Services Commission has been appointed under the Act as the Pensions Commissioner. Our role is to ensure that both employers in Gibraltar and administrators of pension schemes comply with the requirements of the Act.

More information, including more FAQs, is available on the GFSC website: www.fsc.gi

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